



Fact checking the GOP convention's second night



by Glenn Kesslerat

The highlight of the second night of the Republican National Convention was Rep. Paul Ryan's speech accepting the vice presidential nomination. (As a long-time Condoleezza Rice watcher, The Fact Checker was also fascinated by the enthusiastic response to her primetime speech.) We will devote most of this column to analyzing claims in Ryan's speech, but at the end we will also assess a few other interesting claims made by other speakers.

"Right there at that plant, candidate Obama said: 'I believe that if our government is there to support you ... this plant will be here for another hundred years.' That's what he said in 2008.

Well, as it turned out, that plant didn't last another year. It is locked up and empty to this day."

In his acceptance speech, GOP Vice Presidential nominee Paul Ryan appeared to suggest that President Obama was responsible for the closing of a GM plant in Ryan's hometown of Janesville, Wis.

Obama gave his speech in February, 2008, and he did say those words. But Ryan's phrasing, referring to the fact the plant did not last another year, certainly suggests it was shut down in 2009, when Obama was president.

Ryan, in fact, issued a news release, urging the plant stay open, in June 2008 when GM announced it would close it.

The plant was largely closed in December 2008 when production of General Motors SUVs was ceased — before Obama was sworn in. A small crew of about 100 workers completed a contract for production of medium-duty trucks for Isuzu Motors, which ended in April 2009.

Note that Ryan called the plant "locked up" rather than "shut down." That's because the plant has not been completely shut down; it remains on "standby" and could reopen if GM production reaches the right level, according to the Milwaukee Journal Sentinel.

"The plant in Janesville remains in 'standby' status waiting for the recovery — and jobs — President Obama said would come with his bailout of the auto industry," said Ryan spokesman Brendan Buck. "When the president picked his winners and losers, Janesville lost."

Buck also pointed to a campaign statement by Obama in late 2008, when it was announced production would end, that he would "lead an effort to retool plants like the GM facility in Janesville."

"What did the taxpayers get out of the Obama stimulus? More debt. That money wasn't just spent and wasted — it was borrowed, spent, and wasted. It went to companies like Solyndra, with their gold-plated connections, subsidized jobs, and make-believe markets. The stimulus was a case of political patronage, corporate welfare, and cronyism at their worst. You, the working men and women of this country, were cut out of the deal."

There is a lot to unpack in this paragraph. First of all, people will forever debate whether the stimulus was effective, but a survey of 15 studies by our colleagues at WonkBlog found that most studies (12 out of 15) concluded that it did have a positive effect, while only two definitively concluded it did not. So Ryan's statement is much too sweeping to be very credible.

Ryan, who as a congressman requested stimulus funding for his state, gets a bit closer to the mark when he raises the specific case of Solyndra, a failed solar-panel manufacturer that received \$535 million as part of the president's \$80 billion clean-energy initiative, which was part of the 2009 stimulus.

As we wrote in a lengthy look at Solyndra, "overall, the facts of the Solyndra matter represent a strong case for Romney's claims of crony capitalism, but they don't provide conclusive evidence." But some

other charges of crony capitalism are overblown, and it is a stretch to portray the whole stimulus bill (which was about one-third tax cuts) as political payoff scheme.

“After all that work, and in a bad economy, it sure doesn’t help [businesses] to hear from their president that government gets the credit. What they deserve to hear is the truth: Yes, you did build that.”

This old saw again. As we have previously noted, Republicans have repeatedly mischaracterized Obama’s rhetorical point. He certainly did not say the “government gets the credit” for business success. He was arguing that society, including taxpayer-funded education and infrastructure spending, plays a role in every person’s success.

“They needed hundreds of billions more. So, they just took it all away from Medicare. Seven hundred and sixteen billion dollars, funneled out of Medicare by President Obama. An obligation we have to our parents and grandparents is being sacrificed, all to pay for a new entitlement [Obamacare] we didn’t even ask for.”

Ryan, as House Budget Committee chairman, probably knows he’s playing a rhetorical game here. Federal budget accounting is so complex that it is easy to mislead ordinary Americans — a tactic used by both parties.

Ryan is correct that in the health care bill, the anticipated savings from Medicare were used to help offset some of the anticipated costs of expanding health care for all Americans. But all government money is fungible.

Under the concept of the unified budget, money that is collected by the federal government for whatever purpose (such as Medicare and Social Security payroll taxes) is spent on whatever bills are coming due at that time. Social Security and Medicare will get a credit for taxes collected that are not immediately spent on Social Security, but those taxes are quickly devoted to other federal spending.

Under the health care law, spending does not decrease in Medicare year after year; the reduction is from anticipated levels of spending in future years. Moreover, the “cuts” did not come at the expense of seniors. The savings mostly are wrung from health-care providers, not Medicare beneficiaries—who, as a result of the health care law, ended up with new benefits for preventive care and prescription drugs.

The House Republican budget plan crafted by Ryan retains virtually of the Medicare “cuts” contained in the health care law, but diverts it instead to his Medicare overhaul. Republicans argue that that is a more effective use of the savings.

“He created a bipartisan debt commission. They came back with an urgent report. He thanked them, sent them on their way, and then did exactly nothing.”

Ryan is referring to the Simpson-Bowles Commission, and he is correct that Obama did not act on its report. But Ryan left out the fact that he served on the commission and voted against the final “urgent”

report, largely because he believed it did not do enough to overhaul health care entitlements such as Medicare.

David Brooks, a New York Times columnist sympathetic to Republicans, recently labeled Ryan's "no" vote as "Ryan's biggest mistake," because he gave up "significant debt progress for a political fantasy" — that a Republican victory in 2012 would allow for real reforms without Democratic support.

Ryan spokesman Buck said that "Paul Ryan worked in a bipartisan manner in the commission and has worked tirelessly since then to solve these big challenges."

"The big-government bureaucrats of the Obama administration have set their sights on our way of life. Instead of preserving family farms and ranches, President Obama's policies are effectively regulating them out of business. His administration even proposed banning farm kids from doing basic chores!"

— Sen. John Thune (R-████.)

It's a striking charge, but an exaggeration that, when we first looked at the issue, earned a Republican lawmaker Two Pinocchios. But Thune ups the ante even more with his rhetoric.

What happened? Last year, the Department of Labor proposed revisions to child labor rules that apply to the agricultural sector. Among the most significant changes: banning children under age 16 from operating power-driven equipment such as tractors and prohibiting people under the age of 18 from working in grain silos, feed lots and stockyards.

The Labor Department tried to avoid controversy by emphasizing that children working on their parents' farms would be excluded from the proposals. That exemption is actually a matter of federal statute under the Fair Labor Standards Act of 1938. The Labor Department lacked the authority to change it.

Indeed, a Labor Department summary of the proposed changes stated clearly that the parental exemption "allows the child of a farmer to perform any task, even hazardous tasks, at any age on a farm owned or operated by the parent."

Nevertheless, the Labor Department announced in April that it was abandoning its proposals altogether. A press release from the department said, "to be clear, this regulation will not be pursued for the duration of the Obama administration."

"Then you have Barack Obama, who never started a business — never even worked in `business."

— Sen. Rob Portman of Ohio

“For four years, we’ve given a chance to a man with very limited experience in governing, no experience in business whatsoever and since taking office, mostly interested in campaigning, blaming and aiming excuses at his predecessor, the Republicans and people in business.”

— Former Arkansas Gov. Mike Huckabee

We are not sure why Republicans would emphasize Obama’s lack of business experience on a night when they nominate a vice presidential running mate (Ryan) who has worked in government his entire life.

But it’s going too far to say Obama never worked in business. He worked briefly at Business International Corp. in New York after college, and then also was an associate and a partner at a law firm for 11 years. That’s not a lot of private sector experience, but it’s more than none whatsoever.

(NOTE: Fackchecker’s practice is to not give individual Pinocchio ratings in quick round-ups such as this but Greg Brown gave Day 2 the Big Four.)