

# MICHIGAN TRUTH SQUAD

## **MICHIGAN TRUTH SQUAD ANALYSIS: "SNYDER VS. CALLEY"**

**Who:** Michigan Democratic Party

**Elected office seeking:** Governor

**Primary or general election ad:** General

**Featured campaign material:** News release

### **QUESTIONABLE STATEMENTS:**

**Rick Snyder is already caving in to Lansing special interests and it's only his first decision as the GOP's gubernatorial candidate.**

Republican gubernatorial nominee Snyder has chosen Brian Calley, a Republican state representative from Portland, as his running mate. By the definition of this statement, all lawmakers, Democratic and Republican, are "Lansing special interests."

**Calley is the architect of the 2007 Michigan Business Tax and its 22 percent surcharge—a tax Snyder has harshly criticized. Snyder told AnnArbor.com on Aug. 18, 2010 that the 2007 tax is "like Lansing went to the video store and rented 'Dumb and Dumber.'"**

[Calley was one of the sponsors of legislation](#) to enact the MBT and the 22 percent surcharge, which was proposed as an alternative to a broad sales tax on services. The measures were also supported by most Democratic lawmakers, and signed by Democratic Gov. Jennifer Granholm.

He now says he agrees with Snyder's proposal to replace the MBT and the surcharge with a 6 percent corporate income tax.

Snyder said repeatedly during the primary campaign that replacing the Single Business Tax with the MBT was ["like Lansing went to the video store and rented 'Dumb and Dumber.'"](#)

**"In his first major decision as a gubernatorial candidate, Snyder has shown again that he will say and do anything to get elected," Michigan Democratic Party Chair Mark Brewer said. "He claims to have created jobs when in fact he got rich after his company Gateway outsourced 20,000 American jobs to China."**

[Gateway announced](#) it would begin outsourcing manufacturing and some service functions in 2003 when Snyder was on the board of directors and not actively involved in the management of the company. Snyder said he was a minority voice on the board in opposing some of those moves.

[The company](#), which built and sold personal computers, added about 10,000 U.S. jobs when Snyder served as executive vice president and president of the company from 1991 to 1997, according to an extensive analysis of the Gateway outsourcing issue by [annarbor.com](#)

Brewer doesn't provide evidence that Gateway "outsourced 20,000 American jobs to China" and the figure appears to be an exaggeration.

Gateway had 21,100 U.S. employees at the end of 2000, according to its annual report filed with the Securities and Exchange Commission. The company shed 19,400 U.S. jobs from 2001 to 2007, when it was sold to Taiwanese computer maker Acer Inc.

At that point, Gateway had just 1,700 employees, all of them located in the United States.

Those job losses included thousands of layoffs related to declining sales of Gateway computers, as well as outsourcing manufacturing operations to China and other countries.

Ironically, some computer industry analysts said [Gateway fell behind competitors](#) such as Apple and Dell in part because it was too late in outsourcing manufacturing to lower-cost countries.

Snyder's net worth isn't known, but no one is disputing that the venture capitalist and technology entrepreneur is wealthy. He donated nearly [\\$6 million of his own money](#) to his primary election campaign.

#### **OVERALL IMPRESSION:**

This news release from the Michigan Democratic Party criticizes Snyder for running as an "outsider" but picking Calley, a state representative and "Lansing insider," as his running mate.

Snyder has never run for elective office, so it seems reasonable that he would choose as his running mate a person with experience in governing. Gov. Granholm, in her first campaign for governor in 2002, did the same thing in picking former state Sen. John Cherry as her lieutenant governor.

Brewer's claim in the news release that Gateway outsourced 20,000 American jobs to China is overstated. Gateway did outsource jobs to China and other Asian countries. But its reduction of jobs also was a result of poor sales performance by the company after Snyder left active management of the company but was still on the board of directors.

**FOUL OR NO FOUL:**

Technical foul for exaggerated claims that Gateway outsourced 20,000 jobs to China and that Snyder caved into "Lansing special interests" by naming Calley as his running mate.