

Mark L. Melcher Publisher
melcher@thepoliticalforum.com

Stephen R. Soukup Editor
soukup@thepoliticalforum.com

THEY SAID IT

The basic bargain about public-sector work, hammered out decades ago in a very different world, is supposed to be: You give up status, upward possibility, and compensation now for job security and payoffs later in retirement. That has never really been true and is certainly less so now. Yes, public-sector jobs offer more security than their private-sector counterparts, but compensation is also higher on average and the benefits, especially in retirement are gold-plated to the nines. That bargain, which is unsustainable economically, is going to hit the rocks.

Nick Gillespie, "Even More on the Coming War Over Public-Sector Pensions," *Reason* magazine's "Hit & Run" blog, February 21, 2010.

In this Issue

The End of the World As We Know It.

He Lives In A Rather Special World.

THE END OF THE WORLD AS WE KNOW IT.

Just over two years ago, in December 2007, the American intelligence apparatus released a report – a National Intelligence Estimate, to be precise – concluding that the Islamic Republic of Iran was no longer in the nuclear arms business. According to the NIE, the Mad Mullahs (our term, not theirs) gave up their nuclear ambitions in 2003, and the program remained frozen.

Eleven days ago, the Obama administration dismissed Iranian claims regarding uranium enrichment. Iran, you see, had claimed to be able to enrich uranium to 20 percent, a key threshold on the road to production of nuclear weapons-grade material. Presidential Spokesman Robert Gibbs responded by declaring that, "Quite frankly, what Ahmadinejad says, he says many things and many of them turn out to be untrue. We do not believe they have the capability to enrich to the degree to which they now say they are enriching."

On Friday, the United Nations' International Atomic Energy Agency (IAEA), the global nuclear watchdog, released a report noting that Iran had, in fact, enriched uranium to 20 percent and did, in fact, have "the capability" to do so again. The report also said that Mullahs never gave up their weapons ambitions and never "froze" their program.

All of which is to say that Iran is precariously close to building a nuclear bomb, which, in turn, is to say that the intelligence and political leaders of this country are either woefully, inexcusably, and dangerously ignorant and derelict, or they are exceptionally deceitful, willing to lie bald-facedly to the American public in an effort to insulate themselves from having actually to deal with this rapidly progressing and rapidly escalating threat.

Either way, we're screwed.

Why are we screwed, you ask? We're nowhere near Iran and even if they do have nukes, they have no way to deliver them. Moreover, it's not likely that they're going to use them. So who cares, right?

Well, let's pretend, just for a minute, that we don't have thousands of troops well within range of Iranian missiles; let's pretend that the Iranians, who have sponsored terror attacks as far away as Argentina, won't do so again; let's pretend that our closest ally in the region, Israel, is not threatened daily by the Mullahs and their mouthpieces; and lastly, let's pretend that the Israelis, justifiably fearing a second Holocaust, won't act to prevent that Holocaust, thereby risking the start of a major regional hot war. Even if we could wish away all of these . . . ummm . . . mitigating factors, the Iranian nuke and the reaction of America's political and intelligence establishments to said nuke are causes for serious concern.

First, let's take the 2007 NIE, which, quite obviously, was a joke, a sad, sick joke. It is possible, we suppose, that the intelligence folks were just flat wrong here, that they tried their best and yet were fooled. That's not all that farfetched. After all, these are the same folks who completely missed Pakistan's nukes, who promised a "slam dunk" on Iraqi WMD, who totally spaced off the collapse of the Soviet Union, and who were caught entirely off guard when the Shah fell. They could have missed this one too. And we'd agree that that's what happened, if by "missed" you mean "intentionally botched as part of a campaign to screw over the President of the United States." If that's what you mean, then, yes, they did "miss" it.

We have neither the time nor the expertise to recount here the entire history of the intelligence community's pushback against President Bush. But from the Valerie Plame affair to the leaks about rendition and secret prisons in Eastern Europe; from national-security-damaging and likely criminal leaks about the warrantless surveillance program to the politically tinged National Intelligence Estimate, it is clear that there was a great deal of effort expended to undermine the Bush administration from within

the intelligence community, specifically by career bureaucrats who disagreed vehemently with the President's foreign policy.

We don't know that we'd go as far as did the former Speaker of the House Newt Gingrich, who called the effort against Bush a "bureaucratic *coup d'etat*." But we do think that it's clear, in retrospect, that there was a great deal of animosity between Bush and the intelligence apparatus, which produced a great deal of crummy, if not intentionally skewed intelligence.

In any case, we are left with a nightmare, a national intelligence bureaucracy that, on occasion, loses sight of the fact that it is part of the executive branch of government, which is to say that it works under the direction of the President of the United States. When the political predilections of the career bureaucrats at, for example, the CIA are substituted for the carefully planned and endlessly discussed and vetted plans of the nation's elected leaders, the system breaks down. Not only can those elected leaders not trust that those upon whom they rely to keep the nation safe are dealing with them in good faith, but no one else in the world – from American citizens to the nation's friends and allies – can trust the veracity of American intelligence either. How are we – or the Prime Ministers of Israel and Great Britain, for that matter – to know when the CIA is playing its role and when it is playing politics?

This issue of trust, we should note, applies to this country's elected officials as well and, in fact, provides an even more significant problem and an even more significant explanation as to why "we're screwed." If the President of the United States is unable or unwilling to confront the most serious threats in the world; if a change in administration can also signal a dramatic change not just in policy but in willingness to honor the nation's obligations; if the United States cannot, in other words, be counted upon to meet its obligations, to keep its promises, and to honor its alliances, then the world becomes a far different and far darker and more daunting place.

This past fall, we wrote that one of the most notable and most obvious effects of Barack Obama's foreign policy was to shake up the Western world and its global allies. The administration's desire to set itself apart not just from the Bush administration but from the entire history of what was once called Christendom had roiled global alliances and caused much of the world to look elsewhere for security. To wit:

Does anyone really wonder any longer why the Japanese chose to elect a new government that promised principally to seek less engagement with the United States and greater engagement with regional powers? Does anyone really wonder why it is that Benjamin Netanyahu felt it necessary to make a secret trip to Russia three weeks ago? Does anyone really not know why the Shi'ite dominated government of Iraq feels it necessary lately to cozy up more and more to the Mad Mullahs of Iran? Does anyone question the Polish prime minister Donald Tusk for refusing to take the midnight call from Team Obama disclosing its about-face on missile-shield deployment in his country? Finally, does anyone, anywhere in the world – any ally or potential ally – feel that Obama can be trusted, given what we now know about his foreknowledge of the second Iranian uranium enrichment facility “revealed” last week?

Over the weekend, the retired Colonel and military affairs columnist Ralph Peters discussed the Iranian bomb and noted the failure of American will that would all but assure that that bomb would become a reality. An Iranian bomb, Peters wrote, will “shatter the regional balance of power.” It will allow Iran to “gain the upper hand in the Persian Gulf – terrorizing Arab oil producers, dominating the Straits of Hormuz and boosting the forces of terror immeasurably.”

Peters is right, we guess, but he actually soft-sells the impact of a nuclear Iran. The balance of power will be altered. But not just by the direct effects of the bomb. And not just in the Middle East.

A far better explanation of the dynamics at work here can, we think, be found in a piece penned last week by *The Washington Post's* Jim Hoagland, who notes the effect that the Obama foreign policy is having on this country's erstwhile allies:

India has recently moved troops away from the Pakistan frontier while increasing deployments into border areas that China is claiming in pugnacious and offensive rhetoric. In a break with its past opposition to foreign bases in the region, India has secured military transit and stationing rights at an airbase in Tajikistan. And Singh's government lavishly welcomed Japan's new prime minister, Yukio Hatoyama, on a recent three-day visit that included publicity about plans for joint military maneuvers in the Indian Ocean.

These are clear signs of Indian hedging: seeking allies for worst-case scenarios while accommodating China on economic matters. The Obama administration's failure to reaffirm clearly that India's rise is in U.S. strategic interests has contributed to this hedging.

“Hedging,” you see, is the theme of global relations under the Obama regime. The Indians don't know if they can trust Obama, and they're making contingency plans. The Japanese don't know if they can trust Obama, and they're making contingency plans. The Australians don't know if they can trust Obama, and they're making contingency plans. *Etc., etc., ad infinitum.*

With regard to Iran and its nukes, what this means is that the United States' erstwhile allies in and near the Middle East have no choice but to make their

own contingency plans. They, like everyone else, are simply unable to trust that Obama will live up to the commitments his country has made. Ralph Peters claims that the Iranians and their bomb will alter the balance of power. Fair enough. But they will do so not simply by the exercise of their newfound power. The balance will shift long before the Iranians make a move, as everyone else attempts to shift the balance first, hoping to pre-empt or at least make the best of Iranian hegemony.

The Saudis, for example, will all but certainly seek their own nuclear weapons for purposes of balancing the Shi'ite menace. The Iraqis, grateful to have a functional democratic government, will nonetheless face serious relapses in sectarian strife, as the Sunnis seek protection *from* nuclear-armed Shi'ites, and the Shi'ites seek protection *in* the arms of their nuclear-armed co-religionists. The Syrians, the Jordanians, the Egyptians, the Turks, and all the other players in the region will all scramble to improve their respective lots in advance of the Iranian bomb. And all will do so in the expectation that they cannot trust the Americans to uphold their pledges of support and security or, for that matter, to do much of anything at all.

And don't think for a second that the players in the Middle East will be alone in this scramble. You may recall, for example, that last summer President Obama cravenly surrendered to Russian demands and reneged on a Bush-era agreement to deploy missile-shield batteries in Poland and the Czech Republic. And, lo and behold, the Poles and the Czechs were conspicuously upset – not because they feared that they would be in imminent danger from Iranian attack, mind you, but because they knew what would come next, namely an offer of “protection” from Uncle Vlad in Moscow. The entire history of the Eastern and Central European slavs is the history of a people trying to free themselves from Russian dominion. And by virtue of abandoning American protection agreements, the two decades of progress toward that end has all but certainly been undone. Over the weekend, the inimitable Mark Steyn put it this way:

In Eastern Europe, a nuclear Iran will vastly advance Russia's plans for a de facto reconstitution of its old empire: In an unstable world, Putin will offer himself as the protection racket you can rely on. And you'd be surprised how far west “Eastern” Europe extends . . .

Did anyone really think that Vlad or Hu or any of the other global obstructionists opposed and continue to oppose sanctions on Iran because they have a soft spot for Persians and think that ol' Uncle Sam is being a little too tough on the Mullahs? Jeez, we hope not.

The fact of the matter is that the Russians and the Chinese couldn't care less about a few more nukes here or there. Heck, the Chinese helped the Pakistanis with their bomb. And they did so in large part because they knew that the nukes themselves were irrelevant, at least in comparison to the psychological power they would bring. They knew, as it were, that Pakistan's nukes would be an immense distraction for the two countries' common enemy, India, (who, as you may recall is now actively seeking new friends). These people – people like Hu and Putin and Ahamdinejad – play for keeps. And unlike our leaders, apparently, they bother to plan their moves in advance.

Last week, our old friend Daniel Pipes wrote a piece reviewing a new book by Lee Smith entitled *The Strong Horse: Power, Politics, and the Clash of Arab Civilizations*. The basic premise of both the book and Dan's review is that the politics and social behavior of the Middle East is dominated by one “near-universal principle [that] provides a tool to comprehend the Arabs' cult of death, honor killings, terrorist attacks, despotism, warfare, and much else.” That principle, sadly, was explained to us a decade ago by bin Laden himself: “When people see a strong horse and a weak horse, by nature, they will like the strong horse.”

That principle, while certainly taken to grotesque ends in the Arab world, is “near-universal” in a broader sense as well. No one likes a weak horse. And no one tasked with protecting national interests will tether himself and his people to a weak horse.

Well, almost no one – the only exceptions, apparently, reside in Washington and Langley.

This is what the left has wanted for decades, of course. And as the threats, and eventually the bodies, pile up, we will see how pleased they are to see their dreams fulfilled. You don't suppose that this is really the change they were hoping for, do you?

HE LIVES IN A RATHER SPECIAL WORLD.

Call it what you want – inexperience, a tin ear, arrogance, “cocooning.” Michael Barone calls it a lack of “intuition.” Whatever you call it, Barack Obama suffers from it. He's clueless. He has no idea what the American people want, what they believe, or why they are unhappy with him. It's like we elected Pauline Kael president, who once remarked “I live in a rather special world. I only know one person who voted for Nixon. Where they are I don't know. They're outside my ken. But sometimes when I'm in a theater I can feel them.”

Obviously, this cluelessness, or lack of intuition, if you prefer, has hurt Obama. His failure to grasp the electorate's priorities and therefore to place those priorities on his “to do” list has cost him dearly at the polls. And it is all but certain to cost him even more over the next several months.

The obvious example of this cluelessness is the administration's approach to health care. The electorate at large hates the bill. And it has done everything in its power to make that clear to Obama and to the Democratic Congressional leaders, not that they got the message. For crying out loud, the race to replace health care reform's patron saint, the late Ted Kennedy, was nationalized around the issue and served as a serious slap in the face to the reform crowd. And their response to the election to the Senate of the first Massachusetts Republican in four decades? Press on. Use and abuse the Senate rules to jam the bill through. Ignore the public and the few sane voices within the Party. What could possibly be more clueless? Echoes of Lord Tennyson waft through the fetid halls of the White House and Congress.

“Forward, the Light Brigade!”
Was there a man dismay'd?
Not tho' the soldier knew
Someone had blunder'd:
Theirs not to make reply,
Theirs not to reason why,
Theirs but to do and die:
Into the valley of Death
Rode the six hundred.

Well, as it turns out, the President's approach to the stimulus and his celebration of its success just might, in fact, be more clueless. Indeed, it may be the most politically clueless thing that Americans have ever heard or seen their president do.

As you surely know, last week President Obama used the anniversary of his now-nearly \$900 billion bill to celebrate it and his accomplishments. Never one for understatement, Obama declared that he, and he alone, had saved the United States (and thus, presumably, the world) from The Great Depression II by pushing and signing this action-packed package. Most notably, he patted himself on the back quite firmly as he spoke about the two million jobs that his wonderful and blessed stimulus had saved. Without him and without his stimulus, the world would be a much more dangerous and depressing place.

The only thing wrong with the stimulus, you see, is that it, like everything else, was simply too complex for average Americans to understand, which explains why they tell pollsters they hate it. If they weren't so dumb, they'd get it. And they'd love it. But they are dumb, which is yet another reason why they should be grateful to have Obama as their president. Who else would have the patience and skill to explain it to them?

The problem with all of this – at least to someone who lives and breathes outside of the White House cocoon – is two-fold. First, “jobs saved” is a made-up number. In the annals of economic data, it didn't exist until The One looked upon his creation and said: “Let there be . . . errr . . . well . . . something that we can tell people that this trillion dollar boondoggle did.” And The One looked at it and saw that it was good.

Except that it wasn't good. Not really. You see, what this newly created category of economic data has done is send the President and his minions out into the world to brag about spending nearly a trillion dollars of borrowed money that could, in theory, threaten the nation's long-term solvency, all in pursuit of keeping government at all levels as big and as bloated as possible. Sure, the stimulus "saved" a couple million jobs. But those jobs were overwhelmingly government jobs – state and local bureaucrats, pencil pushers, and the like – the rescue and resuscitation of which took a huge chunk of money out of the private (and productive) economy and thereby allowed said polities to maintain their bloat.

Already, we know that the average federal government worker makes roughly 70% more than the average private-sector worker. We know that state and local employees are similarly positioned above the average for their respective communities. We know that the benefits, most notably the pensions that go along with these above-average salaries, are also above average. Waaaaaaaaayyy above average. We know that the size and cost of state and local governments have ballooned over the last two decades and that costs are difficult, if not impossible to cut, due to the high (and increasing) percentage of government employees who are unionized. Lastly, we know that the costs of this government bloat is unsustainable, some places in the near term and almost everywhere in the longer term, due principally to ridiculously generous pensions.

In a recent piece for *Reason* magazine, Steven Greenhut, the director of the Pacific Research Institute's Journalism Center, noted the growth and the lavishness of government work:

According to a 2007 analysis of data from the U.S. Bureau of Labor Statistics by the *Asbury Park Press*, "the average federal worker made \$59,864 in 2005, compared with the average salary of \$40,505 in the private sector." Across comparable jobs, the federal government paid higher salaries than the private sector three times out of four, the

paper found. As Heritage Foundation legal analyst James Sherk explained to the *Press*, "The government doesn't have to worry about going bankrupt, and there isn't much competition."

In February 2008, before the recession made the disparity much worse, *The New York Times* reported that "George W. Bush is in line to be the first president since World War II to preside over an economy in which federal government employment rose more rapidly than employment in the private sector." The Obama administration has extended the hiring binge, with executive branch employment (excluding the Postal Service and the Defense Department) slated to grow by 2 percent in 2010—and more than 15 percent if you count temporary Census workers.

The average federal salary (including benefits) is set to grow from \$72,800 in 2008 to \$75,419 in 2010, CBS reported. But the real action isn't in what government employees are being paid today; it's in what they're being promised for tomorrow. Public pensions have swollen to unrecognizable proportions during the last decade. In June 2005, *Business Week* reported that "more than 14 million public servants and 6 million retirees are owed \$2.37 trillion by more than 2,000 different states, cities and agencies," numbers that have risen since then. State and local pension payouts, the magazine found, had increased 50 percent in just five years.

Greenhut continued:

Michael Hodges' invaluable *Grandfather Economic Report* uses the Bureau of Labor Statistics to chart the growth in state and local government employees since

1946. Their number has increased from 3.3 million then to 19.8 million today—a 492 percent increase as the country’s population increased by 115 percent. Since 1999 the number of state and local government employees has increased by 13 percent, compared to a 9 percent increase in the population.

The United States had 2.3 state and local government employees per 100 citizens in 1946 and has 6.5 state and local government employees per 100 citizens now. In 1947, Hodges writes, 78 percent of the national income went to the private sector, 16 percent to the federal sector, and 6 percent to the state and local government sector. Now 54 percent of the economy is private, 28 percent goes to the feds, and 18 percent goes to state and local governments. The trend lines are ominous.

This is bad enough, without question. But Obama made it worse. The stimulus of which Barack Obama is so proud did absolutely nothing but preserve and even exacerbate the growing discrepancies between the public and private sectors and dedicate an even greater relative percentage of the total economy to the care and nourishment of the Leviathan. According to the Bureau of Labor Statistics, unemployment in the private sector in January stood at just over 11%, while the same number for the public sector was just over 4%. Overwhelmingly, the jobs lost in the recession were in the private-sector – many of which will never come back. Overwhelmingly as well, the jobs “saved” by the stimulus were in the public sector, ultimately at the expense of the private sector.

We figure that this was probably what Obama had in mind with the stimulus bill. And we aren’t surprised that he is therefore exceedingly pleased with himself.

But doesn’t this guy have any competent minders, anyone who could tell him that he got what he wanted and should just quietly accept his victory? Doesn’t he have anyone around him with the sense to tell him that calling attention to himself and to the con he ran on the American public is foolish, to say the least? Isn’t there anyone in the White House who might tell him that he runs the risk of looking a little like Marie Antoinette, saying about the great unwashed, “let them work at the DMV?”

Barack Obama has led a remarkably sheltered life. From prep school to Occidental; from Columbia to Harvard Law and then on to Hyde Park. He has never worked outside of the realm known as “public service,” and he has no idea what it’s like actually to “create” a job. He is utterly clueless.

Of course, the Democrats knew that early on. They knew it when he showed up in Iowa asking prospective caucus-goers if they’d seen how the price of organic argula at the local Whole Foods store had shot up in recent months. But they nominated him anyway. And Americans elected him anyway.

Of course, if opinion polls are to be believed, the electorate as a whole appears to sense its mistake. And that’s more than we can say for Cap’n Clueless, who still doesn’t get it. And probably never will.

Copyright 2010. The Political Forum. 8563 Senedo Road, Mt. Jackson, Virginia 22842, tel. 540-477-9762, fax 540-477-3359. All rights reserved.

Information contained herein is based on data obtained from recognized services, issuer reports or communications, or other sources believed to be reliable. However, such information has not been verified by us, and we do not make any representations as to its accuracy or completeness, and we are not responsible for typographical errors. Any statements nonfactual in nature constitute only current opinions which are subject to change without notice.