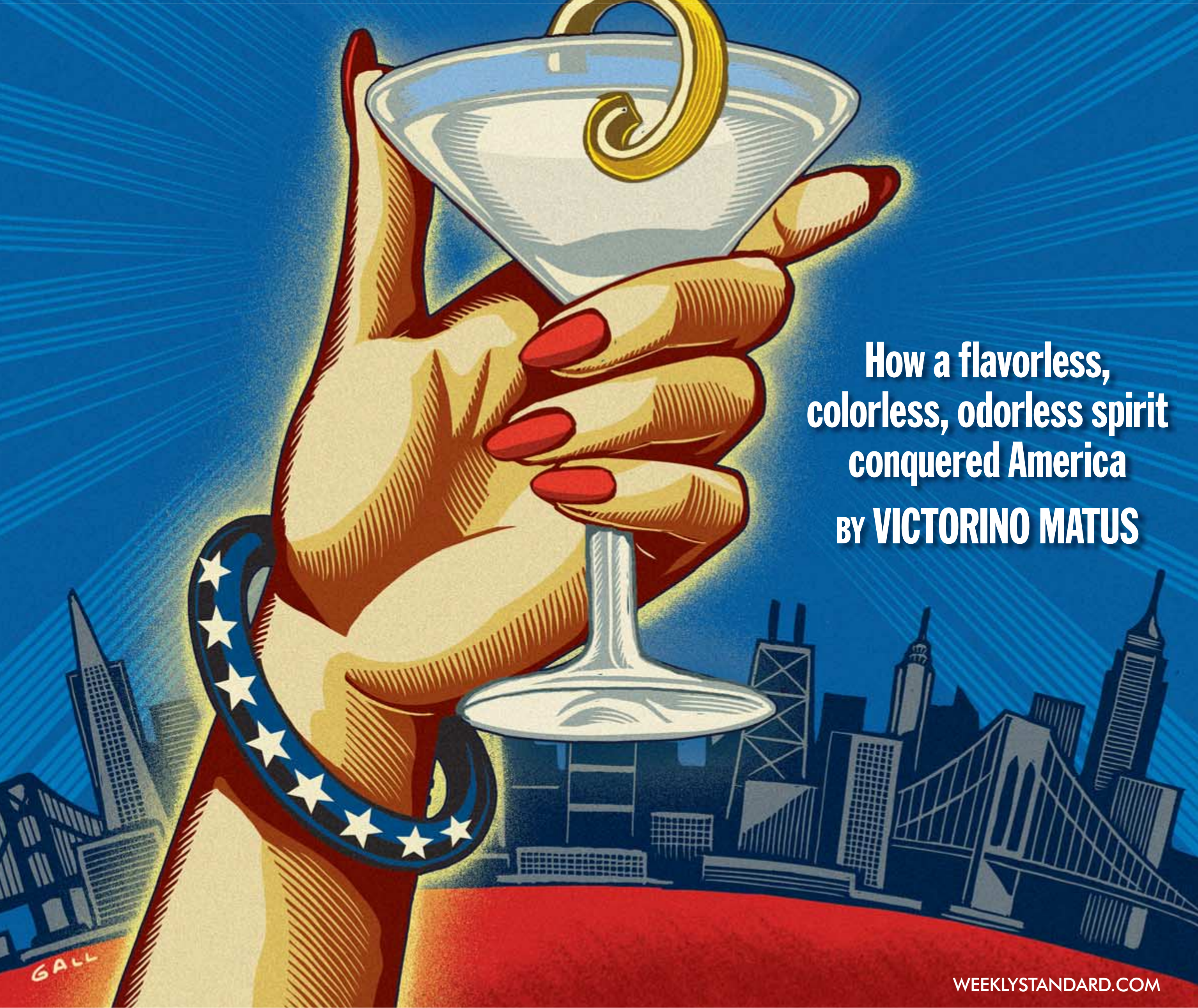
THE IRAN-AL QAEDA CONNECTION
STEPHEN F. HAYES & THOMAS JOSCELYN

the weekly Standard

AUGUST 15 / AUGUST 22, 2011 $4.95

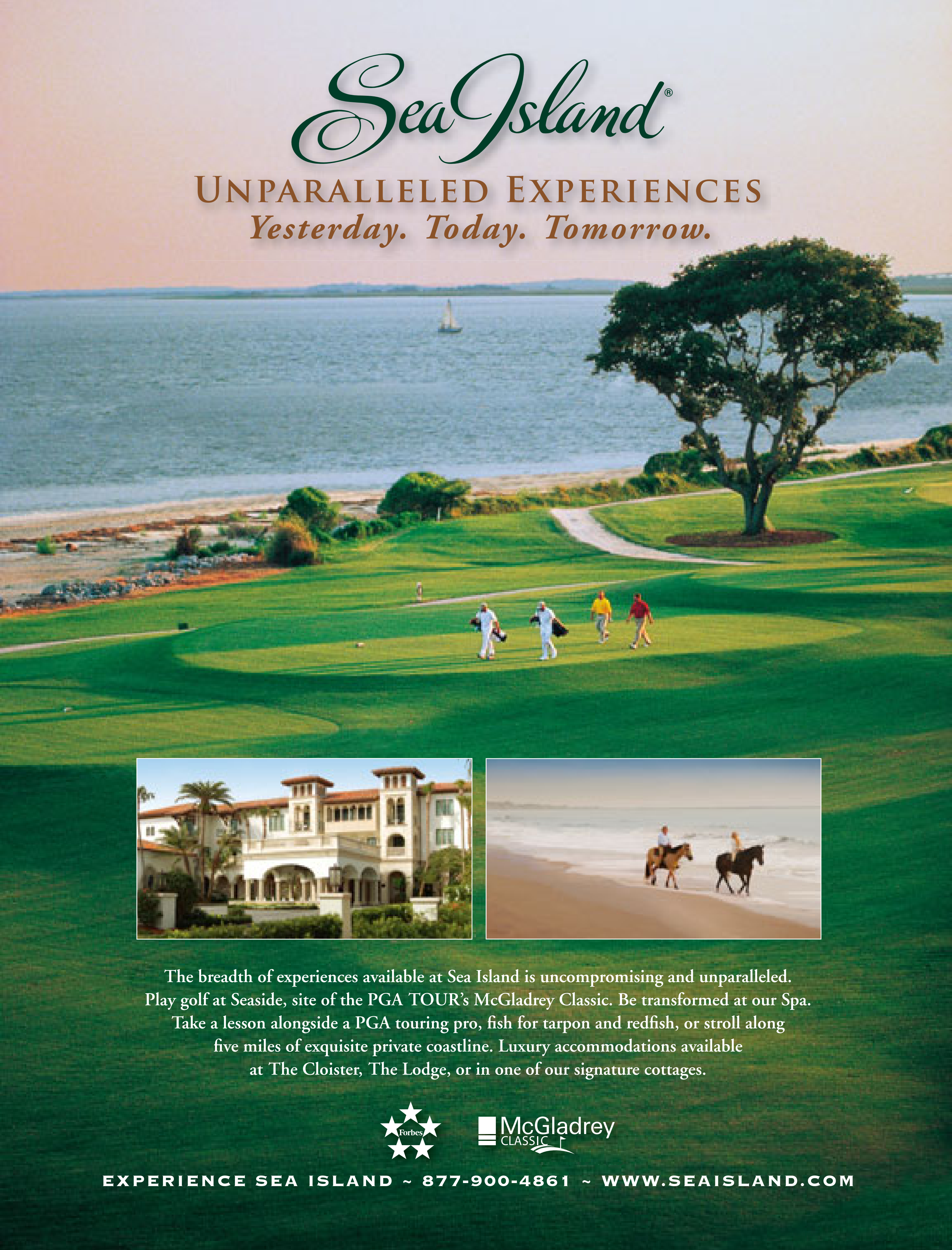
VODKA NATION



How a flavorless, colorless, odorless spirit conquered America

BY VICTORINO MATUS

WEEKLYSTANDARD.COM


Sea Island®
UNPARALLELED EXPERIENCES
Yesterday. Today. Tomorrow.
The breadth of experiences available at Sea Island is uncompromising and unparalleled. Play golf at Seaside, site of the PGA TOUR's McGladrey Classic. Be transformed at our Spa. Take a lesson alongside a PGA touring pro, fish for tarpon and redfish, or stroll along five miles of exquisite private coastline. Luxury accommodations available at The Cloister, The Lodge, or in one of our signature cottages.
Forbes
McGladrey CLASSIC
EXPERIENCE SEA ISLAND ~ 877-900-4861 ~ WWW.SEAISLAND.COM


KESWICK HALL
AT MONTICELLO
by ORIENT-EXPRESS
From the
BLACK
TEES
on
NO. 9
YOU NEVER KNOW *WHEN* BRILLIANCE STRIKES, BUT WE KNOW *WHERE.*
Plan your next meeting escape to Keswick Hall and enjoy everything the 600-acre estate has to offer. From meeting rooms overlooking the foothills of the Blue Ridge Mountains to early morning walks exploring the grounds, this is a place where meetings thrive and ideas happen.
— Group rates available. To schedule your next meeting, call 434.923.4370 or visit Keswick.com. —

THIS IS A COMBINED ISSUE. THE NEXT ISSUE OF THE WEEKLY STANDARD WILL APPEAR IN TWO WEEKS.

Contents

August 15 / August 22, 2011 • Volume 16, Number 45

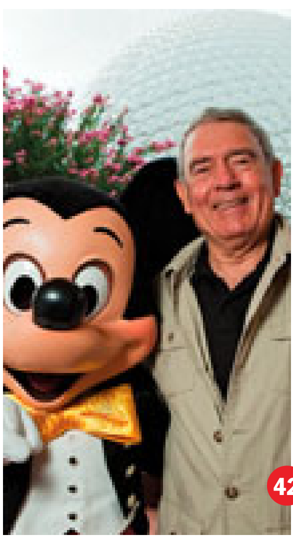
9

Articles

32

Features

Books & Arts



42

COVER BY CHRIS GALL

Sigma Newt

We can't say we were surprised that Newt Gingrich's reaction to the debt ceiling deal was like no one else's in all the world. No sooner had the agreement been struck than Gingrich released a statement that was vaguely disapproving. But then he went positive: "As president [wait—Newt Gingrich is running for president?], I will approach solving America's debt crisis by adhering to three principles." We knew it had to be at least three.

The first principle is that the highest priority of federal fiscal policy should be private job creation. The second is that national security spending should be permanently safe from political considerations.

So far, so normal. Only in the third principle did Gingrich's inimitable Newtness show itself. Government spending, he said, could be reduced by half a trillion dollars a year "by applying Lean Six Sigma to the federal government."

Our first reaction, as it so often is when listening to Gingrich, was "Huh?" We were evidently sick the day our business prof discussed Lean Six Sigma. Our next thought was, quick! To Wikipedia! (We click so you don't have to.)

Six Sigma, we learned, is a "business management strategy." It looks as if it could have been designed for Newt Gingrich, appealing to his every intellectual need. There are impenetrable attempts at quantification, lots of jargon, and miles of lists: for example, DMAIC (Define, Measure, Analyze, Improve, Control) is not to be confused with DMADV (Define, Measure, Analyze, Design, Verify). We're sure either one would light a fire under those bureaucrats down at the Federal Interagency Committee for Management of Noxious and Exotic Weeds.

Whether business gimmicks—sorry, management strategies—can make government more rational is an old question that crackpots from Henry Ford to Ross Perot to Al "Reinventing Government" Gore have answered with a resounding "Yes!"

We won't bore readers by offering our own views on the subject. But we do note with pleasure that once again Newt Gingrich has succeeded in reminding us of one of our favorite lines from one of our favorite movies: "You just keep thinkin', Butch," the Sundance Kid tells his partner with an affectionate smile. "That's what you're good at."

We never could tell whether the Kid was being ironic. ♦

KENT LEMON

More Gas from the *New York Times*

While the *New York Times* can barely conceal its glee at the phone-hacking scandal embroiling the rival Murdoch empire, The Scrapbook confesses to a certain *schadenfreude* of its own at the Gray Lady's latest embarrassment. The *Times*'s slanted coverage of the natural gas industry continues to generate radioactive fallout.

Steven F. Hayward explained round one in our August 1 issue ("New York Times Passes Gas"). In a pair of long front-page stories in late June, the *Times* purported to expose the prospects of the "gas revolution" as not just hyped but likely fraudulent: Industry dissidents were likening the shale gas boom to the dot-com bubble and a Ponzi scheme.

Hayward's chief criticism of the series was its "stupefying economic ignorance and disregard for any data analysis." But he also faulted its reliance on "the sensational views of two would-be whistle-blowing 'insiders,' along with leaked emails and documents." The *Times* posted online hundreds of pages of source materials but took care to black out the names of email senders and recipients.

The series brought a hail of criticism, including from the paper's own ombudsman. His column in mid-July argued that "such a pointed article needed more convincing substantiation."

In particular, he deplored the misleading identification of one of the few sources actually named, Deborah Rogers. Far from being an energy industry insider, Rogers is a goat farmer proud of her prize-winning artisanal cheeses. While the *Times* correctly stated that she once worked as a stockbroker and is a member of an advisory council to the Federal Reserve Bank of Dallas, it failed to note that this group of businesspeople, academics, and local notables meets twice a year to offer thoughts about business conditions, for which participants receive $100 a pop. Also left out was Rogers's personal clash "with Chesapeake Energy, a leading shale gas producer, over its drilling on land next to hers" and her activism with the anti-shale-gas Oil and Gas Accountability Project.

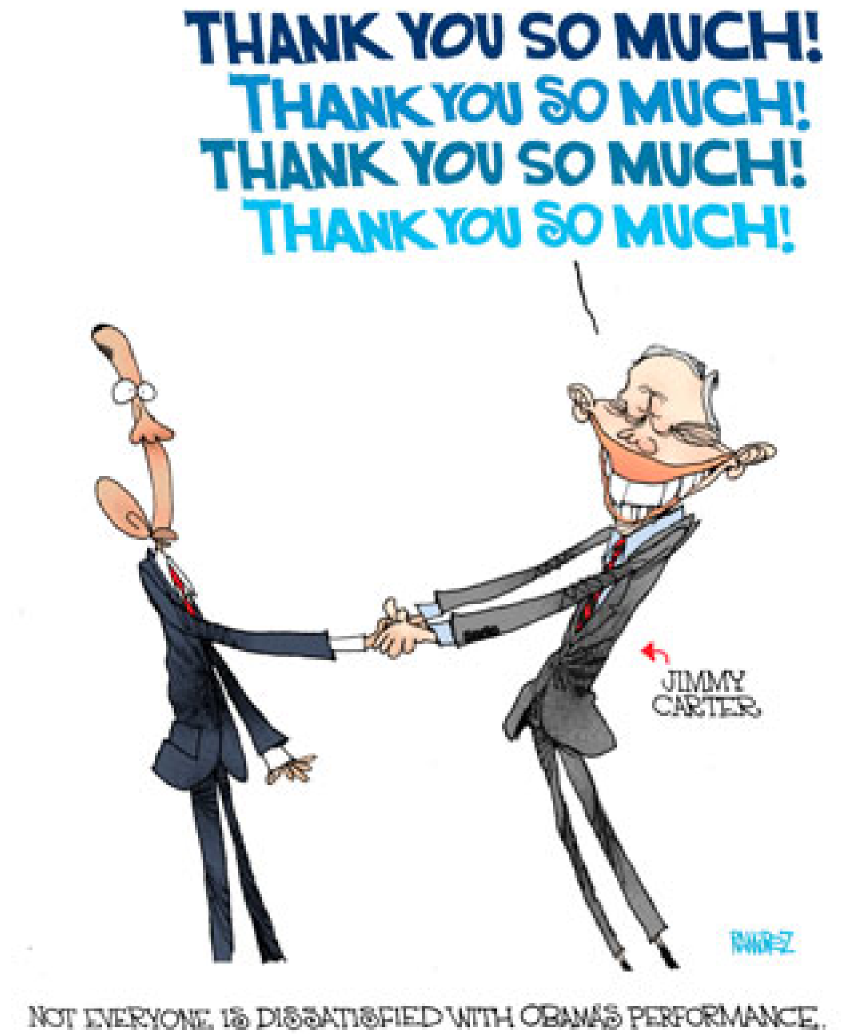
Oddly, the author of the piece, reporter Ian Urbina, and his editors, instead of admitting missteps and moving on, dug in their heels. National editor Richard L. Berke defended the story as "deeply sourced, meticulously reported and measured." The editors, he said, "would not change a word."

Time for round two, or "Why Redacting E-Mails Is a Bad Idea." That headline announced the second column by ombudsman Arthur S. Brisbane on July 30. By now, Brisbane had read, unredacted, the internal emails from the Energy Information Administration, the independent data branch of the Department of Energy, of which the series made extensive use. He found that some redactions of content had distorted the writers' meaning. Most preposterously, an intern hired out of college in 2009 and promoted to an entry-level position this past March had been given pumped-up billing. Wrote Brisbane:

> One of his emails was attributed to "one official" who said the shale industry may be "set up for failure." Later, he was an "energy analyst" wondering, "Am I just totally crazy, or does it seem like everyone and their mother are endorsing shale gas without getting a really good understanding of the economics at the business level?" Next he was "one federal analyst" who said, "It seems that science is pointing in one direction and industry PR is pointing in another."

Brisbane concluded with admirable restraint: "Anonymous material says to the reader: Trust us. But if the reader ends up feeling burned—if, for example, an 'official' proves to be an intern—the trust won't be there the next time."

Conceding nothing, the editors stand by Urbina, whose latest contribution to a well-rounded view of his subject is an August 3 piece on the only publicly documented instance of contamination of a drinking well by the controversial drilling process known as fracking—which occurred, as he reveals in paragraph 11, in 1984. When he finishes speculating that evidence of similar atrocities may lie hidden in sealed case files somewhere, Urbina no doubt will unleash his reportorial zeal on the technological advances in gas extraction made in the past 27 years. ♦



Elders Gets a Hot Seat

With federal funding gone limp, administrators in American higher education are groping for ways to get the donors' juices flowing again and firm up school finances. No one has turned the trick as neatly as the University of Minnesota Medical School. It has fingered a completely original source of revenue: porn.

The school's singular scheme was touched off by a company called Adam and Eve, "America's most trusted source for adult products." Trusted? Who would dare distrust the source of much-loved films like *Junk in the Trunk* and *Juicy White Booty*, as well as essential merchandise like erotic body suits, Hot Rod Silicone Sleeves, and its own eponymous brand of "Not Yet Delay Gel"?

Certainly not a university administrator worried about his endowment.

Two weeks ago Adam and Eve announced that it was pulling out from its huge bottom line a load of cash big enough to endow the Joycelyn Elders Chair in Sexual Health Education at the university's med school. You think we're joking. We're not. We've got the press release right here, dated July 29, 2011, and datelined Hillsborough, North Carolina, home base for Adam and Eve.

With 40 years of experience under its belt, the press release says, Adam and Eve has earned the loyalty of "ten million satisfied customers." We're not sure if that 10 million is a hard number—it might be artificially enhanced—but however many customers Adam and Eve enjoys, we have no doubt they're satisfied. And now, counting the University of Minnesota med school, we can make it ten million and one.

The major thrust of the announcement was laid out by Chad Davis of Adam and Eve. "Adam and Eve is proud to help establish this esteemed position," Davis said. "Sexual well-being is the cornerstone of our company." The announcement elicited the usual ejaculations of gratitude from a man named Eli Coleman, "director of the Program in Human Sexuality" at the med school.

"We are very pleased with the support from Adam and Eve," Professor Coleman said. "Through the Elders Chair we will build on our strengths to advance sexual health education."

Readers of a certain age will recall Joycelyn Elders, who served under President Clinton in at least two different positions. He was forced to let her go as surgeon general after she publicly advised grade schools to teach masturbation to America's glabrous-palmed youth.

Thanks to Adam and Eve, Dr. Elders has found a new stroke to approve of: the stroke of the pen that writes the check for this singular honor. It's too early to know how the med school and the pornographers at Adam and Eve will make out. Late night comedians surely will make the school the butt of their tittering jokes and smutty word play. No doubt we can expect the usual moaning and heavy breathing from the blue-nosed community, whose angry members will wage a full frontal assault to prevent the deal from being consummated.

Our guess is that if the criticism gets too hot, Dr. Coleman will see how large his support is, and how firm. We have no doubt that his students will be happy to lend him a hand—especially if he can arrange a special showing of *Bondage Babes* at homecoming next year. It's a classic of Sexual Health Education. ♦

the weekly
Standard
www.weeklystandard.com

The Weekly Standard (ISSN 1083-3013), a division of Clarity Media Group, is published weekly (except the first week in January, third week in April, second week in July, and fourth week in August) at 1150 17th St., NW, Suite 505, Washington D.C. 20036. Periodicals postage paid at Washington, DC, and additional mailing offices. Postmaster: Send address changes to The Weekly Standard, P.O. Box 421203, Palm Coast, FL 32142-1203. For subscription customer service in the United States, call 1-800-274-7293. For new subscription orders, please call 1-800-283-2014. Subscribers: Please send new subscription orders and changes of address to The Weekly Standard, P.O. Box 421203, Palm Coast, FL 32142-1203. Please include your latest magazine mailing label. Allow 3 to 5 weeks for arrival of first copy and address changes. Canadian/foreign orders require additional postage and must be paid in full prior to commencement of service. Canadian/foreign subscribers may call 1-850-682-7644 for subscription inquiries. American Express, Visa/MasterCard payments accepted. Cover price, $4.95. Back issues, $4.95 (includes postage and handling). Send letters to the editor to The Weekly Standard, 1150 17th Street, N.W., Suite 505, Washington, DC 20036-4617. For a copy of The Weekly Standard Privacy Policy, visit www.weeklystandard.com or write to Customer Service, The Weekly Standard, 1150 17th St., NW, Suite 505, Washington, D.C. 20036.

The Divine Miss H

As I tap this out on my computer, there resides in my yellow wooden inbox a sleeping three-month-old female Calico kitten named Hermione. I acquired her this past Friday evening, and spent the better part of the weekend in her company. Jolly company it was, too, all fun and games. In the most famous moot question in literature, Montaigne asked if he were playing with his cat or if his cat were instead playing with him. I failed to ask this question of the divine Miss H., but I can attest that the two of us had a swell time.

I have had a pair of Siamese cats (Ralph and Clara) and, more recently, a quietly affectionate tiger-striped cat (Isabelle), who used to sit beside me at our kitchen counter during my coffee and early morning reading. When Isabelle died, I thought her irreplaceable, and therefore made no attempt to replace her.

A few weeks ago, at a local pet store called The Fish Bowl, I saw a sign in the window advertising rescued animals. Among them was a litter of kittens whose mother was killed and not around to raise them. The runt of the litter was the not-yet-named Hermione. She was still too young to be taken home, as I probably would have done, so immediately enamored of her was I. I made a mental note to stop back to see her again. I did, and found myself no less nuts about her, but, somehow, delayed making the decision to bring her to our apartment. On a third trip, at last ready to make my move, I learned that someone had come earlier that same day and whisked her away.

We have here a tragedy with a happy ending—William Dean Howells's formula for a successful Broadway play—for the person who took the kitten had another cat in his house who had territorial rights and wanted no new animals on the scene, and so he had to bring Hermione back to the pet shop. At this point—maestro, please play the heavily violin-laden finale to the movie *An Affair to Remember*—Hermione and I permanently entered each other's lives.

CHRIS GASH

Hermione immediately found her food and water dishes, and straightaway used her litter box. Well-trained dogs offer their owners uncritical adoration, as J.R. Ackerley, author of *My Dog Tulip*, learned to his contentment. Well-trained is never an adjectival phrase one would think to place before the noun cat. In place of uncritical adoration, cats offer elegant sang-froid, fits of passionate intensity and affection, and, when the mood strikes them, a fine go-bugger-off-pal independence that makes the phrase cat-owner an imprecision. Nobody, finally, owns a cat. Cats are instead superior house guests.

Calico means mottled and multicolored, and in Hermione's case the multicolors are caramel, black, gray, white, and, on her left side, tiger striping. Nothing the least bit symmetrical about the placement of any of these colors, either, with the exception of her paws, all of which are white, though with differently shaped gray markings above each. On her, as they say, it looks good. I, at least, cannot take my eyes off her.

In dreams begin responsibilities, and the same might be said about pets. Equipage has to be taken on—in the case of a cat, a litter box, bowls, a carry-box—food provided, the ample bills of veterinarians paid. One cannot travel without making arrangements for their care. A pet—even a single goldfish—does not simplify one's life. "Simplify, simplify," said that self-approving nudnik Thoreau. In my own life, I have never come within hailing distance of being able to do so.

When I look at the three-month-old Hermione capering about our apartment, the thought occurs to me that this charming creature, with the luck of good health, could easily outlive me. Was I right to have brought her into my life? Did I need to add to my list of morning errands the cleaning of a litter box? Have I joined the ranks of the pet-goofy who make up much of the clientele at PetSmart, where the other day I paid my first visit, to purchase a scratching mat? That mat and others of her toys are for the moment strewn around the floor of our formerly orderly living room. Shall I end my days as—groan—a cat-person?

And then I hear the galloping clatter of Hermione's paws, as she races along the wooden floors of our long hall, a run that sometimes ends with her popping onto my lap, causing my heart to leap and to conclude, without hesitation, that simplicity and good order are vastly overrated.

JOSEPH EPSTEIN

NEWSCOM

Defining Defense Down

In a classic case of closing the barn door after the horses have bolted, the newly appointed secretary of defense, Leon Panetta, and retiring Joint Chiefs chairman Admiral Mike Mullen held a joint press conference this past Thursday in which they decried the impending cuts to the defense budget made likely by the debt ceiling deal. In particular, they complained that, if the still-to-be-appointed joint committee of House and Senate members is unable to reach an agreement on how to trim $1.5 trillion more over the next decade from the federal budget, or Congress as a whole refuses to pass the committee's recommendations, the automatic $500 to $600 billion in defense cuts that could be mandated by the debt agreement would be "disastrous" and "unacceptable." Indeed, for just FY 2013 alone, the automatic cuts could result in defense spending being slashed by approximately $100 billion from the administration's own projected figure in last winter's budget submission—a cut of nearly 20 percent.

Of course, one reason these additional cuts would be disastrous is that the administration—along with members of Congress—has already accepted as a done deal the agreement's initial cut to "security" spending that will likely reduce defense accounts dropping by some $25 to $30 billion for next year and $330 to $350 billion over the next ten.

Coming on the heels of $400 billion already cut from defense by the administration in its first two years, the Pentagon is looking at the prospect of trying to maintain a defense capability second to none, with global responsibilities and new threats on the horizon (Iran, China), shorn of $1.3 trillion over the next decade it expected to have just three years ago. It is simply not the case that defense has not been "on the table" when it comes to deficit reduction efforts. Indeed, military budgets have been on the table since the 1990s' "peace dividend." One only wishes that were also true for entitlements.

Moreover, these cuts come at the worst time. The American military has been ridden hard for a decade and now faces the prospect of being put away wet. As the recent hearings on readiness before the House Armed Services Committee showed, this is a military that is slipping—and in some cases has already slipped—into a state that leaves it unprepared for any new major contingency.

Nor is this news. Just one year ago, the bipartisan panel Congress created to review the Pentagon's latest Quadrennial Defense Review—headed by former national security adviser Stephen Hadley and former defense secretary William Perry—concluded that "there is a significant and growing gap between the 'force structure' of the military—its size and its inventory of equipment—and the missions it will be called on to perform in the future." Instead of cutting defense, there exists an "urgent necessity of recapitalizing and modernizing the weapons and equipment inventory of all the services." The fact that everyone assumes that the debt deal's initial cut of some $330 billion from the Pentagon's coffers doesn't amount to much reflects just how far we've come in ignoring the true state of the American military. The late Daniel Patrick Moynihan sketched the decline in American culture a quarter century ago when he noted that we were "defining deviancy down." That is, we were lowering the bar for what was once considered unacceptable behavior, and giving a pass to things society once frowned upon. Well, welcome to the world of defining defense down.

While the defense budget has grown substantially over the past decade, most of that increase has gone to fighting two wars (wars that Congress authorized by large margins), paying for the men and women who are at war, and maintaining the aging equipment they use. Undoubtedly, there are savings to be made in Pentagon programs like TRICARE for Life, the military's health care plan. But even here, getting that program into sensible order will save at most a few billion annually—nothing on the order of the kind of "savings" required by the current arbitrary and mandated cuts.

No, to meet the hundreds of billions in reductions set by the debt agreement, the only real alternative will be to cut the size of the active-duty force, strip it of some capabilities, and cancel or greatly reduce the procurement of new platforms and weapons systems. The result will be a military that is smaller and less capable of meeting present and rising dangers. In the words of incoming Joint Chiefs chairman General Martin Dempsey, there's a "very high risk" to following this path. Yet, right now, we seem to be doing so blindly. As a first order of business, and well before the Joint Committee reports in late November, Congress and the appropriate oversight committees should be demanding to know from the administration and the military precisely what those very high risks are. We believe an honest assessment of those risks will lead to the assessment that the price of these cuts will be the inability to respond effectively to a real national security crisis—and that this is a cost to peace and security that we are unwilling to pay. And then Congress has to act to ensure that these planned defense cuts do not stand.

—Gary Schmitt & Tom Donnelly

A Marvellous Ode

Editor's note: On March 1, in Cambridge, Massachusetts, a mysterious dark lady approached me in Harvard Yard and pressed a sheet of paper into my hand. It was entitled "To Her Chris Christie," based on Andrew Marvell's "To His Coy Mistress," and we were happy to share it with our readers on our website (if you're curious you can read it at www.weeklystandard.com/blogs/her-chris-christie_552733.html).

Last week, on the evening of August 4, the same lady suddenly appeared beside me in a restaurant in New York City. She was in tears, which I attributed to the 500-point drop in the stock market. No, she explained. All her money was in gold, so she was doing fine . . . but she was weeping for our country. She informed me that the muse had visited her again and said that her new ode's message was more urgent than ever. We at The Weekly Standard agree and are pleased to have it speak for us.

—William Kristol

To Our Coy Non-Candidates

For Paul Ryan, Marco Rubio, Chris Christie,
Jeb Bush . . . and Others

Had we but world enough, and time,
This coyness, sirrahs, were no crime.
We'd gather round for long debate
On aspects of our parlous state;
In Jersey, Miami, on the Hill
You would ponder; while we who till
By the Potomac would await
At length a presidential slate.
And you should, if you please, refuse
Till the conversion of the Jews.

But at our back we all now hear
Time's wingèd chariot hurrying near;
And yonder all before us lie
Deficits through eternity.
Our greatness shall no more be found,
Th'economy has run aground,
The markets plunge, jobs disappear,
The president leads from the rear.
Iran gets nukes, Assad kills scores.
History will judge who forbore
While his quaint honour turned to dust,
His political capital to rust.
You may prefer a fine and private place,
But duty summons to the public space.

So therefore when the moment calls,
Quick before the curtain falls,
While many round you eager stand
Ready to lend a helping hand,
Now do step forward while you may;
No longer dither and delay,
But manfully embrace your fate,
And boldly be a candidate.
Help our country with due haste.
An election's terrible to waste.

The Pivot That Wasn't

Obama can't move to the center.

BY FRED BARNES

GARY LOCKE

President Obama's support for raising income taxes on high earners is more than a talking point. It's an obsession. In negotiations in July over a $4 trillion "grand bargain" on deficit reduction, the president proposed the tax hike as part of an agreement with Republicans. It was a clumsy mistake on his part, an unforced error. Rather than facilitate a deal, he helped kill it.

What was the president thinking? Republican opposition to eliminating the Bush tax cuts for households with annual incomes of more than $250,000 a year was hardly a secret. Obama had made erasing the cuts a staple of his speeches. And Republicans had regularly rejected the idea—as a matter of principle.

Yet in the closed-door talks Obama brought it up again, this time in the context of what a "trigger" would impose if Senate and House negotiators failed to agree on cuts in spending and elimination of tax loopholes. Were that to occur, the tax increase would go into effect automatically. Obama said this was only fair and he personally was willing to pay more in taxes. His argument was a stale reprise of his speeches. Republicans had heard this pitch before.

They were not appeased. For Republicans, not raising taxes is foundational, primal. Raising taxes is acceptable only in rare circumstances. To give up on that, Obama would have to respond by giving up something just as basic. Dropping the individual mandate from his health care program would suffice. The president wouldn't consider it. With no agreement on a trigger, the bid for a grand bargain died. And a less ambitious compromise, calling for $2.4 trillion in spending cuts, was attached to legislation increasing the debt limit.

I offer this episode as evidence of the president's inability to move to the political center or even lean perceptibly in that direction. It would have been to his enormous benefit while running for a second term to have negotiated a major breakthrough in tackling the spending and debt crisis, and on a bipartisan basis, no less. It would have represented a propitious turn. It would have appealed to centrist voters. But Obama couldn't get there.

It's unclear exactly why. It could be liberal ideology that forced him to insist on things, like that tax hike for the well-off, though it should have been clear to him that Republicans wouldn't go along and a sizable chunk of independents wouldn't have been overjoyed. It may be fear of alienating his base in the Democratic party and on the left. Or perhaps he lacks the mettle to make even a small shift to the right. The result is the same.

I'm assuming a drift to the center, policy-wise, would be advantageous to Obama's reelection prospects. And the best way to carry it out would be to jettison talk of tax increases and morph into a champion of spending cuts. If there's a better way, I don't know what it would be. Maybe he'll find one.

At the moment (and contrary to media accounts), Obama is stuck on the left. He's missed repeated opportunities to ramble rightward. Last December, a bold plan was recommended by the president's own debt commission to cut spending, boost taxes, and reduce the deficit and the national debt. Obama might have endorsed it with qualifications. He took a pass instead.

Then came his State of the Union address. About the only thing that's remembered about it is Obama's failure to mention the word "debt" until 35 minutes into the speech. No move to the middle there.

As we got into February, the president presented his 2012 budget to Congress. It was not only DOA. It was criticized by Democrats and by his claque in the press. It proposed a bigger deficit. That was followed in April by a speech, superseding the budget, in which he concentrated on attacking the only budget still in existence, the one passed by the House.

Fred Barnes is executive editor of THE WEEKLY STANDARD.

The continuing resolutions keeping the government in operation this year gave Obama three more opportunities to claim credentials as an advocate of spending restraint. One might have expected him to jump at the chance. But no. He opposed Republican efforts to add cuts to the stopgap spending measures. Nor did he urge the Senate, controlled by Democrats, to approve a budget.

Now we come to the debt limit. The president initially wanted a "clean" bill, increasing his administration's authority to borrow enough to keep the government alive and paying its debts until the end of 2012, with no spending cuts included. In the ensuing talks Obama once again proposed a tax hike for the affluent.

After signing the bill (without his cherished tax increase), the president had still another chance to change his tune. Alone, he stepped in front of the press corps in the Rose Garden and proposed . . . more spending.

We need to pump money into "airport construction projects" and establish an "infrastructure bank" through which the "rebuilding" of the country would be funded. We need Congress to ratify trade pacts with South Korea, Panama, and Colombia, which may sound cost-free but won't pass unless organized labor's demand for $1 billion in "trade adjustment assistance" is approved.

Besides, the president said, "growing the economy isn't just about cutting spending." And "you can't close the deficit with just spending cuts." Obama didn't neglect to mention "the wealthiest Americans" who must be required to "pay their fair share" in taxes.

A Republican congressman who's dealt frequently with Obama is certain the president is staying put. He'll rely on class warfare rhetoric, building his base, demonizing his Republican opponent, and picking off as many independents as he can. He'll talk obsessively about raising taxes on the wealthy. Move to the center? Never.

Based on what we've seen from Obama since the 2010 election, there's every reason to believe the congressman is right. ♦

A Disaster Waiting to Happen

Medicare bureaucrats wreck the medical equipment market. BY ELI LEHRER

Sometime late this summer—the Friday before Labor Day if historical patterns hold—the Centers for Medicare and Medicaid Services (CMS) will announce the beginning of something called Medicare Round Two of "the Competitive Bidding Program for certain Durable Medical Equipment, Prosthetics, Orthotics, and Supplies." Although it sounds obscure, this bidding process's manifest flaws could have serious consequences for just about every American who needs medical care. Shortages of vital devices could develop, medical supply companies could go out of business, medical innovation could slow, and, if things go as badly as some economists think they will, health care costs could skyrocket as the direct result of a program intended to control them.

The story of the bidding process for what insiders call DMEPOS provides a fascinating case history of how broadly supported "good government" schemes can have serious negative consequences in the hands of ambitious bureaucrats. Let's begin with some background. Durable medical equipment, prosthetics, orthotics, and supplies, i.e., DMEPOS, are goods used primarily outside of hospitals. The category includes everything from crutches to pacemakers. DMEPOS are mainly distributed through small "home care/durable medical equipment" businesses that earn most of their revenue through "market rate" reimbursements under the Medicare program. The current purchasing process has problems: Among other things, prices for the same equipment differ quite a bit between regions, invoices rarely track manufacturing costs, and quality problems crop up more frequently than they should.

Eli Lehrer is vice president of the Heartland Institute.

In an effort to save money for Medicare while boosting quality, Medicare began full-scale competitive bidding for some products under the 2003 law adding prescription drug coverage to Medicare. Under that law and an additional package of Medicare tweaks passed in 2008, the bidding process would begin in a few areas and, if successful, expand. (The 2010 health care law accelerates this expansion.) At the time, it seemed like common sense, good-government thinking. Supporters of bidding processes included the George W. Bush administration, then Senate majority leader Bill Frist, and Frist's late Democratic colleague Ted Kennedy. CMS claims it will obtain average savings of nearly 20 percent, or about $1.5 billion out of the more than $8 billion Medicare spent on DMEPOS in 2009.

Despite a long buildup period, however, nobody paid much attention to the process until CMS announced a plan for a bidding system that raised questions for just about every expert that has looked at it.

"Neither I nor anyone else have ever seen any bidding process anywhere that works this way," says University of Maryland professor Peter Cramton, an economist who has closely followed the Medicare bidding process. And nearly 250 university and industry economists who study market-design economics have signed Cramton-drafted letters to the president and CMS expressing grave concerns about the process and suggesting that it be halted until its flaws can be worked out. (There's no groundswell of academic support on the other side.)

The fundamental problem lies in the way that CMS's market design crashes the established procedures for government contract bidding. In a conventional bidding process for a government contract, qualified providers submit bids offering specific quantities of a product at a particular price. The bidding process ends when the total that the providers offer equals expected demand. This is called the "market clearing price." If, for example, CMS decides there's a need for 100 walkers and gets bids of 25 walkers for $90 each, 25 walkers for $110 each, 50 walkers for $140 each, and 100 walkers for $150 each, it would establish a "clearing price" of $140, hold all bidders to their bids, and decline to do business with the company that wanted $150. This process becomes considerably more complex in real-world settings, but its fundamental efficiency in meeting demand at the lowest cost ranks among the best-established conclusions in the field.

While it takes bids in a normal fashion, however, the CMS process insists that Medicare will pay everyone the *median* of the "winning" prices. ($110 rather than $140 in the above example.) As a result, some bidders will be paid less than they bid while others will be paid more. Unlike in a conventional government bidding process, CMS neither requires bidders to prove they can deliver a product before bidding nor to actually deliver it afterwards. And unlike all other government auctions outside of the national security realm, CMS reveals little besides winners' names to the public.

All these features could cause major problems. Since bidders don't have to honor their bids or prove they can meet them in the first place, they have enormous incentives to bid less than their actual costs, because doing so gives them a zero-risk option to sell to CMS at a price that may be higher than the bid anyway. Since CMS pays less than the likely-to-be-low "clearing price," however, the system essentially guarantees that some will have to sell at a loss or drop out and thereby threaten their own survival. Finally, since nearly everything is kept secret, CMS's own officials are free to manipulate contracts however they want. The result is a disaster waiting to happen for the market as a whole.

Competitive bidding was supposed to lower costs for walkers and other Medicare-covered medical equipment. Then bureaucrats announced a plan for a bidding system that raised questions for just about every expert that has looked at it.

In the trial areas, problems have already emerged. Diabetics have run into difficulty getting supplies that work with their testing meters and CMS has had to rejigger delivery quantities for almost every major item it has put out for bids. While these short-term fixes have prevented calamity, the fragile, nearly arbitrary process that now exists could show real strains as soon as the "round two" process expands current practices to a total of 91 metropolitan areas that collectively contain almost the entire population.

In fact, just about every independent study of the process makes decidedly dour predictions. One report from the Pacific Research Institute finds that CMS's methods could reduce investment in medical device markets by as much as $3.1 billion over a 10-year period (essentially stopping the development of new high-tech devices) and cost $50 billion in terms of reduced life expectancy. Another report from the American Consumer Institute finds that the process's consequences for one category of equipment—vacuum pumps that help heal serious wounds—would increase medical costs by $6.8 billion if it slows the technology's rollout. "The CMS bidding process is so flawed that it will fail to find sustainable market prices for medical equipment," says Steve Pociask, ACI's chief economist and the study's author. But CMS has given every indication it plans to push forward with the process unchanged.

And that's where the bureaucratic interests come in. Since the process puts low prices above all other considerations, it will almost certainly produce savings of more than the 20 percent that experiments have shown, and its designers will look very smart. With only a few areas and a few classes of products in play, however, firms may have been willing to take losses up until now just to stay in the running. The people running the program at CMS probably hope they will emerge looking like geniuses who saved taxpayers billions, while the home care industry will get the blame as quality falls, shortages develop, deliveries become irregular, innovation ceases, and more people end up in hospitals.

Cramton adds an important note. "It's rare to see something like this happening in the absence of an organized interest group on the other side," he told me. "Usually somebody benefits from the flaws in a process. Here, no special interest group benefits." Unless, of course, one believes the CMS's own leadership ought to be counted as another special interest group with an agenda all its own. ♦

Faked in China

Counterfeits “R” Us.

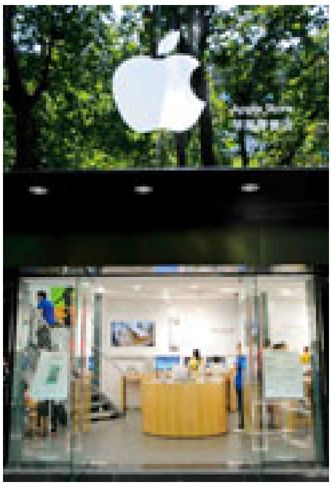
BY JONATHAN V. LAST

In 2006 Hasbro released the Marvel Super Hero Squad line of action figures. The figures are little—only about two inches tall, on average—and made of plastic. They are rendered in what is known as the “super deformed” style: small, stumpy arms and legs, oversized heads, and hands with four, instead of five, fingers. This aesthetic appeals primarily to very small children, and the Super Hero Squad—classic Marvel comic book characters like Spider-Man, Iron Man, and Thor—was designed, as you may have guessed, as a gateway drug for 2- and 3-year-old boys.

Yet something odd happened. The Super Hero Squad caught fire in the world of toy hobbyists. Older—one hesitates to say grownup—buyers devoured the figures, and today there is a brisk collectors’ market for them on eBay. Originally sold in packs of two for about $6, individual figures now sometimes sell for $25. Or even $45.

But if you hunt around the Super Hero Squad listings on eBay (there are a few thousand of them at any given time), you’ll notice something strange: There are often two versions of a figure selling at radically different prices. For instance, a Spider-Woman that costs $10 next to a Spider-Woman that costs $0.99. The cut-price Spider-Woman is a fake. Of the several thousand Super Hero Squad sellers, about half are located in China, Hong Kong, and Singapore. And all of these merchants sell their figures at bargain prices.

This raises the interesting question of what “counterfeit” really means these days. Once, we knew what a knockoff was. A real pair of designer shoes was made in Italy out of leather and steel tacks. The knockoffs were slapped together in Vietnam or Korea using glue and pleather to barely approximate the look of the Italian originals. Nothing else about them—the weight, the feel, the durability—was at all similar.



Kunming, China’s fake Apple Store

IMAGINECHINA VIA AP IMAGES

Today, the “real” Super Hero Squad figures are tiny hunks of colored plastic spit out by slave-wage laborers in Chinese factories. And so are the fakes. There might be tiny cosmetic differences—say, the shade of Spider-Woman’s lipstick, or a minor detail of the character’s costume. But if I put the two Spider-Women in front of you, you’d be hard-pressed to tell which was which, even if you were intimately familiar with the Super Hero Squad toy line.

And it’s not even clear that all of the fakes are, literally, fakes. It’s not impossible to imagine that some of the figures being sold in China metaphorically fell off the back of the truck: Perhaps a factory that was supposed to shut down after reaching its quota kept going for an extra 20 minutes, minting an extra thousand Spider-Women, which were diverted to eBay and then sold to line someone’s pocket. Nobody—not you, not the eBay buyers and sellers, and certainly not Hasbro, whose corporate headquarters is in Pawtucket, Rhode Island—can say for sure.

It’s not just action figures. The Chinese counterfeiting regime mocks up everything from software to clothing to stationery to cigarettes. Last month an American woman living in Kunming, the capital of China’s Yunnan Province, wrote about her experience in a fake Apple Store. An entire store selling Apple products—iPads, iPods, laptops, and software—was replicated. It looked like a real Apple Store. It had the same stainless-steel-and-natural-wood style you see in upper-middle-class suburbs across America. It had the same posters on the walls and product displays on the floor. The employees were wearing Apple Store uniforms. The only tip-offs were shoddy construction on the store’s spiral staircase and the fact that the words “Apple Store” incongruously appeared beneath the Apple corporate logo. (Real Apple Stores only signify their presence with the white Apple silhouette. Another giveaway was that the plucky expat found two more fake Apple Stores within a ten-minute walk of the first. One of them had the same storefront logo, but had added “Apple Stoer.”)

The fakery was so complete that even the employees thought that they actually worked for Apple. Once the story of the faux Apple Store got out, the manager assured customers and the press that even though the store was “unauthorized,” all of the gadgets they sell are genuine. And maybe they are—because most of the silicon goodies Apple sells are made in China, too.

One of Apple’s main manufacturing subcontractors is Foxconn. It’s the biggest company you’ve never heard of. They make electronic components and, in some cases, full pieces of assembled equipment. For example, Foxconn makes all of Apple’s iPhones and iPads. The company has just over a million—you read that right—employees. Its biggest factory is a facility in Szechuan that houses, literally, 420,000 workers. Employees eat, sleep, work, and play on the premises, a gated complex that sprawls for 1.16 square miles. Foxconn

Jonathan V. Last is a senior writer at THE WEEKLY STANDARD.

KINGSMILL
Resort
WILLIAMSBURG, VIRGINIA

800.832.5665 | kingsmill.com

City, as it's known, would be the 44th-largest city in America.

Could a place the size of a Foxconn City make enough ghost products to stock fake Apple Stores with real Apple products? Could someone on the inside help someone on the outside make working counterfeits? Is it possible that counterfeit stuff being made in one Chinese sweatshop is barely distinguishable from the real stuff being made in another Chinese sweatshop? Is the only meaningful difference who gets fat off the markup?

And what do you call counterfeiting when it's corporatized? In 2006 a legitimate Chinese automaker, Huanghai Automobile, unveiled an SUV that was a near-copy of the Hyundai Santa Fe. The following year, Huanghai released a model that took the front end of a Pontiac Torrent and spliced it to the rear end of a Lexus RX. By which I don't mean that Huanghai was inspired by these vehicles the way the Nissan Murano has lines reminiscent of the Porsche Cayenne. I mean that when you look at the Huanghais, it's clear they actually copied the other cars, piece for piece. Are the Chinese cars real? Fake? Or something else altogether?

That's not the only way corporations use fakes. Last year the Pentagon discovered that counterfeit electronics from China had worked their way into Missile Defense Agency hardware, weapons systems, and even onboard some F-15s. How? The Department of Defense contracts with suppliers, most of whom subcontract out components they use in final assembly. These primary suppliers might work with a "legitimate" Chinese business to order, say, 50,000 microprocessors. But when they take delivery of the shipment, some small percentage of the microprocessors often turn out to be of substandard quality from a fourth-party source. Or what we would have once called fake. Except that it's being sold and delivered by the "genuine" company.

Once, it was hard to tell a good fake from the real thing. Today, it's hard to know what makes the real thing real in the first place. ♦

The Mortgage Interest Boondoggle

A better way to boost home ownership.

BY IKE BRANNON & BENJAMIN GITIS

The home mortgage interest deduction costs the U.S. Treasury nearly $100 billion a year without actually doing much to encourage home ownership, most evidence suggests. Providing an impetus for home ownership in the form of a tax deduction means that most of the benefits go to taxpayers in the highest tax brackets, most of whom can afford to buy a house without subsidies, while middle-class households receive a much smaller tax break. Only 26 percent of households take the mortgage interest deduction—and many of them live in the wealthy suburbs of major metropolitan areas in the Northeast Corridor or along the Pacific coast.

The federal government gives up a lot of money to encourage people to buy homes without compelling evidence that it is effective in doing so or even that this is a worthwhile goal.

What's more, it isn't even clear that home ownership is something worth subsidizing in the first place—most studies purporting to find that home ownership begets people who are more civic-minded, responsible, and provident also acknowledge that it might well be the case that such people are merely more likely to be in a position to buy a house in the first place.

Ike Brannon is director of economic policy and Benjamin Gitis is a research analyst at the American Action Forum.

In short, the federal government gives up a lot of money to encourage people to buy homes without compelling evidence that it is effective in doing so or even that this is a worthwhile goal.

But if the citizenry (or its representatives in Congress) insists on continuing to encourage home ownership, perhaps it can do so in a more cost-effective way.

A good example of an inexpensive, targeted plan that has been successful in encouraging home ownership is one run by the Wisconsin Housing and Economic Development Authority (WHEDA). It does two things to help new homebuyers in the state: First, it subsidizes closing costs so that most people financing a mortgage through WHEDA only pay $1,000 to $3,000 in such fees, well below the typical closing costs in other states for comparably priced properties. Studies suggest that closing costs—which don't vary all that much with the price of a house—are a major barrier to home ownership for low- and middle-income households. The lower closing costs do not represent a mere gift: WHEDA makes up most of the subsidy by charging a slightly above market interest rate on the mortgage it provides.

Second, WHEDA does a thorough vetting of potential homebuyers—in addition to the normal credit checks and income history—and requires eight hours of classes on financial management and home buying. The education and additional vetting give WHEDA the ability to issue mortgages with lower down payments without substantially increasing the

risk of foreclosures. Of course, since the housing collapse, nearly all mortgage originators have been compelled to do a much better job of vetting, but WHEDA's experience at this allows it to be less draconian about who is an acceptable risk today.

WHEDA limits participation in its program to first-time homebuyers with incomes below about $80,000 purchasing a home priced below $300,000—precisely the people who are likely to be on the fence between buying and renting.

By all measures the program works: Wisconsin's homeownership rate of 69.9 percent is 3 percentage points above the national average, even though the state's median income is below the national average. The state also has a foreclosure rate that is half the national rate. By targeting people who need assistance only with their closing costs, WHEDA has spent very little to give over 100,000 middle-income households the means to buy a home.

Other states offer similar assistance to first-time homebuyers. For example, Arkansas provides loans to cover closing costs for low-income first-time homebuyers that are potentially forgivable, and New Jersey offers a 30-year below-market fixed-rate mortgage with a smaller required down payment for their first-time low-income homebuyers.

By devolving home ownership incentive programs to the states it should be possible for them to tailor the programs to make them even more effective. What works in Wisconsin won't necessarily work for New York.

Wisconsin and other states with narrowly targeted home-buying incentive programs get a lot of bang for the buck, costing the states nearly nothing while materially increasing home ownership. None of which can be said of the federal mortgage interest deduction. If policymakers are serious about eliminating misplaced incentives and reducing our mountain of debt, then it makes sense to phase out the mortgage interest deduction and encourage states to develop more programs like WHEDA. ♦

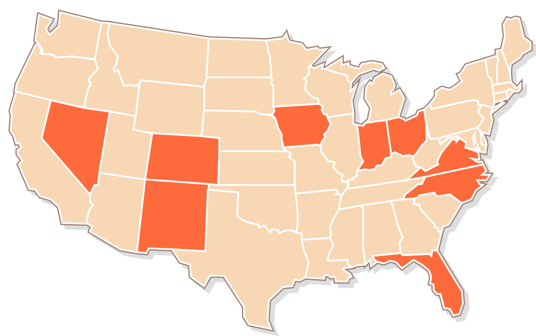
Nine Is Enough

The Obama states most at risk.

BY KATE HAVARD

In 2008, Barack Obama carried nine states that George W. Bush won in 2004. According to the latest polls and the assessments of seasoned observers, it's going to be tough for Obama to win them again.

Florida, Ohio, Indiana, Virginia, North Carolina, Colorado, New Mexico, Nevada, and Iowa are the red states that turned blue in 2008. Obama has fallen behind in some of them and is running about even with Republicans in others. Where Obama is ahead, his lead is shrinking, and where he's matched up against lesser-known GOP hopefuls, his small leads are hardly a show of strength. His approval ratings are sinking everywhere: Even where he beats a Republican challenger, voters in these states don't like the job he's doing.



Obama's problem spots

If the president wins every state he won last time save these nine, he will be 24 electoral votes short of the 270 he needs to win a second term. Here's the outlook 15 months before the 2012 election:

■ Obama's recent numbers in the key state of Florida (29 electoral votes) suggest he'll have a hard time here. According to a Sunshine State News poll in July, only 38 percent of Floridians approve of the job the president is doing, and 54 percent disapprove.

■ Ohio (18 electoral votes) would be next on the list of "must-wins"—but it's not locked up. A Quinnipiac poll from July shows Obama's disapproval among Ohio voters at 50 percent, while only 46 percent approve. Of the state's independent bloc, only 40 percent say that Obama deserves reelection.

Fritz Wenzel, a Republican pollster from the state, says that Ohioans believed Obama when he ran as a moderate and are disappointed that his policies turned out to be on the left. "Governor Ted Strickland . . . turned left as soon as he was elected, [and] voters kicked him to the curb in 2010," Wenzel says.

The Quinnipiac poll still shows Obama beating Romney by 4 points, and both Bachmann and Perry by more than 10 points. But a record 58 percent of Ohioans disapprove of the president's handling of the economy. Ohio senator Rob Portman says that a candidate who challenges the president on jobs and the economy can win his state.

■ Obama will have an even tougher job in Virginia (13 electoral votes). The state, which Obama won by 6 points in 2008, is now split 48 percent to 48 percent on his performance in office, with 4 percent undecided. That's good news for Republicans in a state where they have typically won presidential elections.

■ North Carolina (15 electoral votes) and Indiana (11 electoral votes) also appear unlikely to go blue again. In 2008, Obama won them by scant margins, 0.4 points and 0.9 points,

Kate Havard is an intern at The Weekly Standard.

respectively, and now those leads have disappeared. The latest polls show Obama flat out losing in both.

In Indiana, Obama loses to an unnamed Republican by double digits, getting 35 percent to 46 percent, according to a recent Bellwether poll. Obama is doing poorly because Hoosiers are used to "fiscal prudence" at the state level, says Ryan Streeter of ConservativeHome USA. "Governor Mitch Daniels is popular in Indiana because he has put the state's budget in order. . . . Obama has made America's fiscal condition worse and alienated ordinary people along the way."

In North Carolina, a Civitas poll has Rick Perry winning by 3 points. "Obama is falling like a rock" in the state, says Marc Rotterman, a Republican consultant. Rotterman is sure that "2008 was an aberration. . . . [The president] will not carry North Carolina in 2012."

■ Out west, Romney and Obama are practically tied. In Nevada (6 electoral votes), Obama leads Romney by a single point, 47-46 percent, according to the left-leaning firm Public Policy Polling. While this is good news for the president (in April the same poll showed Obama losing to Romney by 3 points), only 47 percent of the state's voters approve of the president's work. The right challenger could make headway.

■ In New Mexico (5 electoral votes), Obama's approval rating is at 50 percent, a decline of 5 points since February—and among independents, the decline is 11 points. He carried the state by 15 points in 2008, but "Barack Obama will not sell as well" in 2012, says Allen Weh, former New Mexico Republican state chairman. While the race is still uncertain, Weh asserts that Obama will be "running uphill" to retake the state in 2012.

■ And speaking of hills, Obama will "have a hard time" winning over the Rocky Mountain region, says Colorado governor John Hickenlooper, a Democrat.

Republican political consultant Walt Klein noted that Colorado (9 electoral votes) is where Obama signed the stimulus into law back in 2009, a fact Obama would probably like Coloradans to forget. They won't, Klein said, because, as everywhere else, the economy is weak and unemployment is high.

Richard Wadhams, former state chairman of the Republican party, says Colorado will be "very competitive" in 2012. "Colorado voters go a third Republican, a third Democrat, and a third unaffiliated, and that third swings heavily."

The swinging third consists largely of "socially liberal, fiscally conservative women in the Denver suburbs," Wadhams says. These women "will vote for a Republican they disagree with on social issues if they think he's prioritizing economic and fiscal issues."

Consultants across these states agree: Make the election about money, and Obama's on the ropes. But the president's problems aren't limited to the economy. There's also an enthusiasm deficit among Democrats.

■ In Iowa (6 electoral votes), voters are "unhappy," said David Yepsen, director of the Paul Simon Public Policy Institute. "I've talked to a number of people on the left who say they worked for Obama in the caucuses but feel let down. . . . Iowa's a pretty evenly balanced state and it doesn't take much to tip it," Yepsen said.

He added that Republicans will have "one hell of an organizational edge out of their organizing for the [Iowa] caucuses. They'll have superior lists, good workers on the ground, and the networks identified to go dig out marginal supporters all over the state. Meanwhile, Democrats are sitting around in a funk."

It's clear the Republican presidential candidate has a reasonable chance to win in 2012. That doesn't mean he or she will. The campaign—and especially the candidate—could make all the difference. ♦

The Anti-Coopting Business

Heritage Action versus the GOP establishment.

BY MICHAEL WARREN

'I really think there's two sides to politics," said Mike Needham, the 29-year-old CEO of Heritage Action for America, at a Capitol Hill restaurant in April. "There's getting the right people elected, and there's holding them accountable." Needham invoked Trent Lott—veteran of 16 years in the House, 18 years in the Senate, and numerous roles in Republican leadership—who warned in July 2010, shortly before several "Jim DeMint disciples" (aka hardcore conservatives) were expected to win seats and descend on Washington: "As soon as they get here," said Lott, "we need to co-opt them."

Needham and his colleagues see themselves as being "in the anti-coopting business," he said. And business is booming. As the political arm of the Heritage Foundation, Heritage Action has been lobbying members of Congress to push for the most conservative outcomes to the most critical legislative debates, including the recent debt ceiling standoff. That hardline stance has frustrated House speaker John Boehner and the rest of the GOP leadership.

Heritage Action's work alongside the Republican Study Committee (RSC, the caucus of House conservatives) and the Tea Party helped move the House debate further to

Michael Warren is a reporter at THE WEEKLY STANDARD.

the right. But the Heritage Foundation's newfound influence in politics—not just policy—has rankled a few Republicans otherwise in good conservative standing, especially since Heritage Action announced it would be scoring certain votes. As any incumbent candidate knows, a "bad" score from an influential interest group is perfect campaign ad fodder for primary opponents.

"There was a time when I first got here [when] I would actually use Heritage for my position papers," says Rep. Tom Rooney, a second-term Republican from Florida. "I think that I probably have a failing grade with them now. Where did I go wrong?" Rooney, who has an American Conservative Union rating of 100, and most other Republicans supported the House leadership's efforts to reach a debt ceiling deal after their Cut, Cap, and Balance proposal failed in the Senate.

Heritage Action, like the RSC, supported Cut, Cap, and Balance but opposed both the House-passed "Boehner plan," which the Senate rejected, and the final debt ceiling deal signed into law on August 2. "The only way we were going to get to a 'yes' was with a bill with long-term structural changes to our spending," Needham later said. The Boehner plan and the final debt deal, though supported by the leaders of the Republican caucus, didn't go far enough for Needham.

As *Roll Call* reported on July 27, Heritage Action and the RSC coordinated their efforts to pressure GOP House members to oppose the Boehner proposal by circulating a list of members for the two groups to lobby. When members found out they were on the list, they were furious. But pressuring Republicans to vote more conservatively is just Heritage Action's M.O.

"I don't know of one conservative victory that's happened in this town in decades that hasn't happened without principled conservative pressure coming from the right," Needham said back in April. He and chief operating officer Tim Chapman, 33, are firm in their opposition to business as usual in Washington, which they say is based on favors and patronage, not conservative solutions.

"I worked for three different senators," Chapman said. "Never once did someone come to them and offer them [an incentive] to vote for a good piece of conservative policy."

As if by design, Heritage Action has clashed with House leaders over issues ranging from continuing resolutions to patent reform. That has infuriated not only GOP leadership but the rank and file as well, many of whom see the Republican conference as a unified—and conservative—team. "If we want to advance conservative values, there's no one more conservative in the caucus than John Boehner," Rooney says.

As if by design, Heritage Action has clashed with House leaders over issues ranging from continuing resolutions to patent reform. That has infuriated not only GOP leadership but the rank and file as well.

Needham is undeterred. "They have a job, which is to get to 218 votes in the House," he says of leadership. "We have a job, and that's to try to build an America where freedom, opportunity, prosperity, and civil society flourish."

That's quite a mission, and it's distinctly similar to the mission of his parent organization. The Heritage Foundation and Heritage Action are separate entities, Needham insists. The former, a policy-focused think tank, is registered with the IRS as a 501(c)(3) and as such is limited in its political activity. The latter, a 501(c)(4), has the ability to lobby for legislation and participate in political activities.

In addition, there are close personal ties between the two. Heritage Action is housed in a small Capitol Hill townhouse down the street from the foundation's Massachusetts Avenue edifice, and Needham hatched the idea for his group in the office of foundation president Ed Feulner, for whom Needham was once chief of staff. Both organizations have their own officers and boards, and Needham and Chapman work independently of the think tank and serve at the discretion of their own board. But that three-member board's chairman, businessman Nersi Nazari, also serves on the foundation's board of trustees. Its two other members are Needham and Michael Franc, vice president for government studies at the Heritage Foundation.

During the debt ceiling debate, former Oklahoma Republican congressman Ernest Istook took to the House floor lobbying current members to vote against Speaker Boehner's proposal. Istook is a distinguished fellow at the foundation.

"When Heritage wins, we win, and when we win, Heritage wins," Chapman says. "It's good for Heritage for us to be lobbying hard on the Hill for their policies and achieving victories. And when they win intellectually, it makes it easier for us to lobby on the Hill. So we work together in that way."

But by Heritage Action's own standards, major wins have been scarce. Only 22 House Republicans voted against the Boehner plan, though Needham calls that "impressive opposition." Last spring, Heritage Action opposed all three continuing resolutions proposed by the leadership and pushed for larger cuts during the debate over the continuing resolution to fund the federal government. The final deal cut significantly less. If their goal is to achieve the most conservative policy outcome and nothing else, they have failed.

Needham says their goal is similar to that of the GOP leadership: "pulling the country to the right." "There are a lot of times when our interests are aligned," he says. "We have an obligation, where our interests aren't aligned, to push them to be bolder." ♦

The Hidden Hand

The Obama administration finally highlights Iran's key role in supporting al Qaeda

By Stephen F. Hayes & Thomas Joscelyn

On July 28, the Treasury Department designated six al Qaeda operatives involved in shipping money and men from the Persian Gulf to senior al Qaeda leaders in Afghanistan and Pakistan. The move targets a node of the global terror network that is critical to its overall strength, freezing any of its financial assets under U.S. jurisdiction and prohibiting any transactions with the operatives. Of the many conduits for al Qaeda funds and personnel across the world, the U.S. government believes this one is the most important.

"This network serves as the core pipeline through which al Qaeda moves money, facilitators and operatives," according to Treasury. "Without this network, al Qaeda's ability to recruit and collect funds would be severely damaged," an Obama administration official involved in the designations tells The Weekly Standard.

The centrality of this network to al Qaeda's day-to-day operations makes the Obama administration's move significant. What makes it extraordinary is the network's partner: Iran.

"There is an agreement between the Iranian government and al Qaeda to allow this network to operate," Under Secretary of Treasury for Terrorism and Financial Intelligence David S. Cohen told The Weekly Standard in an interview last week. "There's no dispute in the intelligence community on this."

Two of the al Qaeda leaders named by Treasury are especially important. Ezedin Abdel Aziz Khalil, a Syrian, has operated in Iran since 2005 "under an agreement between al Qaeda and the Iranian government." Khalil "moves money and recruits from across the Middle East into Iran, then on to Pakistan for the benefit of al Qaeda's senior leaders, including Atiyah Abd al-Rahman." According to a recent article in the *Wall Street Journal*, files recovered in Osama bin Laden's safe house show Rahman was planning a terrorist attack to coincide with the tenth anniversary of 9/11. Treasury says Rahman was "appointed by Osama bin Laden to serve as al Qaeda's emissary in Iran, a position which allowed him to travel in and out of Iran with the permission of Iranian officials."

The Iranian regime is helping al Qaeda in other ways, too. The U.S. campaign of drone attacks in Pakistan over the past three years has taken out many key al Qaeda planners, leaving holes in the group's hierarchy. "Al Qaeda is desperate for midlevel capacity and senior level managers," says a senior administration official. "The most ready cadre of those types of al Qaeda personnel—operative types and senior-level managers—are in Tehran."

Those are remarkable claims. They carry extra significance because they come from an administration that has spent more than two years attempting to engage the Iranian regime on its nuclear weapons program and saying very little about its support for jihadist groups in Afghanistan and Iraq. The Obama administration deserves credit for this new willingness to confront Iran.

There have long been disagreements inside the U.S. intelligence community about the relationship between Iran and al Qaeda. The prevailing view for years was that religious and ideological differences would preclude serious cooperation; al Qaeda is a Sunni terrorist organization, and the leaders of the Iranian regime are radical Shiites. But those who held that view found themselves constantly explaining away new reports about collaboration between Iran and Sunni extremist groups, including al Qaeda. In reality, Iran has long been ecumenical when it comes to fighting America: willing to work with radical Sunnis against the enemy they both hate.

It has been two decades since Tehran and al Qaeda set aside their differences to forge a terror alliance. Before relocating to Afghanistan in the mid-1990s, Osama bin Laden and a fledgling al Qaeda spent several years in Sudan. Bin Laden grew close to Hassan al Turabi, an influential Islamist who served as the country's de facto leader. One of Turabi's goals was to unite Shiite and

Stephen F. Hayes is a senior writer at The Weekly Standard. *Thomas Joscelyn is a senior fellow at the Foundation for Defense of Democracies and an editor of the* Long War Journal.

Sunni jihadists in an anti-American coalition. The 9/11 Commission reported that:

> In late 1991 or 1992, discussions in Sudan between al Qaeda and Iranian operatives led to an informal agreement to cooperate in providing support—even if only training—for actions carried out primarily against Israel and the United States. Not long afterward, senior al Qaeda operatives and trainers traveled to Iran to receive training in explosives. In the fall of 1993, another delegation went to the Bekaa Valley in Lebanon for further training in explosives as well as in intelligence and security. Bin Laden reportedly showed particular interest in learning how to use truck bombs such as the one that had killed 241 U.S. Marines in Lebanon in 1983. The relationship between al Qaeda and Iran demonstrated that Sunni-Shia divisions did not necessarily pose an insurmountable barrier to cooperation in terrorist operations.

The training provided by Iran and its terrorist proxy Hezbollah would prove crucial in al Qaeda's evolution from a ragtag band of veterans from the jihad against the Soviets in Afghanistan to a sophisticated global terror network. On August 7, 1998, al Qaeda detonated two truck bombs nearly simultaneously at the American embassies in Kenya and Tanzania. The twin attacks, which left hundreds of victims dead (mainly Muslims), were al Qaeda's most successful terrorist operation prior to 9/11. According to the 9/11 Commission, al Qaeda began developing the "tactical expertise" for this operation in the early 1990s—in Hezbollah's Lebanese training camps. Osama bin Laden's "particular interest" in the 1983 attack on the Marine barracks had paid off. Iran and Hezbollah showed al Qaeda how to execute the same type of attack.

When the Clinton administration's federal prosecutors indicted al Qaeda members for the embassy bombings in late 1998, they specifically referenced the deal between Iran and al Qaeda. The indictment reads: "USAMA BIN LADEN, the defendant, and al Qaeda also forged alliances with the National Islamic Front in the Sudan and with representatives of the government of Iran, and its associated terrorist group Hezbollah, for the purpose of working together against their perceived common enemies in the West, particularly the United States." During the trial, U.S. authorities learned that Saif al Adel, a top-ranking member of al Qaeda's military committee, was one of the operatives who received training from Hezbollah.

At the same time, Taliban leader Mullah Omar sought to improve relations with Iran. In 1998, a Taliban attack in Mazar-e-Sharif killed visiting Iranian diplomats and nearly resulted in armed conflict. To defuse those tensions, Mullah Omar appointed one of his most trusted commanders as governor of Afghanistan's Herat province, which borders Iran. The governor, Mullah Khairullah Khairkhwa, was tasked with opening a backdoor for negotiations with the Iranians. It worked.

According to the 9/11 Commission Report, there are strong suggestions that the relationship between Iran and al Qaeda not only improved but strengthened. Shortly before the commission released its final report, staffers tapped into a large cache of intelligence linking Iran and Hezbollah to al Qaeda. The intelligence showed a series of suspicious flights taken by the muscle hijackers. Some of the flights were routed through Lebanon, where Hezbollah is based and controls the airport. Interestingly, most of the muscle hijackers also transited through Iran en route to the United States. The commission did not make any definitive judgments, but concluded: "We believe this topic requires further investigation by the U.S. government."

If there was further investigation, its results have never been made public.

After the 9/11 attacks, Iran sought to distance itself from al Qaeda—at least in public. But behind the scenes, the story was different. As the Taliban's Afghanistan fell to American-led forces in late 2001, al Qaeda and Taliban leaders scrambled to find new safe havens. Many of them resettled in Pakistan, both in rough tribal areas and in cities such as Quetta, Faisalabad, Rawalpindi, and Karachi. Since the start of the Afghanistan war, many of the high-profile captures and kills of senior al Qaeda operatives have occurred inside Pakistan's borders.

One of those captured was Mullah Khairullah Khairkhwa, the man Mullah Omar assigned to seek better relations with Iran. Over the course of his detention at the U.S. facility at Guantánamo Bay, Khairkhwa has told interrogators about his work toward that aim. Court documents earlier this summer revealed that Khairkhwa "has repeatedly admitted that after the terrorist attacks of September 11, 2001, he . . . met clandestinely with senior Iranian officials to discuss Iran's offer to provide the Taliban with weapons and other military support in anticipation of imminent hostilities with U.S. coalition forces." That meeting occurred in October 2001. In other words, Iran decided nearly a decade ago to support the Taliban's war against American forces.

As the fighting in Afghanistan intensified in the fall of 2001, not all of al Qaeda's most senior operatives went south to Pakistan. Many went west—to Iran. In January 2009, the Treasury Department issued its first designation of al Qaeda terrorists living in Iran. Four al Qaeda members were fingered: Saad bin Laden, one of Osama's oldest sons; Mustafa Hamid, who was described as the "primary interlocutor between al Qaeda and the Government of Iran"; Muhammad Rab'a al Sayid al Bahtiyti, the son-in-law of the new al Qaeda chieftain, Ayman al Zawahiri; and Ali Saleh Husain, who "facilitated the move of al Qaeda-associated fighters, including an al Qaeda military commander, from Afghanistan to Iran" in late 2001.

The Treasury Department's 2009 list was far from comprehensive. Other top al Qaeda leaders, such as the aforementioned Saif al Adel, fled to Iran as well. From late 2001 until 2003, the senior al Qaeda terrorists inside Iran were allowed to operate unmolested. Although Iran detained and deported some small-time al Qaeda operatives, the organization's two leaders sent many members of their families to Iranian soil for safekeeping.

According to the Treasury Department's 2009 designation, Saad bin Laden "facilitated the travel of Osama bin Laden's family members from Afghanistan to Iran" in late 2001. This group included many of his brothers and sisters and several of Osama's wives. Zawahiri, then al Qaeda's number two, instructed his son-in-law, Bahtiyti, "to take Zawahiri's family to Iran." Treasury explained that Bahtiyti "traveled to Iran with Zawahiri's daughters, where he was subsequently responsible for them." As late as January 2003, Bahtiyti "arranged housing on behalf of al Qaeda" inside Iran.

The al Qaeda refugees did not just live in Iran; they continued to plan terrorist attacks. Saad bin Laden, the Treasury Department explained, "made key decisions for al Qaeda and was part of a small group of al Qaeda members that was involved in managing the terrorist organization from Iran."

On May 12, 2003, car bombs rocked three housing compounds in Riyadh, Saudi Arabia. Just a few days later, on May 16, suicide bombers struck Western and Jewish targets in Casablanca, Morocco. The two attacks killed dozens and injured many more. European and U.S. intelligence officials claimed that Saad bin Laden had been in contact with the operational cells that conducted the attacks in the days and weeks prior to their execution. Intelligence sources told the *Washington Post* that the Riyadh attacks "were planned in Iran and ordered from there."

At some point in 2003, Iran placed senior al Qaeda members under a form of "house arrest," the details of which are murky. But cooperation between Iran and the al Qaeda-Taliban nexus continued, as is demonstrated in numerous intelligence reports posted online by WikiLeaks, as well as other sources. The specifics are damning.

In early 2005, according to leaked threat reports from NATO forces in Afghanistan (ISAF), Iranian officials provided funding for members of the Taliban and Hezb e Islami Gulbuddin (HIG), an organization that is closely allied to al Qaeda. Another leaked threat report from 2005 notes that the Iranians offered the Taliban a bounty of more than $1,700 for every Afghan soldier killed and nearly $3,500 for every Afghan official killed. A June 2006 ISAF threat report says that two Iranian agents had infiltrated Afghanistan to help Taliban and HIG members launch terrorist attacks against the Afghan government and coalition forces, "especially against the American forces."

In December 2007, according to another leaked ISAF report, American investigators inspected suicide jackets found in the possession of a terrorist cell and concluded there was "a 92 percent probability of a match against a suspected sample of Iranian C4." A September 2008 ISAF threat report notes that an al Qaeda cell was working with Iranian intelligence "to carry out suicide attacks against U.S. and Italian troops." In October 2009, U.S. military commanders told CBS News, "Iran is sending money and weapons onto the Afghan battlefield," but they were "not allowed to comment publicly and it's unclear to them what the U.S. strategy is for dealing with Iran's increasingly deadly involvement." In September 2010, the London *Sunday Times* reported, based on Taliban sources, that Iran was paying bounties for dead American soldiers.

These reports represent a fraction of the overall reporting on Iran's help to anti-American jihadists.

The escalation in violence is no accident. On July 2, Jay Solomon of the *Wall Street Journal* reported that the Iranian Revolutionary Guard Corps "has transferred lethal new munitions to its allies in Iraq and Afghanistan in recent months . . . in a bid to accelerate the U.S. withdrawals from these countries." The result: June was the deadliest month in Iraq in more than two years, with 14 American servicemen killed during hostilities. U.S. military officials attribute the deaths directly to Iranian-backed Shiite militias. On June 6, for example, the Iranian-backed Kata'ib Hezbollah fired rockets at Camp Loyalty in Baghdad, killing six American soldiers.

In Iraq, Shiite militias target American soldiers with Iranian-supplied improvised rocket-assisted munitions, or IRAMs. These "are often propane tanks packed with hundreds of pounds of explosives and powered by rockets" that are launched from "the backs of flatbed trucks," Solomon explained.

The Iran-based al Qaeda network designated by the Treasury Department on July 28 is also responsible for attacks inside Iraq. One member of the network, Umid Muhammadi, is "an al Qaeda facilitator and key supporter of Al Qaeda in Iraq (AQI)." According to Treasury, Muhammadi "has been involved in planning multiple attacks in Iraq and has trained extremists in the use of explosives." Another al Qaeda member included in Treasury's recent designation lives in Kuwait and funnels money to both AQI and the Taliban.

In Afghanistan, the Taliban has stepped up its attacks on American soldiers using long-range rockets and other munitions provided by Iran. Since the beginning of the year, coalition forces have intercepted shipments of 122-millimeter rockets from the Iranian Revolutionary Guard Corps to the Taliban in Afghanistan. U.K. officials say the rockets more than double the range of the Taliban's arsenal.

These revelations not only have broad implications for the way the United States looks at terrorism and states, but more directly for the Obama administration's outreach to the Iranian government. As far back as the Democratic presidential debates in 2007, Barack Obama signaled that he would take a more conciliatory approach toward the Iranian regime. In his Inaugural Address, he extended a hand to the mullahs only to have it slapped within days. Six months later, when the regime brutally put down nationwide protests following a fixed presidential election, Obama initially refused to condemn the state-backed violence in hopes of preserving his steps toward engagement. As late as last year, Obama told reporters that the Iranian regime could play a constructive role in the future of Afghanistan—this, despite the fact that the U.S. military routinely intercepted arms and money going from Iran to jihadists there.

The administration took the same approach on Iran's nuclear weapons program, with repeated offers to welcome Iran back into the community of nations in exchange for talks on its nuclear efforts. The regime was defiant. In September 2009, Obama announced that the U.S. government had fresh intelligence confirming suspicions that Iran had been operating a secret nuclear facility at Qom. The evidence, Obama said, was "inconsistent with a peaceful [nuclear] program." The international community imposed sanctions that have probably had more bite than many critics predicted. But there is little indication that they have fundamentally changed regime behavior (a failure that critics predicted).

With the public accusations that Iran is harboring the next generation of al Qaeda leadership and is facilitating the operation of al Qaeda's key pipeline for funding and operatives, the Obama administration seems to be saying that this conciliatory approach has now come to an end. And if that's true, it may well be the most important foreign policy shift of Obama's presidency. ♦


SPECIAL TRAVEL SUPPLEMENT TO THE WEEKLY STANDARD
WITH HISTORY ON THEIR SIDE
A Guide to Historic Destinations
Keswick Hall, Charlottesville, Virginia

KESWICK HALL
CHARLOTTESVILLE, VA

Located in the foothills of the magnificent Blue Ridge Mountains, the 600-acre Keswick Estate is situated in the heart of horse and wine country just east of historic Charlottesville, Virginia. The Estate is the magnificent backdrop for Keswick Hall, a 48-room country house hotel, Keswick Club, a private club featuring an 18-hole Arnold Palmer Signature golf course, and exclusive residential estate home sites. The Estate's spectacular setting of gently rolling hills, open meadows, and splendid foliage provides guests with a relaxed and tranquil environment — a retreat where guests feel protected from the stresses of modern day life.

History buffs can trace the footsteps of the Founding Fathers at the nearby historic homes of the first, third, fourth and fifth Presidents: George Washington (Mount Vernon), Thomas Jefferson (Monticello), James Madison (Montpelier) and James Monroe (Ash Lawn-Highland). There is also an array of enthralling options for adventure travelers and nature lovers alike, from water rafting on the James River, to hiking and mountain biking at the Blue Ridge Mountains, to wine-tasting at the Monticello Wine Trail.

Keswick Hall is also an idyllic getaway for culinary enthusiasts craving garden-to-table dining with local, fresh ingredients. Fossett's unpeels an elegant yet casual affair, featuring expansive three-sided floor-to-ceiling windows with spectacular open views of the estate's pristine landscape and the Southwest mountains. Guests can now enjoy the estate's new 600-square-foot wine cellar. As the only cellar of its kind and design in Albemarle Country, Treble offers an exclusive butler service for intimate cocktails and private dining. Boasting 5,000+ bottles of local, regional, and international wines, including 600-700 labels, it is perfectly paired with Keswick Hall's own on-site vineyard and Edith's Reserve private label wine.

(From $395; www.keswick.com)

THE TIDES INN
IRVINGTON, VA

The Tides Inn on Virginia's Northern Neck had been a well-kept secret among Southern families and Chesapeake Bay boaters since it was built on the site of the Ashford family farm in 1947. But in recent years, the 106-room resort has raised its profile with a multimillion renovation of its British colonial décor, a full-service spa, an 18-hole par 72 golf course, and Chef TV Flynn's hyper-local cuisine, like the roasted Rappahannock oysters and Chesapeake Bay flounder with cinnamon chipotle crust showcased in the Cuisines of the Season dining series throughout the summer.

New this year, floating docks at the marina accommodate boats up to 125 feet and a fleet of kayaks are on call for guests. The first week of every month, guests are invited to take a spin on the 65-foot mahogany-hulled bay boat Captain Thomas. For land lovers, there's tennis, croquet, biking, volleyball, and even frisbee golf. Swimmers will enjoy the Inn's large heated pool.

The Northern Neck boasts George Washington and Robert E. Lee as native sons, and both of their birthplaces are open to visitors, as is the Mary Ball Washington Museum and Library, which houses one of the largest collections of genealogy records in the Southeast, and Historic Christ Church. During August, a third night is free when you stay two nights.

(From $225; www.tidesinn.com)

KINGSMILL RESORT
WILLIAMSBURG, VA

Sprawling 2,900 gently rolling acres on the banks of the James River, the Kingsmill Resort is nirvana for golfers. Three championship courses include the classic parklands Woods course, rated one of the top in the country by Zagat's, the Plantation course, the site of the original Kingsmill plantation dating back to 1736, and the renowned River Course, home to PGA and LPGA tournaments. There's even the par-3 Bray Links, where you can perfect your short game and play in moonlight tournaments. Off the course, 15 clay and hard-surface tennis courts await, as well as kayaking, paddle-boating, and fishing in Wareham Pond. A marina offers parasailing, pontoon, and jet ski rentals.

But it's not all about R and R, this is America's birthplace after all. A few miles west is Jamestown, the first permanent English settlement, established in 1607. Today, it's a living history museum with replicas of the ships that brought the settlers here and ongoing archeological digs. Further east is Yorktown, where Gen. Cornwallis surrendered to George Washington in 1781 in the last land battle of the American Revolution. And minutes away is the historical village of Colonial Williamsburg.

The resort's 425 rooms are a mix of standard guestrooms and condo-style accommodations. Several golf packages are available, including the Buddies Golf package with unlimited golf, a cart, breakfast, and accommodations for two nights in a three-bedroom suite and starts at $499.

(From $169; www.kingsmill.com)

THE BROADMOOR
COLORADO SPRINGS, CO

With a fortune amassed in copper and gold mining, Philadelphia entrepreneur Spencer Penrose set his sights on remaking a down-on-its-heels casino and boarding house at the foot of the Rocky Mountains into the kind of a grand dame hotel he had admired in Europe. He brought in craftsmen from Italy to create a pink stucco facade and an elaborate interior, highlighted by a marble staircase and fountain, and schooled his staff in the meticulous service found only at Continental hotels at the time. When the Italianate resort was completed in 1918, the opening bash drew the country's top hoteliers who celebrated for a week fueled by a flatbed train car full of "cologne," a prohibition-era euphemism for booze. (The revelers escapades are depicted in a three-wall mural in the Hotel Bar).

The resort continues to welcome its share of bold-faced names—John Wayne and George W. Bush have stayed here —who come to play golf on one of the three championship courses, fly-fish in nearby Pike National Forest, or just soak up the view of Cheyenne Mountain from the lakeside infinity pool. Since opening, the property has doubled its number of guestrooms to 744, most recently adding six Cape Cod-style cottages along the 18th fairway of the East Course. The Summer Spectacular package through Oct. 31 includes suites at 30 percent off published rates, a half-priced ticket to the Cheyenne Mountain Zoo, and admission to the hotel movie theater.

(Rates from $300; www.broadmoor.com)

THE GREENBRIER
WHITE SULPHUR SPRINGS, WEST VA.

The first visitors flocked to what is now the Greenbrier in the 18th century for its rejuvenating sulphur springs. Later, a C&O railroad link to this Alleghany Mountain resort brought the smart set from all over the Eastern Seaboard, including several sitting presidents and Joseph and Rose Kennedy, who honeymooned here. It wasn't just the luminaries who made history, however. During World War II, the Greenbrier was used by the State Department to temporarily house diplomats from the Axis countries and their families, and later served as an Army hospital. But its most famous patriotic turn was that of top-secret bunker for the U.S. Congress in case of an attack during the Cold War. "Project Greek Island" was in operation for 30 years later until a *Washington Post* reporter blew its cover in 1992.

Among the legends that have shaped the 710-room resort are designer Dorothy Draper, who left her neo-Baroque mark (think cabbage rose fabric paired with bold stripes and black-and-white checkered floors) in a bold

1940s redecoration, and links lion Sam Snead, who established the resort's reputation as a world-class golf destination. Today, guests can choose from four courses, as well as the spa, which still uses sulphur spring water for treatments, an off-road driving school, falconry program, and a brand new 103,000 square-foot casino with designer boutiques and fine dining. A luxury train service direct from Washington D.C.'s Union Station debuts July 2012.

(From $299; www.greenbrier.com)

THE HOMESTEAD

HOT SPRINGS, VA

Founded a decade before the American Revolution, this stately red-brick mountain getaway in southwestern Virginia is steeped in history. A young George Washington commanding the Virginia militia was drawn to its natural springs; President William McKinley teed off from the Old Course's First Tee, the nation's oldest in continuous use; and in 1974, then-Vice President Gerald Ford played golf on The Cascades mountain course. Throughout its 245 years—commemorated with a birthday celebration later this month—The Homestead has hosted 22 presidents.

While "taking the waters" and the three championship golf courses have long been the star attractions, the roster of activities on the resort's 3,000 acres has expanded significantly in recent years. A sporting clay course winds a mile through the woods, Orvis-trained fly-fishing guides take anglers to the some of the sweetest spots in the Alleghany Mountains, and a 48-stable equestrian center offers private carriage rides or the chance to saddle up for leisurely amble on bridle paths. Back at the hotel, unwind with a soak in the Jefferson Pools, the natural mineral springs at the Hot Springs Spa.

A special birthday party package on Aug. 27 featuring overnight accommodations, a cocktail reception and afternoon tea with Thomas Jefferson (played by his fifth great-grandson Rob Coles), a gala dinner, and breakfast, starts at $379.

(From $195; www.thehomestead.com)

THE CLOISTER

SEA ISLAND, GA

On a spit of land off the Georgia coast between the salt marshes of the Black Banks River and the Atlantic Ocean, the Cloister is tucked among palmettos and live oaks, planted over the years by visiting VIPs. The tradition began with President and Mrs. Calvin Coolidge when they visited the resort shortly after it opened in 1928. But the secluded Spanish missionary-style retreat gained worldwide prominence in 2004 when it hosted the annual G8 summit attended by George W. Bush, Tony Blair, and other heads of state.

These days, golf is a major lure. Sea Island is home to several pros, including Davis Love III and Zach Johnson, and the resort's Seaside Course–one of three–hosts the PGA Tour's McGladrey Classic. But non-golfers have a slew of leisure options, with 16 Har-Tru tennis courts, five-stand sporting clay field, two skeet ranges, a 65,000-square-foot spa made to look like a serene woodland with live trees and a babbling brook, and five miles of private white sand beach. New this year is the Explorers in Residence Program, established with the National Geographic Society, which has hosted workshops and presentations by NASA engineer and Mars exploration pioneer Kobie Boykins and National Geographic veteran photographer Annie Griffiths. Into October, guests can participate in the Sea Turtle Program by helping technicians seek out loggerhead turtle hatchlings on the beach.

(From $395; www.seaisland.com)

***About this section:** This special report was prepared by the Advertising Department of* **The Weekly Standard.**

It's a Conspiracy!

The (non-existent) plot to destroy the American economy for partisan advantage

By Noemie Emery

It's a conspiracy! In a stunning display of harmonic convergence, the right and the left have hit on the cause of the persistent malaise that afflicts the economy: a sinister plot to destroy the country, for selfish and partisan gain. That these plots exist is the fervent belief of the most intense partisans, who believe their opposite numbers are not only wrong, but know they are wrong, and forge ahead anyhow, indifferent to consequence. But what do they know, and how do they know it? Let us look deeper and see.

The theme on the left—that Republicans in Congress are voting against things they *know* will revive the economy—came to the fore a year ago, when it began to be clear that "recovery summer" would in fact mark a relapse, and that the 2010 midterms were coming up fast. On June 23, 2010, the *Huffington Post* reported, Democrats in the Senate failed to pass "a bill to help the poor, the old, and the jobless, despite making a series of cuts to the measure . . . to appease deficit hawks." This rang a bell in the minds of some bloggers, who put two and two together and reached twenty-four. "It may be time for a discussion about whether GOP lawmakers are trying to deliberately sabotage the economy to help their midterm election strategy," wrote the *Washington Monthly*'s Steve Benen, who noted the fact that in some other context some Republicans had voted for similar cutbacks before. The plan was to prolong the recession and wait for the voters to take out their rage on the innocent president. "If conditions do worsen, many, many, many more Americans will blame Barack Obama for the bad state of things than will blame the Senate minority," said Think Progress blogger Matthew Yglesias. "The intersection of a minority that's empowered to obstruct and an electorate that holds the majority responsible for policy outcomes is toxic."

This theme died down until after the Democrats' thundering loss in the 2010 midterms, when it quite quickly sprang back to life. This time there were warnings that the mischief on view before the election was nothing compared to what we should expect to encounter as the 2012 season drew nigh. "I know that tangible improvements in the economy are key to Obama's reelection chances," said Yglesias. "Is it so unreasonable to think that Mitch McConnell and John Boehner may also know that it's key? . . . McConnell has clarified that his key goal is to cause Barack Obama to lose in 2012, which . . . means doing everything in his power to reduce economic growth." And the Republicans wouldn't stop there. "National security experts are tearing their hair out over the decision of Senate Republicans to block a desperately needed new strategic arms treaty," Paul Krugman lamented. "If sabotaging the president endangers the nation, so be it."

"None dare call it sabotage," Benen wrote on November 20, a strange comment as he himself had called it that a mere five months earlier. Apparently, the Republicans' schemes had progressed from merely hoping conditions wouldn't improve to making sure that they didn't; from "rooting for failure" to more intense methods. "A major, powerful political party is making a conscious decision about sabotage," he informed us. Why wasn't the whole nation enraged?

Perhaps because the following month the Republicans cut a huge tax deal with the president that made him look good and bolstered his approval numbers for a time, edging them back to a tick over 50. The stirrings died down. Then the president's numbers fell back, there was a new summer, again without a recovery, and suspicions revived. Where there was bad news, there had to be mischief and subterfuge. "Republicans . . . are opposing the economic recovery itself and all that means for America's working- and middle-class families," said Senator Charles Schumer. "There's a lot to recommend what they're saying," mused MSNBC's Jonathan Alter. "The evidence supports it." What evidence? That may be what they thought they were seeing. But did what they said they were seeing actually exist?

Lest you think liberals are the only ones with a rich fantasy life, banish the thought from your mind. The right has its own set of theories in mind. Two months before the 2008 election, James Simpson warned in the *American Thinker* that Obama, should he be elected (following a plan laid down in 1966 by Richard Cloward and Frances Fox Piven),

Noemie Emery is a contributing editor to The Weekly Standard *and a columnist for the* Washington Examiner.

would collapse the capitalist system on purpose to build a social state in its place—a theory that has since found many echoes on the right.

"The Democratic party is purposely sabotaging the private sector of this economy," Rush Limbaugh told his 20-million-plus radio audience. "It's on purpose. All of this economic destruction is on purpose. . . . They are purposely targeting the private sector—sabotaging it, if you will." Jeannie DeAngelis in the *American Thinker* agrees: "Barack Obama has spent the last 1,000+ days defying reason and choosing policy directions that seem nonsensical. . . . Could it be that [he] is purposely pressuring the system in a pre-meditated effort to foster a . . . crisis? One that would demand extraordinary measures to control?"

Thus we now have two different efforts at sabotage; each undertaken with malice aforethought, and each hoping, at least in the short term, to bring the country's economy down. But oddly enough, the Democrats seem to believe the Republicans are undermining the president's efforts to enact his own policies because they fear his ideas would *help* the economy; while the Republicans think Obama himself is enacting policies he has purposely set up to fail. This means that each side believes that the other accepts its ideas of which policies are better, a sure sign of projection and fantasy. But if both sides agree on what helps the economy, then why are there two parties and numerous arguments? This is something that neither explains.

And neither explains how they *know* there is malice, not merely mistaken ideas. Mistaken ideas are often adopted in earnest. Some members of the America First movement before World War II were active seditionists, but most underestimated Hitler's ambitions, recalled World War I and did not want to relive it, and thought that if we left it to its own devices, the world would not bother us. Joseph P. Kennedy feared the loss of his children. Norman Thomas distrusted colonial powers. Charles A. Lindbergh tried to enlist the day after Pearl Harbor (he was stopped by a vindictive Franklin D. Roosevelt) and spent the rest of the war serving his country. Young members of America First campus chapters, such as Gerald R. Ford and R. Sargent Shriver, surely intended their country no harm.

A closer call was the behavior of Democrats in 2007-08, when they did their best to kill the surge in Iraq before it got started, which would have had dire consequences for the United States, the Middle East, and the world. "This war is lost," Senate majority leader Harry Reid said in June 2007, not sounding unhappy. But perhaps they believed that the war *had* been lost, and that this latest attempt was merely prolonging the agony—and risking, and losing, additional lives. When the GOP sabotage theme emerged in June 2010, the *New Republic*'s Jonathan Chait suggested, contrary to his fellow liberal bloggers, that "Republicans probably weren't engaged in conscious economic sabotage" but "allowed themselves to change their mind in a way that dovetailed with their political interest." On the other hand, he linked to a rationale for conscious sedition that blogger Jonathan Zasloff had posited: "If you're a right-wing Republican nutcase—which is to say, you are a Republican—then you think that Democratic policies are very, very bad for the country. . . . So of course you want to 'sabotage' any economic recovery . . . because you believe that any temporary improvement will pale in comparison to the medium- and long-term damage that Democratic policies will cause."

But if you were a Republican nutcase who believed Obama had tanked the economy all by himself with the stimulus, health care, and deficit spending, and you wanted the economy to stay tanked through November 2012, would you oppose all of his plans for more stimuli, health care, and deficit spending? Wouldn't you back those policies, and urge cap and trade in the bargain? More spending, more light rail, and more regulations! Now *that* would be sabotage! Full steam ahead!

And if you were Obama, or a liberal nutcase, and you wanted to turn the United States into a social democracy, would you start by trying to trash the economy, on the dubious chance that voters would let you hang around long enough to get a chance at redesigning what they already knew you'd destroyed? Or would you try to build programs you imagined would work, that would make people's lives better, that would lead them to trust you, and to ask for more?

Obama no doubt believed that the stimulus would hold down unemployment, that people would come to love his health care policies, and that he'd be cruising to reelection on the crest of these measures, instead of hoping that people forget all about them and changing the subject to anything else. Ours is a system that does not reward failure. It has tools known as the "midterm elections" and the "two-party system" built in as brakes on unpopular programs, not to mention long-term and multiyear plans for creative destruction, which may work out in the minds of deranged academics but never take hold in a working democracy.

Sabotage fantasies may be seductive at moments, but sometimes the simplest answers are really the best ones, and things really are as they seem. Obama pushes big government policies because he believes they are good for the country, and Republicans fight him because they think otherwise. That, in a nutshell, is all there is to it. Finish of story. The end.

But this is seldom the end for numerous people who have the will and the need to believe the worst of their opponents. Some think their beliefs are so true and self-evident that principled and/or informed opposition to them is simply impossible, and that their opponents must be fools and/or villains. They also feel themselves under permanent siege, from the press, from the establishment, and most of all from the centrists in their parties, who work day and night to frustrate their efforts and keep them from the positions of permanent power they would be sure to have otherwise, and know and believe they deserve.

The result is a sense they are surrounded by enemies, whose guile and strength knows no bounds. "On both the left and the right, there's a tendency to assume that the other side—particularly when it is running the government—is both really evil and really competent," as Jonah Goldberg has said. Conservatives know Democrats are running the government, and liberals thought Republicans were running it even when they were outnumbered in both houses of Congress, making it easy for each to exaggerate the other's capacities for evil. And liberals these days have an added incentive to fantasize: Not only are their theories enlightened and correct, but their president is the most intelligent man ever to serve in that office. Michael Beschloss has said so. Chris Matthews says Obama's IQ is 160. If this president fails, the fault must lie elsewhere, and the blame must be anything but his.

It is better, however, not to plunge down this slope. As early as March 9, 2009, Kevin Hassett, director of economic policy studies at the American Enterprise Institute, wrote an article claiming that if "some hypothetical enemy state spent years preparing a 'Manchurian Candidate' to destroy the U.S. economy once elected," this imagined Manchurian Candidate would do just what Obama had done. Point by point he went through the steps taken by the new president, explaining the adverse effects they were going to have on the economy. Yet he refused to say this was part of any devious plan. "It's clear that President Obama wants the best for our country," he wrote.

Two years later, he stands by his statement. "Though the recent acts of the National Labor Relations Board [in trying to stop Boeing from building a factory in South Carolina] do make me wonder," he said. ♦

The Belvedere Vodka Girls
in Miami Beach, 2007

ALEXANDER TAMARGO / GETTY IMAGES FOR BELVEDERE VODKA

Vodka Nation

How the flavorless, colorless, odorless spirit became a billion-dollar business

By Victorino Matus

Unemployment once again has crept past 9 percent. GDP growth fell below 2 percent this last quarter. Inflation is up. Home values are down. There's talk of a double-dip recession. According to one market analyst, "We're on the verge of a great, great depression." But through it all, there is one constant, a commodity that has not only survived during these harsh economic times, but even thrived.

Vodka.

The next time you visit a bar, see if you can count on one hand the number of vodkas on the shelf. Chances are you'll need both hands, and possibly feet. The bar at the original Pizzeria Uno in downtown Chicago contains 13 different vodkas: one bottle of Skyy, one bottle of Smirnoff, four flavors of Stolichnaya, five flavors of Absolut, one Ketel One, and one Grey Goose. At the T.G.I. Friday's in Reagan National Airport outside Washington, two shelves are devoted to 14 varieties of vodka. Meanwhile, Boston's übertrendy 28 Degrees restaurant boasts an astounding 22 bottles (13 brands, 15 flavors).

The Zsa Zsa Gabor pitch, 1967

According to the Distilled Spirits Council of the United States, there are currently about a thousand different brands of vodka in existence. Keep in mind that the Alcohol and Tobacco Tax and Trade Bureau defines vodka as "neutral spirits [alcohol produced from any material at or above 190 degrees proof] so distilled, or so treated after distillation with charcoal or other materials, as to be without distinctive character, aroma, taste, or color." Which means that a brand must often go to absurd lengths to distinguish itself from the rest of the pack. Consider Crystal Head Vodka, co-created by actor Dan Aykroyd, dispensed from a crystal skull and based on a mystical legend. Nostalgic for the Roaring Twenties? Pour yourself a glass of Tommy Guns Vodka, straight out of a bottle in the shape of a Thompson submachine gun. (Just ignore the fact that few Americans actually drank vodka in the 1920s.) Devotion Vodka contains a protein called casein, which contributes to a better "mouthfeel." More important, it's received the endorsement of *Jersey Shore*'s Mike "The Situation" Sorrentino. And of course, there's the quintuple-distilled Trump Vodka: As its website proclaims, "Finally, a vodka worthy of the Trump name."

It all sounds unsustainable, but as Jason Wilson, the author of *Boozehound: On the Trail of the Rare, the Obscure, and the Overrated in Spirits* (Ten Speed, 240 pp., $22.99) points out, "The largest liquor companies in the world haven't launched more than five hundred flavored vodkas because no one wanted to drink them." To wit, on your next trip to the bar, will you order a cocktail whose main ingredient is vodka? There's about a one-in-three chance it will be. If so, will you order a generic vodka tonic, or provide a preference? These days, as any bartender will tell you, most customers specify.

Of course, it wasn't always this way. Thirty years ago most people weren't ordering vodkas by name, let alone

---

Victorino Matus is a senior editor at The Weekly Standard.

brand-specific concoctions such as a Grey Goose Cosmo or, as a friend of mine unashamedly orders, Stoli Raz and Sprite. So how did we get here? For 200 years the United States was a brown-spirits nation, and our culture was dominated by whiskey and bourbon (think of Kentucky's famed Bourbon Trail, Jack Daniel's, the Whiskey Rebellion of the early 1790s). This is not to say that Americans were completely ignorant of vodka's existence: One of the earliest mentions of it in the *New York Times* dates back to 1871 (a profile of a Russian prince written by a *Times* correspondent in St. Petersburg), and Russia's legendary vodka maker Pyotr Smirnov sent his bottles to both the 1876 Centennial Exhibition in Philadelphia and the 1893 Chicago World's Fair, where it won medals. But, writes Linda Himelstein in *The King of Vodka: The Story of Pyotr Smirnov and the Upheaval of an Empire* (Harper, 416 pp., $29.99), "When it came to hard liquor . . . Americans preferred bourbon whiskey. Vodka was still mysterious, a drink yet to be discovered."

That wouldn't happen until after Prohibition. In 1934 the first American vodka distillery was established in Bethel, Connecticut. Businessman Rudolph P. Kunett secured the rights to the (now Westernized) Smirnoff brand from Pyotr Smirnov's son Vladimir, who managed to escape the Bolsheviks and was living in France. In the early years, however, Smirnoff vodka, which sold for $1.75 per bottle ($29.48 today), didn't catch on. Kunett sold a mere 1,200 cases the first year and was able to boost output to 5,000 cases in 1939, which, Himelstein reports, "accounted for the total amount of vodka produced in America, but it was not nearly enough. . . . Kunett was on the brink of bankruptcy."

A.J. Liebling, glass in hand, 1960

CARTIER-BRESSON

Another distributor, G.F. Heublein & Bros., based in Hartford, purchased Smirnoff from Kunett in 1939 for $14,000. But as noted in *The King of Vodka*, "Heublein was also struggling, relying on its one notable food product, A-1 steak sauce, for most of its revenue." It wasn't until after World War II that Smirnoff's (and vodka's) prospects began to improve. In a story told many times over, Heublein's chief, John Martin, and the owner of the Cock 'n' Bull bar in Los Angeles, Jack Morgan, came up with a drink called the Moscow Mule—vodka, ginger beer, lime—in 1946. By the 1950s the drink was a hit, and more and more Americans began downing vodka.

Not everyone was pleased with this trend. In *Between Meals* (1959) A.J. Liebling recalled that

> The standard of perfection for vodka (no color, no taste, no smell) was expounded to me long ago by the then Estonian consul-general in New York, and it accounts perfectly for the drink's rising popularity with those who like their alcohol in conjunction with the reassuring tastes of infancy—tomato juice, orange juice, chicken broth. It is the ideal intoxicant for the drinker who wants no reminder of how hurt Mother would be if she knew what he was doing.

And in a 1958 revision of his bestselling *The Fine Art of Mixing Drinks*, David Embury described vodka as "a wholly characterless, dilute grain alcohol that has streaked across the firmament of mixed drinks like Halley's Comet. . . . It is hard to conceive of any worse cocktail monstrosity than the Vodka Martini, the Vodka Old-Fashioned, or Vodka on Rocks." Nevertheless, Embury noted, "In the last half of 1950, the first period for which figures were published by the federal government, there were less than 387,000 gallons of vodka bottled in the United States. For the year 1955, that figure had jumped to almost seven million gallons." Last year, according to the Distilled Spirits Council, Americans spent more than $19 billion on vodka, which translates to 59.4 million cases or 141 million gallons.

Part of the reason for vodka's popularity is precisely its flavorless, odorless nature. Reprinted in the *King of Vodka* is a 1934 letter from Vladimir Smirnov to his importer in which Smirnov assures his associate that vodka is "the ideal base . . . because of its clarity and freedom from artificial flavor, it blends harmoniously with the Vermouths, Grenadines, bitters, fruit juices, and other ingredients." As one craft distiller told me, "Vodka is just plain, simple, very easy to make, very easy to use at home, very easy to use in the bar. And that is essentially the success of vodka, because people, all they had time for, was grab some orange juice, grab some vodka, and pour it in, half and half, done."

The other component was marketing. David Embury concedes:

> My hat is off to the American vodka manufacturers and their advertising departments, particularly Heublein, manufacturers of the Smirnoff brand, for what I regard as the most outstanding job of advertising and sales promotion that this country has ever witnessed. I am not so keen about the claim that vodka "does not have an unpleasant liquor taste." If you don't like the taste of liquor, why drink it? But the blurb that it "leaves you breathless," with its *double-entendre*, is one of the cleverest advertising slogans I have seen.

Smirnoff also garnered celebrity endorsements from the likes of Woody Allen, Eva Gabor, and Groucho Marx.

But perhaps the greatest marketing coup for Heublein was a product placement in the first James Bond movie, *Dr. No* (1962). Dr. No serves Agent 007 a vodka martini, famously "shaken, not stirred," and the vodka of preference is Smirnoff. It's a strange way to make the cocktail, according to Jason Wilson, drinks columnist for the *Washington Post*: "A martini should always be stirred," he writes. "That's the only way you can achieve that silky smooth texture and dry martini clearness . . . a shaken martini is a weaker drink." And don't get him started on vodka substituting for gin: "There simply is no such thing as a vodka *martini*. The martini is certainly more of a broad concept than a specific recipe, but the one constant must be gin and vermouth. Beyond correctness, vodka and vermouth is just a terrible match."

'Vodka is just plain, simple, very easy to make, very easy to use at home, very easy to use in the bar. And that is essentially the success of vodka.'

Nevertheless, the drink caught on, and by 1967, vodka had overtaken gin as the most popular white spirit in America. Keep in mind that, through the 1970s, 99 percent of all vodka consumed in America was also distilled here. The only imports were Stolichnaya from the Soviet Union and Finlandia. Stolichnaya dominated as an import thanks to an agreement struck between Pepsi-Cola and the Soviet Union in 1972 in which, in lieu of payment, the Soviets gave Pepsi import rights for Stoli in return for Pepsi. But outside of Stolichnaya, Finlandia, and Smirnoff, the vodka scene was bleak.

Michael Roper, owner of Chicago's Hopleaf bar and restaurant, recalls what bartending was like in the early seventies. While Smirnoff was considered top shelf, he remembers lesser varieties such as Nikolai, Arrow, Wolfschmidt, and another brand that was then ubiquitous called Mohawk. "Mohawk was cheap, cheap, cheap," Roper remembers. "Mohawk had a factory just outside Detroit along the expressway and . . . all their products were made there. It's almost like they turned a switch—whiskey, vodka, gin. And it was all junk." Still, by 1976, vodka had surpassed bourbon and whiskey as the most popular spirit in America. Roper attributes vodka's rise partially to women, who started drinking more spirits and ordering them on their own: "Women were not going to like Scotch—that was for cigar-smoking burly men," he speculates. "And . . . it was unladylike to drink Kentucky whiskey. But it was considered somewhat ladylike to have a fancy cocktail with an olive in it." He also remembers when a salesman first brought Miller Lite into his bar, explaining "it's for women." In a similar vein, Roper considers vodka a low-calorie option with "a less challenging flavor."

Others look to countercultural factors. "You don't drink an Old-Fashioned if your dad drank an Old-Fashioned, because you're a hippie," one bartender has observed. "You can't see a hippie going, 'I'll take an Old-Fashioned.' It just doesn't even make sense." The industry received another jolt in 1979 when a small New York company, Carillon Importers, introduced a new vodka to the market. Initially, it received a cold reception: Prior to Carillon, the distillers had been rejected by all the major distributors, such as Hiram Walker, Seagram, and Brown-Forman. Bartenders complained that the bottles were difficult to handle because their necks were too small. Worst of all, the vodka was not Russian but Swedish—and what do Swedes know about vodka? Even the name seemed misspelled: Absolut without the "e."

Of course, the Swedes know a lot about vodka. Absolut had been distilled since 1879; and in fact, its inventor Lars Olsson Smith, whose image graces each bottle, came up with the process of rectification, which removed many of vodka's impurities. But as pure as Absolut was, it needed to be exported in order to survive. Not only did it have the good fortune of landing Carillon as its importer but, eventually, TBWA as its ad agency. In *Absolut Book: The Absolut Vodka Advertising Story* (Journey Editions, 288 pp., $34.95), TBWA's Richard Lewis, who handled advertising for the Swedish vodka, remembers the challenge of designing an ad for his client: "Somehow they had to establish that Absolut was the best vodka on the market, without actually saying that in an ad," he writes. "That kind of advertising claim—'This is the best [whatever] that money can buy'—is both boring and unpersuasive."

Lewis explains how it finally came about:

> One November evening in 1980, [TBWA art director Geoff Hayes] was doodling huge Absolut bottles on a pad as he watched *The Honeymooners*. Atop one bottle, he drew a halo much like an angel's. Then he jotted down a headline: "Absolut. It's the perfect vodka." Hayes liked it, especially the little joke. He knew the halo would reduce some of the pompousness of the headline.

> The following morning, Hayes showed the sketch to his partner. [Writer Graham Turner] liked it, but he looked at the long headline and asked, "Why not just say 'Absolut Perfection'?" Together they turned out a few more ads, and soon a format emerged: In just two words (the first one always being Absolut), the ad would say something complimentary or flattering about either the product itself or the person drinking it, and, importantly, add a dollop of humor so the "We're the best" claim wouldn't be quite so boring or pretentious.

It took a few years, but the advertisements caught on. One of the tricks was photographing the bottle not with a typical black background but with a matte Plexiglas, giving the bottle a luminous glow. Still, by the end of 1984, Hayes and Turner worried that they were running out of superlatives and came up with an alternative image: a series of light bulbs in the shape of the bottle and the words ABSOLUT STARDOM. The concept allowed them to branch out—they no longer relied on an actual glass bottle but crafted images in the shape of their product, such as ABSOLUT PEAK (a ski trail) and ABSOLUT 19TH (a hole on a golf course). Each image, however, had to be carefully chosen: "They had to possess or reflect either a high value, such as gold, or an upscale activity, such as skiing or golf," says Lewis. "It may not have been obvious to the reader, but we perennially strove to build upon Absolut's premium image." The agency's other stroke of genius (aside from commissioning Andy Warhol to create ABSOLUT WARHOL) was to incorporate cities into the ads, beginning with Los Angeles in 1988 (a swimming pool in the shape of the bottle).

There have been more than 2,000 Absolut ads using, in Lewis's words, the "bottle plus two-word headline" format, each one costing as much as $100,000 and involving elaborate scale models (ABSOLUT MIAMI—a miniature art deco hotel on South Beach—may be the most impressive), but it was well worth the cost, as Absolut eventually overtook Stolichnaya in U.S. sales. By the 1990s it also became the most expensive vodka on the market, priced around $15. That would change, however, in 1997 when the late importer and marketing genius Sidney Frank unveiled a new vodka distilled in France and costing twice as much as Absolut. Frank told *New York* magazine that he called his associate early one Sunday morning in the summer of 1996, telling him, "I figured out the name! It's Grey Goose!" *New York*'s Seth Stevenson picks up the story:

> Here were all these vodkas, in the $15-$17 range, vying to be the premium brand (with Absolut mostly winning). Frank just sidestepped the fray altogether and charged an unheard-of $30 a bottle. The markup amount was pure profit. "He was the first person to see," says an executive at rival Bacardi, "that there was a super-premium category above Absolut, if you had a good product story."

And it was quite a story. As Frank explained to *Inc.* magazine, "I said, France has the best of everything. I asked the distiller there whether they could make a vodka. They said sure." Then in 1998 the Beverage Testing Institute awarded Grey Goose the title "World's Best Tasting Vodka," a moniker that would find its way (along with "Distilled and Bottled in France") onto each bottle.

"It was a case of almost perfect aspirational marketing," says John Frank, Sidney's nephew and current vice chairman of the Sidney Frank Importing Company. "We wanted to provide consumers with affordable luxury and knew that the product had to be of the highest quality with exquisite packaging but also that the timing had to be right." In short, "Grey Goose was the right product for the right time, but it was also the culmination of 25 years of building brands and a strong sales and distribution organization."

By 2004 Grey Goose was churning out 1.5 million cases annually (ahead of Absolut but behind Smirnoff). The product also received a boost when the characters on *Sex and the City* began ordering not just Cosmopolitans but Grey Goose Cosmos (Grey Goose L' Orange, Cointreau, cranberry juice, lime, orange twist). In 2004 Bacardi acquired the vodka for $2.3 billion and, at 85, Sidney Frank finally achieved his goal of becoming a self-made billionaire.

Vodka was no longer viewed as a mere mixer; it had become a status symbol. As Noah Rothbaum, author of *The Business of Spirits: How Savvy Marketers, Innovative Distillers,* *and Entrepreneurs Changed How We Drink* (Kaplan, 189 pp., $24.95) says, such successful branding is "not an easy thing to do, considering there is nothing romantic about how vodka is made. But consumers were convinced by slick marketing and high prices that vodka was particularly exotic and valuable. The vodka companies then bolstered their appeal by using flavorings, which made the spirit more palatable and attracted new drinkers."

Not that every distiller is on the make. When Robert and Sonat Birnecker left their comfortable jobs in Washington three years ago to open Koval, Chicago's first boutique distillery, vodka was not exactly on their minds: "We had a very good idea in terms of fruit distillation, what we wanted to produce, but unfortunately we had missed fruit season," says Robert, a native of Austria. "So we said we can't wait a year and sit around and do nothing. We have to start with grains. And then we said, okay, we'll do white whiskeys, vodka, and liqueurs"—all of which proved popular.

As might be expected, America's obsession with vodka has led to a certain pushback within the drinking community.

"We got lucky," he adds. Koval now sells roughly 5,000 cases a year, and only about 400 of those are vodka. Robert stresses that, as artisans, he and his staff of seven do not envision producing a million-plus cases a year like Grey Goose, but something closer to 15,000-20,000. "You can go up to a certain amount of people working for you, and a certain amount of production, to still make sure everything stays at the same quality," says Robert. "But once everything turns into a more industrial process, you lose that quality aspect, unfortunately." Good thing the Birneckers have no intention of challenging the giants, for such a task would be nearly impossible. "Here's the problem with the vodka market," explains Robert.

> We may have a very good vodka. But there are a lot of other forces out there on levels where we can't compete, in terms of what distributors are able to give bars for using a certain vodka. A lot of it is "pay-to-play." I know companies [where] you buy five cases of this flavored vodka, you get two cases or one case of the unflavored vodka for free. . . . It's a market where, because a lot of bars think it's flavorless and odorless, it's all the same anyway. Why would you buy a product that's twice as expensive as Svedka if you're just using another margarita mix or something, you know?

(Koval Vodka costs $39; Svedka runs about $16.)

There's an earnestness to the operation, which I recently toured. Their 3,000-square-foot facility in the Ravenswood-Andersonville neighborhood north of downtown Chicago will soon encompass a second building. In the same room as the vats of mash and the enormous still imported from Germany you will find a long wooden table cluttered with papers and laptops that serves as Koval's office. A little plastic table and chair belonging to the Birneckers' toddler son Lion are propped next to it. "It's his office," jokes Robert, who also points out that the space currently housing the gift shop was once Lion's playroom: "People thought we had day care at the distillery." One of Koval's most popular products is an organic whiskey called Lion's Pride, and the Birneckers' second son is Rye—the grain they use to distill a variety of whiskey and all of their vodka.

Michael Roper, the owner of Hopleaf, says there's a homespun quality to Koval. He remembers when, several years ago, Sonat Birnecker entered his establishment, pushing Lion in a stroller. "She went up and down Clark Street with the baby carriage, and there were bottles underneath, where most people put their diapers and stuff," he recalls. "It's like someone coming in saying, 'You want to try some of our applesauce?' but instead, 'You want to try our vodka?' We're only a couple of blocks away, so they sold it to us as a kind of neighborhood thing and it was fun."

There is a certain intimacy within the craft distilling community. During my visit, a distiller from another state had mailed Robert a mason jar of white whiskey hoping he could figure out what was wrong with his batch: Much like the early California wine growers, the craft distillers often share tips and secrets with each other. Three times a year the Birneckers hold seminars on distilling, each consisting of about 35 attendees from across the country. According to the American Distilling Institute, the number of craft outfits has grown from 50 in 2002 to 240 today.

But for those strictly focused on the vodka business—what Dan Aykroyd calls "only the most challenging arena in the legal recreational consumables industry"—it takes more than just a good story to move your product. "One of the lessons the industry learned from Grey Goose," writes Noah Rothbaum, "was that consumers are impressed by reverse labels, frosted glass, and distinctive bottle shapes." But how far does one go? A vodka contained in a glass skull or dispensed from a replica tommy gun? Wyborowa commissioned Frank Gehry to design a new bottle for its single-rye vodka.

And then there are the endorsements. Whereas Smirnoff once touted people like Groucho Marx and Woody Allen, Stolichnaya runs commercials now featuring Hugh Hefner and Julia Stiles. Americana Vodka, an upstart from Scobeyville, New Jersey (produced at Laird's, the oldest family distillery in the nation), has quarterback Dan Marino on its side. Even value brands can garner endorsements: Sobieski, found in the well at Hopleaf, has Bruce Willis as its spokesman. But knowing just how lucrative the vodka business can be, some celebrities won't simply endorse; they want to be partners. Ciroc, a French vodka distilled from grapes and owned by liquor giant Diageo, negotiated a partnership deal worth more than $100 million with Sean "P. Diddy" Combs, who explained at the time, "I'm not just a celebrity endorser. I'm a brand builder."

Laugh all you want, but he really is: According to a 2010 report in the *Financial Times*, "In the first six months of 2007, before Mr. Combs signed on, Diageo sold 60,000 cases of Ciroc. The following year, sales grew to approximately 169,000. In the full year ended June 2009, volume spiked to 400,000 cases. Sales rose another 48 percent in fiscal 2010, according to Diageo's earnings statements." (None of this is new, of course. Pyotr Smirnov spent years trying to earn the czar's blessing, finally gaining Alexander III's endorsement in 1886. "The very next day," writes Linda Himelstein, "Smirnov ordered that all his labels be changed to carry the new distinction.")

As might be expected, America's obsession with vodka has led to a certain pushback within the drinking community. The return of classic cocktails and the rise of craft bartending has meant a rejection of vodka and rediscovery of whiskey, gin, tequila, even absinthe. At the speakeasy lounge PX in Alexandria, Virginia, patrons are encouraged to try exotic concoctions such as Smoker's Delight (tobacco-infused tea, honey, bourbon, lemon juice, water) and other libations involving house-made bitters. Tucked inside The Passenger bar in Washington is another, more exclusive, watering hole called the Columbia Room, considered by *GQ* to be one of the best cocktail bars in the country. It is run by "master mixologist" Derek Brown who, also according to *GQ*, makes one of the best martinis in America. A few months ago, on a Saturday afternoon, I sat with Derek in the Columbia Room and asked his thoughts on vodka.

"To us," he replied, "the important thing is that we make a great drink. And vodka is capable of that. But it is the chicken breast of cocktails. It is the most boring, least thoughtful, sort of one that you can mix with. For a craft bartender—someone who believes in humanity—this stuff is just a joke and will fade away." Derek is respectful of customers who order vodka drinks—his bar carries only one brand, which he refused to reveal—but will find ways to steer them toward alternatives such as gin which, he says, "is just flavored vodka. It just happens to be a very good flavor of vodka."

And while Derek Brown considers many of the new vodkas to be scams—"Essentially charlatans are making some of the crappiest vodkas that exist, and they're putting them in different shaped bottles with really nice looking labels"—he is hopeful about the impact of craft distillers: "They're changing the way people look at vodka. You have High West Whiskey or Oat Whiskey, which is in some ways a vodka. I mean, they call it a whiskey, it's barrel-aged, but it's a neutral spirit. . . . You see people who are producing flavorful vodkas. That doesn't meet the Tax & Trade Bureau's assessment of what a vodka should be, but it certainly is what a vodka can be."

"So you want to do a vodka tasting?" he asked me. A few minutes later he returned from the next-door Passenger bar with two sets of four tall shot glasses, each filled with room-temperature vodka. "You do best to expectorate," he suggested, meaning that I should swish it around but not ingest. And he would know: Derek regularly serves as a judge on spirit tastings and estimates that, over the last three months, he's sampled at least 60 different vodkas.

One shot at a time, we compared notes about a vodka's purity, clean mouthfeel, hints of oat, banana, or citrus. There *were* differences between the shots, and once I arranged them in order of preference, he revealed their identities. My favorite (which I found to be sweet, citrusy, and with only a slight burn) was Skyy, a vodka I actually do enjoy. Second was Stolichnaya (almost minty). Third was an artisanal vodka called Smooth Ambler (which has those hints of aforementioned banana but felt a little rough around the edges). Much to my surprise, my least favorite turned out to be Ketel One, a vodka I would normally choose over Stolichnaya. But perhaps this shouldn't have come as a surprise. In 2005 the *New York Times* conducted its own tasting of 21 super premium and craft vodkas. The coordinator, Bernard Kirsch, however, had secretly inserted Smirnoff into the mix.

Take a guess which vodka was judged the favorite.

At the turn of the last century, the Russian government commissioned the Central Chemical Laboratory, under the direction of the Ministry of Finance, to investigate the vodka industry. The report, noted in *The King of Vodka*, revealed that "the product's reputation doesn't always depend on the quality. . . . Very often, the product's reputation depends on its harmonious name, bottle's shape, colorful label, or just a more expensive price of the product." The Russians were on to the vodka game, but there wasn't much they could do about it.

A century later we're still playing the same game—and there still isn't much we can do about it. At the Columbia Room I joked with Derek Brown about the one vodka his bar carries. "I take it that it isn't Crystal Head Vodka," I said. "No," he chuckled, "although I did get the Crystal Head the other day. And what's funny is that I was on the panel at the San Francisco World Spirits Competition, and I think it got a gold medal."

Actually, it won Double Gold. ♦

B&A

What Do I Know?

Montaigne's persistent search for meaning.

BY LAWRENCE KLEPP

Château de Montaigne, Saint-Michel-de-Montaigne

Reading an essay by Montaigne is like strolling through a labyrinthine flea market. You are likely to find all sorts of things there, except maybe logic, and you are likely to get, like the author, a bit lost. His essays, ruled only by curiosity, wander, wonder, sidestep, and circle, accumulate anecdotes, quotations, and conjectures as they go, but never arrive at a definite conclusion or offer an argument that might drop you off at one. Even when he has a sharp point to make on a controversial subject, he often leaves it hovering in the form of a question: "What has the sexual act, so natural, so necessary, and so just, done to mankind, for us not to dare talk about it without shame and for us to exclude it from serious and decent conversation?"

How to Live
Or a Life of Montaigne in One Question and Twenty Attempts at an Answer
by Sarah Bakewell
Other Press, 400 pp., $25

That's from an essay innocuously titled "Of some verses of Virgil," which is mostly about sex but a dozen other things besides. His 106 other essays ("Of sadness," "Of thumbs," "Of drunkenness," "Of the custom of wearing clothes," etc.) similarly avoid sticking to their nominal subject, if they ever get around to it.

Michel Eyquem de Montaigne (1533-1592), a provincial aristocrat and one-term mayor of Bordeaux, a descendant of prosperous merchants and, possibly, on his mother's side, converted Spanish Jews, lived at a time when France was being torn to pieces in religion-inspired civil wars and massacres. He decided it was mad to claim certain knowledge of God's will—or of anything else, with the possible exception of what was right in front of you. Even reason ran in circles. Every faction had its own airtight argument.

Que sais-je? ("What do I know?") was one of the mottos he had inscribed in the tower room where he eventually retreated from an indifferent career at law, from his estate's tedious winemaking business, from an evidently impatient wife and hectoring mother. There he could muse, pace, read, and invent a form of writing that he could only call an *essai*, attempt, since he wrote mostly to find out what he was writing about, to discover what he thought or, on second thought, didn't think.

This sort of skepticism could hardly be radical in the manner of the Enlightenment two centuries later. In fact, it kept him in the Roman Catholic faith he was born into and made him a *faute de mieux* sort of conservative, a shoulder-shrugging supporter of established authority and tradition. He knew his essays had some subversive tendencies ("I express my opinions so far as custom allows me; I point with my finger to what I cannot say openly"). The Church, which raised no serious objections to them during his lifetime, eventually, in the mid-17th century, put them on the Index of Prohibited Books, where they stayed until 1854.

But he never takes an aggressive, debunking approach toward even the things that he clearly doubts, like miracles and witch trials. On any subject, he just multiplies and inverts perspectives until, the rug pulled out from under you, you find yourself suspended in midair, with plenty of amusing anecdotes for company.

For the British writer Sarah Bakewell, in this easygoing and acute biographical study, Montaigne's playful juggling of perspectives is the

Lawrence Klepp is a writer in New York.

essence of the essays. So it may seem odd that she's titled her book *How to Live*, which at first glance makes him something he didn't want to be: instructive. Her successive chapters are laid out like catechism responses to the question posed by the title: *Q. How to live? A. Wake from the sleep of habit. . . . Live temperately. . . . Reflect on everything; regret nothing*, and so on. But she knows that he's no life coach. He can help us figure out how to live only because he doesn't tell us how to live. He tells us how he lived.

Michel de Montaigne

DESIGN PICS / NEWSCOM

She's asking us to read Montaigne as Montaigne read others, especially his favorite biographers and historians: Plutarch, Herodotus, Tacitus. He wanted to know about other people's lives and other times and cultures, which may offer hints about doing or seeing things differently but issue no marching orders. Montaigne scatters such hints freely throughout his essays, and Bakewell does a good job of picking them up. But all he's really telling us is: "Don't mind me, I'm just being Montaigne. Be yourself. That's what succeeds. And that's what's interesting."

He revealed himself in private postures and habits—eating, enjoying bantering conversation, seducing girls, being lazy, wishing on the whole he weren't married, enduring the kidney stones that eventually killed him—more freely than any writer before him. His contemporaries, thinking of him as a reincarnation of Stoic philosophy, were a bit embarrassed by all the candor. But there's nothing self-congratulatory or calculated about it, as there is in Rousseau or some of our own memoir-mongers. He's as matter-of-fact talking about himself as he is talking about the customs of ancient Scythians.

Bakewell gives us his remarkable childhood (his first language, as arranged by his soldier-turned-humanist father, was Latin), his crucial friendship with the writer Étienne de La Boétie, and his somewhat stormy youth—more impulsively amorous and hot-tempered than you might expect from his wry and imperturbable essays, which he began as he approached 40. The serial editions of the *Essais* were immediately successful, though it took the French a long time to get used to his pungent and sprawling style. The English, on the other hand, quickly decided he was an honorary Englishman. His whimsical influence is all over English literature.

The German scholar Hugo Friedrich, in his great postwar study of Montaigne, found in the essays a trajectory from his early emulation of the Stoic ideal of rigorous self-discipline and emotionless detachment to a "will to powerlessness," a renunciation of abstract perfection in favor of a yielding, serene, and supple immersion in the changing currents of life and self. The transition is mirrored in the increasingly formless form and meandering style of the essays themselves. And in Bakewell's last few chapter titles: *Give up control. . . . Be ordinary and imperfect. . . . Let life be its own answer*.

You finally go to him as you go to Shakespeare—not for convictions or causes, but for a sense of the irreducible diversity and mystery of human life. Shakespeare knew John Florio, who made the first translation of Montaigne into English, and the influence of the essays is there: *The Tempest* borrows freely from a passage in "Of Cannibals," Montaigne's defense of the simple lives and virtues of South American Indians. Bakewell cites the scholar J.M. Robertson's remark that all modern literature since Shakespeare and Montaigne is an elaboration of their joint theme, the "discovery of self-divided consciousness." Hamlet has been heard from, and here's Montaigne:

> We are all made of fragments so shapelessly and strangely assembled that at every moment, each piece plays its own game. And there is as much difference between us and ourselves as between us and others.

So there's some logic in Montaigne after all. Since the fragmentary strangers within are as strange as the strangers without, we can regard both with the same mix of curiosity and sympathy—even very exotic strangers, like cannibals, even cats: "When I play with my cat, who knows whether she is amusing herself with me, rather than I with her?" Bakewell rightly locates Montaigne's whole approach to life in that question. What he offers is not self-absorption, or even methodical self-examination, but a free, footloose exploration of self that, bravely and honestly done, leads us to embrace others. ♦

B&A

Party Line

There is such a thing as media bias, and it's not good for you. BY CHARLOTTE ALLEN

In November 2005, the *Quarterly Journal of Economics*, published by Harvard University and regarded by academics as one of the four top scholarly journals on economics in America, published the results of a study conducted by Tim Groseclose, a professor of political science and economics at UCLA, and Jeffrey Milyo, then a public policy professor at the University of Chicago and now holder of an endowed chair in social sciences at the University of Missouri. The study, using rigorous quantitative analysis, found that most major American news outlets, including newspapers such as the *New York Times* and *Washington Post*, newsweeklies such as *Time* and *Newsweek*, network television shows such as *CBS Evening News* and *NBC Nightly News*, and Internet sites such as the Drudge Report, slanted their news reporting to reflect a distinct liberal bias. That was the outlets' news reporting, by the way, not their editorials, columns, book reviews, or opinion pieces, where the writer's ideological leanings are an expected part of the package.

In other words, what conservatives had been complaining about for decades—the prejudices of mainstream media—was actually true: The media not only skewed left in terms of the political leanings of their personnel, but they could not report about a controversial issue—whether the issue was George W. Bush's tax cuts, global warming, partial-birth abortion, or the effects of affirmative action on college-campus demographics—without loading the piece in ideological ways that made it a completely different story from that which a conservative, or even a centrist, might tell. The Groseclose-Milyo study devastatingly undercut the prevailing wisdom, held dear by the press and its apologists, that yes, most reporters (actually, nearly all of them) may pull the Democratic lever in the voting booth, but they bend over backwards to frame their news stories in a nonpartisan and evenhanded fashion that disguises their personal ideological leanings.

Left Turn
How Liberal Media Bias Distorts the American Mind
by Tim Groseclose
St. Martin's, 304 pp., $26.99

As Groseclose and Milyo concluded, that doesn't happen.

Now, Groseclose has expanded the pair's research into a full-length book, less technical in style than the *Quarterly Journal* article and pitched to general readers, not professors (there is far less math in the book than in the article, for example). As the title indicates, he has added another element to his and Milyo's earlier thesis: Not only are most of the media biased in their reporting, but their liberal bias has made the American voting public considerably more liberal than it would otherwise be—which means that if the average American voter these days is a centrist, he would vote like Ron Paul if he could get out from under his daily bombardment of liberal-leaning news. If Groseclose is correct, this cracks wide open another piece of prevailing wisdom, subscribed to even by many conservatives: that readers of, say, the relentlessly progressive *New York Times* automatically correct for the Sulzberger slant, saying to themselves, "Oh, yeah, that's the *New York Times*."

According to *Left Turn*, that doesn't happen, either.

For their 2005 article, Groseclose and Milyo strove to find an objective way (rather than just assuming that the *Washington Post* is pretty liberal and Fox News is pretty conservative) to assign a number on a scale of 0 to 100 (with 0 being down in Michele Bachmann territory and 100 being up there with Nancy Pelosi) of what Groseclose in his book calls the "slant quotient" or "SQ" of various major media outlets.

Here's what they did: They used an adjusted version of the scores that the famously liberal Americans for Democratic Action (ADA) uses—also employing a scale of 0 to 100—to rate members of Congress according to their roll call votes on hot-button issues such as shutting down Guantánamo, cap and trade, and federal funding for abortion. (On that scale, Bachmann stakes out the cellar, while Pelosi, Barney Frank, and Ron Dellums vie for the tippy-top.) Those scores constitute what Groseclose calls the "PQ" ("political quotient," presumably) of the 535 occupants of seats on Capitol Hill.

By that reckoning, the average American voter, whose ballots decide who goes to Congress, has a PQ of just above 50—approximately Arlen Specter's PQ (50.6) before he switched from the Republican to the Democratic party in 2009 and began voting (67.4) more like Harry Reid (75.6). (In calculating American centrism, Groseclose has made small adjustments to account for the small-state-favoring composition of the Senate and other factors.) In case you are curious, Groseclose has included in his book a ten-item questionnaire—there is a longer version on his website, timgroseclose.com—that enables you to calculate what your own PQ would have been had you been in Congress for the relevant votes. I took the test and discovered that my PQ is 10. That makes me slightly more liberal than Bachmann and Jim DeMint, although I'm slightly more conservative than Groseclose himself, who admits in an endnote that he has a PQ of 13.

After assigning an ADA-based number to the members of the House and Senate, Groseclose and Milyo then

Charlotte Allen is a contributing editor to the Manhattan Institute's Minding the Campus *website.*

examined the frequency with which individual members of Congress, in bolstering their floor and committee arguments, cited the research of various think tanks and advocacy groups around Washington and elsewhere—organizations such as the Heritage Foundation and the Brookings Institution. By combining the frequency numbers with the PQs of the members of Congress, Groseclose and Milyo were able to assign PQs to the top 50 cited think tanks themselves—a far more objective way, in their thinking, to assign an ideological perspective to a think tank than simply to assume, for example, that the Heritage Foundation is conservative and the Sierra Club is liberal.

In a third step, Groseclose and Milyo quantified the frequency with which stories by reporters for various news outlets cited research and quoted spokesmen from those same think tanks as they fleshed out the facts that they reported. That enabled the two to calculate the outlets' slant quotient, or SQ. As Groseclose and Milyo pointed out (and as Groseclose reiterates in *Left Turn*), the news stories themselves were seldom false or inaccurate. There was almost never anything intentionally dishonest about the reporting. It was just that the reporters presented their stories in a way that reflected, probably unconsciously, the reporters' liberal ideological leanings. They used material from liberal think tanks and advocacy groups far more frequently than material from the tanks' conservative opposite numbers. They highlighted or omitted facts as their personal political predilections dictated, even though their stories, in an effort to maintain journalistic impartiality, might contain a quotation or two from spokesmen for the conservative side.

The range of SQs that Groseclose and Milyo calculated was shocking. The most liberally biased news outlet proved to be the *Wall Street Journal* (its news pages, that is, not its conservative editorial and opinion pages). The *WSJ* turned out to have the slant quotient of the average Democrat, about 85, only a few points below the 89.2 PQ of the late Ted Kennedy. Of the rest of the mainstream media, only Fox News (with an SQ of about 42) and the *Washington Times* (with an SQ of about 40) registered below the midpoint—and both outlets are way more liberal in their reporting than the average Republican, whose PQ is less than 20. The Drudge Report, although regarded as troglodytic by progressives, has an SQ of around 50—that is, its reporting is about as centrist as the average American voter these days.

Mickey Mouse, Dan Rather, 2009

WDW / SPLASH NEWS / NEWSCOM

Such findings comport with other studies of newsroom homogeneity. An October 2008 survey of 62 contributors and editors at the online magazine *Slate*, for example, revealed that of those who planned to vote for the two major-party candidates, 98.2 percent (that is, 55 out of 56) said that they were voting for Barack Obama rather than John McCain. A 2004 survey by *PoliticalMoneyLine* (now *CQ MoneyLine*) found that the ratio of journalists who donated to John Kerry's presidential campaign over those who donated to George W. Bush's campaign was 93:1. That suggests, as Groseclose points out, that the average newsroom is not only far more liberal than the American electorate—which favored Obama by 53 percent in 2008 and Bush by 51 percent in 2004—but also more liberal than Ted Kennedy. Even such stereotypically liberal enclaves as Berkeley, California, and Cambridge, Massachusetts, proved to be less liberal in their 2008 presidential votes than an average newsroom. Voters in those cities gave McCain 10 percent and 14 percent of their votes, respectively. Groseclose writes that "if you read a newspaper article or watch a television news clip, then almost surely it will have been written or produced by a liberal."

Those liberal leanings distort the news in subtle but telling ways. Groseclose dissects a 2006 story in the *Los Angeles Times* that linked a record low number of black freshmen at UCLA to the passage 10 years earlier of Proposition 209, a ballot initiative that forbids public institutions from considering race in admissions and hiring. The reporter, Rebecca Trounson, had quoted six sources, not for factual information but for their opinions. Five of those sources expressed conventional left-of-center views, complaining, for example, that the campus was insufficiently "diverse" and accusing UCLA of practicing racism. Only one source, former University of California regent Ward Connerly, architect of Proposition 209, suggested that fewer black high school graduates might be academically competitive, or that some blacks might have chosen to attend historically black colleges instead of UCLA. Not only did Trounson not examine the tortuous routes that UCLA's admissions committee (on which Groseclose served at the time) followed to get around Proposition 209 so as to maximize black enrollment, but she failed to report a record number of black transfer students to UCLA that fall so that the black student population actually increased slightly. She also failed to notice what might have been the real story: the huge increases in Asian enrollments at UCLA, to the point that white people, once the overwhelming majority, now constituted only about a third of the overall student population.

Groseclose cites other examples of bias-induced misleading reporting: post-Katrina coverage that mostly blamed the Bush administration, not New Orleans's corrupt and inefficient Democratic city government, for the resultant chaos; refusal to report on the 9/11 "truther" petition that Obama's short-lived "green jobs" czar Van Jones had signed until conservative bloggers and Republican members of Congress made an issue out of the petition; the characterization of Bush's tax cuts as favoring the rich when it was middle-income households whose share of taxes was reduced most; and of course, the refusal of many news outlets to use the term "partial-birth abortion," even though the law that Congress passed in 2003 was titled "The Partial-Birth Abortion Ban."

Furthermore, grossly unbalanced newsrooms breed what Groseclose calls the "second-order" problem: The handful of conservative journalists get tired of being treated like subhumans by their coworkers, so they drift left in order to fit in. Alternatively, the majority simply redefines extremism to include, say, opposing gun control or favoring restrictions on abortion. Who needs JournoList when you can be beaten down into conformity by your liberal peers at work?

Groseclose seems to be on less solid ground when he moves to his second premise: that the liberal media have succeeded in making Americans more liberal. Since Americans, with their average PQ of about 50, are already centrist, Groseclose calculates that without the "media lambda," as he calls it—the drag effect of constant exposure to newspapers and TV clips produced by entities with SQs closer to 100—their PQs would be down in the 25-30 range. That is, the average American would have the political views of the average resident of Alaska, Kansas, Texas, South Carolina, and other low-PQ, Republican-voting states.

This is a daring claim, going against the grain of rational-choice theory and suggesting that the mainstream media are a sinister and effective liberal propaganda machine. He does cite some compelling studies, however, including one in which Yale researchers randomly distributed equal numbers of trial subscriptions to the *Washington Post* and the *Washington Times* to residents of suburban Northern Virginia. Sure enough, the *Post*-subscribing subjects voted 3.8 percentage points higher for the Democratic candidate in a gubernatorial election in question than did subjects who subscribed to the *Times*.

I cannot recommend *Left Turn* highly enough. For one thing, it is vastly entertaining. Groseclose has a gift for presenting statistics, tables, technical terms, summaries of abstruse scholarship, and even mathematics with clarity and humor (even the endnotes are great fun). For another, it is a gracious book: Groseclose generously gives credit to numerous other scholars whose insights and research paved the way for his own—colleagues whose political beliefs were often far left of his. Indeed, after the Groseclose-Milyo study appeared in the *Quarterly Journal of Economics*, UCLA, despite a faculty and administration containing almost no Republicans, promoted Groseclose to full professor (Milyo was similarly promoted at Missouri), and Yale and the University of Chicago also offered him full professorships.

The main opposition to the Groseclose-Milyo study came from—you guessed it—humanities professors, one of whom called it "agitprop for the conservative blogosphere" while another accused the two of ignoring "dialogism in discourse analysis," whatever that is. The nastiest attack of all came from—you might have guessed this one, too—blogger Eric Alterman of Media Matters, who accused Groseclose and Milyo of having rigged their numbers and taken money from "right-wing" think tanks (the latter was true, but not for the *Quarterly Journal* article, whose research was entirely financed by the pair's universities). One of Groseclose's most liberal colleagues in the political science department at UCLA leaped to the defense of Groseclose's scholarly integrity, firing off an email castigating Alterman for "lack of civility" and the "personal nature" of his supposed review. When Groseclose read his copy of that email (he does not name the ultra-liberal colleague, referring to him only as "Byron B. Bright"), tears sprang to his eyes.

That incident sums up what Groseclose would like to see from the liberal media. He doesn't expect them to change their views, but they ought to be honest about their biases—and while they're at it, get to know, instead of just writing about, some of those strange conservatives in the drive-past suburbs and the flyover towns, the ones with the guns who go to church on Sunday and vote Republican a lot of the time. ♦

B&A

Unamicable Split

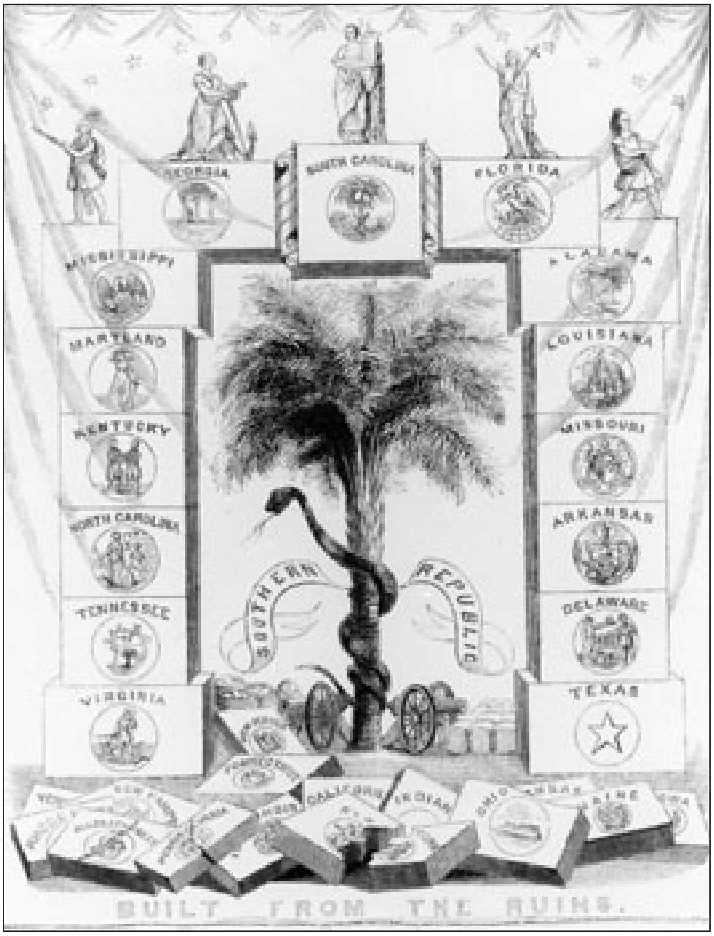
South to North: Hello, I must be going.

BY EDWIN M. YODER JR.

Visual memories, especially those of boyish vintage, tend to be inexact but I am pretty confident of this one: Joseph Grégoire de Roulhac Hamilton was a short, gnomish, balding figure, longtime chairman of the history department at the University of North Carolina, and founder of the great Southern Historical Collection there. And more to the present point, a valued friend and mentor to my father and his older brother, who had studied under him in the 1920s.

Edwin M. Yoder Jr. is the author, most recently, of Vacancy: A Judicial Misadventure.

The occasion I recall here was one of a succession of visits at his house when my uncle, a West Coast academic, visited in North Carolina. He and my father would call upon their revered teacher, taking me along. I would sit patiently on the berm overlooking the front porch as the three of them, in their rocking chairs, talked into the warm summer night. I was too boyishly incurious to listen carefully, but one topic was surely a shared interest in Southern history—as to which Dr. Hamilton, as will be seen, entertained emphatic views. He had done his doctorate at Columbia under William Dunning, eponymous founder of the dominant "school" of Reconstruction history, which tended to charge the South's postbellum woes to vengeful Yankee intruders.



Banner of the South Carolina Secession Convention

GETTY IMAGES

The scene might have faded from memory long since but for a personal sequel. In the mid-1960s, I took leave from newspapering to teach American history at the Woman's College of UNC. As I prepared lectures on the "causes" and outbreak of the Unpleasantness whose sesquicentennial we are presently observing, I chanced with mild indignation on a noted talk the very same Hamilton had given in the early 1930s. He roundly accused Abraham Lincoln, by virtue of his mere election, of having been "an immediate menace to slavery in the states," thus provoking and justifying secession. This was not an uncommon theme then, in view of the sectional nature of the new-minted Republican party. But it was always controversial.

The indignant notes with which I sprinkled the margins of Hamilton's pages are missing, and I probably failed to notice that a number of variables lay concealed in the words "menace," "immediate," and "states"—variables with which a practiced quibbler could have had a field day. I was not in a quibbling mood. After all, Lincoln had often vowed to leave the South's peculiar institution unmolested "in the states" where it had historically existed. Under the *Dred Scott* decision, neither a president nor Congress possessed authority to interfere with slavery in the states that were to constitute the Confederacy. The territories of the West, recently extorted from Mexico, were a far more explosive issue. The Missouri Compromise of 1820, which had barred slavery from the northern Louisiana Purchase, was now extinguished, and the militant dreamers of the South's "empire" had turned covetous eyes on the whole Gulf littoral and the Caribbean, where slavery might flourish without limit.

With these thoughts, I challenged my elder and better, not without a guilty feeling that in view of the family veneration of Hamilton I was engaged in virtual parricide. I was then in my twenties, a new-minted "Southern liberal," imbued with the enlightened racial outlook of latter-day Chapel Hill. Hamilton, born a year after the end of "radical" Reconstruction, was a man of his time, and had delivered his provocative lecture at the crux of the Jim Crow era when its cardinal assumptions were largely undisturbed. He would have been exceptional, even among enlightened Southerners, had his personal views not reflected the culture of that time—paternalist and tinctured with a complacent confidence in white racial superiority. In youth, he had studied at Sewanee, then a citadel of Southern traditionalism which, not so many years earlier, had attempted to recruit both Jefferson Davis and Robert E. Lee as vice chancellors.

As for what may be called the "secession guilt" question, there remains much to be said. My recent reconsideration of the vast material bearing on that issue suggests that neither Lincoln nor the other decision-makers of 1860-61 clearly foresaw what his election meant for peace in their time. Lincoln's rival (and eventual secretary of state) William Seward had spoken of an "irrepressible conflict," but as war clouds gathered, he had drastically modified his views. I still believe Hamilton to be wrong about the implications of Lincoln's election. His polemical strategy is to identify the Republican party with its abolitionist fringe, and Lincoln as its tribune: an early case of guilt by association.

"In spite of all its professions and official declarations," Hamilton writes, "the party ... by 1860 had become abolitionized. Among Republican leaders Lincoln appears as a relative conservative, but a close reading of his writings indicates that he, too, grew fast to radicalism. ... He had started out with the idea of restoring the Missouri Compromise, but quickly opposed such a suggestion; he had advocated allowing the Supreme Court to settle the territorial question, and then fiercely attacked the Court for attempting to do so." Hamilton insists that in any case abolitionism was the nonnegotiable ideological binder of the Republican party, so that if the South had detected a conciliator in Lincoln and not seceded, "what," he asks, "was left to hold the party together ... save abolition?" All true. Yet Lincoln had only recently been a moderate Whig who protested privately that Henry Clay was his apostle and that he would govern in Clay's spirit of sectional conciliation and compromise.

In the exacerbated political climate of 1860, when Lincoln made not a single campaign speech, his hostility to slavery as a permanent feature of American life was clear enough; and in any case, his Southern opponents were in no mood to draw fine distinctions. Lincoln had established himself after 1854 as an outspoken critic of both the Kansas-Nebraska Act (which abolished the Missouri Compromise) and the *Dred Scott* decision, which seemed to confirm its abolition. He had pronounced in his "House Divided" oration that the nation must eventually become either all slave or all free, and left no doubt of his own preference. Amidst the gathering anger, it hardly mattered that his views were moderate in tone. He never campaigned and his name was not on Southern ballots.

Of course, political factions in all places and ages would prefer to work their will without firing a shot, and the slide to the Civil War whose 150th anniversary we are observing is hardly the only instance in which war came uninvited. It is said that after reading Barbara Tuchman's *The Guns of August*, about the surprising outbreak of the later and even more murderous First World War, John F. Kennedy summoned his secretary of the Army and instructed him to see that all officers read this dire warning of how nations stumble into wars. The circumstances of August 1914 and April 1861 were drastically different—neither North nor South had a Schlieffen Plan for mobilization for robotic "war by timetable," as one English historian has called World War I—but one common denominator in our consideration of "secession guilt" is the surprise that plagues the human incapacity to foretell or control the future.

Inauguration of Jefferson Davis as president of the Confederacy, 1861

Historians have differed on the conclusions to be drawn. An eminent Civil War historian of Hamilton's vintage, in a notable address to the American Historical Association, ascribed war guilt to a "blundering generation." Indeed, with the lenses of 20-20 hindsight, it is easy to isolate turning points which, with greater foresight, might have been negotiated without gunfire. Students of the Civil War can list them by the dozen. What, for instance, if the Democratic party hadn't split on sectional lines in 1860 and managed to elect Stephen A. Douglas president? Or what if Lincoln had dismantled Major Anderson's fragile garrison at Fort Sumter?

After the Great War of 1914-18, the victors imposed a "war guilt" stipulation on the losers. That provision of the Versailles Treaty became so acute a subject of controversy in Germany that an amateur historian, Alfred von Wegerer, founded a scholarly journal, *Die Kriegsschuldfrage* (the war-guilt issue), devoted exclusively to its discussion. But with the advent of the Civil War sesquicentennial, we have no such journal, and any debate over war guilt is largely the preserve of cranks and moralists, not serious historians. Lincoln's view prevailed: that the war was, in constitutional terms, a rebellion to be subdued by the exercise of executive powers. But had the South vindicated its claim to national sovereignty, had the war become a conflict between nation-states, concluded by treaty, might the victors have imposed a war-guilt clause? Or perhaps even a "secession guilt" clause? Possibly—but in view of the outcome, Abraham Lincoln would not have been indicted as the chief provocateur.

"Blunder," for which another word is human impulsiveness, is easy to identify after the damage is done. But tragedy—the eternal spectacle of flawed humans, moving according to their lights and interests but blinded by their passions—seems a more useful template of historical understanding. No treaty that I know of has ever blamed an unintended war on the tragic flaw. And perhaps it belongs more to poetics than to history. ♦

Touch of Evil

The familiar problem of the boring Good Guy.

BY JOHN PODHORETZ

Captain America: The First Avenger
Directed by Joe Johnston

It's been 33 years since Christopher Reeve donned the cape in *Superman* and gave birth to the genre of the superhero movie—and 22 years since Jack Nicholson slapped on clown makeup for *Batman* and redirected the superhero universe beyond the rather dull guy with the costume to the sexier and more complex villain.

The superhero movie is now a full-fledged genre of its own, and serves as the financial backbone of the American movie industry the way the western did for the first forty years of the cinema's cultural primacy in the United States. (To give you a sense of just how central to the movies westerns once were, there are more of them than any other type of American movie, even though most westerns were made before 1960, more than half a century ago.)

Superhero movies are present-day Hollywood's replacement for the western in other ways as well. Like westerns, they depict a battle between the forces of good and the forces of evil, with the forces of evil controlled by a dark man greedy for power and the forces of good led by a stoic loner with an amusing sidekick or two who stands up for the defenseless and is only interested in girls because the screenplay says he should be.

The classic Hollywood western played with American archetypes derived from historical experience—cowboys, Indians, cattlemen, rustlers, post-Civil War gangs—but the conflicts they depicted bore almost no relation to the lives of mostly urban and suburban moviegoers. The superhero movie does the same in reverse. The movies are set in a recognizable reality, New York or Chicago or Los Angeles, but the archetypes come from a boy's fantasy world—one in which his secret self is powerful, strong, self-sacrificing, and noble.

They share other qualities too—like the fact that they are mostly awful. Westerns and superhero movies have a common storytelling weakness: They're all the same. Good guy vs. bad guy. Bad guy more colorful than good guy; bad guy delivers flowery speeches while good guy glowers manfully. And they have common longueurs. Westerns have the endless shootouts in the canyons that usually lead to a sidekick getting killed but no plot point advanced; superhero movies have endless chase scenes with cars flying around (and a dead sidekick).

They are, literally, generic. That is what studios (and audiences too, I suppose) like about them: You always know what you're going to get. But when you know what you're always going to get, the possibilities for boredom become almost limitless. It is, therefore, only when something unexpected happens that the movies get interesting—as when the lawman in 1939's *Destry Rides Again* refuses to wear a gun and works in a frontier town that is more of a melting pot than the Lower East Side. In the middle of the new *Captain America: The First Avenger*, the superhero ends up not fighting bad guys but touring the country in a high-stepping road show selling World War II war bonds with a line of Rockettes.

These and dozens of others—1939's *Stagecoach* and 1962's *The Man Who Shot Liberty Valance*, 2008's *Iron Man* and the original Reeve *Superman*—are examples of how to take a generic picture and structure it as a comedy. Because you don't expect it to be funny, the humor surprises and delights you and deepens both the comedy and the genre elements.

The same is true when they go dark. There's the classic setup of 1956's *The Searchers*, in which a man goes in relentless search of a niece kidnapped by Indians—not to save her but to kill her. In 2008's *The Dark Knight*, the anarchic Joker turns into the screen's most terrifying villain not because he's full of blather but because he creates impossible moral challenges for the intellectually outgunned Batman.

These movies take something generic and make something operatic out of it—trafficking without irony in overripe emotion in an effort to provoke an unguarded response from viewers. When it works, the effect can be overwhelming (as it was, for example, in Clint Eastwood's still-astonishing *Unforgiven*, which won the 1992 Best Picture Oscar). When it doesn't, as it really and truly didn't with the superhero epic *Watchmen* a couple of years ago, the results are agonizingly painful.

What *Captain America* has that the rest of the year's superhero movies don't is a low-key charm—an odd quality for a movie that cost $140 million to make. But then, the oddity of its huge price tag is that much of it was spent making a strapping big guy (Chris Evans) look like he's 5'2" and weighs 97 lbs. to render his magical conversion into the title character all the more convincing. It is. But everything about him when he becomes Captain America is boring. Which points out the ultimate problem with the superhero movie—the superhero. ♦

John Podhoretz, editor of Commentary, *is* The Weekly Standard*'s movie critic.*

"Mark Halperin will return to his role as a senior political analyst at MSNBC this week, Broadcasting and Cable reports, ending his one-month suspension. Halperin was suspended on June 30th after he said on 'Morning Joe' that President Obama had been 'kind of a d—' during the previous day's press conference." —Politico, August 2, 2011

PARODY

Morning Joe for Monday, August 8, 2011

TRANSCRIPT (continued)

an Adonis really, the way the sun shines on his glistening, gorgeously tanned body when he's strolling along the beach.

SCARBOROUGH: Whoa, Mark, that's a little too much information.

BRZEZINSKI: No, tell me more! (Laughter)

HALPERIN: Well, no, seriously, I just never realized how much he resembles a deity until these last few soul-searching weeks.

SCARBOROUGH: Sounds like you've been through reeducation camp, my friend. Can you still give us your honest assessment of how this debt deal affects the president's reelection efforts?

HALPERIN: Joe, what you and I and the American people just witnessed was presidential leadership at its finest. Not since Henry Clay have we seen such a Great Compromiser. Not that he compromised his principles or his values or his faith. There's not a day that goes by this president isn't thinking about the children. And the elderly and infirm. And—

SCARBOROUGH: So I guess you're saying his chances of winning reelection are good.

HALPERIN: What I'm saying is they're great. Mr. Daley has assured me our commander in chief will handily win reelection once the truth of his efforts are brought to light. It's our responsibility to reveal this truth. And the truth is Barack Obama scored a major victory in this debt ceiling debate. Also, if you go to sleep listening to "The Audacity of Hope" on tape, you will wake up refreshed and hopeful the next day.

BRZEZINSKI: If I may, Mark, some Democrats were unhappy with this deal. No new revenue? Cuts in spending to vital programs?

HALPERIN: What're you saying, Mika? That our president is a d—? Because, trust me, he is not. He's like the complete opposite of a d—. No wait, that would make him a … um, I hope someone in the control room just bleeped that out.

SCARBOROUGH: I'm afraid we missed it.

HALPERIN: Excuse me, I just received an important text. I'm afraid Mr. Carney needs his shirts pressed and since I'm just around the corner...

– 4 –