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## THEY SAID IT

This is our tragedy. In extraordinary times, we have been saddled with the most ordinary of leaders. As the historic task facing us got as enormous as it could possibly get, the men and woman tasked with surmounting it showed themselves up to be little people with little minds and little horizons.

Eilis O'Hanlon, "Led by Little People with Little Minds and Little Horizons," *The Independent* (of Ireland), November 28, 2010.

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## OBAMA'S OBSESSION.

The theme of the day among the denizens of the chattering class appears to be the supposition that maybe Barack Obama is in a bit over his head as the most powerful man in the world. On both the left and among those erstwhile Obamaphilic commentators and politicians on the right, there is a palpable sense that perhaps experience does matter and that perhaps electing a man severely and incorrigibly deficient in said experience was a mistake, irrespective of how mellifluously he spoke, how beautifully tailored his suits were, or how supremely calm he appeared in the face of the financial collapse. There is a sense, in other words, that Hillary Clinton was right and that this is not the man we – or anyone else in the free world – should want answering the red phone at 3:00 in the morning.

None of this is particularly revelatory, though, in that experience can be, as many of these same observers noted just a scant two years ago, highly overrated. If one surrounds himself with competent and skilled aides, for example, one's lack of personal and first-hand knowledge shouldn't prove to be too much of an encumbrance. Moreover, experience is one commodity that can, in fact, be gained simply through the passage of time, which is to say that if Obama's problem were truly his lack of experience, then he should get better as he lives out his presidential fantasy.

Unfortunately, that's not what's happening. The man – for all his reported brilliance – is actually getting worse, stumbling more and more ruinously every day, every week, every month. As Abe Greenwald, the associate editor of *Commentary* magazine recently noted, Obama's "worst week ever has been going on for almost six months." All of which is to say that we have little choice but to conclude that this means either that Obama really is unable to process experience in an effective and practical manner or that experience wasn't really the issue in the first place.

But if this unmitigated disaster of a presidency isn't, as the commentariat has told us, the result of Obama's inexperience, then what is its cause? And more to the point, will it get better? If so, when? And what else can go wrong in the meantime?

Well, it seems clear to us – and to others, we might add – that Obama's biggest problem isn't that he is inexperienced, but that he doesn't really care to gain any experience. The whole process of governing and becoming better at it is trivial to him. Or, more accurately, it's trivial by comparison to that which matters most to him, which, as far as we can tell, is ego gratification.

Think, for just a minute about why Obama has so little experience. Certainly it isn't because he is disinterested in politics. The man is the very personification of the old leftist adage that “the personal is the political.” Everything about him – from where he lives to what he wears and for whom he's worked – reflects his personal political predilections. But his interest in politics is hardly typical. His interest reflects a concern about what politics can do for him and what he stands to gain far more than it does any concern about what he can do for any constituency or how he can help advance any causes through “public service.” What this has meant in practice is that he has moved from job to job, office to office, position to position, whenever he has felt the urge to move on to better things. And has left virtually no legacy behind in any of his pursuits. None.

And, of course, with no apparent commitment to any of these pursuits, he has often felt that urge to move. From Occidental to Columbia; from community organizer to Harvard; from constitutional lecturer to corporate lawyer; from state senator to U.S. Senator and then on to the presidency, the man has never stayed in one place long enough to set down proverbial roots, to do much of value, or to gain any experience. He is ambitious, and, more relevantly, easily loses interest in the task at hand.

As for why he loses interest, we think that is self-evident, with the emphasis on the “self.” As we noted above, Obama's political concerns revolve – like everything else in his life – around himself and around stroking his ego. And his career moves within the political realm reflect that self-absorption. Consider, if you will, the following, written by Jonathan Last and published recently by *The Weekly Standard* until the title “American Narcissus”:

Politicians as a class are particularly susceptible to mirror-gazing. But Obama's vanity is overwhelming. It defines him, his politics, and his presidency.

It's revealed in lots of little stories. There was the time he bragged about how one of his campaign volunteers, who had tragically died of breast cancer, “insisted she's going to be buried in an Obama T-shirt.” There was the Nobel acceptance speech where he conceded, “I do not bring with me today a *definitive* solution to the problems of war” (the emphasis is mine). There was the moment during the 2008 campaign when Obama appeared with a seal that was a mash-up of the Great Seal of the United States and his own campaign logo (with its motto *Vero Possumus*, “Yes We Can” in Latin). Just a few weeks ago, Obama was giving a speech when the actual presidential seal fell from the rostrum. “That's all right,” he quipped. “All of you know who I am.” Oh yes, Mr. President, we certainly do.

My favorite is this line from page 160 of *The Audacity of Hope*:

I find comfort in the fact that the longer I'm in politics the less nourishing popularity becomes, that a striving for power and rank and fame seems to betray

a poverty of ambition, and that I am answerable mainly to the steady gaze of my own conscience.

So popularity and fame once nourished him, but now his ambition is richer and he's answerable not, like some presidents, to the Almighty, but to the gaze of his personal conscience. Which is steady. The fact that this sentence appears in the second memoir of a man not yet 50 years old—and who had been in national politics for all of two years—is merely icing . . .

Last continues:

Obama's faith in his abilities extends beyond mere vote-getting. Buried in a 2008 *New Yorker* piece by Ryan Lizza about the Obama campaign was this gob-smacking passage:

Obama said that he liked being surrounded by people who expressed strong opinions, but he also said, "I think that I'm a better speechwriter than my speechwriters. I know more about policies on any particular issue than my policy directors. And I'll tell you right now that I'm gonna think I'm a better political director than my political director." After Obama's first debate with McCain, on September 26th, [campaign political director Patrick] Gaspard sent him an e-mail. "You are more clutch than Michael Jordan," he wrote. Obama replied, "Just give me the ball." . . .

David Remnick delivers a number of insights about Obama in his book *The Bridge*. For instance, Valerie Jarrett—think of her as the president's Karen Hughes—tells Remnick that Obama is often bored with the world around

him. "I think that he has never really been challenged intellectually," Jarrett says. "So what I sensed in him was not just a restless spirit but somebody with such extraordinary talents that they had to be really taxed in order for him to be happy." Jarrett concludes, "He's been bored to death his whole life."

With one or two possible exceptions, that is. Remnick reports that "Jarrett was quite sure that one of the few things that truly engaged him fully before going to the White House was writing *Dreams from My Father*." So the only job Barack Obama ever had that didn't bore him was writing about Barack Obama. But wait, there's more.

David Axelrod—he's Obama's Karl Rove—told Remnick that "Barack hated being a senator." Remnick went on:

Washington was a grander stage than Springfield, but the frustrations of being a rookie in a minority party were familiar. Obama could barely conceal his frustration with the torpid pace of the Senate. His aides could sense his frustration and so could his colleagues. "He was so bored being a senator," one Senate aide said.

Obama's friend and law firm colleague Judd Miner agreed. "The reality," Miner told Remnick, "was that during his first two years in the U.S. Senate, I think, he was struggling; it wasn't nearly as stimulating as he expected." But even during his long, desolate exile as a senator, Obama was able to find a task that satisfied him. Here's Remnick again: "The one project that did engage Obama fully was work on *The Audacity of Hope*.

He procrastinated for a long time and then, facing his deadline, wrote nearly a chapter a week.”

To us, the most interesting and telling bit here is the fact that Obama’s closest and most trusted confidants openly admit that nothing interests him anywhere near as much or anywhere near as thoroughly as writing about himself. That makes sense. Everything else around him is dull, tedious. Everything else is “work.” But writing about himself is a pleasure, and it’s a pleasure because it’s his favorite thing in the whole wide world, the sun around which his world revolves.

The usual mainstream knock against George W. Bush had it that the man was intellectually “incurious,” that he didn’t want to learn, didn’t want to engage, didn’t want to have to deal with anything new, particularly new ideas. Maybe that was true, although many people close to him have insisted precisely the opposite. But whatever the case, it should be obvious by now that Obama’s lack of curiosity is far greater. Nothing interests him except how it relates to him. And if intellectual disinterestedness was a concern with Bush it should be a far greater concern with Obama.

Like all presidents, Obama is facing some tests, some very serious tests that will determine the future of this nation and, indeed, of the world. Yet given his history and his predilection for interest only in that which affects him directly, there is no reason whatsoever to believe that he is even minimally, much less fully, engaged in the events as they are unfolding.

For much of the past two years, people like Matt Drudge have had quite a bit of fun noting how often Obama plays golf or goes on vacation or plays golf while on vacation. They make fun of how he plays basketball all day every day and appears to care more about making Final Four picks than about the business of the country.

And for much of the past two years, the traditional media and Obama’s defenders (as if the two can be distinguished from one another) have insisted that Drudge’s fascination with Obama’s leisure activities

reflects more on Drudge than the President; that it is an indication of Drudge’s desire to find flaws in Obama’s behavior, no matter what he does. Taking “breaks,” after all is necessary for presidents. And if Obama takes a few more than some of his predecessors, that’s just because he is dealing with far weightier issues.

We, for two, doubt it. We think, rather, that Obama enjoys his leisure time so much and takes so many breaks not because he is dealing with weighty issues, but because he is avoiding weighty issues. After all, what do they have to do with him? He has plenty of time for his legacy, the health care bill and the like. But other, less self-centered issues like North Korea, Iranian nuclear weapons, the ongoing jobs recession; what do they mean to him? Nothing. And so he checks out. Goes golfing. Shoots some hoops. Watches ESPN compulsively. Does anything he can to avoid having to deal with “other people’s” problems.

Needless to say, this should concern everyone, everywhere. At present, the Euro is in deep trouble and the Eurozone is about collapse under the weight of its own inefficiency and corruption. Lil’ Kim is promising to restart a sixty-year-old war. Americans continue to fight in both Afghanistan and Iraq. Wikileaks founder Julian Assange is dumping a virtual treasure trove of classified documents on the Internet. As we noted last week, the drug war in Mexico continues to rage, while dedicated Marxist revolutionaries elsewhere in Latin America fuel and support the combat and slaughter on and even across our border. Terrorists continue to try to blow up Americans. Unemployment remains elevated. Budget deficits are skyrocketing. Taxes are about to increase more than at any time in the history of the nation, and during an economic slowdown, nonetheless.

And where is the President? Who the hell knows? What is he doing? Again, who the hell knows?

Last we heard, he was getting stitches for injuries suffered in the line of . . . well . . . playing basketball.

Does he care about any of this? Maybe. But one more time, who the hell knows? If past is precedent, then we can hardly feel confident.

As for Obama's fellow Democrats, they too should be concerned, even beyond the more general reasons noted above. Already, their permanent majority has been destroyed by Barack's peculiar obsessions. And he still has two years to go.

Conventional wisdom has it that he will get his act together over the next two years because he will need to in order to maintain his own political viability. But who's to say that he really cares?

If being a Senator bored him, why should we expect that being the President doesn't? Why should we assume that he will even stand for re-election? After all, four years will be just about as much time as he has ever spent in one position, and there really is no reason to believe that he will be willing, much less able, to make a commitment to double his stay. Defeating an incumbent president is, traditionally, a very difficult task. But does that hold if the president is bored to tears by the job and wants simply to move on to something else, something bigger and better, something more exciting . . . like maybe writing his third memoir?

We hope we're wrong about this. We really do. After all, the only thing worse than an inexperienced president is a president who just doesn't care, who is bored by the gig and wants nothing more than for it to be over.

There is, as we're sure you know, an old chestnut that has it that, in life, it is the journey that matters, not just the destination, which is to say that how one gets to any specific end matters just as much as the end itself. In Obama's case, though, that maxim is violently exaggerated and thereby distorted. To him, the destination is almost entirely irrelevant and the journey is all that matters. He's accomplished everything he's ever set out to do. And in the case of the presidency, what he set out to do was *become* president. The actual *being* president part he can do without.

In the meantime, we can only hope that the advisors, analysts, and department heads who work in this administration are as competent and as smart as conservative-esque folks like David Brooks insists they are. For better or for worse, it looks like they'll be doing a great deal of the "governing" over the next couple of years.

Roughly a century ago, another liberal icon, President Woodrow Wilson, suffered a stroke with roughly a year-and-a-half left in his second term and was completely incapacitated. For the remainder of his term, his wife, Edith, served as *de facto* President, handling his schedule, determining his priorities, and, as best she could, keeping him away from his vice president and cabinet. The government was much smaller then, naturally, but it kept right on running, even after Wilson had checked out.

Truth be told, we shudder at the idea of Barack Obama's wife having to do the same thing. Heck, we thought we were done being told to "eat our vegetables" when we turned 18 and moved away from home. We don't look forward to being scolded about our veggies again, this time as a matter of public policy.

Of course, that's not to say that the government and the nation can't carry on and can't continue to function well in Barack Obama's absence, after he has, essentially, "checked out." He'll be free to watch SportsCenter and golf as much as he wants. And folks like Timothy Geithner and Hillary Clinton will manage to carry out their jobs – and his – in his absence. All things considered, we suppose, it might not be an improvement. Right now, the one guy in charge of everything is disinterested in all of them. Maybe we'd be better off with many people actually focused on doing their respective tasks.

Who knows?

It couldn't be any worse, could it?

## DEMOCRACY, BUREAUCRACY, AND ECONOMIC DRIFT.

The economy, in case you hadn't noticed, is still limping along. The recession is over, of course, but you'd be hard pressed to convince most Americans of that. Times are tough, to put it mildly. And housing prices and unemployment weigh heavily on the nation as a whole.

The reason for this ongoing hangover, we are told by many on the political right and in business is the loosely defined (if defined at all) concept of "political uncertainty." No one knows what Obama will do. No one knows what the Democratic Senate will do. Heck, no one really knows what the newly elected Republican House will do. And certainly no one knows how the three will interact to produce policy for the next two years.

Conventional wisdom holds that the principle culprit in this tempestuous scenario is tax rates. How, pray tell, can anyone, anywhere do anything – plan, invest, allocate assets, hire new employees – without knowing what the tax rates will be one month from now?

This, we'll concede, makes a great deal of sense. And certainly it's true, to a point. But if you want real, serious, economy-killing uncertainty, then Capitol Hill and the White House are the wrong places to look. The nation's politicians have already done their damage. The real source of uncertainty now, whether the media and the pundits know it or not, are the nameless, faceless crowds of men and women who have been empowered by our pusillanimous legislators to do the real work of deciding who gets thrown to the hounds and who gets a pass to fight again, which is to say the dreaded "bureaucracy."

This past spring, a modicum of controversy erupted in the midst of the health care reform debate when several members of the Democratic contingent on Capitol Hill admitted that they had not read the reform bill on which they were about to vote and had no intention of doing so. Then-Speaker of the House Nancy Pelosi infamously summed up her party's

approach to this conundrum by saying, in unusually blunt language that "we have to pass the bill to find out what's in it."

Like Captain Renault, the public was shocked! Shocked! Who knew? Well, the answer to this question is that anyone who knows anything about how things work in this moral swamp called Washington certainly knew. Legislation like the health care bill – and its revolutionary cousin, the financial "reform" bill – are long (2000+ pages) and written in legislato-gibberish. They are exhausting to read and, worse yet, don't actually say anything. They set out basic outlines for policy, directing basic goals, always ensuring that there is some level of plausible deniability for legislators who might otherwise find certain provisions uncomfortable to explain to their constituents, particularly come election time.

In short, bills like these are intended not so much to set specific policies, but to set basic parameters in which unelected, unaccountable, and largely unsupervised bureaucrats may operate as *they* decide the specifics of policy. Consider, if you will, the following, from a report published this past summer by the left-leaning Brookings Institution addressing the financial reform bill:

The simpler half of financial reform will be completed shortly with the passage of the Dodd-Frank financial reform bill and its receipt of the president's signature. Hard as it may be to conceive, the complexity embedded in its over 2000 pages of text is likely to be exceeded by the complications inherent in the regulatory implementation of financial reform. Nor is this just a technical question of working through the multiple thousands of pages of rule-writing, the creation of operating procedures, and the writing of supervisory guidelines. Critical choices will be made – regulatory decisions are likely to be as important as the law itself

in determining the success or failure of the effort to bring needed stability to our financial system.

The report proceeds to note that the most important questions to be answered in determining the impact of the legislation are:

- What will be the key decisions for regulators to make?
- Why will regulatory decisions matter?
- Who are the regulatory bodies?
- Why is global coordination critical?

The same, we can tell you, holds true for the health care bill, which will be equally if not more muddled than the financial reform bill. Richard Epstein, a law professor at the University of Chicago (and as such a former colleague of Barack Obama's) provides an example:

As a matter of grand legislative policy, ObamaCare decreed that firms would be required to knock out wasteful administrative costs by attaining favorable “medical loss ratios,” which in turn require them to slash their administrative expenses for individual and group health care plans to between, say, 15% and 20% of total costs. The numbers are often little more than half of the current expense ratios for various kinds of plans.

The statutory commands all rest on the grand assumption that these administrative costs are a form of disguised waste that mere competitive market forces could not eliminate. But the claim is a delusion. No one has any clear idea what counts an “administrative cost” for statutory purposes, which itself leads to all sorts of jockeying and

lobbying for strategic advantage inside the administrative process—which just raises those administrative costs even more.

Since the politicians miscalculated the regulatory burdens, they have to brace for the real possibility that some health care plans will collapse under the strain. Starting in late September, reality hit home when McDonald's announced that it would have cut out its “mini-med” program for about 30,000 of its low-paid workers. It insisted that it could not meet the statutory requirements for the simple reason that high employee turnover raises administrative costs.

Rather than face this public relations disaster, Kathleen Sebelius, the Secretary of Health and Human Services, granted a one-year waiver from the requirements of the program. That particular result does not stand alone. Since that time fresh waivers have been routinely dispensed by the Department of Health and Human Services to many other organizations, including many powerful unions. At least one million workers are now out from under ObamaCare, with more to come.

Now, no one should be surprised by any of this. Indeed, this is precisely the way our system works these days and precisely the way everyone involved in passing the health and financial reform bills wanted the implementation of his or her dreams to be handled. Indeed, the entire history of federal policy-making in the last century or more is the story of the devolution to this point. We'd say that these two bills represent the “culmination” of the anti-democratic character of modern public administration, but we can't be sure, which is to say that as bad as these two bills are, it can always get worse.

We won't bore you with (yet) another rundown of the history of public administration in this country or the nature of the conflict between politics and administration; we've done those themes to death. And we won't bore you with (yet) another summary of Lowi and his classic *The End of Liberalism*. With regard to Lowi, we think it should suffice to say that this process – the abdication of policy-making by the legislative branch and the related usurpation of that responsibility by the bureaucracy – is the central premise of the *End of Liberalism* and of Lowi's designation of the current interest-group-bureaucracy-dominated process as this nation's "Second Republic." This process, Lowi claimed, distorts expectations, distorts democratic governance, and puts an end to the Founders' conception of self-government.

What is interesting – or telling, if you prefer – is that Lowi was hardly alone in noting the perversion of American governance facilitated by the rise of the administrative state and the simultaneous and pusillanimous resignation of responsibility by federal lawmakers.

Indeed, one of the foundational notions in the intellectual right's case for limited government is contemporary and complementary to Lowi's "Second Republic" thesis. William Niskanen, who today is likely best known as the chairman emeritus of The Cato Institute, pioneered the notion of bureaucrats as "budget maximizers," the concept for which he is undoubtedly most famous in economic circles. But Niskanen's theory was deeper and more complicated than simple budget maximization because it noted, like Lowi's, the abdication of responsibility by legislators for the crafting of policy and the seizure of that function by bureaucrats. Niskanen, of course, added the economic aspect to the analysis and demonstrated rather conclusively how this symbiotic relationship between legislators (represented on relevant committees and subcommittees) and bureaucrats served both parties well and ensured that federal expenditures would forever increase and would reflect "reward structures" rather than the will of the people.

We could go on, we suppose, with countless other examples from the literature of political science – including, say, Morris Fiorina's explanation for how bureaucracy and the abdication of authority by Congress has led to dramatically decreased competition in Congressional elections. But taken together, Lowi and Niskanen explain a great deal about the two new administrative boondoggles that are about to unfold under the heading of "reform" and go a great distance toward explaining why these reforms will be problematic to say the least.

As the aforementioned Richard Epstein notes, the health care and financial reform bills are "two [of the] most massive legislative reforms in the history of American politics," the "size and complexity" of which "dwarf those of any New Deal legislation." And yet the policies fostered by these bills will be fashioned, discussed, revised, and implemented with no input whatsoever from the electorate at large. As Epstein explains:

Stripped to its essentials, the relevant agency decides what it needs to know to formulate a set of intelligent rules. It must then conduct extensive surveys of the relevant stakeholders – industry and consumer groups, for starters – to obtain needed data. Next it formulates and publishes preliminary rules and regulations. These in turn are bombarded by comments from literally hundreds of separate groups, each with its own agenda. Once the agency issues its final rules, they may well be challenged in court on a variety of statutory and constitutional grounds.

What all of this means is that the specifics of policy will be determined by and large without any opportunity for voter input and with only relevant interest groups having any say at all. And as for who and what defines which groups are relevant, that all depends on political clout, connections, donations,

and access. All of which means that the politically connected will have a say, whereas anyone and everyone else will be expected simply to do as they're told.

In an economic sense, the wasted resources here will be immense and potentially overwhelming. In addition to the inherently nonproductive nature of capital spent buying influence, there is, as per Niskanen, a near certainty that the rules will be written not simply to benefit stakeholders considered most relevant but to benefit them at the expense of both their competitors and the public treasury. Morris Panner, a self-identified liberal and the chief executive of the software company TownFlier, lamented as much in a recent piece published by *The Washington Post* titled "Strangling Innovation with Red Tape":

The combined expenditures of federal, state and local government are rapidly taking over our economy. At the beginning of President Obama's term, government spending made up 35 percent of gross domestic product. Now, it is up to almost 45 percent, which puts us seventh among advanced economies.

And the Obama administration's new regulatory initiatives make this considerably worse in subtle ways.

As always, those who are connected will do well. Those who are not connected will not do so well. And those who are not connected at all will get hammered.

As the collective theories of Lowi and Niskanen suggest, what all of this means is that the Founders' conception of limited and self-directed governance is all but dead in this country. Worse than that, though, Woodrow Wilson's conception of an educated, determined, professional, and scientific bureaucracy

is also dead. How can bureaucratic "discretion" be considered anything but a sad, twisted joke when that discretion is premised not on fairness, or utility, or even pseudo-scientific principles, but on political influence? What we will be left with, then, are two "reform" bills that ignore the wishes and needs of the public, base relevancy on influence, and foment waste and bloat as core principles rather than unfortunate side effects.

Business owners and those counting on said businesses for jobs will experience a great deal of uncertainty and have a great deal to fear. Arbitrary rule making and policy implementation based exclusively on political machinations make for diminished budgets and considerable insecurity. Have we spent enough on lobbying? Who else is spending and how much? Who's on our side and who's not? And what are they spending? Which company is run by Chairman X's son-in-law and what, exactly does it want from the rule-making process?

Will anybody spend money expanding or hiring in such an environment? Will anyone spend their erstwhile expendable income? Are you kidding?

At the same time, in a sense, we suppose, this makes things a little bit easier for those of you, gentle readers, who are trying to determine which business entities will be winners and which will be losers in the financial services and health care markets. Don't look at a company's bottom line, its CEO's effectiveness, or even the uniqueness of the product it offers. Look instead at how well connected it is, who its CEO knows in Washington, and how effectively it has utilized its lobbying budget.

Now more than ever, Washington matters.

Sadly.

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