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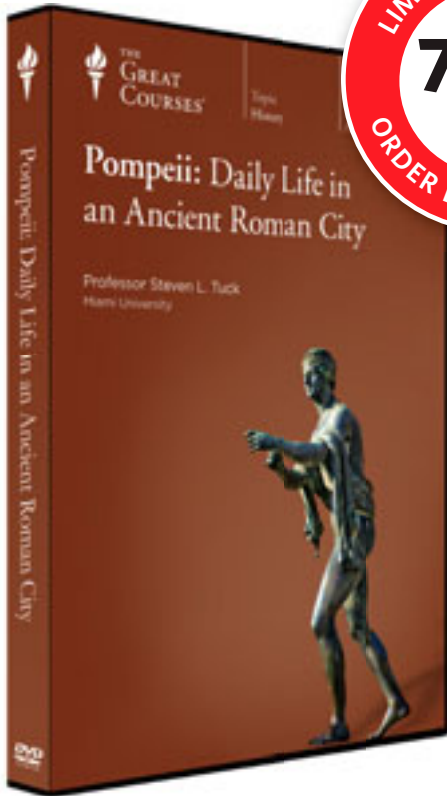
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COVER: NEWS.COM

Occupy the *Washington Post*

One of the many unwritten rules of journalism is that business reporters should be temperamentally hostile to business. This is the opposite of another unwritten rule—that environmental reporters should be propagandists for environmental organizations—but, given the ideology governing most American newsrooms, it makes sense. On the business pages of most American newspapers, you will find business treated as a semi-criminal enterprise, and businessmen with disdain.

The *Washington Post* is no exception—although the Post Company is a business enterprise like any other, if slightly more rapacious than most. Steven Pearlstein writes a business page column from a moderate Marxist perspective (he is opposed to firing squads) while Michelle Singletary writes another business column (“The Color of Money”) which explores the ways in which the American Dream is a nightmare for most African Americans.

As you might expect, the chants, anger, smells, and street theater of Occupy Wall Street in New York have enchanted these two chroniclers of

American capitalism. “I wish it were true,” wrote Pearlstein, “that Occupy Wall Street could morph into our ‘American spring,’ a left-wing counterweight to the tea party.” After enumerating the various ways in which the Obama administration has failed to sufficiently embrace OWS, Pearlstein concludes,

Here’s a little free advice for Secretary [Timothy] Geithner and Chief of Staff [William] Daley: This weekend, put on jeans and a sweatshirt, ditch the security detail and make an unannounced visit to Zuccotti Park. You just might learn something, but for sure you’ll let everyone know what side you are on.

Singletary is somewhat less cerebral, a little more caught up in the excitement of the moment. “Rage, rage against Wall St. greed” is the headline of her column, and she excitedly quotes her usual sources (Public Interest Research Group, *Adbusters* magazine, Consumer Federation of America) to the effect that today’s anger and rage will be swiftly transformed into “a positive program about political and social change.”

Singletary is nothing if not subtle, reminding readers that “throughout history, great change has evolved from small civil protests.” For example, “It took a Rosa Parks, who refused to give up her seat on a public bus to a white man, to inspire the Montgomery bus boycott that eventually resulted in the U.S. Supreme Court ruling that segregation was unconstitutional.” (*Brown v. Board of Education* [1954] was decided the year before the Montgomery bus boycott [1955]—but whatever.) She even furnishes the address of the Occupy Wall Street website “for those who want to take action against corporate greed.”

Now, THE SCRAPBOOK is the CEO of nothing, and harbors many complaints about the Masters of the Universe who contributed to the financial crisis of 2008. But here’s a question for the bosses over at the *Washington Post*: Is the purpose of business journalism in America to help readers comprehend this complicated subject, and draw informed conclusions? Or is it to serve as well-paid cheerleaders for inchoate radicals and middle-class anarchists, whose skills are confined to tying up traffic and manipulating the press? ♦

Protesters Only the Media Can Love

As you likely recall, the media lost their collective minds when the Tea Party movement first emerged. The Fourth Estate turned Fifth Column and went out of its way to portray earnest and concerned citizens as racist, paranoid, and violent. THE SCRAPBOOK is as weary as anyone of pointing out media double standards, but reading the adoring news reports about the Occupy Wall Street movement is enough to leave even the most jaded media consumer reaching for an airsickness bag.

A quick recap of some of the goings-on, since you’re unlikely to have read about most of these incidents in

major media outlets: So far the most memorable image of the protest is of one of the participants defecating on a police car. A uniformed military officer was harassed and spat on while walking past protesters in Boston. An SUV in Eugene, Oregon, was set on fire and spray-painted with Occupy Wall Street slogans. A speaker at the Occupy L.A. protest warned that “ultimately, the bourgeoisie won’t go without violent means,” before making several animated interjections about revolution and socialism.

And then there’s the anti-Semitism. To the old saw about “death and taxes” it’s safe to add that another one of life’s inevitabilities is this: Wherever two or three lefties gather to complain about Wall Street, at

least one of them will blame the nation’s economic woes on the less than 2 percent of the population who eat Chinese food on Christmas. Anti-Semitic signs were obvious at Occupy Wall Street protests, especially when compared with the thin gruel reporters cited in accusing the Tea Party movement of racism.

Now we don’t think Occupy Wall Street is necessarily defined by anti-Semitism. There are enough protesters to encompass a large and diverse assortment of unpleasant ideologies. But the fact that the protests were in large part inspired by the left-wing Canadian magazine *Adbusters* ought to give people pause.

The magazine’s editor, Kalle Lasn, has repeatedly been criticized for

publishing such quality articles as the 2004 *cri de coeur* “Why Won’t Anyone Say They Are Jewish?”—which consisted of a list of prominent Jewish intellectuals accompanied by some barely coherent commentary about how Jews were responsible for the war in Iraq, or something. *Adbusters* later ran afoul of the Holocaust Museum by repurposing the museum’s images of the Warsaw Ghetto as part of an inarticulate gripe about Gaza. David Duke himself has felt moved to defend the magazine publicly. Can you imagine if the Tea Party were largely the creation of such an unsavory character?

As expected, the media are going out of their way to help the Occupy Wall Street movement along. A *Time* magazine poll last week reported the movement twice as popular as the Tea Party. Of course, the magazine achieved this result by asking a question that was more loaded than a Kennedy scion at an open bar. The poll emphasized the group’s supposed opposition to bank bailouts. *Time* further failed to mention in its poll that the Tea Party was protesting bailouts over two years ago. (And when the Tea Party objected to bank bailouts, they did so without the class warfare, demands for forgiving imprudently incurred student loan debt, and poor hygiene.)

So what else can the media do to sell the public on this movement? Former MSNBC host Donny Deutsch went on *Morning Joe* last week and made a modest proposal: Occupy Wall Street needs a “Kent State Moment,” but, you know, without the violence. We’re not sure what Deutsch is getting at, and frankly we don’t want to know. But until Deutsch and the rest of his media peers get their wish, we’re pretty sure that burning SUVs and pooping on police cars is unlikely to have the intended galvanizing effect. ♦

Plagiarism Watch

THE SCRAPBOOK notes, with regret, that plagiarism has claimed the reputation of yet another journalist. Kendra Marr, a onetime *Washing-*



ton Post reporter lately employed to write about transportation for *Politico*, seems to have published at least seven “*Politico* stories that borrowed without attribution from work that had been published previously in other publications,” in the words of her editors, announcing her dismissal.

Betsy Rothstein of FishbowlDC reported all this in the usual manner; that is to say, Marr’s plagiarism was treated as an aberration, as if plagiarism were a terrible misfortune that had befallen the reporter, not something she had done.

Marr was a beloved reporter in the newsroom. . . . She was conscientious, solid. . . . Those who know her well say there is no way Marr did

this maliciously or even, necessarily, knowingly.

Worst of all, “we’re told, her career in Washington journalism is effectively over.”

To which THE SCRAPBOOK can only say: Wait a minute. To begin with, while Kendra Marr may be “solid” and “conscientious” to her friends and colleagues, evidently she was not so conscientious or solid as to refrain from stealing somebody else’s hard work and publishing it as her own. Indeed, nowhere in the *Politico* memo or in the Fishbowl item may be found the names of the poor writers whose work was purloined by Kendra Marr for attribution to Kendra Marr. If this was not

done “knowingly,” then Marr has problems beyond plagiarism; and if it was not done “maliciously,” then what is the term for such intellectual thievery?

Which raises a final point: Fish-bowlDC’s assertion that Kendra Marr’s “career in Washington journalism is over.” THE SCRAPBOOK agrees that this has thrown sand in the works of Marr’s machinery for the moment. But there are just too many examples of former plagiarists thriving in journalism—Arianna Huffington, Mike Barnicle, Doris Kearns Goodwin, the late Molly Ivins, the list goes on—to believe it’s over for Kendra Marr.

THE SCRAPBOOK believes that there is no greater transgression in journalism than palming off somebody else’s work as your own, and, in a just world, plagiarism really would have blighted the careers of these offenders. But look for Kendra Marr to land softly somewhere soon—solid, conscientious, and eager to confess that “mistakes were made.” ♦

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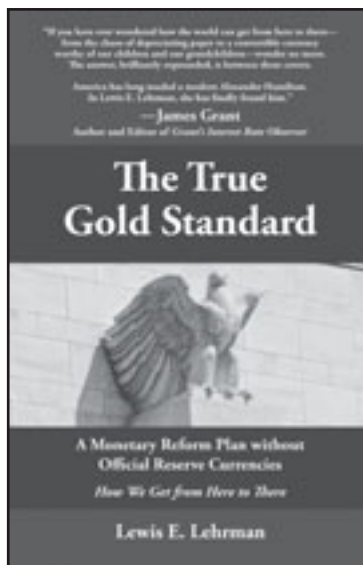
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Batman and the Gray Lady

It's never good when the *New York Times* covers comic books.

Comics have existed in their own, mostly subterranean, culture for about 80 years, attracting very little notice from the wider world. Superheroes are born, villains are vanquished, and the people who care about comics indulge in their guilty, four-color pleasure in comfortable obscurity.

But every once in a while, something in comics attracts public notice.

In January 1992, the *Times* pricked up its ears at the news that Marvel comics was unveiling the first openly gay superhero. The hero in question was Northstar, a fourth-rank Canadian crime-fighter to whom no one at the *Times* had previously paid any attention. Nevertheless, the paper pronounced the development “welcome news.” It wasn't. Northstar was a lousy character before he was gay; he was lousy after.

A few months later, comics caught the *Times*'s eye again when DC Comics decided to kill off Superman. The paper was shocked that such an icon could be put down by the publisher. But it shouldn't have been. Superheroes die so often that there's an axiom in the industry known as the “Bucky Clause of Hero Death.”

The Bucky Clause holds that in comics, only Bucky, Jason Todd, and Uncle Ben ever stay dead. (For the curious, they are: Captain America's sidekick, Batman's second Robin, and Spider-Man's uncle.) But in recent years, even this iron law has broken down. Bucky and Jason Todd returned to the land of the living, and Uncle Ben popped up in an alternate universe. In comics, no one is ever more than mostly dead.

Nevertheless, the *New York Times* ran five separate items on the “death” of Superman—an event manufactured by DC to sell a one-time

bonanza of comics to people who, knowing no better, thought they were collector's items. As it happened, Superman stayed dead mere months. What the publishing stunt did kill was the comic-book industry itself: It helped burst the collectible bubble and so, eventually, put 90 percent of America's comic-book shops out of business. The *Times* didn't cover that.

Reporters were on the scene, however, when Batwoman was reinvented as a



lesbian socialite. They took note when the mantle of Spider-Man was handed from Peter Parker (who was old, nerdy, and white) to Miles Morales (who was teenaged and—jackpot!—both black and Hispanic).

For the last several months the *Times* has been covering DC's decision to kill its entire product line and simultaneously relaunch 52 new, “reimagined” comic books. The moment I saw the first story in the paper, I knew we were in for trouble.

The DC reboot features all the usual horrors. In one of the *Times*'s 11 articles on the subject, a reporter noted: “DC gets an A for effort in producing, as promised, a more diverse universe. Cyborg, one of its most prominent black heroes, has

graduated to Justice League, the company's flagship book, and female or minority characters star in at least 10 of the 52 series. There are also new heroes on the horizon: Bunker, a Teen Titan who is Mexican and gay, will have his premiere in the third issue of that series in November.” Pity Bunker. He might have gotten his own series if only he'd been an alcoholic, too.

The passion for novelty, moreover, can produce simple incoherence. In one of the new comics, for instance, Catwoman and Batman indulge in a bit of (as Joseph Epstein once put it) sex tartare. Which would be fine, except that the entire conceit of Batman, the Caped Crusader, only makes sense if he's a sort of secular monk.

The new Superman is even more dispiriting. The first villain he tackles isn't a renegade robot or an alien invader. It's a crooked businessman. Superman roughs him up with the kind of excessive force that gives liberals the vapors. Finally the rat admits to using “illegal cheap labor” and having “no safety standards.” We later find out that Clark Kent, still a journalist, is an investigative reporter specializing in social justice.

In a way, this new Superman is just a ham-handed return to Superman's roots. In his original 1930s run, he was a crusading populist: not exactly red, but pink enough to spend most of his time going after crooked politicians and industrialists, wealthy parasites responsible for the Great War and the Depression. It was only Pearl Harbor that transformed Superman into the character we know today. Or at least, the character we knew before DC reinvented him.

Like the “death” of Superman, this latest sales gimmick will probably peter out in a few months. Then DC will come to its senses and restore order to the comic book universe. The *New York Times* might disapprove of the recidivism. But then, it's not the sort of thing the *Times* would notice.

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The One-Way War

Last week, federal authorities arrested Mansoor Arbabsiar for his involvement in a plot to kill the Saudi ambassador to the United States and bomb the Saudi and Israeli embassies. Arbabsiar's cousin, Gholam Shakuri, an official in the Quds Force, the military arm of the Iranian Revolutionary Guard Corps, was also indicted and remains at large in Iran. While the White House has been careful to suggest that the operations may have been plotted without the knowledge of the Iranian regime's highest officials—namely, supreme leader Ayatollah Ali Khamenei—it is highly improbable that a Quds Force project could go forward without sanction from the top.

It's no wonder the Obama administration was reluctant at first to believe the evidence brought forth by the FBI and DEA. After all, engagement with the Islamic Republic has been Obama's goal since before he assumed office. Even recently, Washington sought to establish a hotline with Tehran to prevent small episodes from blossoming into confrontation. Not surprisingly, the Iranians rejected the offer. Still, the notion that his potential dialogue partners plotted to kill an American ally in the nation's capital, without any concern for American casualties, must be a bitter pill for the president to swallow.

Even as the administration has shown its evidence to U.S. lawmakers, foreign diplomats, and the press, however, a contrary theory has been building among former Western intelligence officials and policymakers as well as in various media and academic circles. It holds that the plot is too far-fetched to be true. The administration is playing wag the dog, say some. A tenured Ivy League academic hints that perhaps someone with an interest in seeing U.S.-Iranian relations deteriorate is behind the plot—by which he of course means Israel.

The Iranians, this perverse notion holds, are too "smart" to get tied up in a keystone cops scenario managed by a clumsy oaf with a prison record like Arbabsiar, a dual U.S.-Iranian national. Yet the belief that losers don't run terrorist operations tends to ignore the evidence that those who employ terror as a political tool are by and large not the most clever or interesting people. And that belief is also based on a quasi-Orientalist fantasy that Iran's leaders are way too skillful to get caught red-handed. After all, *the Persians invented chess; as a culture of carpet weavers, they are the very exemplum of subtlety and patience*, etc. And so, says one former U.S. intelligence official, Iran's past terror projects

"were very professional operations that used cutouts and had few Iranian fingerprints."

Yet Iranian fingerprints were all over the arms shipments that the Israelis interdicted in 2002 when they stopped the *Karine A* from reaching Gaza, and in 2009 when they boarded the Syria and Hezbollah-bound *Francorp*. Most recently, it was the Turks who stopped passage of a plane loaded with Iranian weapons destined for Tehran's allies. How "subtle" is that?

It is more accurate to say that many, including American intelligence officials, have tended to ignore the plentiful evidence of Iran's handiwork. Happily, the authorities in Azerbaijan knew with whom they were dealing in 2008 when they captured Iranian and Hezbollah operatives before they were able to bomb the Israeli embassy in Baku. Same with the Turks and Egyptians, who in 2008 and 2009 rolled up Iranian and Hezbollah assets before they were able to avenge the assassination of Hezbollah's liaison with the Quds Force, Imad Mugniyah.

Indeed the myth of the Islamic Republic's genius has even lent its glow to Tehran's allies, none more than Hezbollah. And yet over the span of some 30 years Iran has pumped billions of dollars into an organization now led by a man, Hassan Nasrallah, whose claims of a "divine victory" over Israel are belied by the fact that in the 2006 war Hezbollah lost perhaps a quarter of its frontline fighters, while the Shia community suffered so much damage that it fears nothing more than the prospect of another "divine victory." Furthermore, by banking on Syrian president Bashar al-Assad, the Iranians are on the verge not only of losing their one Arab state ally, but also forfeiting Hezbollah's supply line. Elsewhere in the region, the Iranians handed off a significant portion of their Iraq portfolio to Moktada al-Sadr, a man who has not served their interests well.

Nonetheless, those still inclined to believe that the terror plot against the United States sounds fishy because the Iranians can't be this stupid can satisfy themselves by seeing it from the perspective of the Iranian Revolutionary Guard Corps. Without having to resort to their most skillful operatives, the Quds Force took a shot at proving they have both the will and wherewithal to kill an American client in the U.S. capital without risking a thing. Let the skeptics doubt Iran's hand if they like, the Revolutionary Guard must be thinking—is it any wonder these Americans will do nothing to protect their troops stationed in Iraq and Afghanistan from us?

Speak Softly . . . and Fight Back

The foiled Iranian plot to blow up the Saudi ambassador to the United States has met with a tough U.S. response. Tough talk. And lots of it. If words were dollars, the federal budget deficit would have disappeared, as U.S. officials from President Obama to Vice President Biden to Secretary of State Clinton have been waxing eloquent against assassinating ambassadors, condemning any and all who would order such a thing, insisting there will be repercussions, and promising “accountability.”

There’s been plenty of talk. But of course no action.

This Iranian regime has the blood of American soldiers in Iraq and Afghanistan on its hands. It’s a sponsor and facilitator of terror organizations that have killed innocent Americans, Israelis, Iraqis, Afghans, Argentines, and many others. It’s a brutal dictatorship. And

it’s seeking nuclear weapons while denying it’s doing so. It’s long since been time for the United States to speak to this regime in the language it understands—force.

And now we have an engraved invitation to do so. The plot to kill the Saudi ambassador was a lemon. Statesmanship involves turning lemons into lemonade.

So we can stop talking. Instead, we can follow the rat lines in Iraq and Afghanistan back to their sources, and destroy them. We can strike at the Iranian Revolutionary Guard Corps (IRGC), and weaken them. And we can hit the regime’s nuclear weapons program, and set it back. Lest the administration hesitate to act out of fear of lack of support at home, Congress should consider authorizing the use of force against Iranian entities that facilitate attacks on our troops, against IRGC and other regime elements that sponsor terror, and against the regime’s nuclear weapons program.

The next speech we need to hear from the Obama administration should announce that, after 30 years, we have gone on the offensive against this murderous regime. And the speech after that can celebrate the fall of the regime, and offer American help to the democrats building a free and peaceful Iran.

—William Kristol



It is one of the worst-kept secrets of post-9/11 U.S. Middle East policy that the Iranians and their proxies are responsible for many American casualties in the United States’ two regional wars. Both the Bush and Obama White Houses have been well aware of the camps across the Iranian border where Tehran’s Iraqi allies are trained in using the IEDs that have killed or maimed thousands of young Americans. And yet the last two administrations have shied away from taking the fight to the Iranians—who have shown no such hesitation in taking the fight to us.

Why would the Iranians fear American retaliation for plotting to attack the American homeland when all the evidence shows that Washington will look the other way no matter what Tehran does? The reality is that the Islamic regime is not clever or subtle and relies on nothing but brute force to ensure its rule domestically and project power externally. After oil, gas, and pistachios, all the Islamic Republic exports is terror.

The botched culture that the Islamic Republic has imposed on Iran does not produce deep thinkers and subtle strategists, but rather a nation in which drug addiction and alcoholism are rampant. The collapse of Iran’s birth rate over the last 20 years, from 7.0 to below replacement at 1.9, is the fastest decline ever recorded. The Islamic Republic is dying. And so is the supreme leader. We are witnessing a culture in its death throes, and its leaders mean to take as many people with it as possible—especially Americans. That’s why the Quds Force is zeroing in on the U.S. homeland.

For decades, U.S. officials have ignored every sign that the Islamic regime was making war against American citizens, diplomats, soldiers, interests, and allies. There was nothing subtle or clever about the regime-led chants of “Death to America.” Tehran’s campaign against us has always been out in the open. Last week it just got closer to home. If the Obama administration is going to prove reluctant to do anything about it in an election year, then Iran’s war against the United States should move to the top of any Republican candidate’s agenda. The Iranian regime’s 30-year war against us must end.

—Lee Smith

‘Just the Way Business Works’

Of the many lame excuses used by the Obama administration to explain why the Energy Department extended a \$535 million loan guarantee to the troubled solar panel manufacturer Solyndra in 2009, then gave the firm more money in 2010 after it had technically defaulted on the initial loan, then changed

JASON SEILER

the terms of the agreement (perhaps illegally) so that private investors would be remunerated before taxpayers in the event of bankruptcy, and continued to support the company right up to its collapse, one claim is especially revealing. Far from exposing the problems inherent in government interference in the market, White House officials say, Solyndra is actually a textbook example of how capitalism should work. Sometimes investments pan out, sometimes they don't. You win some, you lose some.

"There are no guarantees in the business world about success and failure," lectured White House press secretary Jay Carney in September. Carney, whose knowledge of the business world comes from 20 years as a journalist and a few as a press flack, added, "That is just the way business works, and everyone recognizes that." Former White House chief of staff Rahm Emanuel, now mayor of Chicago, who has spent a whole two and half years in the private sector, told a Chicago radio station last week, "Like venture capital, sometimes you're right, sometimes you're wrong, and that's unfortunate. Nobody takes losing money easily." And President Obama, who disliked his post-college year at a consulting firm so much he wrote in his autobiography that it made him feel "like a spy behind enemy lines," said in his October 6 press conference, "There were going to be some companies that did not work out. Solyndra was one of them."

See? Wasting hundreds of millions of taxpayer dollars, bending the rules to favor client groups, disguising rent-seeking and self-dealing behind an environmentally friendly green banner—"that is just the way business works." No big deal.

Except it really is a big deal, and one that shows no sign of shrinking soon. The administration's line of argument is therefore illuminating in two ways: It shows how little the men operating the federal government know about free enterprise. And it implies, quite unintentionally, a familiarity and comfort with a system of relations between the public and private sectors that makes most Americans blanch—and drives some into the streets.

The fact that the president and his senior staff poorly grasp the distinction between private capital and taxpayer guarantees is nothing less than depressing. For the umpteenth time: When an investor risks his own money on a company, he is the only one that loses if the company goes belly-up. Yet when the government backs a firm, it privatizes any gain while socializing the risk. If Solyndra had been a big success, investor George Kaiser—who also happens to be a major Obama fundraiser—would have added to his already considerable fortune. But Solyndra failed, and the American public is on the hook for the loss.

Whatever Carney, Emanuel, and Obama may say, the

economic and political system in which government uses public resources massively to "invest in" or bail out private firms is not free market capitalism. When government allocates capital, whether to Solyndra or GM or Chrysler or AIG or Fannie Mae or Freddie Mac or Goldman Sachs or Citigroup, the market is inevitably distorted. And the more enmeshed the government becomes, the less our politics and economics resemble anything that Adam Smith or even J.M. Keynes would support.

Call it what you will—crony capitalism, venture socialism, Stamokap (for "state monopoly capitalism") in Lenin's catchy phrase. The names all describe a set of interlocking relationships by which interchangeable government and financial elites use politics to direct favors and investment to their friends. And these relationships make a parody of the ethic of individual responsibility, entrepreneurial risk-taking, and free enterprise we should want our society and culture to embody. Yet this very parody is precisely what the president and his lieutenants mistake for "venture capital." No wonder they're confused.

Trading access for wealth, after all, is exactly how Rahm Emanuel made a small fortune a decade back. Looking for a way out of the scandal-ridden Clinton White House, Emanuel used his connections to secure a job at the Chicago office of Wasserstein Perella & Company, an investment bank whose chairman was a major Democratic fundraiser. During Emanuel's time there, from 1999 to 2002, he made more than \$18 million working on eight deals. In 2001, for example, he helped broker the sale of home alarm company SecurityLink from SBC Communications, the former (and future) AT&T, to private equity firm GTCR for \$479 million. The chairman of SBC at the time was one William Daley, brother to the mayor of Chicago, former secretary of commerce, and now the White House chief of staff. On the other side of the deal was Bruce Rauner, a Republican banker who would later support Emanuel's successful mayoral candidacy and is now reportedly thinking of entering politics himself.

There was nothing illegal or corrupt about Emanuel's time at Wasserstein Perella, we hasten to say. He was risking no one's money but his clients'. But it does not take too large a conceptual leap to see how Emanuel's short but happy private-sector career would later serve as a template for the Obama administration's "investment" strategy. That strategy looks something like this: Connections? Check. Our friends? Check. Let's deal. And if "some companies" don't "work out," well, that's "a risk" to be borne by the taxpayers. That is "just the way business works." And "everyone recognizes that."

In Obama's America, at least.

—Matthew Continetti



Boneheaded Economics

Magical thinking about jobs from liberal Democrats. BY FRED BARNES



It's not just the Occupy Wall Street rabble who are promoting unorthodox ideas (to put it kindly) about our economic plight and how to create jobs. They have friends in Washington. A few examples:

Barbara Lee, a House member from California, is upset about computerized checkout lines at grocery stores. She avoids lines with no flesh-and-blood checker. "I refuse to do that,"

Fred Barnes is executive editor of THE WEEKLY STANDARD.

Lee said at a House Appropriations Committee hearing, "I know that's a job or two or three that's gone."

Representative Jesse Jackson Jr. of Illinois is up in arms about the iPad, which he declared on the House floor recently is "now probably responsible for eliminating thousands of jobs." Alas, "what becomes of bookstores and librarians and all the jobs associated with paper?" Quite soon, he said, "such jobs will simply not exist."

House minority leader Nancy Pelosi has her own remedy for the

jobs dearth: Extend unemployment benefits. "It injects demand into the economy," she insists. "It creates jobs faster than almost any other initiative you can name." It has the "double benefit" of putting money in the pockets of the jobless and acting as a "job creator."

Representative Keith Ellison of Minnesota is the champion of job creation by adding to the regulatory burden of businesses. Sounds counterproductive, right? Not so, Ellison told MSNBC. Companies will have to hire more people to comply with new regs. "If the government says, look, we have got to reduce our carbon footprint, you will kick into gear a whole number of people that know how to do that or have ideas about that, and that will be a job engine," Ellison said.

It shouldn't surprise anyone that this type of talk comes from liberal Democrats. They've attached the jobs issue to the policies they've long supported. From all appearances, however, they genuinely believe these policies will accelerate growth in jobs. They're oblivious to evidence to the contrary.

Democratic senator Barbara Boxer of California issued a report recently to the effect that rules promulgated by the Environmental Protection Agency generate jobs. "Industries that provide environmental protection" have begot more than one million jobs, the report said. What about industries that lost jobs because of EPA regulations? Forget it.

A skeptic might see this as a bit too convenient to be credible. The more regulations coming out of EPA, the more liberal Democrats swoon with delight. Republicans regard them as "job killers."

And when a regulation is withdrawn or postponed, as was the case with the one limiting ozone emissions, the Boxer brigade protests. Paul Krugman, the *New York Times*

GARY LOGKE

columnist, echoed Ellison, claiming the ozone regulation would have boosted demand and created jobs.

But if regulations lead to greater employment, “the economy should be in danger of overheating right about now,” *Investor’s Business Daily* noted. The Obama administration has set a record for issuing the most regulations in the shortest period of time, yet unemployment is stuck at 9.1 percent and the economy flirts with dipping back into recession.

President Obama and Treasury secretary Tim Geithner have voiced sympathy with the Occupy Wall Street crowd, which is understandable from

Like the Occupy Wall Street protesters, President Obama has bizarre ideas about jobs. He believes government-created jobs will lead to stronger economic growth. The president has his economics upside down. The point that has eluded him is that the growth comes first, and the jobs follow.

the political standpoint of a president seeking reelection. A distraction from his dismal record in Washington is a godsend for Obama. If Wall Street is chiefly to blame for the nation’s economic mess, he is off the hook.

Like the protesters, Obama has bizarre ideas about jobs. As best I can tell, he believes government-created jobs will lead to stronger economic growth. Thus the so-called “jobs bill” he’s currently touting.

The president has his economics upside down. In real life, the only reliable way to produce permanent jobs is through private investment that increases economic growth. The point here, which has eluded Obama, is that growth comes first and jobs follow.

Obama’s scheme for making green energy competitive is also backwards. His cap and trade plan was designed

to make conventional sources of energy—coal, oil, natural gas—more expensive and give nonfossil energy an advantage in the marketplace. Why wait for the green stuff to become competitive on its own and produce those five million green jobs the president has promised? That would take decades.

“Our economy needs a jolt,” Obama said in Pittsburgh last week. He isn’t keen on learning from experience. Every measure in his bill has been tried at least once, at his insistence, and failed to bring about a job-rich recovery.

How does he explain this? He doesn’t. Rather, he points to unnamed “independent economists” who’ve concluded his bill “would grow this economy and put people back to work. . . . And no other jobs plan,” he says, “has that kind of support from economists, no plan from Congress, no plan from anybody.”

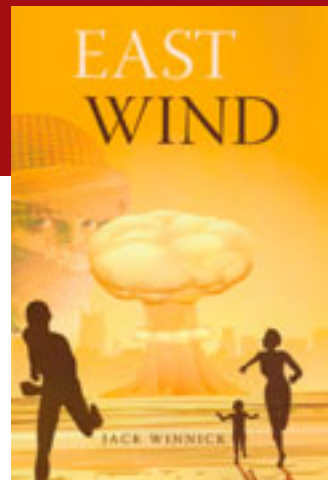
If this were true, the White House would have trotted out a platoon of economists to endorse his bill publicly. But it’s not true. Except for Keynesian diehards like Krugman, the bill has received minimal backing from economists.

Nor are the Occupy Wall Street folks demanding passage of the bill. But there’s one part of the Obama message that’s on their radar. It’s the hostility to rich people, the 1 percent who are supposedly making out like bandits at the expense of the rest of us, the 99 percent.

Obama wants to end tax breaks and increase tax rates for the 1 percent, the plutocrats. “Would we rather maintain these tax breaks for the wealthiest few, or should we give tax cuts to the entrepreneurs who might need it to start that business [or] launch that new idea they’ve got?” he asked in Pittsburgh.

Lost on Obama—and no doubt on the Occupy Wall Street movement—is a simple economic truth. It’s mostly the 1 percent who bankroll the entrepreneurs or are the entrepreneurs themselves. Tax them more and you’re likely to get fewer jobs. But you’ll still have a villain to whip. ♦

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The Autumn of Hong Kong

Increasingly, it's one country, one system.

BY ELLEN BORK



Taking it to the streets: the annual pro-democracy march in Hong Kong, July 1, 2011

Late last month, Beijing blasted Washington for interference in Hong Kong's affairs. The Hong Kong edition of the *China Daily*, the English-language outlet of the Chinese Communist party, warned darkly that "Uncle Sam is . . . fomenting antigovernment sentiment and social conflict," and a mainland official stationed in Hong Kong insinuated that U.S. consul general Stephen Young was up to no good. The evidence, according to Beijing, was contained in diplomatic cables from the U.S. consulate released in August by WikiLeaks.

Chinese officials may have hoped the anti-American broadside would distract attention from what some of the cables showed about Beijing's own activities in Hong Kong. One relayed a politician's detailed claims of CCP

infiltration of the leading pro-democracy party. Another described a Beijing official's effort to discourage American and British support for last year's democracy "referendum."

That vote occurred after five pro-democracy legislators resigned their seats and ran again in the resulting by-elections on a platform of quick progress toward full democracy, including an elected chief executive and the abolition of "functional constituencies" representing mainly business and professional groups. The democrats won their seats against independent candidates, but pro-Beijing legislators boycotted the vote, and low turnout diminished the impact. In any case, Beijing has set 2017 and 2020 as the earliest possible dates for the chief executive and legislature, respectively, to be democratically elected.

Despite the concept of "one country, two systems," which purportedly allows Hong Kong autonomy,

Beijing is intervening more openly than ever before. Last year, a Beijing representative in Hong Kong negotiated directly with the leading pro-democracy party on a democratic reform bill. The deal changed little about how the system operates, but the decision to compromise deeply divided the democratic camp, already pitted against each other by the electoral system, proportional representation. In upcoming elections to district councils, and for the territory's Legislative Council next September, Beijing, says China analyst Willy Lam, is playing an "obvious and big role" in supporting its favored candidates.

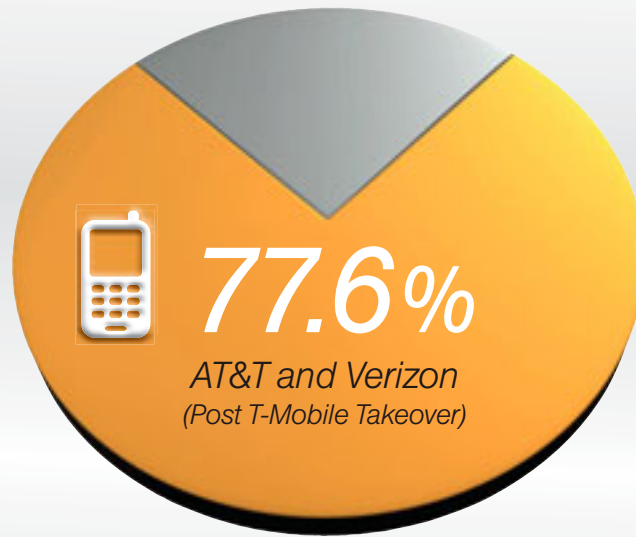
Also in late September, the process by which Beijing will appoint a new chief executive for the territory next March got under way. Two pro-Beijing figures—Henry Tang, the second ranking official in the Hong Kong government, and C. Y. Leung, a member of the advisory executive council—resigned to contest the top job. Tang is considered the frontrunner, with close ties to the "Shanghai faction" that surrounds former general secretary Jiang Zemin. Leung is less trusted by Hong Kong's tycoons; he's considered left-wing and independent. Stephen Vines, however, a Hong Kong columnist writing in the *South China Morning Post*, suggested "the party would prefer one of their own," an allusion to the belief among many that Leung is a CCP member.

Hong Kong's first chief executive under Chinese rule, C.H. Tung, who took office on July 1, 1997, had been publicly anointed by Beijing 18 months earlier when General Secretary Jiang Zemin ostentatiously greeted him in public, prompting the Hong Kong press to dub Tung "The Handshake." Since then, the process has taken on more of the trappings of a democratic election, including multiple "candidates" and televised debates. Albert Ho, the Democratic party chairman, may have the required number of nominations in the election committee to participate (as did Alan Leong of the Civic party in 2007), but he has no chance of winning. Beijing's preferred candidate will be rubber-stamped by a committee of 1,200 stacked with loyalists.

Ellen Bork is director for democracy and human rights at the Foreign Policy Initiative.

EPA/ALEX HOFFORD/LANDOV

Two companies controlling this much wireless industry revenue creates a one-sided conversation.



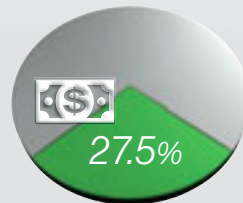
Wireless



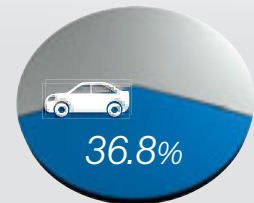
Oil



Airline



Banking



Auto

AT&T's proposed takeover of T-Mobile would result in two companies controlling more than 77% of wireless industry revenues. In other major industries, the two top firms control much less.

Two wireless industry giants would marginalize the ability of other providers to keep prices competitive for consumers and influence the pace of wireless industry innovation.

This is a bad idea for consumers, competition and our country.

Wireless industry source: Individual company annual financial reports for 2010.
Oil source: www.alacra.com/acm/2042_sample.pdf, page 22. Note: data includes oil refining and gas.
Airline source: DOT, form 41, Schedule P-1.2.
Banking source: DATAMONITOR'S "Banks in the United States" and www2.fdic.gov/sdi/main.asp.
Auto source: SEC 10-K filings, (includes cars and trucks and may include other revenue streams).
Foreign currencies converted to dollars using prevailing exchange rates.



The appearance of a contest, and of a public vetting of the candidates, may suit Beijing. After tossing his hat in the ring, Tang came clean, sort of, about his extramarital affair(s); his PR firm declined to clarify whether there was more than one. The episode reinforced Tang's reputation for gaffes. Another, more consequential, misstep was his dismissing as "rubbish" complaints about strong-arm police tactics during the August visit to Hong Kong of Li Keqiang, presumed to be China's next premier. Still, it is unclear whether Beijing prefers a weak chief executive or a competent one. Either way, no Hong Kong official has the legitimacy to tackle difficult problems, let alone move ahead toward full democracy.

Unable to hold their leaders accountable at the ballot box, Hong Kong's people rely on public demonstrations to blunt efforts to roll back their political and civil rights. In 2003, the march on the July 1 anniversary of Hong Kong's reversion to Chinese rule forced the abandonment of a plan

to impose new antismisinformation legislation and forced the resignation of the secretary for security who'd championed the bill. This past July, the marchers focused on the Hong Kong government's attempt to do away with by-elections for legislative vacancies. Aiming to avoid a repeat of the 2010 "referendum" on democracy, the government proposed a change in the election law so that, in the event a seat became vacant, the second-place candidate—in other words, the loser—would take the seat. After the march, which was estimated to be the largest in recent years, the government postponed consideration of the bill.

In some matters, the people of Hong Kong have little power to wield as their own government increasingly takes on the character of the sovereign government in Beijing. In mid-September, Hong Kong's secretary for security, Ambrose Lee, went to Tibet to "exchange views on matters of mutual interest" with public-security officials.

Another cable released by

WikiLeaks reported that in 1999, the entire bench of Hong Kong's highest court nearly resigned when Beijing overruled it using a provision of the Basic Law. This year for the first time, the court itself, as opposed to the Hong Kong government, voted narrowly to ask Beijing to determine which approach to sovereign immunity—Hong Kong's or Beijing's—the court should apply in a case involving a commercial suit against the government of Congo. Beijing directed the court to use the CCP's broader definition, in which states are immune in commercial matters, rather than the "restricted" approach previously applied by Hong Kong, which allows states to be sued in commercial matters.

The ruling is expected to undermine Hong Kong's standing as an international business center. For Hong Kong's people, the damage may be even greater, now that Beijing has cloaked its right to do virtually anything it wishes in a legal principle of its own creation. ♦



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Republicans Learn Moneyball

Why the GOP candidates need to talk about the Fed. BY JEFFREY BELL

Three Republican presidential candidates—Herman Cain, Ron Paul, and Newt Gingrich—have at least hinted about the desirability of a return to the gold standard. The four top Republican congressional leaders recently called on the Federal Reserve to curb its interventions in the U.S. economy. In early October the Heritage Foundation held a two-day sound money conference in which both keynote speakers—New York investment banker Lewis Lehrman and former presidential candidate Steve Forbes—called for adoption of a gold-backed dollar. Advocating the replacement of Fed chairman Ben Bernanke has become a staple of virtually all the presidential candidates. (Even establishmentarian Mitt Romney has joined in, apparently rendering inoperative his April defense of Bernanke.)

So Republican elites are rapidly climbing the learning curve on monetary policy, certainly in comparison to the days when presidential candidate John McCain joked that if anything happened to then-Fed chairman Alan Greenspan, his corpse should be propped up and nominated to a new term. But to understand fully the unspoken alliance between President Obama and Chairman Bernanke, and the threat it poses to Republican hopes in the 2012 election, the GOP still has some distance to go.

There is, of course, nothing new about political symbiosis between presidents and Fed chairmen—most definitely including Fed chairmen originally appointed by a president of the

other party. Conservatives of a certain age have not forgotten the 1993 sight of Reagan appointee Greenspan sitting in the gallery next to Hillary Clinton at a joint session of Congress, tacitly blessing Bill Clinton's stiff tax rate increases.

But Bernanke's replication of the Obama reelection campaign's talking points is setting new standards of subservience. In the question-and-answer period after a recent speech in Cleveland, for example, Bernanke described long-term unemployment as a "national crisis," noting that 45 percent of the unemployed have been out of work for at least six months.

"This is unheard of," Bernanke correctly noted. "This has never happened in the postwar period in the United States. They are losing the skills they had, they are losing their connections, their attachment to the labor force." According to the Associated Press, Bernanke "suggested that Congress should take further action to combat it."

Congress? The stubborn duration of high unemployment is exactly matched by the uniqueness and duration of Bernanke's zero-interest-rate policy that is its single biggest cause. Zero interest rates, accompanied by lavish Fed printing of new dollars, pump up the U.S. bond and stock markets, providing plentiful financing for big banks and big business, but offer little or no incentive for medium and small banks to make available the lines of credit that are the bread and butter of thriving small businesses.

Stanford economist Ronald McKinnon estimates that lines of credit to small businesses have declined by two-thirds in the nearly three years the Fed's zero-interest-rate policy has been in place. And small businesses account

for the bulk of net job creation. Continued zero interest rates mean continued high unemployment. And in August, Bernanke's federal open market committee voted 7-3 to keep zero interest rates in place until at least mid-2013. (The policy began in December 2008.)

In the wake of that extraordinary announcement, Camden R. Fine, president of the Independent Community Bankers of America, could not contain himself. In an op-ed in the *Washington Post*, he wrote: "I kept staring at that number, 2013, assuming that it was a mistake. . . ."

One would think that the Fed would have considered the unintended consequences of such a unilateral move. In short, the Fed has taken away community bankers' ability to compete in the free market. In the midst of a depressed economy with low loan demand, the central bank is exacerbating the financial crisis. Why? In my view, the Fed's policy is nothing more than a backdoor bailout for the Wall Street mega-banks and investment houses; it amounts to the back of the hand for the community banks of this country . . . turning its guns on the very players in our economy that create jobs and support small business. Once again, Wall Street gets a bailout—on the backs of Main Street's banks, small businesses, and hardworking Americans.

Congress has many powers, actual and potential. Freezing the economy of Main Street by imposing zero interest rates on the country's small businesses, community bankers, and middle-class savers is not among them. Only the Fed can do that. But Bernanke's call for Congress to see to the matter is of a piece with a whole range of similar Bernanke pronouncements calling for congressional action to deal with various aspects of the economic crisis both he and the Obama administration finally admit we are in.

To most conservatives, Obama's campaign for the American Jobs Act is a joke. The bill is so determinedly a warmed-over reprise of earlier, failed policies that it appears consciously designed for Republican rejection. But there are signs that the president's deeper strategy of blaming

Jeffrey Bell is policy director of the Washington advocacy group American Principles and head of its GoldStandard2012 campaign.

Congress, understood as Republican-dominated, for his own failures is capable of succeeding.

In early September, a *Washington Post*/ABC News poll found voters divided 40-40 on whom they trust more to create jobs, the Obama administration or congressional Republicans. Just a month later, in the wake of Obama's intense barnstorming, 49 percent said Obama can be trusted, with only 34 percent choosing the GOP. The swing toward trusting Obama was even bigger among independents.

It will be a political tour de force if Democrats succeed in blaming a three-year record of economic stagnation on a party that has had control of one legislative branch for less than one year of those three. For it to work, the debate must be restricted to fiscal policy. Then the premise will be that congressional obstructionism is preventing action on measures that both sides "know" will allow the economy to resume its creation of new jobs.

The ultimate destination of this narrative was previewed by Obama campaign manager Jim Messina, who last week accused Republicans of trying to keep unemployment high to increase their 2012 vote totals: "Their strategy is to suffocate the economy for the sake of what they think will be a political victory," he wrote in an email to supporters. "They think that the more folks see Washington taking no action to create jobs, the better their chances in the next election. So they're doing everything in their power to make sure nothing gets done." Democrats and the mainstream media define getting something done, of course, as sharp tax increases and draconian defense cuts, neither of which seems particularly well designed to bring on a burst of job creation.

Among the Republican presidential candidates, Newt Gingrich seems furthest along in understanding that the exclusion of monetary policy from the debate is a mortal threat to Republicans in 2012. He delivered a major speech attacking Fed policy back in June, and his discussion of monetary policy has been accelerating since then. In last week's *Washington Post*/Bloomberg debate he opened the door for the first

time to what he described as a "hard money" policy, which positions him rhetorically next door to advocacy of a gold-backed dollar.

One of the establishment reporters at the debate made the mistake of asking Gingrich a question lifted from the Obama/Democratic playbook: "Do you think it's right that no Wall Street executives have gone to jail for the damage they did to the

economy?" Gingrich replied, "Everybody in the media who wants to go after the business community ought to start by going after the politicians who have been at the heart of the sickness which is weakening this country and ought to start with Bernanke."

If Republicans keep their eye on the monetary ball, they can still avoid being outwitted in 2012 by the endgame. ♦

The Cain Surge

A to-do list for the new Republican frontrunner.

BY JOHN MCCORMACK

Just a few weeks ago, former Godfather's Pizza CEO Herman Cain was stuck in single digits in the Republican presidential primary polls. Then, on September 22, Texas governor Rick Perry turned in a disastrous debate performance. He said opponents of his immigration policy don't "have a heart," and he badly stumbled over his words at times. Perry faded, and Cain surged. Last week, Cain shot past former Massachusetts governor Mitt Romney to the top of the polls.

The big question now is whether Cain can consolidate his gains and actually win the nomination. There are reasons to believe that, yes, he can. Cain is the most charismatic candidate in the GOP race. He's a great speaker and has a good sense of humor. He is ideologically in tune with conservatives, who make up the base of the Republican party. Cain is the only candidate to offer a bold and specific plan to transform the tax code—his 9-9-9 plan, a 9 percent sales tax, 9 percent flat income tax, and a 9 percent business tax. And the polls

indicate that his surge may have legs.

An NBC/*Wall Street Journal* poll showed Cain leading Romney 27 percent to 23 percent last week, and Cain outperformed Romney among those paying close attention to the race, as NBC's First Read blog noted.

Twenty-three percent of Republicans didn't know enough about Cain to have an opinion about him, while only 6 percent didn't know enough about Romney. And to know Herman Cain is to like him. An ABC News/*Washington Post* poll from early October found that 70 percent of Republicans say the more they get to know



Herman Cain

about Herman Cain, the more they like him. Only 38 percent say the same about Mitt Romney, and just 29 percent about Rick Perry. In a head-to-head matchup with Romney, Public Policy Polling found Cain leading Romney 48 percent to 36 percent (with all candidates included, Cain was leading Romney 30 percent to 22 percent).

On the other hand, the Republican primary remains very fluid. According to the PPP survey, more than two-thirds of Cain's supporters said they might end up voting for someone else. For Cain to win, there are five

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GAGE SKIDMORE

obvious obstacles he'll have to overcome.

(1) Iowa is a must-win state for Cain, but he isn't treating it that way. Whoever wins Iowa will likely emerge as the "anti-Romney" favorite, but following his October 4 appearance on *The View*, Cain told ABC News that he only has to finish in the top three in Iowa. Cain hasn't been to Iowa for weeks and reportedly has no plans to go there until November 19. His absence hasn't hurt him just yet—he's leading Mitt Romney 30 percent to 22 percent in the state, according to the latest PPP poll. But Cain can't neglect the voters in Iowa for too long before it starts to become an issue.

(2) Cain's support in 2008 for the Troubled Asset Relief Program, aka the bank bailout, could hurt him. When the issue came up during the October 11 debate at Dartmouth College, Cain said, "I happen to agree with Governor Romney. The way it was administered is where it got off-track." Many other conservatives in good standing—such as Paul Ryan and Sarah Palin—take the same position. But if Cain stays on top, Rick Perry and Michele Bachmann will likely go after him on this issue in future debates and TV ads. "TARP didn't inspire the Tea Party, runaway spending inspired the Tea Party," Cain told me in an interview earlier this year. Cain's hypothesis will be put to the test in the coming months.

(3) Cain's memorable 9-9-9 tax plan may be a double-edged sword. It's won him praise from the likes of famed supply-side economist Arthur Laffer. But Bachmann and Perry are focusing on the new 9 percent sales tax to say the plan is really a tax increase. The sales tax is meant to replace taxes Cain would scrap or lower (the income tax), so most people would see a net tax decrease. But the sales tax would appear to increase the tax burden on Americans who pay no income tax, such as the poor, many families who benefit from exemptions and the child tax credit, and seniors living off Social Security. Cain's response is that the plan will lead to cheaper goods, more jobs, and high growth. That's a start, but he probably needs to show openness to modifying the plan.

(4) Republicans may like the idea of

Cain as CEO of the American economy, but how about as commander in chief? Cain says the Cain doctrine is "peace through strength and clarity." But it's not clear he's spent much time thinking about national security and foreign affairs. During a Fox News Sunday appearance earlier this year, Cain didn't know what the "right of return" meant in the Israeli-Palestinian conflict. Cain later said he thinks the issue is for Israel to decide. "When they ask me who is the president of Ubeki-beki-beki-bekistan-stan, I'm going to say, you know, I don't know," Cain told the Christian Broadcasting Network last week. Cain has also declined to say what he would do in Afghanistan. "There's more that I don't know than I know," Cain told me in June. "I'm not going to pull a plan out of my ass." Cain needs to be prepared to speak knowledgeably about foreign policy.

(5) Cain has a long record of making incendiary statements. He called the Democratic presidential candidates "Hezbocrats" in a 2006 Townhall.com column. "The objective of the liberals is to destroy America," Cain said at a conservative conference in February. "Don't blame Wall Street, don't blame the big banks, if you don't have a job

and you're not rich, blame yourself!" Cain told the *Wall Street Journal* in October when asked about the Occupy Wall Street protests. During an interview with Glenn Beck in June, Cain said he'd require Muslims to "prove" they're faithful to the Constitution to serve in his administration, but would not do the same for Catholics or Mormons. Cain held an event in July at a mosque and issued a statement apologizing to American Muslims. "I am truly sorry for any comments that may have betrayed my commitment to the U.S. Constitution and the freedom of religion guaranteed by it," he said.

Cain's red-meat rhetoric may have served him well as a talk radio host, but it is un-presidential. During the 11 long weeks until the Iowa caucuses, the challenge for Cain will be to avoid the rhetorical missteps that could send his supporters back to Rick Perry or over to Newt Gingrich or even Mitt Romney. Republican voters don't seem too enamored of Romney. But if polls consistently show Romney beating Obama and Cain losing to Obama, perhaps conservatives will rediscover the Mitt Romney who was endorsed in 2008 by Rush Limbaugh, Senator Jim DeMint, and, yes, Herman Cain. ♦

Duck and Cover

Romney is coy on entitlement reform.

BY STEPHEN F. HAYES

In late February, New Jersey governor Chris Christie visited Washington to deliver a highly anticipated speech on entitlement reform at the American Enterprise Institute. The lecture was titled "It's Time to Do the Big Things," and it was full of the blunt, confrontational talk that has made the governor a political phenomenon. Christie argued that nothing was more important than

coming to grips with the growing debt crisis created by so much mandatory spending.

"Leadership today in America has to be about doing the big things and being courageous," he bellowed. Christie chastised Barack Obama for his refusal to lead on entitlement reform and mocked those in his own party who were scared of the political hits they might take for being bold.

Our new, bold Republicans that we just sent to the House of

Stephen F. Hayes is a senior writer at THE WEEKLY STANDARD.

Representatives aren't talking about it because they are waiting for [Obama] to talk about it. Let me suggest to you that my children's future and your children's future is more important than some political strategy. Let me suggest to you that what game is being played out here is irresponsible and it's dangerous. We need to say these things and we need to say them out loud—when we say we're cutting spending, when we say everything is on the table, when we say we mean entitlement programs, we should be specific.

The crisis was so urgent, he continued, that it would be irresponsible to put off a solution even for a few months. "I understand that this political strategy in Washington is about waiting out until 2012. That's five years away from Medicare insolvency." Too many politicians, Christie said, wanted to avoid the problem. "You can't fix these problems if you don't talk about them. You cannot fix these problems without talking about them."

Last week, Christie traveled to New Hampshire to endorse Mitt Romney, a candidate who has spent little time talking about these problems. And to the surprise of even some of his supporters, Christie did not mention the urgency of entitlement reform in his brief remarks endorsing Romney, or in the 35-minute tele-townhall he did for Romney later that afternoon, or in an interview on the *Today* show with Romney the next morning.

Entitlement reform, which dominated both public and private discussions among national Republicans over the course of the spring and summer, has virtually disappeared as an issue in the Republican presidential campaign. The three Republicans who have been most outspoken about the need to reform entitlements all opted not to run. Mitch Daniels, Paul Ryan, and Christie each considered a White House bid in the belief that the depth and seriousness of the U.S. economic and debt crises required a bold and aggressive response.

To the extent Republican presidential candidates have talked about entitlements, the discussion has been unhelpful. Rick Perry deserves credit for his willingness to engage on the issue, but calling Social Security a Ponzi scheme without offering a plan to reform it is inadequate. Romney, seeing a political opening, took it, and has been attacking Perry in a manner dangerously close to the demagoguery Democrats believe will save them in 2012. Herman Cain, for his part, has offered a full embrace of the Ryan



The root of the problem

plan but like his rivals spends precious little time pushing entitlement reform. Daniels, governor of Indiana, said earlier this month that the current field is "missing clarity, specificity, and boldness to match the dire situation we face as a country."

As the likelihood of a Romney nomination grows, some congressional Republicans are concerned. All but four House Republicans and all but five GOP senators voted for the Ryan budget—a plan that Romney praised as courageous but did not endorse. Democrats have made clear that those votes will be a focal point of the 2012 election cycle. Can these congressional Republicans defend their votes if the eventual Republican nominee for president will not?

Romney adviser Eric Fehrnstrom insists that his candidate has engaged with entitlement reform: "He has addressed it in his book, *No Apology*, and also on the campaign trail. He has brought forward a specific reform to convert Medicaid to a block grant

program administered by the states, and for Social Security he has discussed raising the eligibility age for younger workers and changing the way benefits are indexed to inflation for high-income retirees. On Medicare, he's articulated principles of reform, and we expect to announce more detailed proposals as the campaign progresses."

Work on Romney's plan is being supervised by his policy director, Lan-hee Chen. The campaign has reached out to experts on entitlements, but Romney officials would not specify a date for the release of his proposal. Still, Romney's campaign website promises that "Mitt will propose the specific steps he will take as president to ensure the long-term solvency of Medicare and Social Security."

In his book, Romney chastised the media for letting politicians get away with vague rhetoric on entitlements.

I admit to having been more than a little surprised that many of the serious challenges facing America today were not forcefully examined by the media during the 2008 primary and general election campaigns. It's well understood by those who have studied the federal budget, for example, that our entitlement programs will eventually swamp us. But neither party's candidates were pushed to explain what they would do about it. In one of our Republican primary debates, for example, we were asked, "Specifically, what would you do to fix Social Security?" Most responded by restating the problem—"Social Security is bankrupt"—rather than by addressing a solution; politicians have learned from experience that it is unwise to touch the "third rail of politics." But why is that? Why is it that the media doesn't hold accountable those who duck this critical issue? Why isn't it instead that *failure* to address entitlement and Social Security reform is the "third rail?"

Good question. I suspect that journalists, at least with one candidate, won't make the same mistake twice. ♦

NEWS.COM

Time for Another Harding?

How a much-derided Republican president actually succeeded in cutting the budget and fixing the economy

BY RONALD RADOSH
& ALLIS RADOSH

The presidential campaign was heating up, and the progressives in office were nervous about their chances of holding the White House. It was unclear at first which contender for the Republican nomination would get the nod, but when the candidate eventually was chosen they denounced him as “a confirmed and hopeless reactionary.”

The year was 1920, and they were talking about Warren G. Harding. The editor of the *New Republic* foresaw dark days: Though no fan of the Democratic candidate (James Cox), Herbert Croly expected Harding’s Republicans to concede nothing to the progressives. The United States, he wrote shortly before the election, was about to enter eight years of “reaction, prolonged and untempered.”

And indeed, Warren G. Harding has come to be thought of as one of the worst presidents America has ever had. Yet the truth about his presidency is quite the opposite. He achieved a good deal more in the two and a half years he served before his sudden death than many presidents accomplish in a full term. A popular newspaper publisher and senator from Ohio, Harding won the presidency in a

landslide, with 60 percent of the popular vote, the highest share ever recorded up until that time. The handsome, warm, gregarious, and modest Harding was a natural politician, known in the Senate for his ability to bring opposing sides together. He was as different from his predecessor—the by-then unpopular Woodrow Wilson, perceived by many as a rigid, unapproachable ideologue—as one could possibly be.

The outlook was certainly bleak for America when Harding took office in 1921. The country’s entry into World War I in 1917 had resulted in an economic bubble. Wartime demand kept employment, wages, and profits high, while the Federal Reserve inflated the money supply. Under Wilson, not only the Army and Navy but the entire federal government grew at a fast clip, and the national debt skyrocketed, from around \$1 billion in 1914 to \$24 billion in 1920.

When the war ended in November 1918, Wilson’s lack of planning for demobilization meant that four million soldiers

were sent home under chaotic conditions with little money and few benefits. Demand fell, bringing bankruptcies, business closures, and rising unemployment. During the depression of 1920 to 1921, industries cut back production, many of them running half-time. The drastic drop in wholesale prices hit farmers hardest, causing the price of farmland to collapse. When African-American soldiers returned home after fighting abroad for democracy and couldn’t find jobs, they felt they were once again being relegated to second-class status. The result was race riots throughout the Midwest’s industrial belt.

Harding promised to heal the nation and return it



The ‘hopeless reactionary’: golfing in Miami Beach

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to prosperity—to “normalcy,” as he called it. He would turn things around by lowering taxes from their wartime highs, reducing the debt, balancing the budget, and making the government smaller and more efficient. Taxes, he thought, had become so high they were counterproductive, preventing the revival of business. Harding had campaigned on this platform, and once in office he faithfully carried it out.

To Harding, America was an exceptional country whose citizens enjoyed equal opportunities to develop their abilities, and whose success ultimately depended on a dynamic free market. At no time did these principles stand in such stark relief as in 1920, three years after the Bolshevik Revolution. During the campaign, Harding delivered his message to over 600,000 people who traveled to Marion, Ohio, to hear him speak from his front porch. Some of them were African Americans, a majority of whom supported the Republicans, the party of Lincoln. He told them:

Abroad, particularly in Russia, there has grown up the idea that by some impossible magic a government can give out a bounty by the mere fact of having liberty and equality written over its door, and that citizenship need make no deposit in the bank of the common weal in order to write checks upon the bank. Here at home we have had too much encouragement given to the idea that a government is a something for nothing institution. . . . It is only in a country where the merit, capacity and worth of men and women are recognized and rewarded that merit, capacity and worth are developed.

You and I, and good Americans of whatever color, blood or creed, know that the aspiration of all men is equal opportunity, and that no injustice known to man can be greater than that of the tyranny and autocracy that . . . enslaves all men and all their ambitions and all their freedom.

Harding was inaugurated on March 4, 1921, and he immediately tackled the crisis. He called for a special joint session of Congress, to take place before the legislators were officially scheduled to convene. At the session, Harding laid out his agenda and priorities. His ambitious program included: tax reform, continued tariff protection, legislation to help farmers, creation of a national budget system to help get government spending under control, construction of a great merchant marine, a system of national highways for interstate commerce and the “motor car” (financed with local and state bond issues), encouragement of aviation technology for civilian and military purposes, increased federal participation in international cable and radio transmissions, a Veterans’ Bureau, and a Department of Public Welfare to help women and children.

Harding also called for a federal antilynching law, to

“rid the stain of barbaric lynching from the banner of a free and orderly representative democracy.” And he proposed creation of an interracial commission to promote better relations between the races. Woodrow Wilson had introduced segregation into the federal government; Harding urged his cabinet to appoint qualified blacks to their departments, and in speeches he attacked the Ku Klux Klan. The legislation he championed, however, came to naught. When the Republican majority in the Senate was ready to pass the antilynching law Harding favored (the Dyer Bill), Southern Democrats killed it with a filibuster. The proposal for an interracial commission died in committee.

But at the top of the president’s list was setting the country’s economic house in order. During the war, he told his former colleagues, “our expenditures were so little questioned, the emergency was so impelling, appropriation was so unimpeded that we little noted millions and counted the Treasury inexhaustible. . . . A continuation of such a course means inevitable disaster.” A way must be found, he continued, “to restrict our national expenditures within the limits of our national income, and at the same time . . . lift the burdens of war taxation from the shoulders of the American people.”

To help achieve his goals, Harding was determined to put together a stellar cabinet, and for the most part he did. To instill confidence in the business community he chose Andrew Mellon as secretary of the Treasury. He picked Herbert Hoover to be his secretary of commerce. He admired Hoover’s work as head of the American Relief Committee during the war and believed he could help the country gain access to new world markets. Charles Evans Hughes, former governor of New York, was tapped to be secretary of state and Henry C. Wallace secretary of agriculture.

Harding had originally wanted Charles G. Dawes to be his Treasury secretary. Dawes, a banker and successful businessman, had served as President McKinley’s comptroller of the Treasury and had a reputation for efficiency and for getting results. Harding had been intrigued by a magazine article Dawes had written entitled “How a President Can Save a Billion Dollars.” After the election, he asked Dawes to come to Marion and offered him his first cabinet appointment, secretary of the Treasury. But Dawes rejected the offer. If Harding was truly interested in balancing the budget and reducing the debt, he told him, the secretary of the Treasury was not the man to do it. It would have to be done through legislation providing for an executive budget. If such an act were passed, then Dawes wanted to head the Budget Bureau.

There was general agreement in Washington that the federal budget process was a mess. For over a hundred

years each department had submitted its own budget with little coordination or control. Wilson had tried to get a bill passed dealing with the budget process, but had failed. Now Harding stepped up. The Budget and Accounting Act passed on June 10. It placed the new Budget Bureau—predecessor to today’s Office of Management and Budget—in the Department of the Treasury, but made it accountable to the president. Harding appointed Dawes its director. Dawes agreed to take the job on two conditions: that he would have the president’s complete support and that he would serve for only one year, allowing him to set up effective operating procedures so that the bureau could carry on without him.

On June 24 a meeting was held in the auditorium of the Interior Department attended by the president, Vice President Calvin Coolidge, the cabinet, and 1,200 bureau and division chiefs. Harding began by telling his audience, “There is not a menace in the world today like that of growing public indebtedness and mounting public expenditure.” It was imperative that this trend be reversed. Dawes then explained that the purpose of the new bureau was to help all present get rid of the “fat” in their budget requests, and to reduce unnecessary expenditures. The bureau was to be nonpartisan and existed only to gather information and inform the president. He then asked those in the audience on whom he could count to please stand up. Everyone stood.

Dawes was not in a good mood at the next meeting. While he was receiving cooperation in his campaign for economy from many quarters, it was being sabotaged in others. To make his point he held up two brooms: one an Army broom made to Army specifications, the other a Navy broom made to Navy specifications. The Army had 350,000 surplus brooms, and the Navy needed 18,000. But the Navy rejected the suggestion that they take the Army’s excess brooms because those were wrapped with twine instead of wire. In the end, the Army sold their surplus brooms at low prices to speculators who turned around and sold them at a hefty profit, and the Navy went out and bought new brooms at top prices. If such a thing had occurred in a private business, Dawes said, the person responsible would have been immediately fired.

By the time Dawes’s year was up in June 1922, the federal budget had been balanced, revenues exceeded expenditures, and the public debt had been reduced. Dawes had exceeded his promise to help the president save a billion dollars: Federal spending had dropped from \$6.3 billion in 1920 to \$5 billion in 1921 and then \$3.3 billion in 1922. When Dawes

left, he took two brooms home with him as mementoes.

While Harding had presented Congress with the nation’s first coordinated federal budget, he had also approved passage of the Revenue Act of 1921, which eliminated the World War I excess-profits tax, settled on a corporate tax rate of 12.5 percent, brought the top marginal income tax rate down from 73 percent to 58 percent, decreased surtaxes on incomes above \$5,000, and provided increased exemptions for families.

Harding was consistent in his dedication to fiscal responsibility, even when he knew it would be unpopular and go against his own instincts. Such was the case with the bonus voted by Congress for World War I veterans. Harding’s pledge to cut taxes conflicted with the desire of Congress and the public to grant the veterans a generous bonus, paid for with deficit spending. Harding felt so strongly about the issue he appeared before a special joint session of Congress to make his case. While he sympathized with the impulse to grant the bonus, the country needed tax relief to get back on its feet and could not afford to do both. If Congress wanted the bonus, it would have to find the revenues to pay for it.

Congress was shocked that the president would oppose the bonus, and many Republicans were furious with him, since they would shortly face an election. But Harding vetoed the bill, as he had said he would, writing that while the nation owed much gratitude to those who had served, the burden of high taxes affected every American citizen. “To add one-sixth of the total sum of our public debt for a distribution among less than 5,000,000 out of 110,000,000, whether inspired by grateful sentiment or political expediency, would undermine the confidence on which our credit is [built] and establish the precedent of distributing public funds whenever the proposal and numbers affected make it seem politically appealing to do so.”



Charles G. Dawes

Harding died of a heart attack on August 2, 1923, having fulfilled his goal of restoring prosperity. The night of his death, his wife Florence had been reading an article to him from the *Saturday Evening Post* entitled “A Calm Review of a Calm Man” by Samuel G. Blythe. “There is nothing so political as the Presidency,” Blythe observed, “and the better a politician a President is the better President he will be.” Blythe reminded his readers that things had been in a bad way when Harding came into office, but now America was “the only legitimately prosperous country in the world.” Prosperity, he

continued, “extends from coast to coast, from the Canadian border to Mexico. Labor is universally employed at high wages. Money is plentiful. All lines of business are flourishing. And there is no other country in the world of which this can be said.”

Blythe’s account was accurate. Harding’s policies, put into practice by men like Charles G. Dawes, succeeded in turning the country around. This was not easy with a fractious Republican party at odds over regional and economic issues. Nevertheless, Harding cut income tax rates for Americans at every income level. According to economist Benjamin Anderson, employment and businesses rallied as a result of “a drastic cleaning up of credit weakness, a drastic reduction in the costs of production, and on the free play of private enterprise.”

It had been Harding’s hope that inequality of income would decrease as foreign markets expanded, creating more economic opportunities; he worked hard with Herbert Hoover and Charles Evans Hughes to achieve this. Harding also modified his position on the tariff, coming to favor a degree of flexibility. He entered the White House having won an overwhelming mandate. He succeeded in healing a divided country by combining fiscal conservatism with some socially progressive attitudes. His efforts

to end lynching and his belief in racial equality showed him to be more enlightened than many of his countrymen. They entitle him to be regarded as one of the first modern civil-rights presidents.

The policies of Harding and his successor Calvin Coolidge were undone in the 1930s, when President Hoover adopted the statist measures that laid the foundations for what would become the New Deal. With the election of Franklin D. Roosevelt, a new kind of welfare state was created, and progressivism began once again to flourish. Surveying the situation in 1940 after the economy’s downturn and what people were beginning to call a new Roosevelt depression, Dawes penned a warning:

Some day, a President, if he is to save the country from bankruptcy and its people from ruin, must make the old fight over again, and this time the battle will be waged against desperate disadvantages. Against him will be arrayed the largest, strongest, and most formidably entrenched army of interested government spenders, wasters, and patronage-dispensing politicians the world has yet known.

Dawes was prescient. As the old fight is once again being waged, we can only hope that the president Americans elect in 2012 will be as much of a “reactionary” as Warren G. Harding—and as much of a success. ♦

Antiquated Regulatory System Won’t Meet Modern Challenges

By Thomas J. Donohue

President and CEO
U.S. Chamber of Commerce

The last time anyone tried to overhaul the federal regulatory process, Harry Truman was president, Frank Sinatra and Bette Davis were in their prime, and the microwave oven was a modern marvel.

Today’s regulatory system is no modern marvel. Instead, the complex, antiquated system has become a modern liability for our nation’s businesses. The regulatory burden and the uncertainty surrounding many new rules in the pipeline—to be heaped on top of the 175,000 regulations already on the books—are a major drag on business expansion, investment, and jobs.

The Dodd-Frank Act brings an onslaught of new regulations—259 are required under the law, and another 188 are completely up to the discretion of regulators. The health reform law created 159 new agencies, commissions, panels, and other regulatory bodies. The Department of Labor has 100 rulemakings

in the hopper. And the Environmental Protection Agency is working on more than 100 new rulemakings, 30 of which will cost the economy \$100 million or more—each. The resulting uncertainty is keeping badly needed capital on the sidelines and out of the markets as anxious businesses wait to see what regulators will do next.

Restoring balance to this process is long overdue—and for the first time in 65 years, it could actually happen.

The Regulatory Accountability Act of 2011, introduced in the House and Senate with bipartisan support, is designed to bring balance back to the regulatory system without undercutting needed public health and safety protections. The legislation would ensure that regulations impose as little burden on the economy as possible and that they are justified.

The bill would require regulators to publicly demonstrate the need for rulemakings backed by hard evidence and sound science. And it would call for on-the-record administrative hearings for

the most costly regulations to ensure that agency data is well tested and reviewed. While the bill won’t impact regulations that are already on the books, it would apply to most of Dodd-Frank, health care, and new environmental rules.

The U.S. Chamber’s regulatory reform activities go well beyond this important proposal. We have pushed for the repeal of a number of costly, recently finalized rules. We have successfully advocated for delaying unnecessary regulations that would eliminate jobs, such as EPA’s new ozone regulations.

We’re currently facing the biggest economic challenges America has seen in generations. And some of those are worsening because of policies that haven’t been modernized *in generations*. Bringing our regulatory system into the 21st century is critical to putting Americans back to work.



U.S. Chamber of Commerce
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The Pakistan Illusion

The friend of our enemies is not our friend

BY THOMAS DONNELLY

During his four-year tenure as chairman of the Joint Chiefs of Staff, Admiral Mike Mullen embodied the quiet professionalism of the American officer corps. He had been chief of naval operations, yet became the steward of two difficult and draining counterinsurgency campaigns, freeing generals in the field—David Petraeus and Raymond Odierno in Iraq, then Stanley McChrystal and Petraeus in Afghanistan—from Washington worries.

But his signature contribution to the wartime effort was trying to cultivate an improved relationship with the military leadership in Pakistan, particularly General Ashfaq Kayani, the Pakistani Army chief of staff. Mullen flattered Kayani in dozens of high-profile visits. In 2009, he convinced *Newsweek* that the general-to-general chemistry was “the most important relationship in the fraught dynamic between the two countries.” Mullen trumpeted the good news that Kayani “was making promises and keeping them.”

In hindsight, it would seem that Kayani had no intention of promising or delivering anything that mattered to the Pakistani Army and its officer corps. Pakistan’s generals have been masters at playing their American counterparts. A passage from the autobiography of General Tommy Franks, head of U.S. Central Command during the initial invasions of Iraq and Afghanistan, gives a hint as to who gets the better of these “relationships.” Recalling his first meeting with one of Kayani’s predecessors, Franks wrote: “It struck me that it was appropriate that we both wore uniforms. For years, American officials and diplomatic envoys in business suits had hectorred soldier-politicians such as Pervez Musharraf about human rights and representative government.”

Mullen never quite sank to such romance-novel heavy breathing with Kayani, and by the end of his term as chairman he saw the truth clearly. Osama bin Laden had been

living in Abbottabad, Pakistan’s West Point. Mullen publicly has charged Pakistan’s military intelligence agency—once commanded by Kayani—with supporting attacks by the insurgent Haqqani network, including the September 13 bombing of the U.S. embassy in Kabul. In a valedictory interview with columnist David Ignatius, Mullen admitted it took him a long time to appreciate the “trust deficit” with the Pakistani Army. He also worried that they are on a “declining glide slope.”



Admiral Mike Mullen

PLUS ÇA CHANGE

The tragedy of American policy is its failure to see that Pakistan has been on a very long downward slope—arguably since 1947, when independent Pakistan and India separated from the British Raj. Indeed, Husain Haqqani, currently Pakistan’s ambassador to the United States, has described his country as “in some ways a state project gone wrong.”

Pakistan has had a confused and troubled identity. The original idea of Pakistan, as Stephen Cohen of the Brookings Institution has written, was of an “extraordinary”

state, “a homeland for Indian Muslims and an ideological and political leader of the Islamic world.” At the same time, the ideology of the Pakistan founding was opaque and contradictory, with the contradictions seemingly captured in the figure of its leader, Mohammed Ali Jinnah, Karachi-born but trained as a lawyer in England and retaining a lifelong affinity for fine English tailoring. Though a partner of Gandhi and Nehru in the India Congress, Jinnah was suspicious of their all-India approach, and as British imperial power on the subcontinent began to wane in the early 20th century, the compact between India’s Hindus and Muslims weakened.

Thus, at the 1928 session of Congress, Jinnah proposed not only guaranteed seats for Indian Muslims in national and provincial legislatures, but the creation of three “designated Islamic states”—Sind, Baluchistan, and the Northwest Frontier Province—within a future independent Indian federation. In other words, while the subcontinent was still struggling to separate itself from British rule, Jinnah was proposing an ethnic state-within-a-state that held within it

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the promise of further separation. To Jinnah and his contemporaries, the allegedly inclusive All-India Congress appeared more like a vehicle for Hindu political dominance. And the broad definition of who was a Muslim—mostly in terms of antagonism to Hinduism—elided traditional differences between regions and tribes. The deeply secular Jinnah declared in 1940 that the two communities “are not religious in the strict sense of the word, but are in fact different and distinct social orders. And it is a dream that the Hindus and Muslims can ever evolve a common nationality.”

Jinnah’s own dream, boldly assertive and fundamentally brittle, begat an expansionist tendency. When Gandhi embarked upon his “Quit India” campaign at the nadir of Britain’s fortunes in World War II, Jinnah seized the moment to double his territorial demands, adding Kashmir, the Punjab, and Bengal to his list of Muslim provinces. He had his way, though it would exacerbate the instability of the Pakistani state: In the dissolution of the Raj, the Punjab and Bengal were split from the central mass of India, inciting massive ethnic cleansing and resulting in the deaths of nearly one million and leaving Kashmir a contested province. The violent but perhaps inevitable result was the 1971 secession of East Pakistan. That the nascent Bangladesh would rely on Hindu India to secure the separation showed the weakness of Jinnah and Pakistan’s ideas of Muslim brotherhood. The bond of Islam was not strong enough to convince Bengalis that they should remain confederate with, and subordinate to, Punjabis.

“Pakistan is a paranoid state that has enemies,” writes Cohen. Pakistani strategists and political elites fear they may become a “West Bangladesh—a state denuded of its military power and politically as well as economically subordinated to a hegemonic India.” Yet, somewhat perversely, the result is a strategic “adventurism,” by which Cohen means Pakistan’s ambitions in Kashmir and Afghanistan, but which applies equally to Pakistan’s nuclear program, its relations with China, and its ambiguous stance vis-à-vis the Taliban, al Qaeda, various “associated movements” internationally, and its homegrown radicals.

PARANOIA BEGINS AT HOME

The bitter result of the 1971 war and the “second partition” heightened the domestic political contradictions that lie at Pakistan’s heart. In Ambassador Haqqani’s telling, a Jinnah-style “commitment to an ‘ideological state’ gradually evolved into a strategic commitment to jihadi ideology . . . then the Pakistani military used Islamist idiom and the help of Islamist groups to keep

secular leaders . . . out of power.” As their larger ambitions collapsed, Pakistan’s elites—the army leaders and Punjabi oligarchs, for all their secular habits—became ever more Muslim, solidifying what Haqqani describes as an alliance between mosque and military.

A second-order effect was a widening gap between the U.S. and Pakistani militaries. Strategic and military-to-military ties had been close in the early decades of the Cold War, and many Pakistani officers received both general and professional education in the United States. But the defeats in the 1965 war with India and the 1971 independence of Bangladesh convinced many in Pakistan that the United States was an unreliable partner. In the mid-1970s, the civilian government of Prime Minister Zulfikar Ali Bhutto, father of the late Benazir Bhutto, tried to constrain the domestic political

power of the Pakistani Army—which had been twice bested in the wars with India that supposedly were the justification of the army’s privileges—while developing a civilian nuclear weapons program.

But that attempt at “reform” likewise crashed when Bhutto was ousted in a coup (and subsequently executed) and the military assumed control of the government under the dictatorship of Zia ul-Haq. Though Zia died in a 1988 plane crash, he set the course that Pakistan and its security services have followed ever

since. Zia broke down the distinction between politicized Islamism and military professionalism, and public displays of Islamic orthodoxy became good for one’s military career. Although continuing to try to build up Pakistan’s conventional military strength—and to pry modern weapons like F-16 fighters out of the United States—Zia increased the emphasis on irregular and proxy wars, not only in Afghanistan but against India, including providing arms to Sikh separatists. And finally, he both gave the army control over the nuclear program and accelerated it, thanks to the proliferation program of Dr. Abdul Qadeer Khan.

Despite assertions by many experts in Pakistan and the West that later generations of generals—not just Kayani but Musharraf before him—are more reform-minded and anxious to get the Islamist elements back under control, it’s hard to detect any significant change of strategic or domestic political course. The Islamist genie has, if anything, increasingly turned on its sponsors. Pakistan has never given up its investment in the Afghan Taliban, either in its Mullah Omar-Quetta shura guise or its regional strongman-Haqqani network manifestation. Proxy groups like Lashkar-e-Taiba conduct spectacular attacks on American, Indian, and other international targets as well as in Pakistan proper; whether such groups are always operating

Long experience has convinced Pakistani leaders that the United States will lose interest in them and in South Asia.

under direction of the Inter-Services Intelligence agency is beside the point. It was the ISI that created them in the first instance. And Pakistan has lately accelerated and expanded its nuclear program, stockpiling materials and building new missiles and warheads. Islamabad likes to live dangerously.

WHAT IS TO BE DONE?

The temptation for Americans to walk away from Pakistan in frustration and disgust or, alternatively, to administer a stiff spanking is strong, particularly in Congress. But the effects of such acts—most notably the 1985 Pressler Amendment—are at best partial and at worst counterproductive. In the absence of a long-term, coherent strategy for Pakistan, this amendment pretended to deal with Pakistani nuclear proliferation by banning economic and military aid—unless the president “certified” that Pakistan had no nukes. Which President George H.W. Bush proceeded to do annually, despite complaints that it was all a fiction. This had the effect of driving Pakistan into the arms of the Chinese, who were happy to help with sales of ballistic missiles.

The highly touted Lugar-Biden-Kerry “Enhanced Partnership with Pakistan Act of 2009” represents the other congressional extreme. Offering \$1.5 billion of economic aid a year for five years, the bill was an effort to help Pakistan’s civilian government and provide an alternative to the strictly military aid that had been offered after 9/11. However, it was so loaded with intrusive “oversight” measures—just good government in Washington, but portrayed as an affront to sovereignty in Islamabad—that it soured relations even more.

The alternative policy, deeply embedded in the Washington establishment, is that the United States must continue to work with the Pakistani military, because it’s the only institution in Islamabad that works or because Pakistan’s politicians are weak and corrupt. As Richard Haass, former policy director for the State Department and now head of the Council on Foreign Relations, once explained, “The coup that brought Army Chief of Staff Pervez Musharraf to power . . . should not be condemned out of hand. And it well may bring stability to a country and a region where stability is in short supply.”

Both these attitudes betray Washington’s lack of long-term interest in Pakistan, and that is the first thing that needs to change. Pakistan’s problems are deep; indeed, they are embedded in the country’s very identity. But our strategic interests are equally deep. The war in Afghanistan and the rise of India are indicators that the balance of power in South Asia—like the balance of power in Europe, the Persian Gulf, or Pacific Asia—is emerging as a core security concern of the United States and an

increasingly important test of the international system.

A coherent American strategy rests on convincing Islamabad of three things: that the United States has come to South Asia to stay; that India’s rise should be met with strategic cooperation, not competition; and that playing a “China card” won’t work.

Long experience has convinced Pakistani leaders that the United States will lose interest in them and in South Asia, and that they will be left with what they see as an existential crisis—these were the lessons of 1965, 1971, the Cold War, and after. The Obama administration’s plans to draw down and “transfer the lead” in Afghanistan to Kabul fits Pakistani preconceptions perfectly; and they’re making plans accordingly. But the greatest strategic reward of Operation Enduring Freedom, well beyond killing Osama bin Laden, disrupting al Qaeda, or suppressing the Afghan Taliban, would be to begin to curb Pakistan’s longing for “strategic depth” in Central Asia. That requires retaining a substantial military presence and developing a strategic partnership with the Afghans.

Relieving Pakistan’s paranoia about India will take even longer. But the cost of this paranoia has been devastating to Pakistan, militarizing the state, politicizing the faith of its people, debilitating civilian political and economic development. This is the “declining glide slope” that Admiral Mullen lamented. Pakistan does not need to achieve eternal enlightenment, just a rational policy that would put things like economic cooperation above recovering Kashmir. The United States needs to follow two principles to improve the prospects for success: continue to develop its strategic partnership with India—to slowly convince Islamabad that its traditional strategies can no longer work—and demand that military-to-military ties take a back seat to civilian diplomacy. We must cure ourselves of the “Tommy Franks syndrome.”

Convincing Pakistan that the Chinese won’t be the sugar daddy who makes up for their mistakes won’t be easy. In response to Mullen’s accusations, the Pakistanis reaffirmed their love for China as, in the words of Prime Minister Yusuf Gilani, “higher than mountains, deeper than oceans, stronger than steel, sweeter than honey.” The Chinese, however, prefer more tangible expressions of regard, such as material resources, the deep-sea port at Gwadar, and an expansion of the Karakoram highway into western China. China’s presence in the Indian Ocean is growing, but part of U.S. strategy for Asia is to preserve a favorable maritime balance there. India shares that interest; one of its prime strategic directives is to stymie a China-Pakistan axis.

In sum, there’s a lot that the United States can do when it comes to Pakistan, but none of it can be done quickly. Nor can it be done without facing, as Admiral Mullen did at last, the truth about the Pakistani Army. ♦

A Model to Avoid

The dark side of Chinese state capitalism

BY YING MA

Big-government types in the United States are simultaneously seduced by the sizzle of China's economic growth and envious of the rapid completion of its large-scale, state-planned projects. Speechless before China's meteoric global rise and frustrated with America's economic woes, Beijing's admirers in America have concluded the solution is to copy China. Not surprisingly, they know little about the jarring cost exacted by China's government-centric approach.

President Barack Obama represents all the misguided assumptions of this trend, which calls for fawning all over and freaking out about China at the same time. As a candidate in the 2008 presidential election, he bemoaned the crumbling infrastructure of the United States and noted that China's state-directed infrastructure spending had produced ports, trains, and airports that were "vastly superior" to ours. As president, he has repeatedly invoked the Chinese example to call for massive infrastructure spending. In his jobs speech before a joint session of Congress on September 8, he asked, "And now we're going to sit back and watch China build newer airports and faster railroads? At a time when millions of unemployed construction workers could build them right here in America?"

Given the adulation from abroad, China's rulers have not hesitated to tout the superiority of their unique political-economic system. After all, authoritarian China has vaulted past Japan as the second-largest economy in the world and is expected by the International Monetary Fund to overtake the U.S. economy as the world's largest in 2016. Chinese premier Wen Jiabao has spoken glowingly of the Chinese system's general "advantages," which he claims give China the ability "to make decisions efficiently, organize effectively, and concentrate resources to accomplish large undertakings."

Zhao Qizheng, who chairs the Foreign Affairs Committee of the Chinese People's Political Consultative Conference of the Chinese Communist party, is even more explicit. In a book entitled *The China Model*, he explained, "In comparison with the West, we do not waste much

manpower, time, material, or financial resources of taxpayers for [elections]. . . . You can go forward: You don't need to quarrel and you don't need to lose time."

Not quarreling and not losing time, however, has resulted in numerous large undertakings—from infrastructure to economic stimulus to environmental cleanup—that create enormous inefficiencies, impose drastic human costs, and fail to bring sustainable benefits.

Most glaring are the problems in the area of infrastructure, which captivates President Obama. In October 2010, with U.S. unemployment hovering near 10 percent, Obama glumly admitted, "There's no such thing as shovel-ready projects." China, on the other hand, was shoveling at breakneck speed.

To battle the global financial crisis that began in 2008, Beijing pushed out a \$586 billion stimulus package and allocated 45 percent of the funds for infrastructure. Simultaneously, Beijing unleashed a torrent of lending by its state banks. In 2009 and 2010, the banks issued \$2.7 trillion in new loans.

Much of the state lending went to local governments eager to pursue grand dreams. Unfortunately, a great deal of what they built already appears downright useless. As the *Washington Post* reported, China's stimulus spending produced "an astonishing frenzy of building—highways, subways, airports, bridges, high-speed rail lines, and even new cities constructed, literally, in the middle of nowhere." Chinese citizens are staring at new airports in small counties to which few passengers will fly, new subway lines in small cities that may not have needed them, and high-speed trains with ticket prices many cannot afford.

The local governments, meanwhile, are sitting on large piles of debt they cannot afford. According to Victor Shih of Northwestern University, official estimates of total local governmental debt in China range between \$2.4 trillion and \$3.1 trillion, with the latter more than 50 percent of China's 2010 GDP. Much of the debt consists of bad loans for which the central government will likely ultimately be responsible. Beijing, sitting on more than \$3 trillion in foreign currency reserves, can certainly afford the bill, but its infrastructure binge and the subsequent hangover hardly provide a good model for America to copy.

Worse yet, high-speed rail, the crown jewel of China's infrastructure prowess, has thus far delivered

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more human tragedy than authoritarian effectiveness.

On July 23, a high-speed rail accident in southeast China killed 40 and injured about 190 passengers. Officials blamed signal failure, but outraged citizens and journalists (including many from the state media) have demanded investigations. While China has built the world's largest network of high-speed railway in under seven years, this undertaking has been plagued by corruption and shoddy construction. In February, Liu Zhijun, China's minister of railways and architect of the country's \$300 billion high-speed rail network, was fired and arrested, accused of taking \$152 million in bribes—not to mention keeping 18 mistresses. In April, China's railways ministry announced that trains traveling at the top speed of 350 kilometers per hour, the fastest in the world, would be slowed to 300 km/h in July. The faster speed garnered prestige for China but created serious safety concerns and should never have been instituted in the first place. Since the July accident, the ministry has expanded speed reduction and suspended the construction of new rail projects.

Though President Obama has endlessly repeated the desirability of crisscrossing America with high-speed rail, China reminds us that when state planning goes awry and government spending goes unchecked, citizens pay—sometimes with their lives.

But inconvenient truths don't deter the Obama administration from pointing to China's state-centric approach to defend its own grand, left-wing plans. Aside from infrastructure projects, nothing makes liberal knees wobble more than visions of an America covered in green technology funded by taxpayers. Liberals love to remind us that China has already made an aggressive, government-funded push into this area and threatens to leave the United States behind.

Not surprisingly, the Obama administration has served up this justification for its disastrous \$535 million loan to now-bankrupt solar panel maker Solyndra. At a congressional hearing in September, Jonathan Silver, executive director of the Energy Department's Loan Programs Office until last week, defended the administration's Solyndra decision. He said, "[In 2010, China] alone provided more than \$30 billion in credit to the country's largest solar manufacturers through the government-controlled China Development

Bank. That's roughly 20 times larger than America's investment in the same time period."

On RenewableEnergyWorld.com, Barry Cinnamon, CEO of Westinghouse Solar, offered a different view: Solyndra's spectacular failure resulted largely from its bet on the wrong technology, not from Chinese competition or a lack of U.S. government support. According to Cinnamon, while Chinese solar panels are 10 to 20 percent less expensive than U.S.-made panels, Solyndra's panels, by some estimates, were 100 percent more. Joel Cannon, CEO of tenKsolar, Inc., another solar company, concurred and wrote in a letter to the *Wall Street Journal*: "Most in the [solar] industry will argue that the smart money . . . was never interested in Solyndra."

Having funded Solyndra with quite a bit of dumb money, the Obama administration remains undeterred and continues to cite China's government-backed green tech dominance as a reason for the United States to pick winners and losers in the renewable energy industry. Once again, China itself offers the evidence for why its record of state investment is not worth imitating. According to a report issued in April by the Unirule Institute of Economics, an independent



Errant bullet train kills 40: the down-side of high-speed rail.

think tank in Beijing, the average return on equity of state-owned industrial enterprises in China was *much lower* than that of their nonstate counterparts between 2001 and 2009. When preferential government subsidies (such as free land and cheap loans) for the state firms are factored in, the real return on equity registers at an embarrassing -1.47 percent.

Moreover, 70 percent of all net profits made by Chinese centrally owned enterprises in 2009 came from a mere 10 companies that had been afforded heavy market advantages by the state. The unflattering flipside, writes the Hoover Institution's Zhang Jialin, is that a vast majority of the remaining state-owned companies are poorly managed or suffer from overcapacity.

In other words, a future that follows in the footsteps of Chinese central planning may not be as dreamy as Obama imagines.

Furthermore, it is unclear that China's grand projects even produce lasting benefits. In the environmental area, the world oohed and aahed at the speed with which Beijing acted to improve the city's notoriously poor air in preparation for the 2008 Olympics. Yet even authoritarian zeal has its limits.



How do you say “boondoggle” in Mandarin? Uninhabited high-rises in China’s Inner Mongolia Autonomous Region.

China’s rulers implemented a series of drastic measures, including plant closures and relocations, furnace replacement, new emission standards, and stringent traffic control, and spent over \$10 billion to clean up Beijing’s air.

The gains were sizable. According to a study published by the National Bureau of Economic Research (NBER) in March 2011, the air quality in Beijing improved by 29.65 percent during the Olympic Games “as compared to one year before any Olympic-motivated action.” But only a year after the games, the study’s Chinese and American researchers concluded, roughly 60 percent of the improvement in Beijing’s air quality had evaporated.

Elsewhere in the world, the study notes, improvements in air quality have resulted from a long process that “largely depends on the dynamic interplay of government policies and private compliance.” In China, on the other hand, the problem was tackled with an authoritarian campaign of white-hot intensity, but the environmental gains could not be sustained.

For all its warts, fans still credit Chinese state planning with having delivered breathtaking economic growth for over three decades. The accomplishment is tremendous and is a tribute to the hard work and entrepreneurial spirit of the Chinese people. But even here, admirers overestimate the power of the state and underestimate the power of the market.

In his book *Capitalism with Chinese Characteristics*, economist Huang Yasheng of the MIT Sloan School of Management argues that reforms that have worked elsewhere—such as private ownership, financial liberalization, improved property rights security, and even some degree of political constraint—were essential to the successful take-off of China’s economic revolution in the 1980s. On the other hand, he observes, the slowing of market reforms in the 1990s had a direct impact on the quality of China’s economic growth, even if not on the actual rate of growth.

In an essay updating his book, Huang writes that between 1989 and 2002, a period when China’s market reforms slowed and statist intervention increased significantly, per capita GDP in China grew at a real rate of 8.1 percent a year, but during the same period, Chinese personal income per capita grew at an average of only 5.4 percent a year. “The gap is thus huge,” he writes, “between GDP growth and the performance of a metric that directly tracks the actual living standards of the average Chinese person.”

Meanwhile, China’s most dramatic statist turn has come in the aftermath of the 2008 financial crisis, when the country’s massive stimulus spending flooded into the state sector.

Yao Yang, director of the China Center for Economic Research at Peking University, spelled out the drawbacks of state intervention even while lauding the accomplishments of the China model at a conference earlier this year: Excessive state participation in the economy squeezes out the space for regular citizens to increase personal consumption, and overly concentrated government power harms the people’s welfare. President Obama might take note.

Amid the endlessly repeated assertion that China will inevitably dominate the 21st century, it is worth remembering that the country not only continues to persecute religious believers, jail political dissidents, and censor the media, but also is home to immense waste and abuse. As a U.S.-trained economist turned high-ranking Chinese government official has observed, China’s economic inefficiencies result directly from its political contradictions.

The United States, despite tortuous political wrangling over issues ranging from the debt ceiling to job creation, remains capable of making broad political compromises, forging lasting consensus, and giving its citizens a voice. As U.S. policymakers enlist Chinese authoritarian-chic to justify their own grandiose big-government plans, American taxpayers should know that Chinese-style state intervention comes at a price they cannot afford and brings severe infringements on liberty they will resent. ♦

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Tricycle bearing a Google Street camera in the Old City

City of Faiths

What Jerusalem means to the world.

BY BENJAMIN BALINT

In the encounter between writer and city, there is a certain distance of perspective—neither blurringly close nor loftily Olympian—at which the urban subject comes into sharpest focus. In this well-proportioned narrative history of Jerusalem, Simon Sebag Montefiore pulls in close and trains a microscope on the lives of the more or less representative individuals who built, occupied, and razed this most storied of cities, and on the families—the Davidians, Herodians, Maccabees,

Benjamin Balint, a resident of Jerusalem, is the author of Running Commentary: The Contentious Magazine that Transformed the Jewish Left into the Neoconservative Right.

Jerusalem

The Biography
by Simon Sebag Montefiore
Knopf, 688 pp., \$35

Umayyads, Fatimids, Hashemites, and Husseinis—who forged it.

Taking in a thousand years of Jewish rule, 400 of Christian control, and then 1,300 years of Muslim governance, Montefiore, a British historian of Catherine the Great and of Stalin, divides *Jerusalem* into nine parts: Judaism, paganism, Christianity, Islam, Crusade, Mamluk, Ottoman, Empire, and Zionism. Each is built up by means of a kind of “eminent Jerusalemite” style. In the parts that treat antiquity, this means tell-

ing the sweeping story of each epoch through small-bore portraits of Jerusalem’s prophets, kings, empresses, and conquerors. As he approaches the present, where sources are richer, Montefiore also uses the city’s more marginal characters as the shuttles that weave his tapestry together.

The closeup approach throws into stark relief the possessiveness aroused by a city Montefiore calls “the desire and prize of empires.” By the time Jesus arrived, the city had already been invaded or conquered, in turns, by Israelites, Philistines, Jebusites, Assyrians, Persians, Greeks, Macedonians, Maccabees, and Romans. Like many hungers for possession, the insatiable obsession with Jerusalem too

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often destroyed the object of desire, and Montefiore by no means shies from ghastly, blood-soaked descriptions of sieges and sacks, persecutions and plunders. In one typical scene, he follows the 10,000 Tartar horsemen who clattered into the city in 1244 and disemboweled priests in the Church of the Holy Sepulcher.

And although this phoenix city has been razed and resurrected innumerable times, it has not always been clear whether its possessors destroyed Jerusalem—or the other way around. Amos Oz, a 20th-century son of the city, has called it “an old nymphomaniac who squeezes lover after lover to death.” (Jewish literature, from Jeremiah to Oz, characteristically refers to Jerusalem in the feminine.) Either way, before the death throes set in, each of the city’s possessors invented its own terms of endearment, like a lover naming the beloved. Jewish literature gives Jerusalem 70 names, including Zion, Salem, Moriah, Ariel, Neve Zedek (habitation of justice), Bethel (the house of God), Harel (the divine mountain), and simply Ha-Maqom (the Place). The Romans, wishing to wipe the slate clean, called it Aelia Capitolina. Islam has 17 names for the city, including al-Quds (the holy) and al-Balat (the palace).

In mundane microcosm, the proliferation of names still marks nearly every corner of Jerusalem. To this day, the old city’s main northern gate, the modern version of which was built by Suleiman the Magnificent, is the source of frequent and historically fraught confusion between tourists and the taxi drivers who ferry them around. Hadrian called it Neapolis Gate; Jews referred to it as Shechem Gate, after the Hebrew biblical name for Nablus. For centuries, Christians called it St. Stephen’s Gate, after a martyr stoned to death by Jews (but now, to make matters more confusing, Lion’s Gate is called St. Stephen’s Gate). Arabs designate it as Bab al-Amud, or the Gate of the Column, after a Roman victory column that once graced it. And the Ottomans gave it the name Damascus Gate.

Jerusalem has acquired less flattering names, too, especially in modern times. Chateaubriand,

whose *Itinerary from Paris to Jerusalem* (1811) was a huge bestseller, called Jerusalem the “deicidal city.” Flaubert pronounced it “a charnel house surrounded by walls, the old religions rotting in the sun.” Aldous Huxley called it “slaughterhouse of the religions.”

Given the city’s significance as the metropolis of monotheisms, it comes as no surprise that the jealous desire to possess Jerusalem has, from time immemorial, displayed a religious sheen. Montefiore informs us that the very word “theocracy” was coined by Josephus to describe the Jerusalem of the Second Temple period. In charting the paroxysms of violence that have seized the Chosen City, Montefiore’s book (much like James Carroll’s recent *Jerusalem, Jerusalem*) serves as an atlas that maps its central place in the geography of apocalypse. One illustration of stubborn and religiously inspired possessiveness may stand in for the rest. Montefiore quotes an exchange of letters between two warriors who battled each other for the city at the close of the 12th century: “Jerusalem is for us an object of worship that we could not give up even if there were only one of us left,” Richard the Lionheart wrote to Saladin. “Jerusalem is ours as much as yours,” the sultan replied, “indeed it’s even more sacred to us.”

Montefiore’s narrative becomes particularly vigorous when it threshes out the ways Jerusalem, as a place terrestrial and celestial both, fixed itself in the Western imagination. The fixation did not cease with the Crusades. On leaving Spain for his great expedition, Christopher Columbus wrote to his royal benefactors, “I propose to Your Majesties that all the profit derived from this enterprise be used for the recovery of Jerusalem.” Montefiore also helpfully tells us that Ye Olde Trip to Jerusalem in Nottingham, which claims to be the oldest pub in Great Britain, dates from Richard the Lionheart’s Third Crusade in 1189. Most far-reaching of all has been the American fixation on a city that has always seemed filigreed by a sense of its own exceptionalism. After they crossed the Atlantic, Puritans wished to build a

new Zion—“a city on a hill,” to use John Winthrop’s celebrated phrase. William Bradford stepped off the Mayflower and said, “Come let us declare in Zion the word of God.”

Each era had its own style of possessiveness. Beginning in the 19th century, Jerusalem became once more not only a magnet for pilgrims in search of salvation or penance, but also the object of intense imperial ambition. The major European powers each sought a foothold, and Montefiore gives us a litany of royal visitors, many of whom left a building or two behind in the cityscape. Crown Prince Frederick of Prussia and Franz Joseph of Austria both came in 1869. (Hapsburg emperors would use the title King of Jerusalem until 1918.) From the Romanovs, the city hosted Grand Duke Konstantin Nikolaevich (who came in 1859) and Grand Duke Sergei Alexandrovich (1888). Rasputin, adviser to czars, came in 1903 and again in 1911. Not to be outdone, Britain sent the Prince of Wales and future Edward VII (1862) as well as the future George V (1882).

On rare occasions, meanwhile, the city’s possessors attempted to share their prize, but the failed attempts only magnified Jerusalem’s essential un-shareability. Richard’s offer of a partition to Saladin was rebuffed. In 1799, Napoleon issued a remarkable “Proclamation to the Jews” from his headquarters, a couple of dozen miles west of Jerusalem:

Bonaparte, Commander in Chief of the armies of the French Republic in Africa and Asia, to the rightful heirs of Palestine—the unique nation of Jews who have been deprived of the land of your fathers by thousands of years of lust for conquest and tyranny. Arise then with gladness, ye exiled, and take unto yourself Israel’s patrimony.

Turned back by the Ottoman warlord Ahmet Jassar Pasha, Napoleon beat a retreat to Egypt before he could deliver any such gladness.

A hundred years later, at the end of the 19th century, Theodor Herzl imagined a capital that would transcend possession: “We shall extra-territorialize Jerusalem so that it will belong to nobody and everybody,” the Zionist visionary proposed. (“It shall be exalted

above the hills,” Isaiah had prophesied of the city, “and all nations shall flow unto it.”) During the First World War, Sir Mark Sykes and his French counterpart François Georges-Picot proposed internationalizing Jerusalem under the control of France, Britain, and Russia. The Zionists, led by Chaim Weizmann, agreed, but to no avail. In the end, David Lloyd George, the wartime prime minister, ordered General Edmund Allenby to conquer Jerusalem as a “Christmas present for the British nation.” In December 1917, after British planes dropped bombs (and on one occasion, opium cigarettes) on the last Ottoman positions, Allenby delivered—and strode through Jaffa Gate to receive the city’s keys from Mayor Hussein Husseini. One member of Allenby’s entourage that day, T.E. Lawrence, called it “the supreme moment of the war.” Lloyd George proved no less delighted: “The most famous city in the world,” he declared, “after centuries of strife and vain struggle, has fallen into the hands of the British Army, never to be restored to those who so successfully held it against the embattled hosts of Christendom.”

Yet another proposal to share the city came in 1947, when the United Nations Special Committee on Palestine drew up a partition plan that would place Jerusalem under the international trusteeship of a U.N. governor. David Ben-Gurion accepted the idea, the Arab Higher Committee rejected it, and war followed. After the war of 1948, in which Israel was born, Jerusalem increasingly became a rallying point of anti-Zionism. Undeterred by the fact that no Muslim empire or dynasty had ever made Jerusalem its capital—even a regional or provincial capital—Yasser Arafat called the armed wing of Fatah, the al-Aqsa Martyrs Brigade. This militant group, named after the mosque on the Temple Mount, carried out dozens of suicide attacks during the al-Aqsa intifada. In 1981, the Ayatollah Khomeini inaugurated an annual Jerusalem Day, which in recent years has given a platform to Iran’s President Mahmoud Ahmadinejad to declare his fervent wish that “the occupation regime over Jerusalem should vanish from the page of history.”

“All roads in our part of the world,” Jordan’s King Abdullah warned last year, “all the conflicts, lead to Jerusalem.”

Like the best of Jerusalem’s chroniclers, from Josephus in the first century to William of Tyre in the 12th, Montefiore has an emotional attachment to his subject. His ancestor, Sir Moses Montefiore, a Jewish member of the English gentry knighted by Queen Victoria, visited the city seven times and gave it its first neighborhood outside the walls of the old city. Throughout his account, Montefiore joins emotional attachment with scholarly erudition. And he draws on a remarkably wide range of sources, including the works of the Ottoman travel writer Evliya; the letters of Monty Parker, a treasure-seeking English aristocrat; the diaries of the Jerusalem oud player and aesthete Wasif Jawhariyyeh; and

the memoirs of Lawrence of Arabia, the British governor of Jerusalem Sir Ronald Storrs, and the Arab Legion commander John Glubb. Some of these are used to riveting effect in Montefiore’s depiction of Mandate Jerusalem, with its demimonde of courtesans, charlatans, aristocrats, and Russian priests who proved to be KGB colonels, as well as proud Palestinian families such as the Khalidis (experts in Islamic jurisprudence) and Nusseibehs (custodians of the Holy Sepulcher).

Pull back the camera from Montefiore’s series of portraits in miniature, and the lasting impression you get is of a many-named city—alternately godforsaken and God-intoxicated—handed off in a relay race of civilizations. Jerusalem is a place of no obvious strategic significance that resists the possessiveness of its earthly would-be masters and glints with immortality. ♦



Show Business

The case for the museum as ‘a world in miniature.’

BY AMY HENDERSON

This is a brief but vigorous defense of museums in the grand manner. Begun as the 2009 Campbell Lectures at Rice University, *Museums Matter* emerged as an opportunity for Cuno, president and CEO of the Getty Trust, to explore the origins and future of the modern museum: Where does the encyclopedic museum fit in today’s narrowcast culture? How do traditional museums—quiet, static, and qualitative—fit in a fast-paced culture entranced with digital bling?

Cuno begins his exploration with

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the founding of the British Museum in 1753, an institution born of the intellectual ferment of the Enlightenment. Its collections showcased natural history curiosities—skeletons of armadillos and porcupines, an Egyptian mummy, West Indian boats, Roman antiquities, the head of a whale—with the intention of exhibiting how “all Arts and Sciences have a Connexion with each other.” Established by act of Parliament, the museum was formed for the advancement and improvement of the nation—a lofty, purposeful, and optimistic beginning.

The Enlightenment embrace of encyclopedic completeness soon crossed the Atlantic. In the late 18th and early

Museums Matter
In Praise
of the Encyclopedic Museum
by James Cuno
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19th centuries in America, Charles Willson Peale organized a museum in Philadelphia that displayed natural history specimens, art, and technology. His museum aimed to show the “world in miniature,” harmoniously connecting the “assemblage of nature” in all its ordered variety. By the 1840s, the Patent Office Building (now the site of the National Portrait Gallery) was being used in part as a federal museum. In 1842, Charles Dickens wrote about visiting the building to view an exhibition of artifacts collected by an American exploratory expedition to the Pacific.

American innovation put a special stamp on the idea of the encyclopedic museum. By 1851, P.T. Barnum’s American Museum in New York transformed Peale’s Enlightened *sanctum sanctorum* into a democratic amusement park—a site displaying “industrious fleas, automatons, jugglers, ventriloquists, living statuary, tableaux, gypsies, albinos, fat boys, giants . . . rope-dancers, dioramas, panoramas.” Barnum’s museum raised the curtain on entertainment for the masses. “It was my monomania,” he trumpeted, “to make the Museum the town wonder and town talk.”

Rather than such American examples, however, Cuno prefers to focus on the legacy of empire, particularly the wide diversity of world cultures linked to the history of imperial trade and travel. In a chapter on “The Cosmopolitan Museum,” he explores how the encyclopedic museum is “akin to travel,” quoting Edward Said on why travelers must exhibit “a willingness to go into different worlds” and “suspend the claim of customary routine in order to live in new rhythms.” Just as travel can make the exotic familiar, so can the cosmopolitan museum inspire “unity imagined” among different peoples and cultures. Cuno’s own interests in Indian religious, political, and cultural influences dominate his chapter on “the imperial museum.”

Whether discussing the rule of Genghis Khan or the geopolitics of today, he argues that the ramifications of empire and cultural interdependence are inescapable. And he forcefully describes how cultural misperception fuels the dark side of the human condi-

tion, using the Taliban’s destruction of the Bamiyan Buddhas in Afghanistan as a prime modern example. He makes the case that the continuing importance of the encyclopedic museum in preventing such acts is clear: Its cosmopolitan worldview provides diverse peoples with information that “can serve to dissipate ignorance and promote understanding of difference itself.”

Historically, encyclopedic museums have served as significant expressions of national purpose. Their continuing importance today will depend on whether their encyclopedic scope can be reimaged in more “inclusive” terms, encompassing increasingly diverse populations. One current hot topic in the American museum world is whether an encyclopedic museum devoted to “the

American People” is needed to bolster the perspectives of various museums now devoted specifically to race, ethnicity, and gender. Another issue is how museums will incorporate contemporary technologies that appeal to modern visitors. Such encyclopedic role models as the British Museum, the Metropolitan Museum, and the Art Institute of Chicago have all launched major social media and “virtual” initiatives that aim at broadening their outreach.

For Cuno, encyclopedic museums remain vital to contemporary civilization because they offer both an antidote to cultural fragmentation and an authoritative answer to the essential question of national purpose: Who are we? His informed and impassioned reasoning is difficult to dismiss. ♦



Scot on the Rocks

Why readers should rediscover Sir Walter Scott.

BY BARTON SWAIM

As recently as a century ago, Sir Walter Scott was known all over Europe and America. In life he had been the original literary celebrity, called “the Great Unknown” because his novels were published anonymously, although everybody knew their author’s identity. By the time of his death in 1832 his works were available in French, German, Italian, Swedish, Polish, Danish, Russian, and Hungarian. Scott was as influential as any writer of his age could be. Charles Dickens, Honoré de Balzac, and Victor Hugo, among many others, all attested to his greatness. Mark Twain’s claim that Scott caused the American Civil War was intended as provocative hyperbole, but the fact that he had a point at all is itself a remark-

able testimony to one man’s influence.

And now Scott is forgotten. Not utterly forgotten: His best novels (though not his long poems) are still in print, and there is still a small but highly competent circle of British and American scholars devoted to Scott’s work. But whereas Jane Austen is read by undergraduates and filmed endlessly, Scott is known rather than read, studied rather than loved. The fate of Sir Walter Scott over the last 50 years, as the English critic Jonathan Keates has observed, is the worst kind of literary demise: “Some writers are fortunate enough to attain instant classic status, others are recovered from oblivion with an almost over-compensatory degree of enthusiasm, while death deservedly topples some from the pinnacles of international significance and adulation.”

Scott, by contrast, “has been banished forever, as it must seem, to the purgatory of a cold, incurious respect,

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to the shadowland of literary history, in which his importance (the word itself is a sort of dead hand) is suffered rather than examined.”

The accuracy of that assessment was reinforced, to my mind, recently when the Edinburgh University Press published the last in its 28-volume series of Scott’s Waverley novels. This is the first critical edition of Scott’s novels to make substantive use of the author’s manuscripts. Earlier collections have relied on first editions, which contained many errors owing to the speed with which publishers hurried them into print. The new critical editions are prefaced with intelligent essays, and historical and textual notes are kept to an unpretentious minimum. It is a stupendous scholarly achievement—and yet it has been remarked by virtually no one on either side of the Atlantic, outside a few scholarly journals. W.E.K. Anderson’s quip, made 40 years ago, that the “Great Unknown” has become the “Great Unread” is now almost literally true.

There are practical reasons why this should be so. Many of Scott’s most famous works contain long passages of Scots dialect that tax modern readers (*Yē maunna gar muckle o’t* = You mustn’t make much of it). The glossaries contained in paperback “classics” editions are helpful, but consulting a glossary is cumbersome. Even in his own day Scott assumed a high level of historical knowledge among his readers; today that knowledge is largely absent.

But there’s more to Scott’s demise than that, and I suspect Keates’s allusion to “changing cultural and social attitudes” gets to the truth. James Bowman, in his excellent *Honor*:

A History (2006), credits Scott with doing more than any other figure to adapt the old notions of honor to the new historical circumstances of 19th-century Britain. Honor had until then referred to a man’s standing among his equals—his reputation, what he was known for doing or not doing—but the spirit of the age demanded that inward qualities be considered

felt its claims. His ability to define a new kind of honor is a large part of what gave Scott’s novels their spectacular appeal in Britain and America for at least a century after his death. But it’s also what makes him seem dated and unserious now. Scott traded in a currency that has lost its purchasing power: The tormented decisions made by Henry Morton or Edward Waverley are apt to seem

to us like the harmless hooey of chivalric lore, the make-believe of period romance.

But in a sense, Scott’s books were out of date as soon as he wrote them. It’s not simply that he had the antiquarian habit of celebrating the past for its pastness; his novels represent the rejection of the idea—central to life in a modern commercial society—that individual identity can be altered for the purpose of achieving desirable ends. Scott’s heroes achieve great things by becoming the people they were meant to be. Henry Morton in *Old Mortality* fights with the Covenanters not because he thinks they’re right in every point, or even most points, but because he is the son of Silas Morton and because he is a Scot. Edward Waverley joins the Stuart cause because the uncle by whom he was raised, Sir Everard, was a Jacobite. Rebecca in *Ivanhoe* refuses to

renounce her faith and save her life because, she says, “It was the law of my fathers.” Scott’s most memorable characters can say, with Moses Herzog in Bellow’s great novel, “Myself is thus and so, and will continue thus and so.”

Scott’s harshest ridicule, by contrast, is reserved for those who try to move higher than what their talents, education, or breeding will allow. Bartoline Saddletree, the pedantic shopkeeper



Sir Walter Scott by Sir William Allan (1831)

equally important, if indeed not more so. It was Scott’s achievement, says Bowman, to meld these two conceptions into what became the basis for the Christian Gentleman: a compromise between inward goodness and outward reputation, between Christian humility and worldly aggression.

Scott wrote for an age in which the literati had grown skeptical of honor, but in which most people still instinctively

who wants to be known as a legal scholar in *Heart of Midlothian*, nearly ruins his family by spending all his time at the Court of Session and consequently away from the shop. Indeed, whereas Scott's most loathsome characters tend to be members of the "middle ranks," his peasants and provincials almost always possess good humor, common sense, and—as with Cuddie Headrigg in *Old Mortality* or Edie Ochiltree in *The Antiquary*—penetrating insight. To borrow Roy Jenkins's observation about Winston Churchill, Scott always rooted for the underdog against the middle dog.

So pronounced is Scott's hostility to the ambitious bourgeoisie that he has been honored from time to time among Marxists. Seventy-five years ago the Hungarian Communist Georg Lukács portrayed Scott's conception of historical development as Hegelian dialectic. Lukács, though spectacularly wrong on literary-critical matters unless one happens to be a Marxist, was nevertheless right to see in Scott's fiction a fundamental opposition to the forces shaping modernity: the expansion of wealth, the middle class, and democracy. This can't be said about the other great 19th-century novelists, none of whom harbored aristocratic pretensions the way Scott did, and even the most conservative of whom came to terms with democracy's forward march.

Scott's fame is a leatherbound memory now. But in his day Sir Walter Scott was the most famous name in literature. The Waverley novels were loved by great men as distant from each other as William Gladstone and Alexander Pushkin. They were to 19th-century literature what Haydn's symphonies were to its music: not so much a model to be imitated as an achievement to be enjoyed. That such an author has been almost completely forgotten tells us as much about him as about ourselves.

He was born in Edinburgh in 1771, the son of a solicitor. Throughout his young years he read widely—his mother supplied him with all the latest works of polite learning and French novels—but like so many imaginative geniuses, he had poorly organized mental habits, and he was a mediocre student. He hated the

drudgery of having to study what he was told to study. His grasp of ancient and modern literature was impressive and his memory phenomenal; he could quote Latin lines verbatim years after he had read them in school. But Scott would always feel that his education had been less than what it should have been.

It is with the deepest regret that I recollect in my manhood the opportunities of learning which I neglected in my youth; that through every part of my literary career I have felt pinched and hampered by my own ignorance; and that I would at this moment give half the reputation I have had the good fortune to acquire if by doing so I could rest the remaining part upon a sound foundation of learning and science.

That sense of his own ignorance infused his treatment of the past with an element of humility that distinguishes it from other works of history, fictional and otherwise—a deep appreciation of history's complexity and man's limited capacity to understand it.

Scott left Edinburgh University to become an advocate, but he had no great talent for law, and consequently plenty of free time. That was in 1792. The revolution was at its height in France, British opinion about it was hotly divided, and the two countries were on the brink of war. Yet Scott, in sharp contrast to contemporaries such as William Wordsworth, said and wrote little about it. Instead he went rambling around Scotland playing the role of amateur anthropologist and antiquary, visiting ruins, collecting artifacts, drinking with country folk, and listening to their stories. In 1800, on one of his "ballad raids" in northern England, Scott heard Coleridge's unpublished poem "Christabel" recited by a friend of the poet. Either Scott was given a copy of the poem (which wouldn't be published for another 16 years) or was able to memorize it after one hearing. In any case he recognized in Coleridge's poem a major metrical innovation—what Gerard Manley Hopkins would later call "sprung rhythm," lines that are scanned according to stresses rather than syllables.

Scott put Coleridge's rhythmic innovation to work in his first metrical romance, *The Lay of the Last Minstrel* (1805). A four-stress sprung rhythm gave the poem two special qualities. First, the freedom of counting by stresses rather than syllabic feet allowed his lines to say much more than they could have in strict iambic tetrameter (eight syllables per line). Second, using only four stresses instead of the traditional five (pentameter) gave the lines a driving pulse that pushed the narrative forward at a riveting speed.

Here, for instance, is the meeting on horseback between two rivals, Sir William Deloraine and Lord Cranstoun.

*In rapid round the Baron bent;
He sigh'd a sigh, and pray'd a prayer:
The prayer was to his patron saint,
The sigh was to his ladye fair.
Stout Deloraine nor sigh'd nor pray'd,
Nor saint, nor ladye, call'd to aid;
But he stoop'd his head, and couch'd
his spear,
And spurred his steed to full career.
The meeting of these champions proud
Seem'd like the bursting thunder-cloud.*

*Stern was the dint the Borderer lent!
The stately Baron backwards bent;
Bent backwards to his horse's tail
And his plumes went scattering on the gale;
The tough ash spear, so stout and true,
Into a thousand flinders flew.
But Cranstoun's lance, of more avail
Pierc'd through, like silk, the Borderer's
mail;
Through shield, and jack, and acton, past,
Deep in his bosom broke at last.*

The Lay of the Last Minstrel is the tale of a 16th-century feud in the Scottish Borders, told by an aged minstrel, a man who made his living by telling tales. That's precisely what Scott wanted to be, a simple teller of tales. The minstrel's poem wasn't written down; he told it from memory. And Scott's metrical romances possess an entrancing aural quality that almost forces the reader to read aloud.

For the same reason, however, none of Scott's long poems is flawless. They are a pleasure to read, but Scott was more craftsman than artist. Sometimes he contorted his lines for the sake of the rhyme—a defect more pronounced in the later poetry than in the earlier,

but one that a more conscientious poet wouldn't have allowed at all. When a friend urged him to pursue literary greatness, he replied that it simply wasn't in him: "As for poetry it is very little labour to me; indeed 'twere pity of my life should I spend much time on the light and loose sort of poetry which alone I can pretend to write."

New poems came quickly. *Marmion* in 1808, *The Lady of the Lake* in 1810, *Rokeby* and *The Bridal of Triermain* in 1813. Scott was also a competent scholar, editing a massive edition of John Dryden, another of Jonathan Swift, as well as a 13-volume *Collection of Scarce and Valuable Tracts*. By this time he had become one of the most famous men of letters in Great Britain. With the publication of his first novel in 1814, however, he became an international celebrity.

The old story that Scott began the novel but abandoned it, then a few years later found it in an old drawer while looking for fishing tackle, is almost certainly false. What is true, however, is that Scott labored very little on *Waverley*. Like all Scott's literary works, this one was, if not an afterthought, an experiment undertaken in his spare time. And yet it is a masterpiece. *Waverley* is the story of Edward Waverley, a young English soldier and aristocrat whose talents and intelligence have as yet been given no direction. Through coincidence he falls in with a band of Scottish Highlanders just as they're preparing to mount an insurrection and attempt to restore the Stuart monarchy. The year is 1745—the novel's subtitle is *'Tis Sixty Years Since*—and the Jacobite cause has yet to die. (Jacobites, of course, were those who believed that the removal of James II from the English throne in 1688 had been unjust, and that the subsequent Hanoverian monarchy was therefore illegitimate.) Edward has no wish to be an insurrectionist, but he has been ill-treated by the Hanoverian government, and there is the fact that well-loved ancestors had been loyal to the Stuarts. He chooses to fight for the son of the exiled James II, Charles Edward Stuart, "The Pretender," "Bonnie Prince Charlie," for the excellent reason that he has no honorable alternative.

Waverley is, among other things, a sustained reflection on the meaning of a deadly conflict. By placing his hero in such a momentarily ambivalent position, Scott gave his readers a sense of how morally perplexing human conflict can be. *Waverley*—and the same is true of Scott's other great war novel, *Old Mortality*—reminds its readers that honorable motives can exist on both sides of a desperate upheaval, and that the dissension producing it is not, for that reason, foolish or illogical.

It was also new: Scott hadn't merely set his story in the past; he had dealt with the historical through fiction, and



Robert Taylor, Elizabeth Taylor
in *'Ivanhoe'* (1952)

done so in a way that held the attention of everybody from chambermaids to the king. Print runs sold out one after another. Scott had published the novel anonymously, and speculation over its authorship (so recalled the Scottish jurist Henry Cockburn) "occupied every company, and almost every two men who met and spoke in the street." In due course the secret was discovered; but Scott, who wished to be known as a "man of affairs" rather than a "man of letters," would never allow his name to appear on the title pages of his novels. Most of them were billed to "the Author of *Waverley*," hence the "Waverley novels."

From 1814 until the end of his life in 1832, Scott published 28 novels. For a time, each one seemed to exceed

the last in popularity and profits. Some, such as *Ivanhoe* and the Elizabethan romance *Kenilworth*, were blockbusters. When *Quentin Durward* appeared in 1823, fashionable women in Paris wore gowns made of Stuart tartan as a mark of solidarity with the novel's Scottish hero. His productivity was staggering: In addition to writing his own major works, Scott wrote essays and reviews, edited the works of past authors, edited an historical journal, and wrote prefaces for new books. Once he even reviewed his own book—unfavorably. But in addition to all this, and on top of his professional duties, he had become (secretly and, as events would show, foolishly) a partner in his publisher's firm. He had a major financial stake in his printer's firm, too, and in 1808 he took a leading part in founding a London-based Tory journal, the *Quarterly Review*, for which he often reviewed books. For a time, therefore, he could write a novel, have it printed, have it published, and have it reviewed, all at his own discretion.

By the mid-1820s, his fame at its zenith, Sir Walter Scott's finances had reached a breaking point. His publisher Archibald Constable was financing the company on the strength of future bestsellers and neglecting to shore up capital; for his part, Scott had spent far more than he could afford on Abbotsford. The crash came in 1826 and Scott lost everything—on paper, at least. He was allowed to keep much of what he owned, on the condition that he pay back his massive debts. He himself insisted on that condition; his were debts of honor, and he intended to pay them without benefit of charity.

"My own right hand shall do it," he recorded in his journal. Friends and admirers from all over the country offered to help, but "a penny I will not borrow"—a vow he kept almost literally.

From the time he began publishing fiction in 1814, Scott published, on average, a novel every nine months. But it would be a mistake to conclude from this that they lack substance. The *Waverley* novels were never predictable or formulaic, and Scott rarely wrote the same novel twice. He was an innovator.

He originated not only the historical novel but also the perverse heroine, the sage lackey, and the sequel novel. *The Bride of Lammermoor* (1819)—dictated while Scott suffered from gallstones—amalgamates genres and time sequences in ways that make postmodern fiction seem derivative (which of course it is). And Scott, like his contemporary Jane Austen, was no Romantic: He did not believe himself to possess, as a writer of Literature, some mysterious access to Truth. Authorship was, for him, a pastime—with the virtue of being highly remunerative. His reluctance to take himself too seriously is what makes Scott attractive as an author; what makes his prose so warm—and what made his productions less than what they might have been. He was too preoccupied with civic duties and business interests to perfect his novels, and it shows. Some of his books were insufficiently researched, a fault arising from his old

aversion to schoolwork drudgery, and his plots sometimes depend heavily on improbabilities, some of which are complex to the point of convolution.

But formal deficiencies don't begin to explain the oblivion into which he has fallen. Scott is quite as consistently readable as Dickens, and infinitely more sophisticated than the Brontë sisters. The reasons for Scott's demise are cultural rather than aesthetic: He spoke in a moral language that is now, for the great majority of Anglophone readers, indecipherable. His fictional world was defined by honor, loyalty, and blood lineage. His heroes and heroines did not change the world by hard work and persistence; they satisfied the demands history and circumstance placed on them by becoming the people they were meant to be.

So there is no hope of reviving Walter Scott. Which is precisely why he's worth reading. ♦

determining. Founding liberals such as John Locke, Immanuel Kant, and Wilhelm von Humboldt simply took these principles for granted: *Liberté, égalité, fraternité!* Some are today admitting to this intellectual debt, in part to renew such fundamental principles.

Now Marcello Pera, another self-described atheist and former president of the Italian senate, has taken this argument three notches deeper. A number of Americans I know tell me that Pera is one of the most civilized, urbane, and intellectually sophisticated humans they have met. He is both exquisitely clear about his own exact standpoint, and exactly fair regarding the propositions of others that he finds inadequate.

One of the most honored citizens of Lucca, old-time rival to Florence, Pera is a man with a long sense of history: He is a philosopher of science by training and in his scholarly writing; but deploying his extensive experience at the pinnacle of politics as the head of the senate (the oldest senate in the world), he is recently retired as professor of philosophy of science at the University of Pisa.

Pera is dismayed by the intellectual incapacity of Europe to defend its basic convictions against Islamic radicalism and other aggressive rivals. This debility he attributes to the multiculturalism, postmodernism, and downright relativism into which secularism's own faulty logic has led it. The driving force behind Pera's current invitation to argument is that the house of Europe is on fire, and all speed is needed in putting out that fire. So are intellectual coherence, the will to self-assertion, and the confidence that comes from thinking things through all the way down. Widening the coalition of those who love liberty and will die for it is also necessary.

Like Caesar's Gaul, this volume is divided into three parts. The first examines liberalism, "the secular equation," and the unresolved "question of Christianity." It is in this section that some of Pera's most probing and deepest questions (which we will come to later) are succinctly raised. Part Two, "Europe, Christianity, and the Question of Identity," opens with



A Western Blueprint

An atheist defends the Judeo-Christian ethic.

BY MICHAEL NOVAK

A movement is growing among atheists to demand honesty about their own intellectual convictions. Sooner or later, one by one, some face the fact that the deepest secular ideals are rooted in the soil of Jewish and Christian conceptions, nowhere else. Honesty commands some of them to state openly that key principles of liberalism—for instance, the reasons behind fraternity

Why We Should Call Ourselves Christians

The Religious Roots of Free Societies

by Marcello Pera

Encounter, 220 pp., \$23.95

and equality—are not to be found in ancient philosophers, nor even in modern liberal philosophers. They were, in fact, introduced into the world by Judaism and Christianity, where they could be taken as givens by their secular successors. Some years ago, in a book review, Richard Rorty was one of the first to make this point; more recently, Jürgen Habermas has done so.

Even the centermost principle of liberalism, the liberty that belongs to every woman and man, was deeply implanted in the world by a prior Jewish and Christian conception: namely, that all humans, without exception, are born in the image of God—that is, free and self-

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the most lively question in Europe today: What is Europe? What is its *soul*? To his initial surprise, Pera uncovers the intellectual poverty of secularism even in giving an account of itself to itself. Pera has no intention of becoming Christian in belief and practice, but he cannot evade the inadequacy of secular theories to explain Europe coherently. Europe, he writes, dooms itself to impotence if it does *not* call itself Christian. Europe must at least admit that certain fundamental Jewish and Christian conceptions are the ground of its own liberty, equality, and fraternity. Part Three confronts “Relativism, Fundamentalism, and the Question of Morals” by asking in its opening lines whether, in comparing one world culture with another, we are allowed to use for one (or more) of them the term “better.” He notes harsh penalties for doing so and thinks this self-censorship mentally stultifying, obtuse, and fatal.

Pera does not believe that inter-religious dialogue is possible between Islam and Christianity (or Judaism): There is too little common ground, and these religions are separated by intellectual chasms. But he sees plenty of room, and need, for inter-cultural dialogue about the new democratic movements in the Middle East, the long suffering of Muslim populations under both state and religious secret police, and the repression of many normal liberties. On these matters, a new common ground may be emerging. Here Pera treats also “The Descending Trajectory of Public Liberal Ethics”—that is, the descent from Kant’s two ethical principles, the categorical imperative (which Kant admitted was also Christian) and respect for the human person (an end, and never a means). Compare these sturdy principles with the two dominant moral schools that come after Kant.

First, unlike Kant, John Stuart Mill wanted urgently to separate his morality from Christianity. Therefore, the descent from Kant’s two principles to Mill’s: There is no universal moral law of reason or of religion, and the value-choices of individuals trump everything.

This descent continues in our own time, down to the principle that the public realm must be wholly secular. Religion must survive only in its multiplicity of private worlds. Further, when conflicts arise in the public realm, appeal must be made to the vote of citizens; that is, to the state. The final arbiter of the good, then, is the democratic state. In brief, the secular state trumps the consciences of autonomous persons; what began as liberal principles thus end up radically illiberal.

These four ages of moral and political descent are schematized by Pera in this way:

It is prohibited to violate the moral commandments.

It is prohibited to violate the personal autonomy of the individual.

It is prohibited to set moral limits.

Then, finally, the state decides. Throughout, Pera offers many passages of brilliant brevity and clarity. I liked best his close analysis of key moments in Locke, Kant, Humboldt, and other shapers of what “liberal” means today in the world of political philosophy. Another jewel is his contrast of the liberal state (circa 1930), which made demands on *economic* activities, to the paternalistic state that has recently begun to expropriate *morality*.

To say that the paternalistic state is unlimited in its sweep is too weak. It is, in a crucial sense, total in its sweep or (as Christopher Dawson foresaw long ago) silkily “totalitarian.” This is perhaps the new “soft tyranny” that Tocqueville feared, but moral tyranny it is. Human rights conceived of as moral and cultural are infinitely expansible, and a state resolved to protect these rights is essentially limitless in its powers.

One fault bothered me throughout. All of Pera’s essential claims about the intellectual work of “Christianity” giving birth to the basic premises of secular liberalism are applicable, in the first place, to Judaism. It is from Judaism, indeed, that Christianity was formed in the axiom, right at the top of the Torah, that each woman and man is “made in

the image of God.” Further, Christianity was formed in Judaism’s substantive definition of the good: that the good consists in actions to please God, who commands most of all that we prove that we love God by loving our neighbors as ourselves. It is, of course, a European convention to think of Europe as, at first, a “Christian Europe” but without stressing sufficiently that, on most matters of polity, Judaism is the teacher of Christianity. Natan Sharansky has pointed out that Christianity notably adds “the anti-totalitarian principle” to the Jewish patrimony: “Give to Caesar what is Caesar’s, and to God what belongs to God.” In other words, not everything belongs to Caesar; in fact, by far the smaller part. Most other principles that Pera calls “Christian” are Jewish in origin. In any case, according to Pera, a liberal polity has better defended itself under the protection of a Jewish and Christian ethic, whatever its historical deficiencies, than under the present incoherence and intellectual defenselessness of liberal secularism.

It may seem odd that this book, written by an atheist and secular liberal, should be commended in its preface for its importance by a pope of Rome, Benedict XVI, no mean professor himself. Recall, though, that this same Joseph Ratzinger, as cardinal, once challenged Jürgen Habermas to a public debate, sponsored by the Académie Française. To everyone’s surprise, Habermas publicly admitted liberalism’s intellectual debts to Christianity, and for his part, Ratzinger emphasized the dangers that religion poses when it is not protected by reason. This is the same point Ratzinger as pope later made in his controversial Regensburg Lecture—met in Muslim countries by violence—in which he invited Muslim cultures to see that true religion turns toward reason and away from violence.

Obviously, Senator/Professor Pera means this book to open an energetic, perhaps emotional, but fair-minded conversation. He knows that “civilization is constituted by reasoned conversation.” Civilized persons persuade one another through mutual respect in conversation. Barbarians club one another. ♦

The Great Race

A political thriller more thriller than political.

BY JOHN PODHORETZ

The *Ides of March* is just about the last movie I expected to like.

It's another one of those absurd liberal fantasies about Hollywood's dream presidential candidate—an outspoken atheist antiwar war hero played by star/director/cowriter George Clooney, who is a shoo-in for the presidency because (I'm guessing here) some strange virus went around America killing off every right-leaning voter. Well, he's almost a shoo-in; he has to get by his Democratic rival, who attacks Clooney's character from the right on religion but is considered the more left-wing of the two. Clooney is better, it would appear, not only because of his views but because the other candidate has—horrors!—a Southern accent.

So imagine my surprise when it turned out I did actually like *The Ides of March*. I think you might like it, too, for reasons that have nothing to do with its politics. Despite its high-powered pedigree, this is a modest little movie, made on a very low budget for Hollywood (\$12 million). What it has is some terrific acting, especially by this year's breakout superstar, Ryan Gosling, who plays a hotshot young political operative with the same can't-take-your-eyes-off-him charisma with which he inhabited the Lothario in *Crazy, Stupid, Love* and the silent and secretive protagonist of *Drive*.

Most important, though, it has a twisty plot that isn't exactly believable but is so well executed that you don't see where it's going—and even when you

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The Ides of March
Directed by George Clooney



think you've gotten there, you haven't quite yet. In this sense, *The Ides of March* is both far less and far more than meets the eye. Though its politics give it a patina of middlebrow seriousness, and invite speculation about Oscar nominations, *The Ides of March* is really just an old-fashioned melodrama. And while



Evan Rachel Wood, George Clooney, Ryan Gosling

it's easy to write silly liberal speeches for George Clooney to deliver, it's actually quite difficult to pull one of those off.

Nominally, the movie is about the professional crisis of Gosling's Stephen Meyers, who is to presidential candidate Mike Morris (Clooney) what George Stephanopoulos was to presidential candidate Bill Clinton. He is a wizard with the press and with crafting a successful message for voters. We're told this more than we're shown it, with a *New York Times* reporter (Marisa Tomei) standing in for the entirety of the press corps. For the first time in his career, Stephen feels he is working for a candidate who will really make a difference. (I'm sorry

for having used the phrase "make a difference." I couldn't help it. It's what the movie wants me to say.)

Stephen is in Ohio, preparing Morris for what seems to be an all-important primary. Like any young campaign hotshot, he has eyes for the interns, and one of them (the stunning Evan Rachel Wood) gives him the eye right back. Meanwhile, his ruffled, seen-everything boss Paul Zara (Philip Seymour Hoffman) is trying to get a problematic Democratic politician, whom their boss reviles, to commit 300 delegates to the Morris campaign and thereby secure the Democratic nomination without needing Ohio. Tom Duffy (Paul Giamatti), who is running the rival campaign, is also chasing after those 300 delegates.

The pol with the 300 delegates wants a guarantee he will be secretary of state in the next administration. Morris refuses on principle; this is the kind of compromise he had vowed he would not make if he ran for president.

Everybody around him, including his wife, looks at him with both stunned disbelief that he would not take the deal—and admiration that he is willing to sacrifice sure victory for it. Stephen is so sure the nation needs Morris as its next president that any minor compromise is justified.

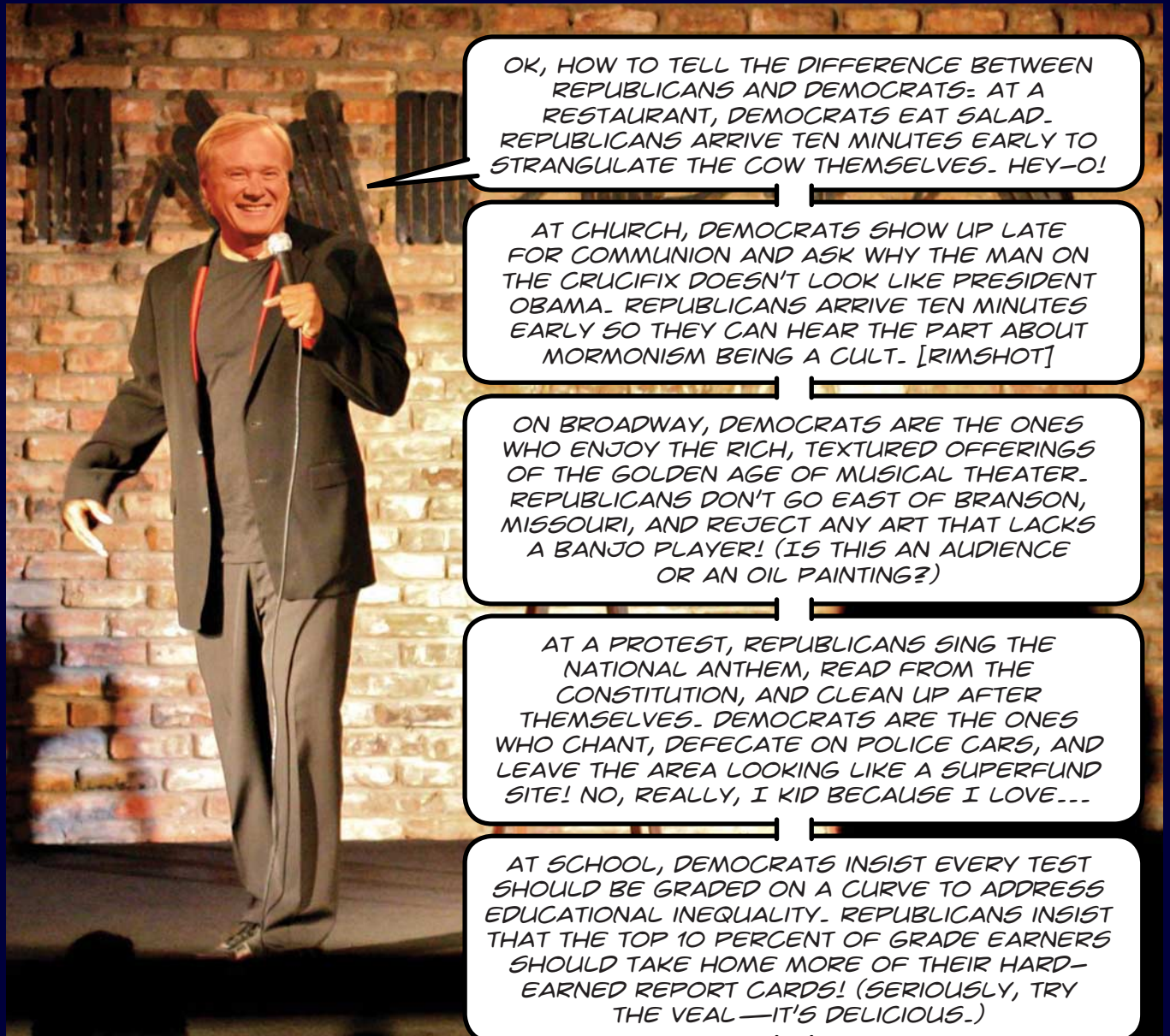
The backdoor machinations surrounding those delegates lead to a clandestine meeting in an out-of-the-way location that kicks the plot into high gear. Strange offers are made; late-night phone calls are answered with mysterious hang-ups; in the name of loyalty, disloyal things are done. People start to act as though Stephen is a piece on a chessboard, but it turns out he has surprising gambits of his own.

The young idealist who is tempered by experience is a classic story, and *The Ides of March* (adapted from a play by a former Howard Dean staffer named Beau Willimon) offers a new twist on it. Gosling's Stephen is a natural cynic who has been brought back to idealism by Clooney's Morris. He gets his hopes up. It's only proper that those hopes get somewhat dashed, and it's also fun to watch. ♦

“MSNBC’s Chris Matthews has a rather humorous way to pick out the Democrats from the Republicans in a crowd. He suggests going to the movies. ‘There will be a few people there 10 minutes early and they may have a small candy bar for their refreshment—they are all Republicans,’ the ‘Hardball’ host said Thursday, during what felt like a stand-up routine at the Washington Ideas Forum.

“As for the Democrats, they are tardy for the party. ‘Wait until after the ads are finished and all the trailers are done . . . and the theater has gone black, pitch black, and you’ll feel someone trying to push past you,’ Matthews explained. ‘They will have trashcans of popcorn, they will have giant jugs of Coca-Cola and they will be mumbling happily something about, “What time did it start?””

—Washington Examiner, October 6, 2011



OK, HOW TO TELL THE DIFFERENCE BETWEEN REPUBLICANS AND DEMOCRATS: AT A RESTAURANT, DEMOCRATS EAT SALAD. REPUBLICANS ARRIVE TEN MINUTES EARLY TO STRANGULATE THE COW THEMSELVES. HEY-O!

AT CHURCH, DEMOCRATS SHOW UP LATE FOR COMMUNION AND ASK WHY THE MAN ON THE CRUCIFIX DOESN'T LOOK LIKE PRESIDENT OBAMA. REPUBLICANS ARRIVE TEN MINUTES EARLY SO THEY CAN HEAR THE PART ABOUT MORMONISM BEING A CULT. [RIMSHOT]

ON BROADWAY, DEMOCRATS ARE THE ONES WHO ENJOY THE RICH, TEXTURED OFFERINGS OF THE GOLDEN AGE OF MUSICAL THEATER. REPUBLICANS DON'T GO EAST OF BRANSON, MISSOURI, AND REJECT ANY ART THAT LACKS A BANJO PLAYER! (IS THIS AN AUDIENCE OR AN OIL PAINTING?)

AT A PROTEST, REPUBLICANS SING THE NATIONAL ANTHEM, READ FROM THE CONSTITUTION, AND CLEAN UP AFTER THEMSELVES. DEMOCRATS ARE THE ONES WHO CHANT, DEFECATE ON POLICE CARS, AND LEAVE THE AREA LOOKING LIKE A SUPERFUND SITE! NO, REALLY, I KID BECAUSE I LOVE...

AT SCHOOL, DEMOCRATS INSIST EVERY TEST SHOULD BE GRADED ON A CURVE TO ADDRESS EDUCATIONAL INEQUALITY. REPUBLICANS INSIST THAT THE TOP 10 PERCENT OF GRADE EARNERS SHOULD TAKE HOME MORE OF THEIR HARD-EARNED REPORT CARDS! (SERIOUSLY, TRY THE VEAL—IT'S DELICIOUS.)

AT WORK, REPUBLICANS HATE THEIR JOBS. DEMOCRATS, ON THE OTHER HAND, VOTED THEMSELVES OUT OF ONE. THANK YOU, AND GOOD NIGHT!