EDITORIAL

TITLE: A Federal Flotation Device

The end of summer may be the low mark of the Bush presidency. The president's approval ratings throughout the summer have hovered in the low 40s. His domestic agenda is dead or stalled, particularly Social Security reform. Oil prices continue to climb, forcing the country, willing or not, toward an energy policy less dependent on foreign oil, and Cindy Sheehan gave Iraq war protesters a focal point.

At one point during the summer's growing anti-war sentiment, Sen. Chuck Hagel, R-Neb., and former Secretary of State Henry Kissinger, both unfavorably compared President Bush's Middle East policy to Lyndon Johnson's Vietnam War. Compounding the President's difficulties in Iraq, the Sunnis first reaction to the country's post Saddam constitution was to reject it.

For Americans, it has not been a happy summer. August was more of a bad news month than a vacation month, and the Category 4 hurricane that hit the country's Gulf Coast punctuated the troubled national summer with a hard exclamation point.

The president's low approval ratings could be temporary, especially if events in Iraq turn positive, which is the decided hope of the American people. The majority of Americans do not want to see the country's foreign policy fail, nor do they want to see the Bush administration fail. Attention of Americans will rightly focus on the efforts to save lives and rebuild the Gulf Coast. News cycles shift, polls bounce, and with the good will and efforts of the American people, this summer too shall pass.

But if you're a Republican congressman in this first Congress of the second Bush II administration, you are worried that '06 could be a difficult year. Republicans, after 40 years in the wilderness, captured the House of Representatives in '94. They've held it since, surviving the fall of leader Newt Gingrich in the late '90s and picking up seats in the tough post 9/11 election years of '02 and '04. But '06 is looking dicey, and Gordon Smith, despite his voting record of breaking with the administration on several key votes, is happy not to be running for re-election until '08.

Still, here at home in Oregon strong reform leadership is urgently required. The vibrancy seen in the national economy, with its stimulative effect on our region, has not yet translated to a healthy Oregon economy.

Marty Brantley, Director of the Oregon Economic Community and Development Department until last June, credits two-thirds of Oregon's job creation and economic recovery to the federal fiscal "stimulative" policies, either in the form of Bush tax cuts or the federal government's large deficit, "Keynesian" ways. The U.S. GDP rose by roughly four percent in '03 and '04 and by 3.6 percent in the first half of '05. Last year the U.S. job market grew by one million, and so far this year the economy has added two million jobs. But Oregon lost jobs in three consecutive years, ’01-’03, and is only slowly inching back.

Why? Because of the anti-business policies and climate created by our region’s leaders. Those who want Oregon’s economy to grow worry that, faced with the daunting task of divisive reform, our political leaders might use the Bush administration’s current low approval numbers as a distraction or justification not to fix our own anti-business policies. During the past year, Oregon political leaders have attempted to use anti-war rhetoric as a way to deflect pressure from their own policies or inadequate leadership skills. Gov. Kulongoski did exactly that in his January “state of the state” address to open the legislative session.

If our leaders were smart and wanted the state to be an economically vibrant place, full of dynamic people living interesting lives, they would not try to escape tough issues by diverting the public’s attention to national politics. Better to focus on real impediments to economic growth right here in Oregon, such as the state’s public sector unions.

Terry Moe, a senior fellow at the Hoover Institution, wrote last month in the *Wall Street Journal* about the problems the growing public sector unions are causing state and local governments across the nation. Writes Moe about the dilemma and the difficulties:

As governments hire employees to perform public services, the employees inevitably have their own distinctive interests…in job security and material benefits, in higher levels of public spending and taxing, and in work rules that restrict the prerogatives of management. They also have interests in preventing government reforms that might threaten their jobs.

…it is no accident that removing low-performing teachers from the classroom is virtually impossible… Nor it is an accident that police officers in San Francisco may retire in their 50s and receive retirement pay equal to 90 percent of their final salaries… Nor is it an accident that many government agencies–from public schools to city police departments to county hospitals–are not designed to have the most effective organizations possible, but are straight-jacketed by collective bargaining contracts that impose hundreds of restrictive bureaucratic work rules.

Last May, gubernatorial candidate, Ron Saxton, wrote in *BrainstormNW* that the best way to fix Oregon’s PERS problem was to adopt “the radical idea to ‘reconstitute’ the system by terminating public employees, and later rehiring them under new contracts with new terms.”

At the time, Saxton’s common sense, practical suggestion was pilloried by local union and political leaders, and by editorial writers as well. Eugene’s *Register-Guard* laid Saxton out in an editorial, stating that though the paper had endorsed Saxton in the past, they hoped he would *not* spend the year between his article and the primary thinking up nutty ideas. Saxton was not especially articulate or persuasive in later defending, and almost retracting, his once intriguing policy position.

It is typical of Oregon leaders and the state's media to dismiss the impediments to growth and hope that the magic wand of federal stimulus continues to lift all boats, even while those same leaders poke holes in the President's boat of economic and foreign policies. But back at ground level, Moe concludes that the fight against the public unions must be immediate and direct:

…the solution must focus on weakening the power of public sector unions. A Catch-22 quickly emerges here, because the union will use all their existing power to defeat any attempts to take it away. Yet for reformers there is no alternative but to try–by pursuing legislation that prohibits collective bargaining by government workers, for example, and pressuring for 'paycheck protection' laws that require unions to get their members' permission before spending dues money on politics.

The federal government is not a flotation device for economic buoyancy or for avoiding the deep rapids of local problems. Those weary of Oregon's listless recovery and anti-business reputation must demand that their state and local leaders focus on local impediments to growth, while leaving to their federal representatives the business of debating the nation's foreign policy.