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THEY SAID IT

We can not finance the country, we can not improve social conditions, through any system of injustice, even if we attempt to inflict it upon the rich. Those who suffer the most harm will be the poor. This country believes in prosperity. It is absurd to suppose that it is envious of those who are already prosperous. The wise and correct course to follow in taxation and all other economic legislation is not to destroy those who have already secured success but to create conditions under which every one will have a better chance to be successful. The verdict of the country has been given on this question. That verdict stands. We shall do well to heed it.

These questions involve moral issues. We need not concern ourselves much about the rights of property if we will faithfully observe the rights of persons. Under our institutions their rights are supreme. It is not property but the right to hold property, both great and small, which our Constitution guarantees. All owners of property are charged with a service. These rights and duties have been revealed, through the conscience of society, to have a divine sanction. The very stability of our society rests upon production and conservation. For individuals or for governments to waste and squander their resources is to deny these rights and disregard these obligations. The result of economic dissipation to a nation is always moral decay.

Calvin Coolidge, Inaugural Address, March 4, 1925.

A PARTY CALLED STUPID.

The Obama presidency has hit the skids. The erstwhile “lightbringer” from Chicago has morphed into your average, everyday politician, with public approval numbers hovering at about 50% – the same as almost every president since Eisenhower at this point in his presidency. In fact, while Obama once appeared to be the most popular human on the planet, he now rates a well below-average eighth out of the last ten presidents in terms of popularity at the six month mark. He is, as Jonah Goldberg called him the other day (citing an old “Star Trek” episode), “the god who bleeds.”

Fortunately for all of us, a number of very smart, very well connected, and very well respected conservatives have figured out what Obama’s problem is. The aforementioned Jonah Goldberg claims that the President’s problem is that he is only really good at one thing, campaigning, and the hard work of governing eludes him. Specifically, Goldberg wrote:

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The one unifying theme of his presidency so far has been Obama's relentless campaigning for a job he already has. That makes sense, because that's really all Obama knows how to do. He's had no significant experience crafting major legislation. He has next to no experience governing at all.

But he's great at giving speeches, holding town halls, and chitchatting with reporters. So that's largely what he does as president. The problem is that campaigning is different from governing. The former requires convincing promises about what you will do; the latter requires convincing arguments for what you *are* doing. He's good at the former, not so good at the latter.

And Goldberg is not alone. Indeed, as Goldberg himself notes, none other than Michael Barone, the quintessential political analyst, who also just happens to be conservative, has made a similar argument. To wit:

We knew that day [inauguration day] that Obama was good at aura, at generating enthusiasm for the prospect of hope and change. His inspiring speeches -- the Jefferson-Jackson Day dinner in Des Moines, the race speech in Philadelphia, the countless rallies in primary and caucus and target states -- helped him capture the Democratic nomination and then win the presidency by the biggest percentage margin in 20 years.

But it turns out that Obama is not so good at argument. Inspiration is one thing, persuasion another. He created the impression on the campaign trail that he was familiar with major issues and readily ticked off his positions on them. But he has not proved so good at legislating.

All of this is, we think, fascinating. And, more to the point, it's also quite likely true. Obama really is pretty bad at this. He's young. He's new to Washington. And he is, as everyone from Hillary to John McCain tried to warn us, woefully inexperienced. He's a pretty face with a mellifluous voice and a cadre of gifted speechwriters. And little else. About this, Goldberg, Barone, and countless others are indubitably correct.

What we can't figure out is why anyone thinks that's a bad thing. This president is running around the country, giving rah-rah speeches, talking far more than acting, and, in general, proving himself to be all "hat and no cattle" (to borrow a phrase the left loved to use about George W. Bush), and people are concerned about it? Really? Enjoy it, we say.

Now, we know what you're thinking: of course they're enjoying Obama's political ineptitude. They don't like his policies and are happy to see him fail. Well, that's part of it. But not all of it.

Truth be told, a president who does nothing and simply yammers on and on is our kind of guy. The idea that there is politician in this country who sees a problem and decides that the best course of action is to stand there and blather mindlessly rather than actually to do something about it is comforting to us -- as it should be to all conservatives. Sure, it would be better if he didn't talk about the problem either, but hey, you can't have everything.

Once upon a time, presidents who did "nothing" were considered great Americans, especially by conservatives. Consider, for example, the following:

What is truly bothersome is the idea that the United States needs a 24-hour president. This is partly a relic of the Cold War, when it made sense to have a commander-in-chief always at the ready. And there's some media bias, too. The first President Bush was grilled like a kielbasa for playing too much golf and for traveling abroad too much, even

though Bill Clinton played as much golf and traveled even more without much comment.

But there's another dynamic at work here. The permanent government and the media that reports on it have become addicted to the idea that the federal government must always be in motion, always doing something.

Just because the president is away from his desk right now doesn't mean America stops. Every day, people are making decisions about where to send their kids to college, whether they should start a new business and what to have for dinner. And not one of them would make a different decision if the president was zooming through the night in his office on No-Doz.

The last president to truly understand this was Calvin Coolidge. Not only did he not see the need to work while on vacation, he didn't see the need to work that much while at work. When asked to name his administration's chief accomplishment, he declared, "minding our own business."

Coolidge summed up his philosophy succinctly: "When you see 10 problems rolling down the road, if you don't do anything, nine of them will roll into a ditch before they get to you." When farmers got in trouble, Coolidge refused to purchase surplus corn. After all, he argued, the government isn't in the grocery business.

This wasn't apathy or heartlessness – though your kids' history textbooks will tell you differently. This was a recognition that the federal government wasn't intended to be in the "make the world better business." Coolidge was

aggressive and proactive when necessary, but when it wasn't necessary he didn't muck things up by searching for new "problems."

The author of these words of wisdom, you ask? Jonah Goldberg. And he wrote them *eight years ago*, during President Bush's first summer vacation.

What's our point? Simply that when George Bush was president, those on the right argued that not every problem needed solving, that not every issue screamed for federal oversight, indeed, that some issue simply didn't lend themselves to reform. Today, the argument has changed. Many on the right are no longer arguing from first principles, no longer claiming that certain issues tend to defy big-government solutions simply because big government is can't handle them, because government is not the cure-all the leftists and statists would have us believe. Instead, they're arguing that the problem is that Obama is just not good enough at playing the game yet.

Now, we know we're being more than a little bit unfair to both Goldberg and to Barone, neither of whom has claimed to be making a normative case against "reform," and both of whom have simply described the state of affairs as they see it. The problem is the state of affairs. Conservatives and Republicans in general are spending their time arguing the finer points of the art of politics, rather than making a broader case based on principles. It's not that Obama is failing because he's a novice – or at least not *only* because he's a novice. He is failing because there are inherent flaws in the concepts he's advancing and inherent conflicts between those concepts and the principles on which this nation was founded.

The real crux of the matter is that the Republicans are either unwilling or unable to make such arguments. They seem paralyzed at the idea of actually saying: No. There is no "crisis" and there is no "system" that needs reforming. Instead, they concede from the very start that "reform" is somehow obligatory and must therefore be imposed from above. And once they've done that, it's all just bickering about the details, all while losing the inherent philosophical arguments.

The one conservative commentator who has noted this and complained about it effusively is the inimitable Mark Steyn, who has persistently claimed that the costs, the counseling, the abortion mandates are all side issues that distract from the principle issue, namely freedom and an individual's right to self determination, which will be inevitably compromised by government health care.

This is the fundamental Republican disease and it applies to all sorts of issues and policies. Steyn notes that one of the GOP's biggest failings in the 1990s was allowing Clinton's health debacle to proceed without killing the idea of nationalized reform or single-payer health insurance. He writes:

In *The American Spectator*, Brandon Crocker points out that this is exactly the way things went over Hillarycare in 1993: Americans opposed the plan on practical grounds, but not against the underlying principle. "Since we did not win that philosophical argument in 1993," Mr. Crocker writes, "we now have to fight the same battle today." And, if we win on utilitarian grounds today, we'll have to fight it again in ten years, five years, maybe less — until something passes, and then everything changes, forever. As the IRA famously taunted Margaret Thatcher: We only have to get lucky once; you have to be lucky every day.

We agree, naturally, but we'd take the criticism even further. The Republicans, for all that they did do in the 1990s, didn't win *any* of the philosophical debates. Not health care. Not taxes. Not spending. Not the size and scope of government. Newt and company won the Congress in 1994, in part because of Hillary's health care mess. But they never were able to explain why the idea of reform was intrinsically bad. They never were able to explain why the Clinton tax hikes were bad as well, despite the fact that they never caused the economic disaster that they, and countless other supply-siders, predicted. And so, as a result, the economic damage intrinsic in government bloat, in government "reform" efforts, and marginal tax hikes remained largely unseen and thus an object of ridicule. Newt claimed that Clinton's tax hikes would kill the

economy, for example. But they didn't. So Newt and the rest of the doom mongers were wrong, or so we've been told, over and over again.

All of these battles continue to rage today and, given the manner in which the GOP is handling itself, will have to be fought over and over again in years to come. Throughout the campaign and the first six months of the Obama presidency, Republicans have insisted quite rightly and quite aggressively that Obama's tax and spending policies would hamper the economic recovery considerably. But now that actual recovery appears imminent, they're going to have to explain why they were wrong, even though they weren't. They avoided the difficult philosophical arguments and were thus reduced to hoping for bad news. And before long, they will look like fools. And, perhaps worse, they will have to pin their hopes for making gains in the midterm elections on continued high unemployment. That might not be a bad bet, but it sure is an ugly and callous one.

What the Republicans appear not to understand is that the American and global economies are bigger, stronger, and more resilient than any political actor or actors, at least in the near term. Obama may have done damage and may continue to do damage to the recovery through ill-conceived economic interventions, but the effects of those interventions will be to slow or weaken the economic growth, not stop it altogether. The engine that drives the world continues to chug, no matter what the government does. Certainly it does so less efficiently and less vigorously than it would otherwise, but it still chugs. And short of complete and total appropriation of the productive sectors of society, it will do so for a long, long time, even as the impediments add up.

Like the Democrats and the media types, the Republicans have bought into the pernicious myth that somehow government and policy are what matter most. And that's just nuts.

The bottom line on all of this is that our entire political culture is immersed in the idea that all that matters is what the government does and, more

specifically, what the president does. The Democrats talk about remaking the nation through health care and health care savings. The Republicans lament the actions taken by the administration and their potential to “destroy” the economy. Even many reliably conservative analysts and pundits see the current debate explicitly in terms of the president and his ability to “get things done.”

Our advice? Worry more about what the president doesn’t do and what he can’t do and what he shouldn’t do, because while the president may be the “most powerful man in the world,” that’s not to say that he is the most powerful force in the world. The nation, its political parties, its media, and its voters have far too much invested in the power and abilities of one man – irrespective of who that man is.

If the Republicans intend to have much of a political future, they need to come to this realization soon and begin to fashion the philosophical cases that will win the policy arguments. Otherwise, the statist will, eventually, get lucky, and not just once, but over and over again. And eventually, the cumulative damage will take a very large toll.

CALIFORNIA AND THE BLUE STATE MELTDOWN.

It looks as if the state of California has managed to dodge the bullet, at least for the time being. Through a combination of spending cuts and what the columnist Robert Samuelson calls “accounting gimmicks,” the Golden State has survived a very real and very serious threat to its solvency and has cobbled together a solution to its budget mess. One cheer for California and for Governor Mr. Olympia.

Why only one cheer? That’s easy. This is a temporary solution, one that will likely not survive the summer without further complications. Over the weekend, in fact, the most serious and likely of the complications – further self-destructive and antagonistic action by the state’s largest public employees’ union – reared its ugly head. The Service Employees International Union (SEIU), which represents some 95,000 state

employees, voted on Saturday to authorize a strike “if necessary.” We suspect that before long, either such a strike will become necessary or the state government will be compelled to make further concessions to the public-sector workers to ensure that it doesn’t. Either way, California is screwed. More than it is already, we mean.

Whatever the future holds for California, it and a handful of other states with serious budgetary problems – most notably New York and Michigan – have become symbols for many of the problems that permeate our political culture and forewarn of pending calamity on the national level. There are lessons to be learned, we are told, lessons that can and should be applied to Washington.

Fair enough. But does anybody have any clue what the proper lessons should be?

The risk here, as is always the risk when the consensus insists on learning lessons, is that the wrong lessons will be learned, which, in turn, means that what problems the nation shares with California and the other collapsing blue states will either be left unsolved or, more likely, exacerbated. Learning lessons is nice, but only if we learn the proper ones. And that doesn’t always happen.

Consider, for example, the following, written last week by Marc Dunkelman, a vice president of the Democratic Leadership Council, and published by *US News and World Report*. Dunkelman, as you will see, thinks that the problems in California and elsewhere are merely just the effect of a struggle between “good politics” and “good policy.” To wit:

For most observers, it’s tempting simply to blame the politicians who drove the stalemates in both Albany and Sacramento. Too many put their short-term parochial interests above the greater good, and for much too long, too few were willing to sacrifice in the pursuit of a workable compromise.

But both state governments have been the butt of criticism from editorial boards and good government groups for years, so few experts could have been truly shocked when each dissolved into chaos. The truth is more dispiriting: Beyond individual failures of leadership, both states operate under a framework that pits good politics against good policy.

Consider the constituencies that individual members of each legislature represent. Gerrymandering in both California and New York breaks each electorate up into homogeneous pockets often firmly at ideological odds with residents in neighboring districts. And the purity of each constituency makes compromise between their elected officials terribly difficult.

Moreover, elections are structured to drive the same divisive end. The exorbitant cost of running an effective campaign leaves candidates more tempted to heed the demands of deep-pocketed donors and special interest groups. And a polarized media tars those who would strike out against conventional thinking.

The result has been to discourage elected officials from embracing the common sense middle.

Did you get that? The elected officials are not to blame. They're victims, actually. We can't hold them accountable for this mess. We should pity them instead.

We were going to say that this is the biggest load of bunk that we've ever read, but we decided that that would be unfair. We've read bigger. We're sure of it. We just can't seem to recall when. Anyway, we know we have.

Not all the "lessons" have been so ridiculous, of course, and many have, at the very least, addressed some of the basic concerns. The aforementioned Robert Samuelson, for example, draws an important one that he is even kind enough to identify for us.

Here's the national lesson. There's a collision between high and rising demands for government services and the capacity of the economy to produce the income and tax revenues to pay for those demands. That's true of California, where poor immigrants and their children have increased pressures for more government services. It's also true of the nation, where an aging population raises Social Security and Medicare spending. California is leading the transformation of politics into a form of collective torture: pay more (higher taxes), get less (lower services).

Samuelson is a smart guy. And he's right about spending and services, etc. But like almost everyone who analyzes this stuff, he's missing a crucial component of the discussion. He has the fiscal policy aspect of this down cold. But it's not just about fiscal policy. It's also about culture and those aspects of the culture that divide red from blue, right from left. And to ignore that feature of the California/New York/blue state mess is to miss its significance almost entirely.

Let us explain.

For years now, we've been told that the blue state/red state is purely a function of cultural issues. Blue states favor abortion. Red states do not. Blue states favor liberalization of marriage laws. Red states do not. Blue states are less religious and more "mainline" in their religiosity. Red states are more religious, evangelical, and "conservative" Catholic. The cultural meme explains it all. It even, according to folks like the *Wall Street Journal's* resident liberal Thomas Frank, explains why red staters are "fooled" by their partisan leaders into voting against their "true" economic interests.

This is an interesting story, we agree. But it's also a fanciful one.

The idea that the "culture" can be reduced to religious beliefs or that it can somehow be separated from views about work, money, and the government's role in society is flatly absurd. Yes, the religious identification matters and is a big part of the distinction between red and blue. But it is only a part, and an indissoluble one at that.

The culture wars are hardly as simple as their critics claim. It's never *just* about social issues. And the idea that social issues can be definitively detached from economic issues is largely a myth.

One way to look at this is to consider dependency, specifically dependency on the state. If you want to divide the country into blue and red, you can do it by support for (or opposition to) abortion rights. Or you can do it by dependency on government, as measured by the size of states' respective public sector unions. And your results will be nearly identical.

It is no coincidence that the states that are the bluest of the blue are also those that have the largest public sectors and largest public sector unions. And it is no coincidence that the states with the largest public sectors and public sector unions are also the ones facing the greatest economic peril. Dependency breeds government growth. Government growth breeds dependency. And this vicious circle not only chases away those who seek independence and personal responsibility, it also replaces them with those who feed the circle and exacerbate the problem. As you read the following, written two weeks ago by Joel Kotkin, a presidential fellow at Chapman University, keep in mind the story that led this piece, the story of California's troubles and its public sector union's vote to strike.

Today two principles now drive the political economy of the blue states—and so shape the Obama administration today. The first one is the relentless expansion of public sector employment

and political power. Although traditional progressives such as Franklin D. Roosevelt, Harry Truman, Fiorello La Guardia, and Pat Brown built up government employment, they never contemplated the growth of public employee unions that have emerged so powerfully since the 1960s.

Public sector employees initially played a positive role, assuring that the basic infrastructure—schools, roads, subways, sewers, water, and other basic sinews of society and the economy—functioned properly. But as much of the private economy moved out of places such as New York, Illinois, and, more recently, California, public sector employment began to grow as an end to itself.

Some blue-state theorists, columnist Harold Meyerson among them, have identified this new, highly unionized public sector workforce not so much an adjunct to the middle class but its essence. This has become very much the reality in many core blue regions—particularly big cities like New York, Chicago, and Detroit—as the private-sector middle class has drifted to the suburbs or out to the red states.

Even before the recession these public-sector unions and their lavish benefits had become a major burden for blue states and cities. In California alone state pensions are now \$200 billion underfunded. San Francisco has more than 700 retirees or their survivors earning pensions in excess of \$100,000 per year. In New York, despite Mayor Michael Bloomberg's occasional utterances about the city's expanding pension system being "out of control," city contributions to the pension system

have grown fivefold under his watch. They now consume roughly one in ten dollars in the city budget.

If one looks at the history of California's present-day meltdown and specifically at the few efforts that Gov. Mr. Olympia has made to avoid this meltdown, it is clear that the public sector and its unions are a big part of the problem. At no point was this made clearer and more obvious than when Schwarzenegger tried to save the state some \$74 million by cutting the pay of home health care workers and was promptly attacked by Service Employee International Union (SEIU) allies in the Obama administration, who threatened to withhold \$6.8 billion in federal stimulus funds. Governor Mr. Olympia is no idiot, so he withdrew the cut and kept the stimulus cash. And the point had been clearly made: mess with the SEIU and you'll pay a steep price.

And so it goes throughout the blue states. The public sector is, in many of these places, no longer a function of government service to residents. It is an entity and an industry unto itself. As Kotkin notes, it exists for the purpose of existing. And it chokes out productive industry and perpetuates its own growth.

What is the broader lesson to be learned here, the "national lesson" as Samuelson put it?

The Obama administration and the Democratic Party in general are intent on replicating the blue state model of the public sector – and thus the blue state model of dependency, bloat, and budgetary mayhem – on the federal level. And they're not alone.

When George W. Bush expanded Medicare to include prescription drugs, he did more than "spend money" that the country didn't and doesn't have. He also put a greater share of erstwhile private sector activity under public sector control. And in so doing he created a further dependency on government. When George

W. Bush abandoned the farm policies initiated by Newt, Dick Armev and the rest of the Republican revolutionaries of the 1990s, he not only re-introduced massive subsidies and spent money the country didn't and doesn't have, he also put a greater share of the erstwhile private sector activity under public sector control. And in so doing he created (or RE-created, more accurately) a further dependency on government.

When Barack Obama declares his intention to "reform" health care and offer a "public option" he is not only promising to put 1/6th of the erstwhile private economy under public sector control, he is also attempting to create a (massive) further dependency on government.

The difference between at the national level Republicans and Democrats on the issues of dependency and blue state public sectors is only a matter of degree. Both are pushing an expanded public sector and both are therefore also pursuing the politics and policy that destroy the private sector, weaken the public's sense of personal freedom and personal responsibility, and bring on the budgetary dangers associated with what Joel Kotkin call the "blue state meltdown."

Red state conservatives have somehow managed to keep most of their state governments from explicitly following the blue state model. But that will be of little consolation if the nation as a whole adopts the blue state ethos. If you're looking for a national lesson, this is it: Health care reform, climate change legislation, cap and trade policy and all the other soft leftist "changes" are geared not just at addressing invented or exaggerated problems, they are also geared at changing the relationship between the state and the citizen. This is what they've done in California, New York, Illinois, Michigan and elsewhere in blue country. And it's proven disastrous.

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