

**The Minnesota Free Market Institute Weekly Update
Friday, July 10, 2009**

Minnesota's Energy Future



The Cap and Trade Bill that so contentiously passed the house a few weeks ago now has run headlong into political reality in the Senate. At this writing, [Senator Robert Byrd of the coal mining state of West Virginia is using his formidable seniority to demand an exception for "clean coal."](#)

At this time, it's unknown whether his opposition is merely a speed bump or a blockade but as in the case of Congressman Collin Peterson, no doubt there are efforts afoot to placate him.

If you care about Minnesota's energy future and the future prosperity of this country, it's difficult to watch it being determined by politicians' immediate needs to satisfy powerful interests in their districts. You may ask, and rightly so, where is the interest of the taxpayer, the consumer and the ratepayer who will be bearing the costs once the politicians and the special interests are finished crafting this complicated new set of regulations. Since energy is involved in everything that is produced in this country, there will be no area of our lives that will remain untouched or untaxed by this legislation.

It is still vital to ask, how did we get here? The conversation about "global warming" (revised to "climate change") has been guided by research which has been shown to be flawed and by activists who openly admit that they are exaggerating the damage and minimizing the costs of the policies that they are promoting. We cannot depend on special interests affected by this legislation to look out for us-in the past it hasn't taken much to buy the silence of groups who simply want the government to let them have a bigger share of taxpayer dollars.

The Minnesota Free Market Institute encourages discussion of Minnesota's energy future. In keeping with that goal, The Institute is sponsoring a conference, tentatively scheduled for the end of August, to throw open wide the topic of what is real and what is fake in the policy discussions about climate change. We will be bringing in scientists and other experts who can tell us what the science actually says and how much and what kind of costs Minnesota businesses and individuals will have to bear in a new regulatory environment. We will be posting details about the conference on our website and in the weekly update, so stay tuned.

In This Issue

[Minnesota's Energy Future](#)

[Senator Franken's First Vote is a Lesson in Interest Group Politics](#)

[You Are What \(the Government Says\) You \(Should\) Eat](#)

[Must Read](#)

[In Case You Missed it from the Minnesota Free Market Institute](#)

Support Us!

[Donate](#)



The Minnesota Free Market Institute accepts [Paypal](#).

Now More than ever, your contributions are needed to help us defend Conservative Principles and Free Markets!

Facebook users can also contribute to our [Cause](#).

MN Free Market Institute on the Web

[Web Site](#)

[Twitter](#)

[Facebook](#)

[Youtube Channel](#)

Senator Franken's First Vote is a Lesson in Interest Group Politics



I saw this headline on a number of newspapers and blog posts this week: "Franken Bucks Obama in First Vote." In eagerness to make it look like Minnesota's new senator is good enough and smart enough to make his own decisions so that people will like him better, the media and left-leaning blogs miss the better story.

The vote in question was on an amendment offered by Sen. John McCain and favored by President Obama that would cut \$6 billion in funding designated to protect buses from terrorist attacks. Obama called the funding "wasteful."

Here's the real issue:

By what criteria did President Obama decide the \$6 billion was wasteful and by what criteria did Sen. Franken determine the \$6 billion for bus protection was a good idea? Can either one of these guys, Sen. McCain or any other legislator, or even people at DHS explain how \$6 billion will be spent to make buses safe(r) from terrorism? Can they even provide rationale that \$6 billion is the right amount to spend? No.

Franken's was a "low level" vote that simply funneled some tax money to some legislative districts for a popular reason with dubious credibility. That was why the "nay" vote to eliminate the funding. Pure interest-group liberalism. The better headline is "Franken Follows Form in First Vote."

Craig Westover is a Senior Policy Fellow at the Minnesota Free Market Institute

You Are What (the Government Says) You (Should) Eat



In response to my [last Weekly Update commentary](#), someone sent along a note, which said in part, that my "ignorance about American obesity is amazing. It has become a forgone conclusion that the problem is in the over use of corn based products in our food. It has replaced sugar in everything from soda pop to almost every food product made in this country...Come on you guys don't make misleading statements it just furthers your lack of credibility."

Since I'm always on the prowl for writing fodder, I'll thank the correspondent for the excuse to write about something else. I mentioned obesity not to talk about obesity per se, but about poverty and wealth.

If we turn to obesity, however, high-fructose corn syrup (HCFS) is everywhere in food these days, and some people

think that it's part of our national obesity problem. Daniel Engber, an editor at Slate, [recently reviewed the literature on the subject](#). Public policy does work in favor of HCFS in at least two ways. The first is federal farm spending, which offers subsidies that make corn (and one of its derivatives, HCFS) cheaper than it would otherwise be. The second policy is a tariff on imported cane sugar.

So it's pretty clear to me that government does in fact affect the foods we eat, making it more economical for companies to use one form of raw ingredient (HCFS) rather than another (cane sugar). But does that mean that this politically driven alteration of business choices make us fat? Maybe. But maybe not. Engber points out that Australia has a similar obesity problem, but relies instead on cane sugar.

Another obesity-related argument you'll run into is that the "food pyramid" propagated by the federal government for years also makes us fat, by encouraging people to eat the wrong kinds of food. (See [this article](#) for a presentation of the argument.)

I've got no brief for or against HCFS and you certainly shouldn't listen to me for diet advice. But the record is clear in policy area after policy area that government policies in general have unintended and unforeseen consequences.

Governments have constitutionally prescribed roles. Unfortunately, national, state, and local governments have repeatedly reached beyond those roles, inevitably injecting questions of political payoffs into questions that would otherwise be answered through the voluntary interaction of free individuals.

John LaPlante is a Policy Fellow at the Minnesota Free Market Institute

Must Read

[Health Care Spending By Minnesota's Cities: Costs, Efficiencies, and the Role of Local Government Aid](#)
(summary)

The Minnesota Center for Public Finance Research, the Minnesota Taxpayer's Association's Education and Research arm published a report looking into employee health care benefits for cities, counties and municipalities. What they found was a correlation between cities receiving Local Government Aid and the generosity of such benefits. This calls into question funding priorities in these units of government and leads one to ask whether LGA money is looked at as simply "free money" which diminishes the need for accountability, in the way that spending from property taxes is. Secondly, there is a fairness issue. At a time when most private employers are laying people off and cutting benefits, these generous benefits mean that the government is providing these benefits from taxpayer dollars from taxpayers who can't get these benefits themselves.

In Case You Missed It from the Minnesota Free Market Institute

King Banaian *SCSU Scholars*

King Banaian was [featured on the cover the St. Cloud State magazine, Outlook](#) in an article about he and fellow Economics Professor Rich MacDonald's work on the Central Minnesota economy.

- [The devil's in the non-TARP](#)
- [Faster, Johnny! Spend faster!](#)
- [Debt-free: good for you, but for the economy?](#)
- [Buyer's remorse, part N+1](#)
- [Does priceless mean infinite price?](#)

John LaPlante *State House Call*

- [Aging is the Primary Cause of Death](#)
- [Government-run Health Care Promotes Inequality](#)
- [Who is Uninsured, and Why?](#)

The Minnesota Free Market Institute Weekly Update is edited by [Margaret Martin](#)

[The Minnesota Free Market Institute](#) conducts research and advocates for policy that limits government involvement in individual affairs and promotes competition and consumer choice. By analyzing the actions of the past and applying the enduring lessons of the free market, the Minnesota Free Market Institute creates policy options for the future. To donate click [here](#).

[Forward email](#)

✉ [SafeUnsubscribe](#)®

This email was sent to adamaxvig@gmail.com by info@mnfreemarketinstitute.org.
[Update Profile/Email Address](#) | Instant removal with [SafeUnsubscribe](#)™ | [Privacy Policy](#).

Minnesota Free Market Institute | P.O. Box 120449 | St. Paul | MN | 55112

Email Marketing by

