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## THEY SAID IT

This is a fundamental principle of social philosophy, unshaken and unchangeable. . . Just as it is wrong to withdraw from the individual and commit to a community what private enterprise and industry can accomplish, so too it is an injustice, a grave evil and a disturbance of right order, for a larger and higher association to arrogate to itself functions which can be performed efficiently by smaller and lower societies. Of its very nature the true aim of all social activity should be to help members of the social body, but never to destroy or absorb them.

*Quadragesimo Anno*, Pope Pius XI, 1931.

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## CHINA BULLS.

As far as we can tell, China bulls fall into two categories. The first is comprised of people who are looking to make quick money. These folks – including, we would imagine, a great many of you, gentle readers – are people looking for reasonably solid investments that will produce reasonably solid returns. And China, like almost all emerging markets, provides some very real and very serious opportunities. And why not? The nation has a mammoth population, an on-ongoing, highly ambitious modernization process, and significant wealth?

The second category is made up of people who are looking at what they consider to be “the broader picture.” These folks think that we are living in the “Chinese century;” that the Chinese have it all figured out; and that when Deng abandoned strict socialist economics in the late 1970s, he unleashed an economic expansion unprecedented in human history. And again, why not? China is now the world leader in both automobile consumption and pollution production, the latter being a leading indicator of economic and industrial might. It possesses not only the most massive population on earth, but one of the most ambitious, enthusiastic, smart, resourceful, and hungry for wealth and prestige. For these folks, the United States is yesterday’s news. China is today’s. And tomorrow’s.

Now, those of you who have been reading our little essays here at The Political Forum for any length of time undoubtedly know that we have, over the years, applauded the first group for their investment acumen and excellent timing. Our critical concern has been concentrated on the second group, whom we fear are both exaggeratedly influential in the debate over China, its future, and its investment possibilities and more than a little goofy, largely because they have a tendency to project their dissatisfaction with what they believe is wrong with America into idealized visions of what is right about China.

The old “Oracle of Omaha” himself, Warren Buffett, and his pal and fellow billionaire Bill Gates, and a phenomenally large crowd of the Wall Street’s “masters of the financial universe” fall into this category. These folks and these firms love China and resent anyone who doesn’t share their affection. Indeed, we were terminated from one such firm, in part because our concerns about China did not “match those of the firm” and were told to “cool it” in our critique of The People’s Republic by another such firm. (That neither of those firms still exists is all probably just coincidental, but then . . . who knows?)

In any case, likely the most eloquent spokesmen for this crowd of Sino-philes (and we use the word “eloquent” here loosely) is the *New York Times* columnist and author Tom Friedman, who has been singing the ChiComms’ praises for years and is singing them again this week, as travels back to what is apparently his favorite place on earth. What is it that Friedman – and, we believe, the rest of the China-boosters – loves so much about China? Well, you see, the Chinese are really super smart about investing in their future. As Friedman put it last week:

All the long-term investments that China has made over the last two decades are just blossoming and could really propel the Chinese economy into the 21st-century knowledge age, starting with its massive investment in infrastructure. Ten years ago, China had a lot bridges and roads to nowhere. Well, many of them are now connected. It is also on a crash program of building subways in major cities and high-speed trains to interconnect them. China also now has 400 million Internet users, and 200 million of them have broadband. Check into a motel in any major city and you’ll have broadband access. America has about 80 million broadband users.

Now take all this infrastructure and mix it together with 27 million students in technical colleges and universities — the

most in the world. With just the normal distribution of brains, that’s going to bring a lot of brainpower to the market, or, as Bill Gates once said to me: “In China, when you’re one-in-a-million, there are 1,300 other people just like you.”

Equally important, more and more Chinese students educated abroad are returning home to work and start new businesses.

Wow. All of that sounds really neat. Good stuff. Bridges to nowhere now go *from* nowhere too. Awesome! But is there anything wrong with China?

Well, Friedman admits, China has some issues or potential issues with . . . you guessed it . . . “bubbles.” But those are, in truth, really no big deal. The smart guys in the Chinese government, “mostly engineers,” (like Hoover, we presume), are doing a good job of handling them. And that is, as Friedman notes, “the point”: China “has a political class focused on addressing its real problems,” which, of course differentiates it from the United States and, we’d guess, the rest of the Western world.

Over the weekend, Friedman lamented that his country and his president could not behave as effectively and efficiently as could China and its leaders. “Visiting the greater China region,” he wrote, “always leaves me envious of the leaders of Hong Kong, Taiwan and China, who surely get to spend more of their time focusing on how to build their nations than my president.” These guys solve problems. Did George Bush? Hell no! Did Bill Clinton? Are you joking? Does Barack Obama? Well, not yet he doesn’t. These “democrats” are amateurs, you see. They can’t fix things. They don’t fix things. Instead, they worry about polls and elections and other stupid things like “the will of the people.” Friedman put it best, we think, in a column he wrote this past September, at the height of the taxpayer revolt against Obamacare:

One-party autocracy certainly has its drawbacks. But when it is led by a reasonably enlightened group of people, as China is today, it can also have great advantages. That one party can just impose the politically difficult but critically important policies needed to move a society forward in the 21st century. It is not an accident that China is committed to overtaking us in electric cars, solar power, energy efficiency, batteries, nuclear power and wind power. China's leaders understand that in a world of exploding populations and rising emerging-market middle classes, demand for clean power and energy efficiency is going to soar. Beijing wants to make sure that it owns that industry and is ordering the policies to do that, including boosting gasoline prices, from the top down.

Our one-party democracy is worse.

You catch that? China is superawesome because its autocracy can and does do the “big things” and doesn't have to worry about the pesky little voters – also known as “people.” Autocrats are cool, it seems, because they can “get things done.”

What kinds of things, you ask? Well, in addition to the aforementioned bridges to and from nowhere, it seems that autocrats can look the other way when toy manufacturers put lead paint on their little toy trains, or when baby formula producers put melamine in the mix, or, as we learned recently, when children's jewelry manufacturers make kiddie necklaces out of toxic cadmium. What else can they do? Funny you should ask. As it turns out, they can also facilitate real and honest warfare against women and girls, producing at least one generation so overwhelmingly male as to pose a threat to stability. As *The New York Times* put it earlier this month:

Abortions of girl fetuses are expected to leave China with 24 million more men than women over the next decade,

according to a study that warns the imbalance will dash many young men's chance at marriage and lead to increased crime.

China enforces strict family planning controls, including limiting most couples to having one child. Because of a traditional preference for male heirs, many families terminate pregnancies of girl babies in order to be able to continue trying for a boy. Infanticide of baby girls has also become a problem.

The study by the Chinese Academy of Social Sciences, reported in Chinese state media this week, specifically said such preferences were behind the ballooning imbalance.

But then, you knew that already, didn't you? Or at least you did if you have been paying attention, since this is one of the stories on which we have harped for at least the last decade – not that any of our erstwhile employers were terribly willing to listen to us, much less let us tell you about it. Still, this is the way things are in an autocracy. But, sssshhhhhh, don't tell Tom Friedman. You'll break his little heart.

You see, Friedman and those who think like him believe that you can separate the politics of autocracy from the economics of autocracy, and, moreover, that focusing on the economics and the ability to “get things done” is all that really matters in this complex global society. This is both shockingly evil and shockingly ignorant.

The fact of the matter is that for all its “investments” in its people in the aggregate, the Chinese government continues, quite literally, to destroy its people in the singular. Why did Google announce that it would be rethinking its partnership with the Chinese? Because the wonderful and bold Chinese government busted into its email servers to get the information necessary to locate – and eventually arrest and torture – individual dissidents. Google had put up with quite a bit from

the Chinese. But, apparently, it was unwilling to be an accessory to murder. That's more than we can say for Friedman, we suppose.

It is, we'd guess, a little unfair to compare the hapless Friedman to the monster Walter Duranty, who knowingly ignored and lied about mass murder while covering Stalin's "workers' paradise" for the very same *New York Times* that employs Friedman. Still, Friedman, like his fellow Timesman, is covering for some very bad people. Friedman has little time for the individual men and women kept in the Chinese *Laogai* (i.e. *Gulag*), little time for the individual practitioners of Falun Gong who are routinely arrested, imprisoned, tortured, and murdered, or for the individual Chinese dissidents who disappear and stay disappeared at what normal people might consider an alarming rate. "The Chinese people," it seems, are doing really well, though individual Chinese are still being slaughtered by the "enlightened group of people" Friedman so dearly adores. And by ignoring those individuals and promoting their murderers, Friedman makes himself complicit in this evil.

But he does far worse than that as well. What Friedman and the other China-boasters fail to grasp is that the politics of the regime simply cannot be separated from the economics of the regime. The two are irrevocably intertwined. To believe otherwise, to write otherwise, to argue otherwise, to invest otherwise is to demonstrate a complete and utter lack of the foundations and bedrocks of capitalism and economic progress.

The individual, whom Friedman, Gates, Buffett, and the rest ignore, and whom the Chinese government seeks to destroy, is the integral ingredient in capitalist economics. And respect for the individual is the bedrock principle not just of capitalism but of democracy as well. The two are more than just connected. One cannot exist without the other. And neither can exist for long without a dedication to individual rights and individual liberty. The history of capitalism is the history of democracy, and of individual rights. Even a remedial and cursory perusal of the history and growth of the West shows this to be true.

Countless brilliant men, from Adam Smith to Tocqueville to Weber, have made this point and made it repeatedly. Smith put it bluntly, noting that an individual pursuing his self interest "frequently promotes the interest of the society more effectually than when he really intends to promote it." One of the most recent and most succinct iterations of this idea was made by Pope John Paul II, nearly twenty years ago, when he wrote:

"... the fundamental error of socialism is anthropological in nature. Socialism considers the individual person simply as an element, a molecule within the social organism, so that the good of the individual is completely subordinated to the functioning of the socioeconomic mechanism. Socialism, likewise, maintains that the good of the individual can be realized without reference to his free choice, to the unique and exclusive responsibility which he exercises in the face of good or evil. Man is thus reduced to a series of social relationships, and the concept of the person as the autonomous subject of moral decision disappears, the very subject whose decisions build the social order. From this mistaken conception of the person there arise both a distortion of law, which defines the sphere of the exercise of freedom, and an opposition to private property. A person who is deprived of something he can call "his own" and of the possibility of earning a living through his own initiative comes to depend on the social machine and on those who control it. This makes it much more difficult for him to recognize his dignity as a person and hinders progress toward the building up of an authentic human community.

The individual is the source of capitalism's power. And without respect for and protection of the individual, a regime cannot be capitalistic. The regime's interests will overwhelm the interests of the individual, leading eventually to misallocation of resources, corruption, and perhaps even collapse. And this is the point that the Sino-philes miss.

China the economic giant is, we are increasingly convinced, a mirage, a temporary structure built on straw, truly impressive only by comparison to what came before. Tom Friedman thinks that what is most important and most relevant about the Chinese regime is that it can ignore the pettiness of individual actors and of individual wills to rise above and solve the “real” problems that hamper its growth. Strangely, we agree, only we are shocked by Friedman’s cluelessness. The state is not the driver of economic output, and nor are education or infrastructure. The individual is the driver. And those, like Friedman, Gates, and Buffett, who choose to ignore this, are destined to get buried in the collapse.

## **DÉJÀ VU ALL OVER AGAIN. AND AGAIN. AND AGAIN . . . .**

Ever feel like you’ve been here before? Like you’ve done this same thing, heard these same words, watched these same talking heads as they utter these same platitudes? Ever feel like you’re living the same day over and over again, with nothing changing but you? Ever feel like you’ve already done your time in Punxsutawney, chatting with an overgrown rodent whose “job” is to predict the weather, and should be moving on back to Pittsburgh; but that you just can’t leave and have to chat with the rodent again tomorrow, and the day after that, and the day after that, and the day after that, for what seems like an eternity?

For those of you who don’t know, this last sentence above is a reference to the classic 1993 movie *Groundhog Day*, which starred Bill Murray as Phil Connor, as self-absorbed weatherman from Pittsburgh, who is cosmically trapped in Punxsutawney, reliving the same day (*Groundhog Day*, natch) over and over again until he learns the lessons about life that he needs to learn.

In his 2005 *National Review* cover story on the movie (Yes, such a story exists, and yes, it’s really quite good), Jonah Goldberg notes that this “plot device,” the repetition of the same day over and over again, “has seeped into the larger culture.” To wit:

Indeed, “Groundhog Day” has become shorthand for (translating nicely) “same stuff, different day.” Troops in Iraq regularly use it as a rough synonym for “snafu,” which (also translated nicely) means “situation normal: all fouled-up.” Connors spends an unknown number of days repeating the exact same day over and over again. Everyone else experiences that day for the “first” time, while Connors experiences it with Sisyphean repetition. Estimates vary on how many actual Groundhog Days Connors endures. We see him relive 34 of them. But many more are implied. According to Harold Ramis, the co-writer and director, the original script called for him to endure 10,000 years in Punxsutawney, but it was probably closer to ten.

According to Goldberg, a great many intellectual and religious leaders attribute great meaning to the movie, which has inspired “weighty philosophical treatises on the deep Platonist, Aristotelian, and existentialist themes providing the skin and bones beneath the film’s clown makeup.” The film has, Goldberg notes, become for many a metaphor for life, for spirituality, and even for religious redemption.

For our part, we wouldn’t go quite that far. But we would say that the film has become a metaphor for this country’s stilted, tired, perpetually recurring politics. Indeed, as long and as hard as we might think on the matter, we doubt seriously that we could come up with a better description of American politics these days than “same stuff, different day.” We feel like we’ve been here before, but only because we have.

Consider, for example, the case of the panty-bomber Umar Farouk Abdulmutallab, who tried but failed to blow up an airliner over Detroit and, in so doing, sparked a fit of hand-wringing from Washington’s usual suspects. In almost every way, this sad day is one we’ve lived through before.

How, exactly, did a known terrorist trainee, whose father had turned him in to American officials, get on board a Detroit-bound flight with enough explosives in his BVDs to bring down a jet-liner? Well, as it turns out, the “signs” were missed. One arm of the intelligence apparatus didn’t talk to the other arm, which didn’t talk to the White House, which didn’t talk to the Transportation Security Administration, which did brief the National Security team, though that briefing wasn’t passed on to the President, who was in Hawaii anyway. Blah, blah, blah. Or as *The New York Times* noted over the weekend:

Worried about possible terrorist attacks over the Christmas holiday, President Obama met on Dec. 22 with top officials of the C.I.A, F.B.I. and Department of Homeland Security, who ticked off a list of possible plots against the United States and how their agencies were working to disrupt them.

In a separate White House meeting that day, Mr. Obama’s homeland security adviser, John O. Brennan, led talks on Yemen where a stream of disturbing intelligence had suggested that Qaeda operatives were preparing for some action, perhaps a strike on an American target, on Christmas Day.

Yet in those sessions, government officials never considered or connected links that, with the benefit of hindsight, now seem so evident and indicated that the gathering threat in Yemen would reach into the United States.

Just as lower-level counterterrorism analysts failed to stitch together the pieces of information that would have alerted them to the possibility of a suicide bomber aboard a Detroit-bound jetliner on Christmas, top national security officials failed to fully appreciate

mounting evidence of the dangers beyond the Arabian Peninsula posed by extremists linked to Yemen.

Mr. Obama this month presented his government’s findings on how the plot went undetected. But a detailed review of the episode by *The New York Times*, including more than two dozen interviews with White House and American intelligence officials and with counterterrorism officials in Europe and Yemen, shows that there were far more warning signs than the administration has acknowledged.

Does any of this sound painfully familiar? Recall, if you will, that President Bush was briefed in August 2001 about Osama bin Laden trying to strike American targets. And his National Security team was briefed about the possible use of highjacking. And Mohammad Atta was on a watch list. And so were some of the others. And everyone knew something, but no one knew everything. *Etc., etc, ad nauseam.* Talk about your Groundhog Day. We wonder if the *Times* could have saved itself a little cash and just word-searched an old post-9/11 article, and replaced all the “Bush”-es with “Obama”s.

And how, exactly, did the government respond to the attempted attack? Well, President Obama blathered on endlessly about how we have to do better next time, about how there was a “systemic” failure that can and should be corrected. Obama’s Homeland Security chief said some stupid things and then did some stupid things, punishing air travelers for her own incompetence, issuing new restrictions on the behavior of normal, innocent people and promising tougher security, even on board the planes themselves.

Again, doesn’t this all sound familiar. Do you remember flying without taking off your shoes first? Neither do we. But we do know that Shoe Bomber Richard Reid’s act of attempted terrorism has inconvenienced hundreds of millions of travelers in

the eight years since. We also know that we can't take a bottle of water on a plane because someone tried to blow something up somewhere. And it used to be that you couldn't go potty in the last hour of a flight into Washington, a restriction that will now be expanded. And there used to be air marshals on almost every flight into D.C., but they've slowly disappeared. And there used to be...well, you get the point. Groundhog Day.

Finally, how did critics of the administration respond to this screw-up in intelligence? Some hollered and screamed about the President being "out of touch" and fretted about him playing golf – almost as if they were reading from the script for Michael Moore's anti-Bush screed *Fahrenheit 9/11*. Some complained about how the President "took his eye off the ball" by focusing on health care rather than terrorism. And still others lamented the imposition into the Intelligence Community of that old, dastardly nemesis "bureaucracy." Into this last category fell former American ambassador to the United Nations John Bolton, who wrote:

The problem is often not the intelligence we collect, but assessing its implications. Solving that problem requires not the mind-deadening exercise of achieving bureaucratic consensus, but creating a culture that rewards insight and decisiveness. To create that culture we should abolish the DNI office and NIEs.

Eliminating the DNI should be accompanied by reversing decades of inadequate National Security Council supervision of the intelligence function. The council is an awesome instrument for presidential control over the IC, but only if the national security adviser and others exercise direction and control. Sloughing off responsibility to the bureaucracy embodying the problem is a failure of presidential leadership, and unfortunately gives us exactly the IC we deserve.

Now, we like Bolton a great deal and think he's very smart. But the idea that the big, bad bureaucracy is to blame is older than Hillary Clinton looks. That's not an answer; it's a cliché. It's the stock response not just to terrorist plots, but to everything. Without question, Groundhog Day.

For the record, this Groundhog Day theme and sense of déjà vu apply to more than just merely the war on terror or this most recent attempted attack. Indeed, they apply to almost everything in Washington these days. A charismatic Democratic president who squanders his popularity pushing an unpopular health care reform bill and thus risks losing Congress to the erstwhile left-for-dead Republicans? Groundhog Day. A political opposition that can't express what it is for, but defines itself merely in terms of what it is against, namely the President? Groundhog Day. Political defeats by the party in power spawning charges of racism and political ignorance? Groundhog Day.

Heck, everything about the current administration has a vaguely familiar sense about. The entire agenda represents not "change," but "recycling." As the inimitable Charles Murray put it last February after hearing the then-new president lay out the plans for his agenda:

I know the speech was supposed to be upbeat and not for policy wonks.

But I'm worried that it's not just a matter of what he chooses to put in speeches, but what he knows. It looks very much as if the president is oblivious to everything we've learned about social programs and educational reforms in the last 40 years—and by "we" I include policy analysts on the left as well as right. The guy never indicates that he is aware that we've *tried* a whole bunch of the same stuff he wants to try and evaluated it repeatedly and—read my lips—it doesn't work.

In other words, Groundhog Day.

In his aforementioned *National Review* piece on the film, Jonah Goldberg notes that while interpretations vary, it is clear that Phil Connors (Bill Murray) is stuck in this rut because he is “a thoroughly postmodern man: arrogant, world-weary, and contemptuous without cause.” And he can therefore only be freed from this rut when he sheds his postmodern character and its related nihilism and embraces more classical values and expectations. To wit:

Connors’s metamorphosis contradicts almost everything postmodernity teaches. He doesn’t find paradise or liberation by becoming more “authentic,” by acting on his whims and urges and listening to his inner voices. That behavior is soul-killing. He does exactly the opposite: He learns to appreciate the crowd, the community, even the bourgeois hicks and their values. He determines to make himself better by reading poetry and the classics and by learning to sculpt ice and make music, and most of all by shedding his ironic detachment from the world.

We don’t know if we find this comforting or terrifying. The implication, of course, is that redemption is possible, which when applying the metaphor to politics, means that there is a way to break free this painfully tiresome political rut. And that, naturally, is a good thing.

Unfortunately, in order to do so, (to carry the analogy to its conclusion) the nation would have to shed its postmodern accoutrements and reject the politics of state-imposed nihilism. And frankly, we’re just not sure that this blessed people is capable of that anymore.

In our domestic Fearless Forecast piece published two weeks ago, we suggested that the political culture is currently in flux, with the ultimate outcome unknown. We guess we’ll learn more about whether this Groundhog Day can be ended this evening, as results begin to pour in from Massachusetts. And we’ll learn more still next November.

Until then, we’ll just sit and worry, “What if there were no tomorrow?” After all, “There wasn’t one today.”

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