Opinion: Obama continues on Bush's road of ruin

By Tom McClintock

Throughout what was supposed to be a "recovery summer," the president has repeated a familiar theme: that Republicans ran us into a ditch and now they want the keys back.

That's an important point, and we need to understand exactly what the Bush administration did to run us into a ditch. In fact, President George W. Bush made two major policy blunders.



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First, he presided over unprecedented regulatory intervention into the housing market that deliberately enticed people who couldn't afford homes to buy them anyway. At the same time, these policies deliberately encouraged lenders to make irresponsible loans by promising them that Fannie Mae and Freddie Mac would cover the risk. This created a massive, artificial housing bubble that ultimately burst with catastrophic impact.

My question of President Obama is: If we know this road leads to ruin —- why does he continue down it at even higher speeds?

Failing to learn from the damage that government intervention does by creating artificial bubbles in the economy, the president has repeated and amplified Bush's blunders not only

in the housing market with mortgage subsidies and home purchase credits, but also in other markets like automobiles and home improvements. Each time, he has squandered billions of dollars merely to borrow from future demand, leaving behind economic craters each time the bubbles burst.

Bush's second blunder was to increase federal spending at an unsustainable rate, transferring economic decisions from the productive sector to the government sector and crowding out the capital market by excessive government borrowing. We should remember the first $168 billion to stimulate consumer spending was a Bush brain-child —- that's when we all got those $600 checks. If massive deficits and government spending created prosperity, the final Bush years should have produced a "Golden Age" for the American economy.

Has the president reversed these irresponsible Bush-era policies? On the contrary, he has amplified and expanded them.

In his first 19 months in office, Barack Obama has run up more publicly held debt than all eight years of Bush combined, with the promise this would keep unemployment under 8 percent. Yet all that he has accomplished is to crowd out trillions of dollars of capital that could otherwise have gone to employers seeking to add jobs, to homebuyers seeking to re-enter the housing market, and to consumers seeking to make consumer purchases.

Thus, instead of the sharp, V-shaped recovery that normally follows a recession, America is now entering its third year of economic distress.

The reason these policies have not worked is that they cannot work. They did not work under George W. Bush. And they have not worked when Barack Obama doubled down on them.

The core of Obamanomics is the proposition that if government can inject enough money into the economy, it can stimulate consumer spending and therefore demand for production.

Unfortunately, government cannot inject a single dollar into the economy that it has not first taken out of the same economy. It's true that if government takes a dollar from Peter and gives it to Paul, Paul has an extra dollar to spend. But Peter now has one less dollar to spend in that same economy.

On paper, the economic effect of income transfers always nets to zero. In practice, transfers net to much less than zero, because they shift huge amounts of capital away from decisions that would have been made in the productive sector based on economic return toward decisions made in the government sector based on political return.

We see very clearly the government jobs that are created when government puts that dollar back into the economy; what we don't see as clearly are the productive jobs that were prevented from forming as government first takes that dollar out of the economy. We see those lost jobs reflected in a chronically high unemployment rate and a stagnating economy.

It's time we stopped wrestling for the steering wheel and recognized bad policy for what it is – whether the driver is a Republican or a Democrat. The problem is not the driver but the direction – and the direction hasn't changed.

We know the road to prosperity – we've taken it before. When we have reduced the burdens on productivity, the economy has blossomed. It worked when Ronald Reagan did it. It worked when John F. Kennedy and Harry Truman did it. And it will work again – but we will need leaders with a better sense of direction than what we have today.

Tom McClintock, R-Granite Bay, represents the California side of Lake Tahoe in the House of Representatives.

Senate bill would regulate what's grown in back yard gardens

By James J. Gormley, All Voices

Do you grow heirloom tomatoes you sell on your own property or at a local farmer's market? If so, you will be in for a whopper of a surprise if Senator Durbin's Senate Bill 510 (S.B. 510) passes: you may be receiving a visit from inspectors.

Products not grown according to designated standards will be considered adulterated and your business records will be subject to warrantless searches by inspectors from the U.S. Food and Drug Administration (FDA), all this without any evidence that you have violated any law.

Wonder why the National Guard or Federal agents have effectively imposed martial law by quarantining your town? Under S.B. 510's House counterpart bill, H.R. 2749 (Section 133b, "Authority to Prohibit or Restrict the Movement of Food"), sponsored by Congressman Dingell, the Secretary of Health and Human Services will have the power to prohibit all movement of all food within a geographic area, whether the food is in your grandmother's grocery bag in her Toyota Hybrid or on a flatbed. No court order will be needed, just a phone call to the appropriate state official and a public announcement will be sufficient.

Read the whole story

Watch a video about the subject.

S. Tahoe houses get makeover to remove lead paint

By Kathryn Reed

Despite red tape saying danger, and doors and windows all taped up, this house in the middle of South Lake Tahoe has not been condemned. The residents are still living in it.

It's getting the ultimate exterior paint job. But it's not the typical job for contractor Doug Bolton with Carpets Plus Color Tile. A whole lot more rules must be followed compared to most jobs.

This project off Al Tahoe Boulevard is the first of many the city will fund with the $1.5 million grant it received from the federal government to rid homes of lead.

One reason South Tahoe qualified for the grant is 85 percent of the homes were built before 1980, which means most are likely to have lead in either the exterior or interior paint.

For Julie Mullen, the lead is just on the outside and just on the siding. The eaves and trim don't have lead, so they can't be painted with grant dollars. The grant also allows for just one color. Mullen, at her expense, is having Bolton paint her eaves and trim a different color than the siding.

"It's a little slow because of all the precautions," Mullen said. "They want to make sure (the chips) don't fly anywhere."

Bolton has wrapped up the work on the house and is expecting the final clearance this week. He is going to bid on another job today and has three more of these painting contracts lined up.

He said he first heard about the lead paint rule in a trade publication even though the Environmental Protection Agency had it on the books since the 1990s. It’s the Obama administration that is enforcing the stringent requirements to ensure houses with lead paint are secure and don’t have the dust flying everywhere.

When he started investigating about becoming certified, Bolton came across South Tahoe’s program and that is how he got involved. He agrees with Mullen that it takes more time because of all the precautions.

Mullen said the process to qualify to have work done went quickly. It was making the months worth of copies of documents that took the most time.

Age of the house and financial status of the residents are the big questions. Having children pushes people to the top of the list. (Lead paint poisoning causes learning disabilities and behavioral problems. It’s hard to get out of a person’s system.)

It’s the resident of the house who qualifies, not the owner. In this case, Mullen is the owner. She and her two children have lived there for 1.5 years, though she was born and raised in South Lake.

All potential houses are tested for lead with a $20,000 piece of equipment the grant paid for.

When Nancy Kerry, No. 2 person in the city’s Housing and Redevelopment department, applied for the grant she saw it as a way to give struggling contractors some work. Most of the jobs will be in the $5,000 to $10,000 range, but with people such as Mullen wanting more done the paycheck is even greater.

Other than the testing apparatus and paying for some classes out of town, the grant dollars are going into the local economy.

Ninety-three contractors took the special class to be certified to do the work. Seven of them took the advanced class to be a supervisor. The Environmental Protection Agency requires a supervisor on each job.

The certificates earned by the people working on the Mullen house are posted on a board in her front yard. She doesn't mind.

"I hope people start to realize maybe they have lead in their houses too," Mullen said.

Kerry said the city's goal is to have 20 houses done by the end of the year. She expects 100 will be completed by the time the money runs out. It all must be done by 2013 based on the grant guidelines.

South Tahoe received a commendation letter from the Department of Housing and Urban Development for all of its accomplishments in the first year. Many grant recipients aren't close to having the first house worked on.

Kerry is going after an $800,000 Healthy Homes Grant that would eliminate mold, mildew and radon from South Tahoe homes.

For more information about the lead paint program, call Nancy Kerry at (530) 542.6043.

Unity at the Lake fundraiser

Unity at the Lake's "Harvesting Our Dreams" is Oct. 22 from 5:30-9:30pm at Harveys in Stateline.

The fund-raising evening includes a sit-down dinner, live music, and a silent auction. All proceeds benefit Unity at the

Lake.

Cost is $30 per person.

Click on flyer for more details. For tickets, call (530) 544.2266.

Mountain bike clinics at Northstar

Three days of Bikeskills mountain bike clinics with professional mountain bikers such as Steve Peat, Greg Minaar, Cedric Gracia, Cameron Zink, Leigh Donovan and more.

The Sept. 24-26 clinics are from 11:30am-4pm at Northstar-at-Tahoe.

Meet at the Bikeskills tent at mid-mountain 15-20 minutes prior to clinic start time. Click here to find out about the various clinics.

To register, call (530) 562.2267.

For more information about Bikeskills, click here.

Register for annual Kokanee Trail Run

Annual Kokanee trail runs are Oct. 3.

The Half Marathon starts at 9am. The children's half-mile Tadpole Trot will begin at 9:15am. The 5K and 10K Trail Runs begin at 10am.

There will be a course briefing 10 minutes before the start of the race.

Walkers welcome in the 5K and 10K.

On-site registration begins at 8am at the Taylor Creek Snow Park. You can save yourself some time on race day by registering at Camp Richardson Resort Oct. 2 from noon to 4 pm.

Taylor Creek Snow Park is 3.5 miles north of the South Lake Tahoe Y on Highway 89. Parking at the immediate event site is limited. Satellite parking is available at the Lake Tahoe Visitor Center and Camp Richardson Resort (approximately half to 1 mile away). Participants are encouraged to arrive early to allow for the extra time needed to walk to the event site. Carpool whenever possible.

All net proceeds benefit the Tahoe Heritage Foundation, a nonprofit organization which supports U.S. Forest Service environmental education programs at Lake Tahoe.

For more information, email kokaneetrailruns@yahoo.com, call (530) 577.0700 or (530) 318.0516, or go to the website.

Judge: S. Tahoe's Lakeview Commons contract not valid

By Kathryn Reed

Lakeview Commons was dealt another blow Friday when a judge ruled the current contract is invalid.

What this means to the multi-million dollar overhaul of El Dorado Beach and the walkway in the center of South Lake Tahoe remains to be seen. But it's doubtful any work will resume until spring 2011 at the earliest.



Lakeview Commons' contract deemed invalid. Photo/Kathryn Reed

"The bottom line is we lost this (building season) to get after this project," City Manager Tony O'Rourke told *Lake Tahoe News* on Sept. 19.

In what has been a muddled contractual process since June between South Lake Tahoe and potential contractors is taking a court to unravel. On Sept. 17 El Dorado County Superior Court Judge Steve Bailey ruled the contract with Reeve Knight and the city is void and invalid.

Bailey scheduled a hearing for Oct. 1 at which time he is likely to rule on whether Clark & Sullivan, the Sparks firm that brought the case to court, should be awarded the bid or if the city should start the bid process all over.

“We are arguing only the City Council can award a bid and the court cannot order the city to award a contract to anyone,” City Attorney Patrick Enright said.

Clark & Sullivan challenged the awarding of the $4.5 million bid after trees had been felled and excavating had begun. Bailey issued an injunction Aug. 30, which brought work to a halt. Reeve Knight’s subcontractors shored up loose dirt that week, essentially winterizing the project.

The bid was awarded Aug. 3 on a 4-1 vote by the City Council. Councilman Jerry Birdwell voted no because he did not believe all the bid documents were done properly.

This item was originally on the consent agenda, but was pulled by one of the council members. The consent agenda is for items not requiring debate. Clearly, that wasn’t the case for this subject.

Mayor Kathay Lovell has been a cheerleader for the project from the get-go. Now that it is mired in a court battle she is not returning calls.

Former City Manager Dave Jinkens was also a big proponent of the project. That is one reason why the contract was on the agenda at the last meeting he presided over, and why the groundbreaking on the project was the following day. His last day on the job was Aug. 6.

Enright believes if the judge throws the matter back into the council’s hands, the current council should decide if Clark & Sullivan is immediately awarded the bid or if the process starts over. If it starts over, it’s likely the council seated after the Nov. 2 election would vote on the next contractor.

(Three new councilmembers will be elected.)

But it’s also possible no matter what Bailey decides next month that Reeve Knight will appeal the decision, thus dragging out the dilemma even longer.

Reeve Knight has not been paid a dime for the work that has been done. With the contract being deemed illegal by the judge, Enright said California law states the company does not have to get paid. But he also said the contractor could make an “equitable argument that they should get paid.”

Enright said the California Tahoe Conservancy grant that is funding the project is the likely source of payment for this and not city coffers even though the work was done without a valid contract in place.

It remains to be seen if any of the contractors will go after the city for legal expenses.

Artist reception for Sesko in Truckee

An opening reception for artist Carole Sesko is slated for Sept. 23 from 4:30-6pm at Elijah Bleu’s House of Coffee & Good Eats in Truckee.

The Truckee artist said this collection of work was influenced by the coffee shop’s colorful, Cajun atmosphere. Sesko’s work includes figurative and abstract images.

Elijah Bleu’s is located at 10115 Donner Pass Road in Truckee.

For more information on Carole Sesko, visit

Tahoe Douglas Rotary gives away trip to Hawaii

A lucky Texan won a stay at the Paniolo Greens in Waikola Village, Hawaii, at the Tahoe Douglas Rotary's raffle at Bijou Bash.

Tahoe Douglas Rotary has two annual Hawaiian trip raffles. The first takes place during the club's annual St. Patrick's Day Celebration and the other is in the fall. The proceeds from all tickets sold during the fall raffle go toward the club's international projects and donations such as the efforts to eradicate polio worldwide and providing clean water to villages around the world.

The next raffle for a trip to Hawaii will be during the Club's St. Patrick's Day Celebration in March 2011. Raffle tickets are will be available from club members and at the event.

For more information on Tahoe Douglas Rotary, visit the website. Tahoe Douglas Rotary meets at noon on Fridays at MontBleu casino in Stateline. Guests are always welcome. Call (775) 588.1142 for more details about meetings and membership.

Book exchange in Meyers

Bona Fide Books is having a Book Exchange on Sept. 25 form 10am-2pm.

Drop off the books you've already enjoyed and leave with the ones you'll love next.

Literary fiction, nonfiction, and curiosities welcome.

Coffee cake and serenades are part of the fun.

Bona Fide is at 1069 Magua St., No. 4, Meyers – behind the Getaway Café.