

# Michigan Notebook

***News, Features & Commentary***

September 30, 2018

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# Horton Notebook

*Commentary  
by Steve Horton*

## Cashierless Stores? Part of Our Brave New Future?

We got another glimpse of our brave new future last week with the news report that Amazon “is considering a plan to open as many as 3,000 cashierless stores in the next few years.”

Called AmazonGo, these stores would either sell fresh-prepared foods and a small selection of groceries or, to start out, will just offer prepared meals. “A place to pick up a quick bite to eat for people in a rush” is how the news story described the latter option.

The way these outlets would operate is that customers would use a smartphone app to enter the store, scan the phone at a turnstile, and then do their shopping. Once finished, they would depart, but without the hinderance or annoyance of standing in a checkout line.

“Sensors and computer-vision technology detect what shoppers take and bills them automatically,” it was explained.

Nor is this a pie-in-the-sky idea. An AmazonGo store was opened near the company headquarters in Seattle in 2016. Since then two more sites have been announced for that city, while a third location is in Chicago.

“Two of the new stores offer only a limited selection of salads, sandwiches and snacks, showing that Amazon is experimenting with the concept simply as a meal-on-the-run option,” the news story stated. “Two other stores, including the original AmazonGo, also have a small selection of groceries, making it more of a convenience store.”

Those 3,000 new storefronts will upset a few applecarts so to speak. There are a multitude of convenience stores, fast-food take-outs, sandwich shops, grocery deli’s, and food trucks that already exist. Depending on where they do business, these businesses will have to deal with this new competition.

They, of course, require patrons to wait in line to order and make a payment.

The news story pointed out that equipping these AmazonGo stores with high tech equipment is not cheap, hence the prediction that the initial stores will be fast-food out-

lets, requiring less upfront investment, and that they’ll be located in close proximity to high concentrations of workers in the larger cities.

But, as they say, it’s probably only a matter of time.

For the places without the deep pockets of Amazon, both the larger chains like 7-Eleven and Subway and the mom-and-pop operators, the business paradigm will shift as these stores proliferate—eventually reaching the tipping point of their needing to adapt to the new reality or look at a different livelihood.

That’s assuming, of course, that people will embrace this new way of shopping—a safe assumption, it seems, given human behavior. It’s hardly a revelation that many (most) people don’t like waiting in a line.

Robots building cars and other manufactured goods. Drones delivering packages to doorsteps. Driverless cars. Now cashierless stores. Add these to the list that includes riding lawnmowers, TV remotes, and news delivered on phones and pretty soon we won’t require much energy or effort to live. Or reason to get out of bed in the morning.

Certainly, none of these technological advances happen overnight. At age 67, I’m reasonably sure I’ll spend a good deal of what time I have left waiting in line.

Still, when these new innovations do take hold, when they get enough momentum going, they seem to come at us in a sudden rush.

With their arrival, changes occur. And, with those changes, lives are altered—some drastically so, others in a more benign fashion.

For some, the changes may be opportunity knocking at the door. For others, it may seem more like the wolf threatening to blow the house down.

All of this reminds me of a bit of wisdom I once heard. It was during my wayward youth—after college but prior to launching my newspaper career. At the time I was working for a carpenter—swinging a hammer, manning the saw, and doing a lot of heavy lifting.

One of our jobs was building an addition onto a small grocery store located in the country. The project, off and on, took the better part of a month.

Thus, I had ample opportunities to talk with the owner—and also listen to him chat with my boss or with customers. In fact, I was around long enough to recognize the regulars.

I remember him saying that, as the owner, he needed to be at the store nearly all of the time. The only exception was one morning a week when he’d drive to a warehouse to pick up the merchandise he needed for restocking his shelves, those assorted items that weren’t provided by the deliverymen.

Asked “why,” he explained that part of the daily routine for many of his steady customers was stopping to buy something, but also to visit. “They expect me to be here,”

he said. “If they wanted to be waited on by an employee, they could drive into town and get the merchandise cheaper.”

In his view, the social interaction was as important to his business as the availability of merchandise and the convenience the store provided to this rural neighborhood.

I’ve kept that insight in mind when operating the news-

paper. Staff is important and a key to success, but people like to deal with the owner.

In the brave new future that awaits us, a future that apparently will include stores without cashiers, the importance of such interaction—chatting with the shop keeper—might become a quaint notion.

## Where Michigan governor candidates stand on Obamacare, other health issues

By Ted Roelofs  
Bridge Magazine

In the race for Michigan governor, there are sharp differences between GOP Attorney General Bill Schuette and Democratic former Senate Minority Leader Gretchen Whitmer on the Affordable Care Act, Medicaid expansion, Medicaid work requirements and other health issues. Here are the highlights:

### ***AFFORDABLE CARE ACT***

#### **Bill Schuette**

As Michigan Attorney General, Bill Schuette has steadfastly opposed the Affordable Care Act, marshalling the resources of his office to file suit against the law, often in tandem with conservative attorneys general from other states.

--In 2011, Schuette joined a suit to block Obamacare, saying: “I will fight Obamacare tooth-and-nail to protect our citizens from this constitutional overreach.”

--In 2013, Schuette opposed Michigan’s expansion of Medicaid known as Healthy Michigan – a facet of the Affordable Care Act. His spokesperson said: “He believes that the federal government is not a reliable or steady funder and the long term fiscal costs of government expansion of health care is not sustainable and will result in huge costs to Michigan taxpayers.”

--Schuette reaffirmed his stand against the ACA in March with a tweet: “The Affordable Care Act violated the very first principle of medicine: Do no harm. When I’m governor we will work to repeal & replace Obamacare.”

But since vanquishing his Republican primary rivals in early August, his campaign has been more restrained in its rhetoric, including being more equivocal about his previously stated opposition to Healthy Michigan.

Asked by Bridge Magazine on Aug. 23 if Schuette would sign a bill repealing Healthy Michigan, campaign spokesman John Sellek declined to answer the question directly. Instead, Sellek stated: “As governor, Bill will review all spending programs that are currently enacted under Michigan law.”



#### **Gretchen Whitmer**

Whitmer is an unreserved supporter of the ACA. She issued this statement to Bridge: “Everyone deserves access to quality, affordable health care and the ACA established guaranteed coverage for pre-existing conditions and expanded essential coverage benefits that many people didn’t have before.”

--While the Trump administration has cut back federal funding to market and help consumers navigate health care options, Whitmer said she’d consider strategies like that of New York, which invested \$7 million in ads for Obamacare and boosted enrollment by 4.2 percent: “As governor, I would be open to using marketing strategies like information campaigns to make sure Michiganders know where to purchase affordable health coverage that protects pre-existing conditions.”

--Whitmer joined 11 Democrats and eight Republicans in 2013 in voting to expand Medicaid for low-income Michigan residents under the ACA. She told Bridge in a statement: “As Senate Democratic Leader, I worked across the aisle to expand Medicaid to over 680,000 Michiganders through Healthy Michigan. As governor, I’ll take on Schuette, Trump and Republicans who threaten our health coverage, protect people with pre-existing conditions and work to make healthcare more affordable for all Michigan families.”

### ***COVERAGE FOR PRE-EXISTING CONDITIONS***

Enactment of the ACA brought with it the guarantee that people with pre-existing medical conditions could obtain health insurance coverage.

#### **Bill Schuette**

--Schuette has said, going back to at least 2014, that he

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# Governor candidates, continued

supports coverage for individuals with pre-existing conditions and allowing children to remain on their parents' insurance until age 26 – both popular elements of the ACA.

--His (mostly Democratic) critics accuse Schuette of hypocrisy, however, arguing that he repeatedly tried to strike down the ACA without presenting a concrete plan for protecting chronically ill patients had the law been swept aside.

--It's worth noting that Schuette opted not to join 20 other states in a more recent federal suit that argues the ACA forces "an unconstitutional and irrational regime" on the states and should be invalidated. In June, the Trump administration weighed in on the lawsuit and argued that as of Jan. 1, 2019, protections for people with pre-existing conditions should be struck down.

## Gretchen Whitmer

Whitmer's backing of the ACA underscores her support for its mandate that insurance companies may not discriminate against those with pre-existing conditions.

### MEDICAID WORK REQUIREMENTS

Michigan Gov. Rick Snyder signed a measure in June requiring certain Medicaid recipients in Michigan to work a prescribed number of hours or risk losing coverage.

## Bill Schuette

Campaign spokesman Sellek said: "Bill supports Medicaid work requirements for able-bodied people."

## Gretchen Whitmer

Whitmer opposes Medicaid work requirements, stating: "This legislation will take health care away from tens of thousands of Michigan families, which will hurt our whole economy. By supporting this shameful legislation, Bill Schuette has made it crystal clear that he's not on the side of working families."

### OPIOID CRISIS

## Bill Schuette

--Called for a combination of drug awareness programs, resources for addicts and families, aggressive law enforcement and strong treatment plans, in a 2017 guest column for the Detroit Free Press.

--Joined other state attorneys general in urging health insurers to support alternatives to opioid treatment for pain including non-opioid medications, physical therapy, acupuncture, massage and chiropractic care.

--Backs retail stores hosting state disposal boxes collecting unused prescription drugs as a new tool to fight the opioid epidemic.

## Gretchen Whitmer

--As governor, Whitmer said she would issue a state of emergency over the opiate epidemic. In a November policy speech, she said she wants to "develop the best opioid treatment centers in the country" and called for greater fund-

ing for hospitals and medical centers in northern Michigan, where rural counties have been hit hard.

--She also advocated for public awareness initiatives and greater mental health funding, and asked pharmaceutical companies to lower prices for newer, less addictive opiates. She said she would partner with law enforcement and pharmacies to expand drug take-back programs and support investment in drug treatment courts to "make sure that people with addictions could get connected to treatment, instead of going to jail."

*This article originally appeared in Bridge Magazine, an online publication. ( www.bridgemi.com) on Sept. 11, 2018.*

## How to Control the Pension Debt

### *The costs of pension liabilities have grown out of control*

#### Commentary by James M. Hohman Michigan Capitol Confidential

Did you ever watch the old movie "The Blob"? It's where this tiny piece of goo keeps growing, gobbling up everyone in sight. The horror reaches a climax as the blob becomes so large that nothing can stop it. A young Steve McQueen eventually figures out that it doesn't like the cold, so the town freezes it and transports it to the Arctic.

The film gives me the same feeling I get as I watch the government pension scandal across the country.

Pensions provide retirees with a decent income in retirement. There's nothing scary about that. But government managers neglected to set aside enough money to pay for the promises they've made, and the costs have grown out of control. For someone that wants to help governments save money, this outcome is frightening.

Ted Dabrowski and John Klinger of Wirepoints, an online news site in Illinois, cover the problem. In all but six states, total pension liabilities have grown beyond the means to pay for them. It means that pension debt grows faster than the ability to pay it down. They recommend policies that limit the growth of these liabilities.

Sizes matter with this trend. If pension obligations grow a lot from a small base, paying for pensions is not much of a problem. But these obligations are huge. In Michigan, the employees and retirees in the state-managed school system are the state's largest creditors.

Michigan's experience is typical. When Detroit filed for bankruptcy, it found that its own employees and retirees were its largest creditors.

It is not like government managers ever asked retirees to lend them money. But due to poor pension funding practices, that's exactly what happened. The employees and re-

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# You're paying less taxes than you think: And that's a problem

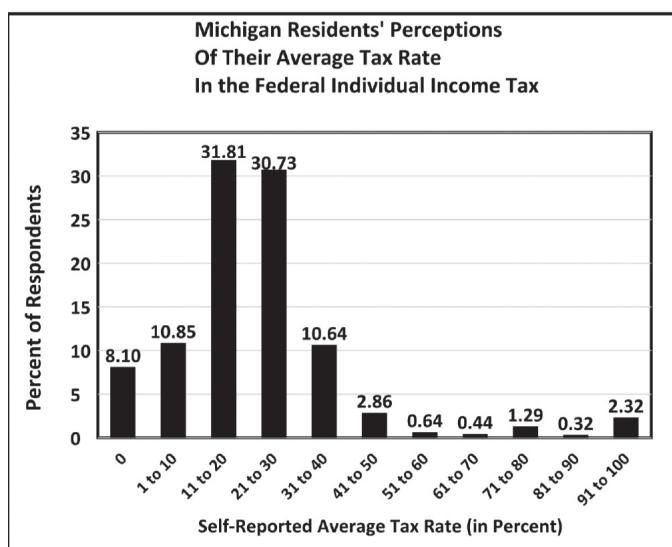
Commentary by Charles Ballard & Sanjay Gupta

How much federal income taxes do you pay?

The answer is probably less than you think, and that can lead to some bad policy decisions.

Let us explain:

We asked Michigan residents how much of their income they think they pay in federal income taxes. The answers were eye-popping—the vast majority think they pay higher taxes than they actually pay, and some of the overstatements are huge. As shown in the graph, nearly 8 percent of the respondents to our survey said that they believe their average federal income-tax rate is 50 percent or higher. More than 2 percent said they think that all of their household income goes to federal income taxes!



The Institute for Public Policy and Social Research at Michigan State University found that about 85 percent of Michiganders think they pay more in federal income taxes than they actually do. We estimate that the actual average federal income-tax rate for this sample is about 13.9 percent, whereas they reported in our survey their tax rate to be about 25.5 percent, on average. Thus, on average, the respondents to our survey think they pay almost twice as much as they actually pay.

This is a serious problem. If people don't know the basic facts about the tax system, they could easily be misled into supporting policies that are against their interests. In particular, our results suggest that political support for last year's tax cuts may have been based partly on inaccurate perceptions of the tax system.

Indeed, we found that those who believe federal income taxes on households like theirs should be lower tend to overstate their income-tax rate by more. All else equal, a respondent who says the taxes on households like hers should be much lower than they are now would overstate the average



Charles Ballard

Sanjay Gupta

income-tax rate by about 10 percentage points more than one who says that such taxes should be much higher than they are now.

Those who believe federal tax dollars are spent very ineffectively also tend to overstate their taxes by more, as do those who use tax-preparation assistance.

In research that is similar to ours, Joel Slemrod of the University of Michigan found that about half of Americans believe that most families have to pay the estate tax, whereas only a tiny fraction actually pay any estate tax. Slemrod's results suggest that misconceptions about the estate tax explain some of the support for eliminating it.

The tax system isn't the only thing about which the American public is misinformed. Surveys have found a substantial lack of knowledge of monetary policy, budget deficits, and other important economic phenomena.

Many studies have shown that Americans drastically overstate the size of minority populations. There is reason to believe that these misperceptions have contributed to today's widespread xenophobia and anti-immigrant sentiment.

A study by the Kaiser Family Foundation found that the average American believes that 28 percent of the federal budget is spent on foreign aid, whereas the correct figure is about 1 percent! Thus many people appear to believe that it would be easy to eliminate the federal budget deficit without raising taxes or cutting popular programs like Social Security and Medicare.

We believe that our American democracy, like any democracy, will work better when the public is well-informed. We believe that more resources should be committed to civic education.

Also, there's enough misinformation out there already, without spreading even more misinformation. This means that it's especially important for public officials to refrain from spreading misinformation. When they do, it's vital for the news media to set the record straight.

*Charles Ballard is a professor of economics and director of the State of the State survey for the Institute for Public Policy and Social Research at Michigan State University. Sanjay Gupta is professor of accounting at Michigan State University. This column originally appeared in Bridge Magazine, an online publication. [www.bridgemi.com](http://www.bridgemi.com)*

# THE CONVERSATION

## What the season of fall – and science – teaches us about life and death

By Samer Zaky

I was launched as one; and ended up being trillions of them. The cells composing my body are amazing micro-machines; one hundred of them can fit into the period at the end of this phrase. Regardless of my awareness, each of these teeny tiny units strictly performs its own intricate duties: breathing in oxygen and secreting out carbon dioxide, multiplying by splitting into two, migrating around or idling for a while, and ultimately maturing to lay down the specific type of supporting structure known as matrix. The matrix surrounds the cell and sustains its specific function – like soft matrix for skin and hard matrix for bones or teeth.

A cell even has its own brain or, if you will, control panel: the nucleus. This nucleus contains the instructions for building a cell and an entire individual. This four-letter code, known as DNA and measuring 2 meters long from a single nucleus, dictates every single programmed task the cell performs during its life.

Interestingly, the function of a cell does not end at maturation or when it finishes secreting the matrix. The cell's function is only complete after its final task which is, amazingly, to die: programmed cell death. The term “programmed” describes the organized, planned and careful dismantling of the cell's components rather than a sudden unpredictable ruination.

### Carefully dismantling life

The planned process could be compared to the careful disassembly of a Lego castle. In contrast to the instant gravity-driven wreckage on the ground, pieces are taken off and organized back into their original slots to be eventually reused and reassembled into another complex construction. This organized and programmed “ending” of the life of a cell was sensibly given the biological term “apoptosis” – from Greek “apo,” which means off/away, and “ptosis,” which means dropping, referring to the falling leaves.

What is more intriguing than the apoptosis process itself is the analogy behind its name. During autumn, leaves dry and fall off the tree. Despite leaving an obvious leafless and seemingly lifeless structure, it is only by shedding its leaves that the tree can survive the windy and sun-deprived winter, when sudden gusts could blow down a tree laden with a large surface area of leaves.

In other words, dismissing its leaves before winter, the tree prepares to reduce wind resistance and to save energy to re-blossom in the spring.

The death of the part – the leaf – as sad as it may seem,



is for the sake of the life of the whole tree. If leaves do not leave (is that where their name comes from?!), the whole tree will die, taking with it the lingering leaves. Similarly, the apoptosis of a cell is a necessary sacrifice to preserve the life of the whole body.

### Life goes on ...

Taking our bones as an example, the balance between the newborn and dying cells is the key to the natural turnover for our healthy skeleton. In fact, about 10 percent of our bone mass is renewed every year with cells dying and new ones taking their place. When the balance of this process is disrupted, disease results. Too many dying cells leads to the loss of bone mass, such as in a condition known as osteoporosis, which means porous bones. Too many new cells leads to bone tumors. Having their programmed death gone awry, cells multiply indefinitely and uncontrollably – a condition known as cancer – which sets the whole body to an eventual death.

On different scales – the leaf for a tree, the cell for the body, the individual for the society – what we perceive as death is actually an act of carrying on life. Mourning the separation from our beloved inevitably, and rightfully, overrides our understanding – or rather the inability to understand - death, life's plainest and most puzzling fact and inescapable fate.

All of us will eventually drop off the tree. In fact, birth could ironically be regarded as the primary predisposing factor for death; the only guarantee not to fall off is not to get seeded in the first place.

### Before it is too late

Having experienced wet eyes, I am not trying or daring to make the departure of our beloved ones into a soothing scientific technicality or underestimate the associated feelings. Indeed, despite what we can learn from trees, we are not trees: Feelings are an integrated part of our existence and are what makes us human.

Ruth McKernan, a British neuroscientist who studies how our brain functions, having struggled through the moments of her father's agony and endured the grief of separation, puts it this way in her book “Billy's Halo”: “That is science and that is real life. At the moments of separation, all the theory doesn't make it easier to bear.”

This fall, while contemplating the panoply of the fall colors and the leaves dropping, let us remind ourselves to cherish our seniors while they are around. Acknowledging

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# Here's Why I Believe in America

*Commentary by  
Lee Hamilton*

It's so easy these days to despair about the future of our country. It feels like half the people I run into just want to pull the covers over their heads and ignore the news.

There's dysfunction at the highest levels of government. Recent reports — the new book by Bob Woodward and a New York Times op-ed — reveal that top administration officials are so worried about the President's impulses that they've formed a sort of "resistance" movement to thwart them. Many Americans express their disappointment in so many other Americans for supporting politicians who do not seem to know how to make our representative government work.

And while drama dominates the daily headlines, Congress is polarized, hamstrung, and ineffective. We're subject to Russian election hacking with very little visible effort on the part of the federal government to do something about it. Dozens of vital issues, from economic inequality to cyber-security, are going largely unaddressed.

So it might seem odd for me to suggest that we take a step back and count our blessings. But that's exactly what I believe we need to do right now.

Our history should give us a shot of confidence. We have overcome formidable challenges: a civil war, two world wars, recessions and depressions, and through it all, Amer-

## The Conversation, continued

that our comfort and joy are not synonymous, let us serve them with appreciation for what they have contributed in our lives.

Remembering who have passed, let us celebrate their legacy that paved the way to new blossoming generations; and certainly we shall mourn our beloved who have prematurely left. Let us decide to do the best we can, wherever and whenever we can for our family, friends, coworkers and all our fellow "leaves" in society as long as we are still connected to its branches.

*Samer Zaky is a Research Assistant Professor at the University of Pittsburgh.*

ica has not just survived, but improved. In my working lifetime, I have seen this country become a better place, plain and simple.

We enjoy the world's largest and most competitive economy.

We have greatly improved the life of many older Americans with programs like Social Security and Medicare. We've improved the lives of many younger people with college scholarships and wider opportunities. And women and minorities have had doors opened to them like never before, even if there's still room to improve.

We are the pre-eminent diplomatic and military power in the world. Though terrorism is a serious worry, we do not face an imminent threat to our overall security.

Our citizens, federal employees, and military personnel are engaged all over the world, for the most part doing their best to improve life for people elsewhere.

Perhaps most important, we have created a country where everyone has a chance to become the best she or he can be. There's much room for improvement here, too — opportunity is not equally accessible. But there are plenty of people who've managed to get ahead in life even though the cards were stacked against them.

We should not sound arrogant, and we should acknowledge our mistakes, but we have much to be proud of in our record as a nation.

I don't want to suggest we don't have big problems. Of course we do. And just as noteworthy, progress over the decades doesn't mean it's inevitable.

While China invests in advanced robotics, for instance, we're re-investing in coal. Are the current administration's trade policies laying the groundwork for a prosperous future? I worry that they're not. What impact will our huge and greatly expanding national debt have on our nation's future? No one knows for certain, but it's hard to believe things will end well if we don't address it.

What about the inability of Congress to do its work? Nowhere is it written in the stars that things will continue on as well as they have, especially if our policy-makers don't do their jobs.

But to confront these problems, and to start to forge solutions, you have to have a measure of confidence in the system through which we'll address them. And in this regard, our history should give us a boost. My impression is we need it.

*Lee Hamilton is a Senior Advisor for the Indiana University Center on Representative Government; a Distinguished Scholar, IU School of Global and International Studies; and a Professor of Practice, IU School of Public and Environmental Affairs. He was a member of the U.S. House of Representatives for 34 years.*



# How to Control the Pension Debt, continued

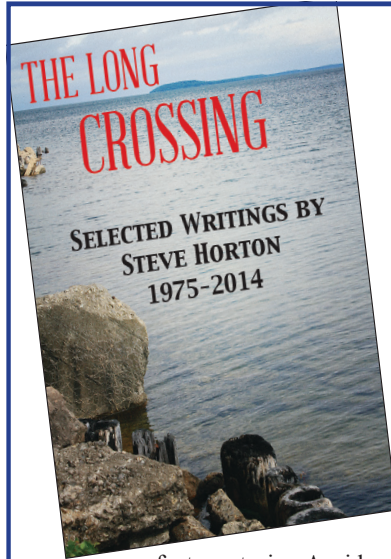
tirees can't do much to change those funding practices. They can implore managers to contribute more to the pension systems, but they have little other recourse to get governments to pay down their debts.

It's unfair to employees who inadvertently became the government's major creditors, and it's unfair to taxpayers who have to pay down a debt that shouldn't have developed in the first place.

Something should be done. As in "The Blob," a freeze can stop the growth of the problem, which in this case is pension liabilities. The state can ensure that pensions and retiree health care benefits are paid for by passing a law that freezes salaries until pensions are paid off.

Michigan has improved its public employee pensions and retiree health care benefits. Lawmakers began offering new employees defined contribution retirement plans that preclude governments from underfunding retirement benefits. But the debt for legacy plans — including roughly \$40 billion for the state's two largest plans — is still around and can continue to grow, threatening both employees and taxpayers. Lawmakers ought to consider ways to bring the problem under control.

*This commentary appeared on the Mackinac Center for Public Policy website [www.michigan-capitolconfidential.com](http://www.michigan-capitolconfidential.com)*



## NEW BOOK AVAILABLE!

Steve Horton has published a new book, *The Long Crossing*, which can now be purchased.

Horton is the publisher of the *Fowlerville News & Views*.

*The Long Crossing* includes 55 selected writings from 1975 to 2014. Nearly all of them first appeared as newspaper columns or

feature stories. A wide range of topics are covered in this compilation, including observations and reflections on the birth of his son, various adventures in fatherhood, fishing and hunting, political and social concerns, Christmas celebrations, riding horses, Sinatra's legacy, departed loved ones and special friends, walking across the Mackinac Bridge, President Kennedy, sitting around a campfire and more.

**If you're interested in purchasing a copy, you can pick the book up at the *Fowlerville News & Views* office or have it mailed to you.**

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