

February 1, 2010

[Claudia Rosett](#) has an article on the UN. When corruption and schemes to enrich UN employees are rife, it is hard to understand why we give them money.

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[Toby Harnden](#) discusses Andrew Young's book about John Edwards.

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WSJ has reviewed the new book on John Edwards written by his flunky Andrew Young. A [Corner Post by Jonah Goldberg](#) picked up the only paragraph you need to see.

[Jeff Jacoby](#) of the [Boston Globe](#) has another article that will turn your stomach. While almost 1 in 5 Americans is unemployed or underemployed, 1 in 5 government workers are drawing six-figure salaries. We aren't sure of the actual unemployment numbers because no one in the government is making enough money to take on the task of reporting accurate statistics.

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In the [National Review](#), [Kevin Richardson](#) reviews some ways that unions, politicians, and the minimum wage hurt blacks.

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*...Democrats will defend everything from partial-birth abortion to distributing gay porn in the classroom, but some subjects are too hot for them to touch: The effect of their minimum-wage enthusiasm on black unemployment is one, and racial discrimination by their organized-labor constituents is another. You’d think that the Democrats would put jobs for blacks at the top of their list — after all, black voters pull the “D” lever about 90 percent of the time. But political calculations are perverse things: Black voters are a cheap date for Democrats, who know that they can sell out the interests of their most loyal constituency with impunity. One of Barack Obama’s first actions in office was to gut a hugely popular school-choice program in Washington, D.C., that benefited black students almost exclusively, and he did so at the behest of the one of the most destructive unions in the country, one that has done more to undermine the future of black Americans than any other and whose members have inflicted more damage on black Americans than Bull Connor and George Wallace ever dreamed of. But the teachers’ unions represent one in ten delegates to the Democratic National Convention, so they have job security — something many, if not most, of the young black men in their classes will never have.*

[George Will](#) comments on the Supreme Court decision reinstating first amendment rights to corporations. Corporations may use money to express political opinions, but corporate contributions to campaigns is still prohibited.

*...How regulated did political speech become during the decades when the court was derelict in its duty to actively defend the Constitution? The [Federal Election Commission](#), which administers the law that rations the quantity and regulates the content and timing of political speech, identifies 33 types of political speech and 71 kinds of "speakers." The underlying statute and FEC regulations [cover more than 800 pages](#), and FEC explanations of its decisions have filled more than 1,200 pages. The [First Amendment](#) requires 10 words for a sufficient stipulation: "Congress shall make no law . . . abridging the freedom of speech."*

*Extending the logic of a 1976 decision, the court has now held that the dissemination of political speech requires money, so restricting money restricts speech. Bringing law into conformity with this 1976 precedent, the court has struck down only federal and state laws that forbid independent expenditures (those not made directly to, or coordinated with, candidates' campaigns) by corporations and labor unions. Under the censorship regime the court has overturned, corporations were even forbidden to send political communications to all of their employees.*

*The New York Times calls the court's decision, which enables political advocacy by (other) corporations, a ["blow to democracy"](#). The Times, a corporate entity, can engage in political advocacy because Congress has granted "media corporations" an exemption from limits.*

*The Washington Post, also exempt, says the court's decision, which overturned a previous ruling upholding restrictions on spending for political speech, [shows insufficient "respect for precedent"](#). Does The Post think the court incorrectly overturned precedents that upheld racial segregation and warrantless wiretaps? Are the only sacrosanct precedents those that abridge (others') right to speak? ...*

In the [NY Times](#), [Judy Battista](#) writes about Kurt Warner's retirement.

*...The humble beginning to Warner's career — he did not start his first N.F.L. game until he was 28 — gave way to one in which, with surgical precision, he resurrected two also-ran franchises, carrying both to the Super Bowl while also becoming known as one of the league's most charitable players. Warner, his wife, Brenda, and their seven children routinely select a family at a restaurant and anonymously pay their dinner tab, as a way to teach the children charity.*

*In 1998, the [St. Louis Rams](#) gave Warner the break he needed. Having signed him the previous December, they allocated him to N.F.L. Europe, where he led the league in several statistical categories. By 1999, the Rams had made him the backup to Trent Green. When Green tore a knee ligament during the preseason, the unknown quarterback was thrust into the starting job, and the Greatest Show on Turf was born. He was the league and Super Bowl most valuable player that season. He was the league's M.V.P. again two years later, when the Rams lost the Super Bowl in the final seconds to a burgeoning dynasty from New England.*

*"We all learned great lessons from Kurt's humility, dignity and grace," the Rams' owner, Chip Rosenbloom, said in a statement. "We will forever be thankful for the success he brought us and the unparalleled generosity he has shown the St. Louis community and beyond." ...*

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**Forbes**

## **Keep An Eye On The U. N.**

by Claudia Rosett

If you don't like your tax bill now, watch out for the plans of the United Nations. The U.N. has been cooking up proposals to tax you every time you fly, drink, bank, use the Internet or earn a buck.

For an institution that has yet to master the art of policing its own accounts, that's awfully ambitious. But an urge to dig ever deeper into your wallet, dear tax-payer, has become a staple on the drawing boards of U.N. plan-o-crats.

The U.N. already collects billions in both dues and voluntary contributions from the governments of the developed world--first and foremost from the U.S., which typically foots the bill for roughly one-quarter of most major U.N. activities. The actual U.N. budget is a slippery number. The book-keeping is opaque, often tardy or incomplete and spread across many parts of the U.N. archipelago, with no single U.N. office fully accountable for the entire system. In 2006 then-Secretary General Kofi Annan said the U.N. system-wide budget was about \$20 billion; by now, with ever-expanding U.N. operations, funding appeals and hazily defined "partnerships," it is certainly larger. But for U.N. spenders this torrent of other people's money is not enough.

Since its founding in 1945, as essentially a diplomatic talking shop headquartered in the U.S., the U.N. has ballooned into a sort of post-colonial global empire, involving scores of thousands of staff, peacekeepers, agencies and proliferating agendas worldwide. With that has come a voracious hunger for money, in which U.N. planners keep casting an acquisitive eye at global commerce, looking for ways to tap in and open the spigots straight into the U.N.'s coffers.

Some years back, the U.N. welcomed the new millennium with a proposal that wealthy nations start turning over 0.7% of their gross national product for aid to the developing world. At the same time the U.N. ramped up its "climate change" campaign for de facto taxes and controls on carbon emissions (based on the U.N.'s politicized "science"), with visions of the command-and-control transfer of billions--or ultimately trillions--around the globe. In such schemes, the U.N. envisions itself manning the main switch.

The U.N. has also been debating a raft of ideas for more targeted global taxes. Just this month comes a dispatch by George Russell, executive editor of Fox News, that the World Health Organization has been honing a "suite of proposals" for asking member states to levy tolls that would be paid directly to the U.N. The WHO notions range from taxes on Internet use, to financial transactions to alcohol, tobacco and weapons.

These campaigns have yet to pan out into the full bonanzas the U.N. hopes for. But for the U.N., there is little cost to trying again and again, gaining traction here and there. All it usually takes is the ability of ambitious U.N. bureaucrats to put together a conference. The planning group for the conference becomes a secretariat. That secretariat becomes the seed of the next U.N. mandate, department or initiative, with the next suite of tax proposals on the table.

So who is keeping an eye on these increasingly acquisitive ambitions of the U.N.? And who is minding the books for its ever-expanding budgets?

The sorry answer is that while U.N. ambitions and spending have soared, U.N. reform efforts have largely fizzled. Oversight has been receding to dismal levels. In a Jan. 12 story headlined "U.N. cuts back on investigating fraud," John Heilprin of the Associated Press outlined just how bad the situation now is. In the wake of Oil-for-Food plus a slew of other scandals, a special task force was set up at the UN in 2006 to probe corruption. That task force uncovered, Heilprin reports, at least 20 major schemes "affecting more than \$1 billion in U.N. contracts and international aid." The U.N. response was to dissolve the task force at the beginning of 2009. Since then, reports Heilprin, "Not a single significant fraud or corruption case has been completed, compared with an average of 150 cases a year investigated by the task force." Several

reports from late 2008 "still await a final decision from Secretary-General Ban Ki-moon more than a year later."

The U.N. has an office of internal oversight, set up at U.S. behest as part of a push for U.N. reform in the mid-1990s. But this office has itself been bedeviled by favoritism, erratic coverage of U.N. activities, understaffing, under-funding and cover-ups. The U.N. also has a so-called external Board of Auditors, which devotes itself chiefly to inside baseball--cranking out lengthy but largely toothless reports. This board is run by rotating trios of U.N. member states; the current trio consists of France, South Africa and China.

Among the U.N.'s 192 member states, the only member with any record of serious effort to clean up the U.N. is the U.S. (with the U.K. running a distant second). Right now, despite President Barack Obama's professed interest in the U.N., the U.S. is largely missing in action on U.N. oversight. In recent years, for instance, the U.S. Mission to the U.N. began doing its bit for U.N. transparency by posting U.N. internal audits on the U.S. Mission Web site. That ended, quietly, with the beginning of the Obama administration and the arrival of Ambassador Susan Rice. Since late 2008, no more U.N. audits have been posted (I hope that mentioning this does not result in the U.S. Mission scrubbing even the old audits still there).

The U.S. Congress has also largely lost interest in how the U.N. handles the money of U.S. taxpayers. A few legislators still try to keep watch, such as Sen. Tom Coburn and Rep. Ileana Ros-Lehtinen. But the congressional staffers who developed expertise in delving into the U.N. money maze are mostly gone from government. Sen. Norm Coleman, who did sterling work digging into billions in corruption under Oil-for-Food, is now gone from the Senate. That seat is now filled by Sen. Al Franken, who has displayed more interest in riding herd on Sen. Joe Lieberman than on the U.N.

There are few subjects more tedious than audits and oversight of the alphabet soup empire of the U.N. But the current mix of an ever-greedier U.N. with less and less oversight has the makings of scandals ahead that will dwarf Oil-for-Food. With President Barack Obama lauding the U.N. as a forum for global peace and progress, what's Washington going to do about this mess?

*Claudia Rosett is a journalist in residence with the [Foundation for Defense of Democracies](#)*

## Telegraph Blogs, UK

### [John Edwards: the ultimate American politician](#)

***The John Edwards scandal is not just about sex. It's about why Americans have lost trust in the political class.***

by Toby Harnden



Even judged alongside the caddishness and sexual misdeeds of politicians through the ages, John Edwards will take some beating. Just when it seems that the pretty boy former Senator and 2004 vice-presidential candidate can sink no lower, a fresh revelation emerges.

We now know that Edwards cheated on his cancer-stricken wife by having an affair with Rielle Hunter, a New Age loon he met in a New York bar and then employed as a campaign videographer. He branded this "false", "untrue", "ridiculous" and "tabloid trash" until he was confronted with proof.

He then denied that he sired Hunter's two-year-old daughter Quinn, instead insisting that the father was Andrew Young, a long-time personal aide who he had paid to keep up the fiction.

That lie crumbled when Young decided to write a tell-all book, due out this week, and Edwards issued a statement that it was "wrong for me ever to deny she was my daughter and hopefully one day, when she understands, she will forgive me".

As ever with Edwards, it was all about him.

In the book, Young also reveals that Edwards, whose 2008 presidential campaign was an indignant crusade against poverty, would complain about going to events where "fat rednecks try to shove food down my face".

At one point he asked: "I know I'm the people's Senator, but do I have to hang out with them?"

Edwards, an Atkins Dieter, was already famous for his \$400 haircuts. Young recounts that his boss would demand "HairTec Thick & Strong Shampoo for Fine, Fragile Hair".

When Young demanded money to cover the costs of keeping Hunter in hiding, Edwards responded that he could come up with more cash once his wife died.

His reaction to Hunter's pregnancy? She was a "crazy slut".

Oh, and there was a sex tape of Edwards and Hunter that Young managed to locate in the mistress's hat box - and is now the subject of a restraining order granted to Hunter, whose affidavit states demurely that the video is of a "very private and personal nature".

The only thing that Edwards seems to be denying about Young's book is a claim that just before a union forum he made his aide cut out a "made in the USA" label from his suit so it could be sewn in place of the candidate's "made in Italy" label.

So why should Americans care about any of this? None of the central characters emerge with any credit.

It's a titillating tale, of course. And it's tragic for Edwards's wife Elizabeth (who colluded in his deceit but has now, finally, left him) and their children.

The story matters because Edwards, a fabulously wealthy lawyer who made his fortune bringing lawsuits against major corporations, could easily have become president. He was John Kerry's running mate in 2004 and in 2008 came very close to winning Iowa, beating Hillary Clinton into third place.

Many on Edwards's campaign knew about his affair. Many in the press also strongly suspected but the story was never pursued, not least because Elizabeth Edwards was a media darling.

Among the senior Democrats who worked for Edwards in 2004 was David Axelrod, now part of President Barack Obama's inner circle. And in 2008 Obama spent months wooing Edwards to get his endorsement against Clinton in the primaries.

The title of Young's book is *The Politician*. That's appropriate because it's become a term of abuse and derision. During a Capitol Hill hearing on Wednesday when Tim Geithner, the Treasury Secretary, was being given a good kicking by all, an Ohio congressman thundered: "I want to assure you... that you are absolutely a politician."

Obama, of course, ran against "politics as usual" and promised to be transparent and bipartisan - something different. But so far he's turned out to be just like the rest of them in Washington.

Against this backdrop, the Edwards scandal merely feeds the sense of cynicism about the American political class that has been gathering pace for years.

Edwards talked about his love for his wife while he was entertaining his mistress in the marital bed. He championed the poor while expressing contempt for them. Obama made promises about televising health care negotiations and then did everything behind closed doors.

Well, Americans ask, what do you expect? They're politicians.

## The Corner

### [A Quote that Could Launch a Thousand Columns](#) [Jonah Goldberg]

From the end of [Aram Bakshian's](#) review of *The Politician* (italics in the original):

We are reminded by Mr. Young that one of Mr. Edwards's early boosters was the late Ted Kennedy, who "saw almost unlimited potential in this young, energetic, well-spoken, good-looking Southerner." In a conversation with Mr. Young, Mr. Kennedy waxed sentimental about Washington in the early 1960s: "It used to be *civilized*. The media was on our side. We'd get our work done by one o'clock and by two we were at the [White House](#) chasing women. We got the job done, and the reporters focused on the issues. . . . It was *civilized*." We now know that Mr. Edwards's idea of civilization was much the same as Kennedy's.

## Boston Globe

### [Income angst? Not for public employees](#)

by Jeff Jacoby

LAST MONTH, the US economy [shed another 85,000 jobs](#). It marked a miserable end to a calamitous year in which an estimated 4.2 million American jobs were liquidated, and unemployment rose to 10 percent. In addition, more than 920,000 "discouraged workers" left the labor force entirely, having given up on finding work and therefore not included in official unemployment data.

Meanwhile, millions of Americans who do have jobs have been compelled to work part-time or at reduced wages; many others have not seen a raise in years. But not everyone is having a rotten recession.

Since December 2007, when the current downturn [began](#), the ranks of federal employees earning \$100,000 and up has skyrocketed. According to [a recent analysis by USA Today](#), federal workers making six-figure salaries - *not* including overtime and bonuses - "jumped from 14 percent to 19 percent of civil servants during the recession's first 18 months." The surge has been especially pronounced among the highest-paid employees. At the Defense Department, for example, the number of civilian workers making \$150,000 or more quintupled from 1,868 to 10,100. At the recession's start, the Transportation Department was paying only one person a salary of \$170,000. Eighteen months later, 1,690 employees were drawing paychecks that size.

All the while, the federal government has been adding jobs at a 10,000-a-month clip. Between December 2007 and June 2009, federal payrolls exploded by nearly 10 percent. "Federal workers are enjoying an extraordinary boom time in pay and hiring," USA Today observes, "during a recession that has cost 7.3 million jobs in the private sector." And to add public-sector insult to private-sector injury, data from the Office of Personnel Management show the average federal salary is now roughly \$71,000 - about 76 percent higher than the average private salary.

Needless to say, it isn't only at the federal level that government pay and perks increasingly outstrip those in the private sector.

In Ohio, [a joint reporting effort by the state's eight largest newspapers](#) found that even in a time of severe budget cuts, "one expense government leaders have not cut is pensions for their workers." The annual public pension tab in Ohio, currently \$4.1 billion, is growing by around \$700 million per year. "Retirement incomes for the most experienced government employees top out at 88 percent of their active-duty pay," writes James Nash of the Columbus Dispatch. "Unlike most private-sector workers, whose retirement is driven by the strength of the stock market and 401(k) plans, government employees' pensions are guaranteed."

Moreover, government retirees in Ohio enjoy taxpayer-provided health care, and in many cases can retire at 48. Especially egregious are "double-dippers" - public employees who "retire" and get a full pension while returning to work and collecting a paycheck. In 2009, double-dippers were paid nearly a billion dollars by Buckeye State public-pension systems.

Ohio is hardly unique. A [public-pension tsunami](#) is beginning to inundate government budgets at every level. As more and more of taxpayers' earnings are confiscated to fund outsize public-sector benefits, the backlash from the private sector will only grow angrier and more intense.

"We are about to get run over by a locomotive," warned California Governor Arnold Schwarzenegger in his [State of the State address](#) this month. Over the past decade, he said, pension costs for state employees swelled 2,000 percent - but revenues only increased 24 percent. The state has had to come up with funds to close that gap - funds diverted from "our universities, our parks, and other government functions."

Public-employee unions fiercely defend their pay and pensions, but even union-friendly Democrats are [starting to acknowledge the inevitable](#). "The deal used to be that civil servants were paid less than private sector workers in exchange for an understanding that they had job security for life," former San Francisco mayor and California Assembly speaker Willie Brown recently wrote in the San Francisco Chronicle. "But we politicians, pushed by our friends in labor, gradually expanded pay and benefits . . . while keeping the job protections and layering on incredibly generous retirement packages . . . Talking about this is politically unpopular . . . But at some point, someone is going to have to get honest about the fact."

A showdown is coming, and more likely sooner than later. Taxpayers will put up with a lot, but their patience has its limits.

## National Review

### [Keeping Blacks Poor](#)

*How the Democratic party stands between its most loyal constituents and the jobs they need*

by Kevin D. Williamson

'May I have your undivided attention please!' Small guy, big mouth: He's maybe 15, black, skinny kid, but his voice fills up the noisy New York City subway car and then some. "I am selling candy! I got Snickers! I got Peanut M&Ms! I am trying to make some money! This isn't for school, this isn't for a basketball team, this is for me! So I can get more candy and make more money!" The straphangers appreciate his no-malarkey sales pitch and his entrepreneurial spirit. He does a bit of business, and a few people just give him a buck

and skip the candy. His name is Will, and he is not turning down a dollar. But it's a tough hustle: Accounting for the cost of his product and his subway pass, it takes him about three hours to earn \$20 free and clear, an implied wage of \$6.67 an hour — well under minimum wage. On the other hand, it's tax-free, and he sets his own hours. Will wants to go to college — and then what? "Be an independent businessman." He's already that, and, if persistence really does pay, he's going to do fine for himself.

There's a whole weird little economy on the subway, from candy hustlers like Will to the Chinese ladies who sell pirated DVDs of movies that have just opened in the cinemas. There are acrobats and mariachi bands, good old-fashioned panhandlers, poets, preachers, and percussionists. It's all part of the famous entrepreneurial bustle of New York. But stay on that No. 4 train a few more stops, north of Harlem and into the Bronx, and that entrepreneurial energy evaporates. Not far from the Kingsbridge Road stop is the Eighth Regiment Armory, a fantastically out-of-place 575,000-square-foot brick castle. It's been a lot of different things over the years — barracks, homeless shelter, boat-show venue, a pre-creepified set for Will Smith's *Am Legend* — but it currently is vacant, as are a lot of buildings in the Bronx. Passing by, late on a weekday morning, is a local who calls himself "C," a black man as sturdily built as the armory itself. C very much wants a cigarette. This is a problem, because he is not currently in funds, in no small part because he does not have a job. In fact, at 35 years old, C has never held a job. His friends, acquaintances, known associates (C is a little foggy on whether he's on probation or parole, but he's got some known associates): no jobs, never really had them. His father? Do not ask C about his father. In fact, the only people C can think of who have jobs are women: His mother worked, the mother of his children works. He did know a woman who was dating a taxi driver once. C says he would like to work but is more of an independent businessman. He describes the informal work he has done as "this and that," and says he would like to "have his own place," a bar or a nightclub. But don't expect to see him selling candy on the No. 4 train anytime soon.

Asked about the recently defeated plan to convert the gigantic fortress that looms over his neighborhood into a shopping mall, C says he hasn't heard about it. If the plan had gone through, Manhattan-based developer Related Companies would have received about \$50 million in tax subsidies for a project that would have created as many as a thousand retail jobs and, during its construction, employed a thousand or more highly paid union hardhats. But the city council killed the project. The Bronx delegation demanded that Related enforce upon its leaseholders a requirement that all of the jobs in the mall pay at least \$10 an hour, plus benefits, much more than the prevailing wage in the Forever21-and-food-court racket, to say nothing of the \$7.25 minimum wage. So a \$300 million project, and a couple of thousand new jobs in a neighborhood that needs them, never happened. Bronx borough president Ruben Diaz Jr. infamously declared: "The notion that any job is better than no job no longer applies." The *New York Post* pithily pointed out that when it comes to real jobs, Diaz has never had one — not in the private sector, anyway — and neither has any other member of the Bronx's city-council delegation: All are lifelong politicians, many of them having held elected offices or political appointments since their early 20s. Diaz himself has been an officeholder since he was 23 years old. It's good work, if you can get it.

But there's not much other work to be had in the Bronx, where unemployment is currently at about 13.1 percent. Much of the Bronx is young and black or young and Hispanic. Nationally, the unemployment rate among blacks rose to 16.2 percent in the year-end numbers, while the rate for whites fell to 9.0 percent. For black youths, the numbers are startling: 50 percent for 16–19-year-olds, 26 percent for 20–24-year-olds. A study from the Community Service Society of New York puts actual work-force participation among black men 16–65 years of age in New York City at about 50 percent, and the number for young black men nationwide is just 40 percent.

Never mind the jobless recovery: For a great many black Americans, it's been a jobless eternity, in good times and in bad. Why?

The first answer many economists will give to that question is: the minimum wage. Milton Friedman, a Nobel laureate who spent much of his career showing how government programs reliably end up hurting those they are intended to help, was scathing on the subject, calling the minimum wage "one of the most, if not the most, anti-black laws on the statute books." And he's not alone: A congressional survey of economic research on the subject, "50 Years of Research on the Minimum Wage," has a string of conclusion lines that

read like an indictment, the first three counts being: “The minimum wage reduces employment. The minimum wage reduces employment more among teenagers than adults. The minimum wage reduces employment most among black teenage males.” Other items on the bill: “The minimum wage hurts small businesses generally. The minimum wage causes employers to cut back on training. The minimum wage has long-term effects on skills and lifetime earnings. The minimum wage hurts the poor generally. The minimum wage helps upper-income families. The minimum wage helps unions.” Helping the affluent and high-wage union workers at the expense of the young, the poor, the unskilled, and small businesses: That amounts to a lot of different kinds of injustice, and it also amounts to a wealth transfer from blacks to whites.

This is a disparity with its roots in history, but the roots don’t go back to Reconstruction or the heyday of the Ku Klux Klan. They go back only to the 1960s. In 1954, young black men were in fact more likely to be employed than were their white counterparts, according to the economists Nabeel al-Salam, Aline Quester, and Finis Welch. The Fair Labor Standards Act, which established the minimum wage, had been passed in 1938, but wartime economic regimentation had postponed its full impact. “Marginal but employed blacks were the first ones to be laid off,” says Prof. Paul D. Moreno of Hillsdale College, a labor historian. Originally modest in its scope, the act was repeatedly revised, both raising the minimum wage and expanding the range of businesses required to pay it. The act originally was restricted to interstate enterprises, but by 1961 the meaning of “interstate commerce” had been so greatly stretched that ordering a box of paper clips from an out-of-state supplier was enough to get a business covered by the minimum wage. As the application of the act grew, so did the disparity in black and white employment rates. Blacks, who had been employed mostly in smaller enterprises, often family-owned, found themselves competing on a straight dollar-per-hour basis with white entry-level workers who were on the whole better educated, better connected — and white. The racial realities of the time meant that the sorts of jobs affected by minimum-wage laws were the ones that were most open to blacks.

And it’s not just that the minimum wage prices some low-productivity workers out of the labor market: It’s that it prevents entry into the labor market in the first place for the most marginal would-be workers. If Will the candy hustler’s real economic output is worth \$6.67 an hour, his implied wage on the subway, he’s unemployable with a \$7.25 minimum wage. He can sell candy on the subway, but he can’t sell candy for Big Candy Corp., make connections, learn what it’s like to go to an office every day and have a boss, get references, get promoted, and sign up for the tuition-reimbursement program. And that, not the paltry lost income of a minimum-wage job, is the price he pays. Very few American workers actually earn the minimum wage — about 1 percent, in fact — but the minimum-wage job is a gateway into the labor force for many young workers. The value of your first job isn’t the money you earn from it: It’s your second job, and your third. With the right experience and network, a candyman like Will can do well for himself. But without that first job, he has a much higher chance of becoming a statistical blip on the long-term unemployment charts than a middle manager at Hershey or a salesman at Cadbury.

That’s why economists call barriers like the minimum wage “cutting the bottom rung off the ladder.” What’s less often appreciated, though, is the network effect: A guy who’s never gotten on the ladder himself cannot give you a hand up. Job-hunting is almost always an exercise in social networking: A friend of your dad helps you get a summer job, an old colleague recommends you for a position with his new firm. C up in the Bronx does not have a network like that: His friends and family are not in a position to tip him off about a job because they do not have jobs themselves, and, in some cases, never have. He doesn’t have any former coworkers to recommend him for a new and better job. All he has is economically insulated politicians telling him that no job is better than a job that doesn’t meet their political requirements.

The damage done by the minimum wage is real, but it’s not the only impediment to black employment, and maybe not even the most serious one when it comes to the big cities. Black workers in Philadelphia, for example, have long complained about being excluded from the overwhelmingly white building-trades unions, the carpenters’ and electrical-workers’ guilds that are run by a largely Irish-American coterie headed by Pat Gillespie at the Building Trades Council and John J. Dougherty Jr. (“Johnny Doc”) at the IBEW Local 98. Their unions are 80 percent white and 99 percent male, and the numbers are similar in other cities. Irritatingly for the Philadelphia politicians who are beholden to them, 70 percent of the building-trades unions’ members live out in the suburbs rather than in the city. Wilson Goode Jr., a member of the

Philadelphia city council, has made black workers' exclusion from the unions a keynote issue. He's a deep-dipped liberal, an affirmative-action supporter and a conventional urban Democrat in almost every respect, but he has noticed the strange fact that progressive programs sold as tools to help the city's largely black working class mostly end up putting money in the pockets of well-off white people in the suburbs. Philadelphia is a city with real black political power, but in a contest between a black city councilman working to secure good jobs for his constituents and the white union chieftains who have been running Philadelphia as a personal fiefdom since time immemorial, Wilson Goode Jr. found out who the boss is, and it's not him.

When the unions were salivating over the prospect of an expansive new project at the Pennsylvania Convention Center, Councilman Goode asked them for information about the racial composition of their work forces, and for a commitment to meet certain diversity goals. They more or less laughed at him — and got the work, anyway. “The issue of lack of diversity within the building trades came up during the convention-center project. There was no plan for opportunity in terms of diversity,” Goode says. “We made a request from the building trades that they submit their demographics to city council, and actually set goals for expanding diversity within their unions. Interesting enough, the carpenters' union and electrical-workers' union, which did not comply, went on to work on the project, anyway. The goals that were set within those building-trade unions were not taken seriously.” In fact, Goode says, the only times when black workers have gotten a fair shake on big projects have been those few occasions when the work is not held hostage by the labor mafia — for instance, a couple of open-shop weatherization projects conducted under the authority of the Philadelphia Housing Development Corporation. Goode pressed to make the convention-center project open-shop, a proposal that was immediately crushed. “Going open-shop did not seem politically feasible,” Goode says, with understatement. “The other option is the creation of new unions that have more people of color, more women, and more Philadelphia residents. And that's probably even less politically feasible.”

The problem in the labor unions isn't really old-fashioned racism of the white-sheets and Jim Crow variety: Philadelphia is a city with plenty of poisonous racial politics, but it's not remarkable for them — worse than Atlanta, probably, but not as bad as Boston. What's really happening in the unions is a kind of expansive ethnic nepotism. Unions tend to find good positions and lots of work for people who are friends and family of current union members. Indeed, many in the building trades start on the path to union membership early in life. If those unions are dominated by Irish Americans, it's no surprise that a lot of the plums are going to the Kellys and Murphys, and not the Jacksons and Washingtons or the Garcias and Colóns. As *The Economist* puts it, “Blacks are also at a disadvantage when it comes to relying on friends and family connections to find jobs; there is not the same network of family businesses that whites and Latinos have. Some studies have found that this factor may explain as much as 70% of the difference in black and white unemployment rates, and may also explain the difference between black and Latino jobless rates. Among young men, for instance, the near-20% Hispanic unemployment rate is much closer to that for whites (17%) than blacks (30%).” The problem, of course, is self-perpetuating: The more blacks are out of work, and the longer they're out of work, the less of a network black job-seekers are going to have. And they can't count on the unions to help them out.

“The building trades were the most notorious for their discrimination,” says Professor Moreno of Hillsdale, “along with the railroad brotherhoods, which were in a class by themselves in terms of how exclusive they were. If you look at the data, especially in the building trades, and compare them to the steelworkers or the autoworkers, the worst discrimination is in the building trades. In unions that have a lot of black membership, black workers got into those industries before the unions did. Henry Ford was hiring blacks before the UAW organized them. Steelmakers, same thing. Even in the UAW and the steelworkers, they have the problem of discrimination within the unions when it comes to training for skilled work, promotions, and issues of seniority.” And it's been that way for generations: In fact, Moreno estimates that if the National Labor Relations Board had properly enforced anti-discrimination rules against the unions starting back in the 1930s — when they were first required to do so — then there would have been no demand for affirmative action later. Instead, the NLRB became a classic captured bureaucracy, seeing its role only as empowering the labor unions while turning a blind eye to the ugly racial discrimination in their ranks.

Democrats will defend everything from partial-birth abortion to distributing gay porn in the classroom, but

some subjects are too hot for them to touch: The effect of their minimum-wage enthusiasm on black unemployment is one, and racial discrimination by their organized-labor constituents is another. You'd think that the Democrats would put jobs for blacks at the top of their list — after all, black voters pull the “D” lever about 90 percent of the time. But political calculations are perverse things: Black voters are a cheap date for Democrats, who know that they can sell out the interests of their most loyal constituency with impunity. One of Barack Obama's first actions in office was to gut a hugely popular school-choice program in Washington, D.C., that benefited black students almost exclusively, and he did so at the behest of the one of the most destructive unions in the country, one that has done more to undermine the future of black Americans than any other and whose members have inflicted more damage on black Americans than Bull Connor and George Wallace ever dreamed of. But the teachers' unions represent one in ten delegates to the Democratic National Convention, so they have job security — something many, if not most, of the young black men in their classes will never have.

## Washington Post

### Campaign finance: a 'reform' wisely struck down

by George F. Will

Last week's [Supreme Court decision](#) that substantially deregulates political speech has provoked an edifying torrent of hyperbole. Critics' dismay reveals their conviction: Speech about the elections that determine the government's composition is not a constitutional right but a mere privilege that exists at the sufferance of government.

How regulated did political speech become during the decades when the court was derelict in its duty to actively defend the Constitution? The [Federal Election Commission](#), which administers the law that rations the quantity and regulates the content and timing of political speech, identifies 33 types of political speech and 71 kinds of "speakers." The underlying statute and FEC regulations [cover more than 800 pages](#), and FEC explanations of its decisions have filled more than 1,200 pages. The [First Amendment](#) requires 10 words for a sufficient stipulation: "Congress shall make no law . . . abridging the freedom of speech."

Extending the logic of a 1976 decision, the court has now held that the dissemination of political speech requires money, so restricting money restricts speech. Bringing law into conformity with this 1976 precedent, the court has struck down only federal and state laws that forbid *independent* expenditures (those not made directly to, or coordinated with, candidates' campaigns) by corporations *and labor unions*. Under the censorship regime the court has overturned, corporations were even forbidden to send political communications to all of their employees.

The New York Times calls the court's decision, which enables political advocacy by (other) corporations, a "[blow to democracy](#)." The Times, a corporate entity, can engage in political advocacy because Congress has granted "media corporations" an exemption from limits.

The Washington Post, also exempt, says the court's decision, which overturned a previous ruling upholding restrictions on spending for political speech, [shows insufficient "respect for precedent"](#). Does The Post think the court incorrectly overturned precedents that upheld racial segregation and warrantless wiretaps? Are the only sacrosanct precedents those that abridge (others') right to speak?

Alarmists say the court's ruling will mean torrential spending by large for-profit corporations. Anna Burger, secretary-treasurer of the Service Employees International Union -- it has spent [\\$20 million](#) on politics in the past five election cycles -- says a corporation will ["funnel their shareholders' money straight to a campaign's coffers"](#). Wrong. Corporate contributions to candidates' campaigns remain proscribed.

Cleta Mitchell, Washington's preeminent campaign finance attorney, [rightly says](#) that few for-profit corporations will jeopardize their commercial interests by engaging in partisan politics: Republicans,

Democrats and independents buy Microsoft's and Pepsi's products. If for-profit corporations do plunge into politics, disclosure of their spending will enable voters to draw appropriate conclusions. Of course, political speech regulations radiate distrust of voters' abilities to assess unfettered political advocacy.

Mitchell says the court's decision primarily liberates nonprofit advocacy groups, such as the Sierra Club, which the FEC [fined \\$28,000 in 2006](#). The club's sin was to distribute pamphlets in Florida contrasting the environmental views of the presidential and senatorial candidates, to the intended advantage of Democrats. FEC censors deemed this an illegal corporate contribution.

Barack "Pitchfork" Obama, in his post-Massachusetts populist mode, [called the court's ruling](#) a victory for, among others, "big oil" and "Wall Street banks." But [OpenSecrets.org reports that in 2008](#) lawyers gave more money than either of them, and gave 78 percent of the donations to Democrats, who also received 64 percent of contributions from the financial sector.

Even if it were Congress's business to decide that there is "too much" money in politics, that decision would be odd: In the 2007-08 election cycle, spending in all campaigns, for city council members up to the presidency, was \$8.6 billion, about what Americans spend *annually* on potato chips.

Critics say raising such sums requires too much of candidates' time. Well, then, let candidates receive unlimited -- but fully disclosed -- contributions, and trust voters to make appropriate inferences about the candidates.

Undaunted, advocates of government control of political speech want Congress to enact public financing of congressional campaigns, and to ban individuals from participating in politics through contributions. Fortunately, this idea -- "food stamps for politicians" -- is wildly unpopular. Public financing of presidential campaigns has collapsed. Obama disdained it in 2008; the public always has. Voluntary, cost-free participation, using the checkoff on the income tax form, peaked at a paltry 28.7 percent in 1980 and by 2008 had sagged to 8.3 percent.

This is redundant proof that the premise of campaign finance "reform" is false. The premise is that easily befuddled Americans need to be swaddled in regulations of political speech.

## NY Times

### [Cardinals' Warner Quits After 12 Unlikely Years](#)

by Judy Battista

[Kurt Warner](#) took a job stocking grocery store shelves in Iowa after his first rejection from the [National Football League](#), just one of the stops on Warner's unorthodox path to stardom. There was no stint at a top college or selection in a high draft round. Instead, Warner wound through the backwaters of the [Arena Football League](#) and the now-defunct N.F.L. Europe.



*Kurt Warner announced his retirement on Friday. He walked away with a year left on a two-year, \$23 million contract.*

But on Friday, when Warner retired after a dozen years in the N.F.L., he went out as a possible future Hall of Fame selection, having built an extraordinary career with one [Super Bowl](#) title and two league Most Valuable Player awards from an out-of-nowhere start and stunning resilience.

Warner walked away with a year remaining on a two-year, \$23 million contract, and he displayed as much dignity during his exit as he did during the twists and turns of his playing years.

“Obviously, it’s been 12 unbelievable years, some of the best years of my life,” Warner said at a news conference in Glendale, Ariz. “But I want everybody to know that I’m just as excited about the next 12, that I’m excited about what lies in front of me. I’m excited about spending more time with my family, and seeing what God’s going to do next.”

The humble beginning to Warner’s career — he did not start his first N.F.L. game until he was 28 — gave way to one in which, with surgical precision, he resurrected two also-ran franchises, carrying both to the Super Bowl while also becoming known as one of the league’s most charitable players. Warner, his wife, Brenda, and their seven children routinely select a family at a restaurant and anonymously pay their dinner tab, as a way to teach the children charity.

In 1998, the [St. Louis Rams](#) gave Warner the break he needed. Having signed him the previous December, they allocated him to N.F.L. Europe, where he led the league in several statistical categories. By 1999, the Rams had made him the backup to Trent Green. When Green tore a knee ligament during the preseason, the unknown quarterback was thrust into the starting job, and the Greatest Show on Turf was born. He was the league and Super Bowl most valuable player that season. He was the league’s M.V.P. again two years later, when the Rams lost the Super Bowl in the final seconds to a burgeoning dynasty from New England.

“We all learned great lessons from Kurt’s humility, dignity and grace,” the Rams’ owner, Chip Rosenbloom, said in a statement. “We will forever be thankful for the success he brought us and the unparalleled generosity he has shown the St. Louis community and beyond.”

Those seasons now seem a mere prelude to remarkable turns he took after them. He played poorly in 2002 and was replaced as the starter after being sacked six times and sustaining a concussion against the [Giants](#) to start the 2003 season. He was written off as a has-been. In 2004, the Giants signed him, and he won five of his first seven games. But a two-game losing streak opened the door to the [Eli Manning](#) era, and Warner was washed up once more.

But then came the final turn, when the [Arizona Cardinals](#), a perennial laughingstock, signed Warner in 2005. He briefly lost his job there to Josh McCown in 2005 and then to the rookie [Matt Leinart](#) in 2006. But he won the job back in 2007, when the highly regarded Leinart faltered. Leinart could not hold Warner off again in 2008, and he led the Cardinals to an improbable Super Bowl appearance, where they narrowly lost to the [Steelers](#).

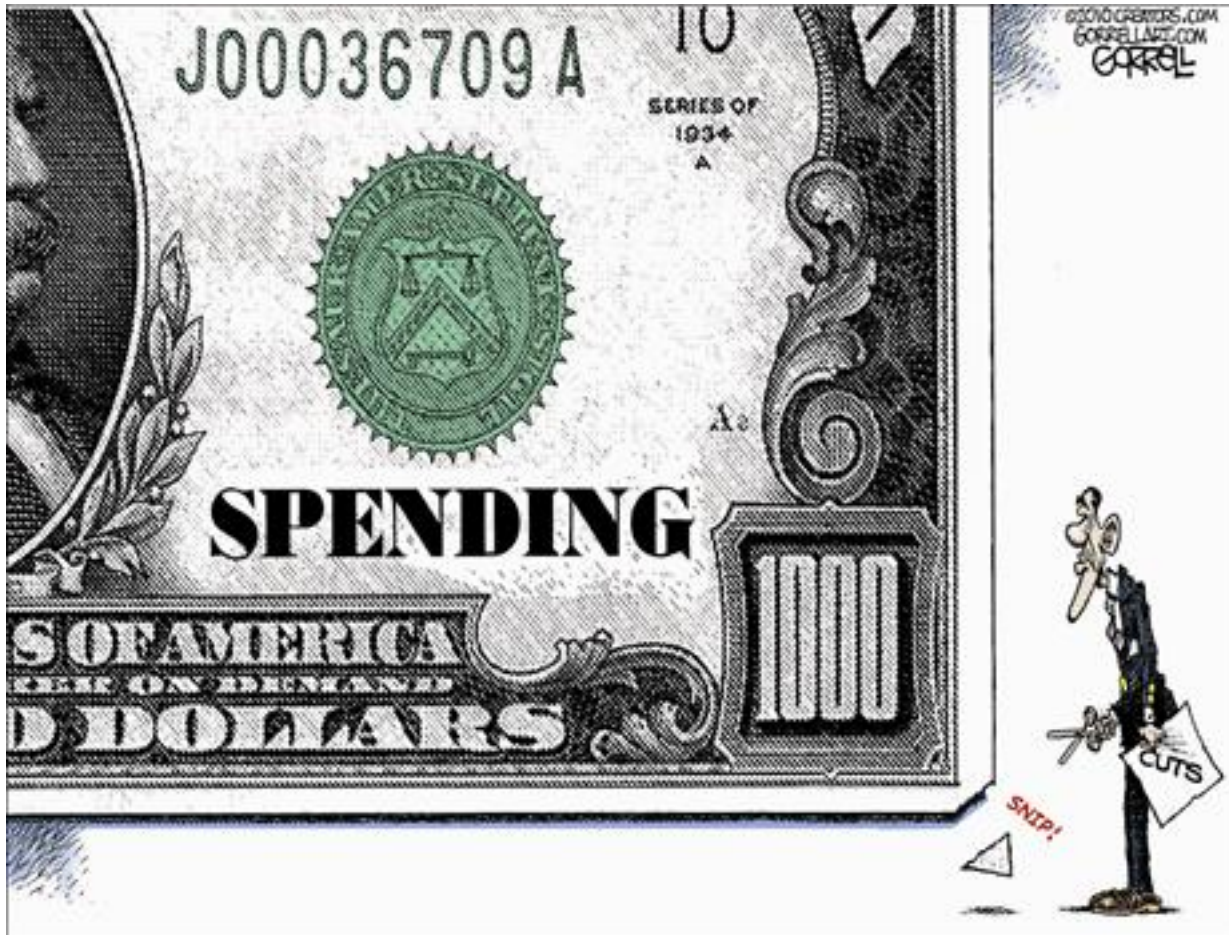
In a 51-45 victory over the [Packers](#) in this year’s playoffs, Warner threw more touchdown passes (five) than incompletions (four) in a 29-of-33 performance for 379 yards. It will be the last victory of his career.

Warner sustained his fifth concussion this season and acknowledged Friday that “I have been beat up a lot in my career.” But he did not imply that injuries were running him out of the game. “I have felt that I have been very fortunate and very healthy throughout my career,” he said.

In five years, Warner will be eligible for consideration to the Pro Football Hall of Fame, and his credentials during the N.F.L.’s pass-happy era seem to make him a solid contender. In 125 regular-season games, Warner completed 65.5 percent of his passes for 32,344 yards and 208 touchdowns. Fourteen quarterbacks have been elected to the Hall of Fame in the last 25 years, and Warner has a better completion percentage, more net yards per pass attempt and more yards per game than all of them.

Only [Dan Marino](#) — who never won a Super Bowl — had more career 300-yard passing games. Warner was the fastest player in N.F.L. history to 10,000 yards passing, and he tied Marino as fastest to reach 30,000. Warner also has the top three passing performances in Super Bowl history. His 1,147 yards passing in the 2008 playoffs broke the N.F.L. record of 1,063, which he set with St. Louis in 1999.

Warner's departure turns the Cardinals over to Leinart. Leinart has the pedigree Warner lacked — he is a Heisman Trophy winner and a first-round draft pick. But neither he nor anyone else may be able to match Warner's storybook career.





PULLING THE CURTAIN BACK ON THE WIZARD.

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