

Stephen R. Soukup Publisher
soukup@thepoliticalforum.com

Mark L. Melcher Editor
melcher@thepoliticalforum.com

THEY SAID IT

“Al Mansor* died in 1002. He was buried in hell.”

So wrote a monk from Burgos, Spain, which was the capital of Castile in the 11th Century.

*Al Mansor is an appellative assumed by many Muslim “princes” over the years because it means “The Victorious.” The particular Al Mansor to which this quote refers is not the Al Mansur who founded Bagdad in 764 and who is described in Chambers Biographical Dictionary as “the cruel and treacherous khalif Abu-Jafar.” This one is yet another cruel and treacherous Al Mansor, whose real name was Ibn Abi Amir and who terrorized Spain in the latter half of the 10th century, before he was killed by the Christian King Sancho the Great.

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OBAMA, OSAMA, AND ESCALATION.

We know full well that with the readership of this newsletter we can’t – even for a second – try to turn the barbarism of 9/11 and the subsequent War on Terror into a story about us. Far too many of you are New Yorkers. Far too many of you were far too close to the Towers that day. Far too many lost friends, acquaintances, colleagues, and loved ones that day. And far too many of you have friends, acquaintances, colleagues, and loved ones who have gone on to serve this nation in the wars launched in response to the attacks of that day. So we know that for many of you, 9/11 was far more personal an attack than it was for us.

That said, working where we did at the time – across the street from Lafayette Square and almost spitting distance from the White House – we were rattled by the events of 9/11 and by its aftermath. And we too took the attack personally. The months of military flights over the city; the years of black-clad, machine-gun toting guards on the roof of the White House; the extra 20 minutes added to our commute for bomb-sniffing dogs and security guards to search every car pulling into the New Executive Office Building next to the White House. All these were daily reminders of the fact that Osama bin Laden had already slaughtered thousands of Americans, may have been targeting the people directly across the street from us, and might, at any moment, do so again. Like we said, we took it personally. And there was no one in the world we would rather have seen dead.

All of this we offer as a preface to what follows. We’re proud of and grateful to the American intelligence and military communities today. Their years of dedication finally paid off. We’re proud of and grateful to all those who sacrificed in the effort to achieve this goal. We’re proud of and grateful to the presidents –the current one *and* the previous one – both of whom demonstrated the resolution and astuteness necessary to permit

and to institute the types of operations that made this possible. And we are, of course, quite pleased that the world's most notorious terrorist mastermind has met a fitting end.

Still, we are a little less than jubilant about the end of Osama bin Laden. Not that we'll miss him, don't get us wrong. It's just that the circumstances of his death – the location in particular – confirm something we have been thinking about ever since General David Petraeus was chosen to be the new Director of the Central Intelligence Agency. The war in Afghanistan has generally been going poorly. And to make matters worse, it has also recently been greatly expanded. And now with the Petraeus appointment and the bin Laden take down, we are absolutely convinced that the road to victory in Kabul must go through Islamabad, whether or not Barack Obama likes it or even understands it.

The press is, of course, having a field day discussing Pakistan's role in harboring bin Laden, and they are likely to be chewing on that bone for a long time. How was it that he was living in relative comfort in Pakistan for over a year? How was it that he was living so close to a police station, the nation's top military academy, and in a region populated by retired military officers for so long? How was it that he was so close to the capital for so long? As the journalist Ron Radosh put it:

It is quite clear that Osama's mansion where he hid, a few yards from Pakistan's equivalent of West Point, was something that one must note must have been quite hard for Pakistan's intelligence services to miss or not be rather suspicious about. Indeed, the reason the new mansion was overlooked is most probably because Pakistan's intelligence community itself was in Al Qaeda's pocket and helped Osama gain refuge there. It was not out of neglect that the United States kept them in the dark about U.S. plans to raid the safe house.

Most analysts figured that bin Laden was holed up somewhere in a cave, keeping out of sight, hiding his awkward and easily recognizable 6'5" frame. Only a cynical few figured he was living in comfort and fewer still assumed that he was doing so with what had to be the apparently deliberate approval of an ostensible ally in the war. Indeed, of those who thought that bin Laden was being harbored by a neighboring government, we'd guess that most suspected it was Iran, not Pakistan, who was hiding the world's most-wanted man. Now the Pakis have a number of questions to answer, and their responses will dictate the future direction of the war in that part of the Muslim world.

Unfortunately, those questions, while related to bin Laden and his living conditions, are only related indirectly and are hardly contingent upon the events of the last few days. Indeed, *even if bin Laden had not been killed in Pakistan late last week; even if he had not been living in Pakistan last week; even if bin Laden had been dead for several years and had never even been in Pakistan, the questions about Pakistan's dedication to the war on terror and its supposed alliance with the United States would still need to be asked and would still be just as relevant today.*

For us, the news – the *real* revelation – about Pakistan came last week when President Obama designated General David Petraeus to replace Leon Panetta as the head of the Central Intelligence Agency. Petraeus is this nation's most identifiable soldier, and its most celebrated. He led the successful surge in Iraq and last year was called upon by Obama to undertake the same task in Afghanistan. And while that request technically constituted a demotion, Petraeus gladly took the job and the responsibility for the war.

And now he is on his way to Langley.

The reason that this matters is because the CIA is responsible for that component of the war effort dealing specifically with Pakistan. The military handles the war in Afghanistan, but the intelligence community – as we saw with bin Laden – handles operations across the border in Pakistan, where the United States is not, technically, at war. Most notably, of course,

the CIA handles the drone attacks that target Taliban and al Qaeda forces that have taken refuge across the border in Pakistan, attacks at which the Pakistanis have increasingly grown irritated. All of which is to say that at the request of the Commander-in-Chief, the man who had been running the entire war effort is now on his way to the CIA to focus his attention on handling that aspect of the war that focuses on Pakistan, an aspect of the war that has become increasingly sensitive and increasingly contentious over the last several weeks. This is not, in our estimation, a coincidental selection.

It is also no coincidence, in our estimation, that Obama selected for this sensitive job a man whom the Pakistanis generally dislike and who generally dislikes them back. There is some serious conflict building between the United States and Pakistan, and it has almost nothing to do with Osama bin Laden. The two nations are coming to loggerheads with one another, and the Petraeus move is both a sign of this conflict and a possible source of its exacerbation. As *The New York Times* explained last week:

The usually secretive leader of the Pakistani Army, Gen. Ashfaq Parvez Kayani, has made little secret of his distaste for General Petraeus, calling him a political general. General Petraeus has privately expressed outrage at what American officials say is the Pakistani main spy agency's most blatant support yet for fighters based in Pakistan who are carrying out attacks against American troops in Afghanistan.

Officials on both sides say they expect the two nations' relationship to become increasingly adversarial as they maneuver the endgame in Afghanistan, where Pakistan and the United States have deep — and conflicting — security interests . . .

Newly disclosed documents obtained by WikiLeaks have also stoked tensions. One of them, from the prison at

Guantánamo Bay, Cuba, lists the ISI [Pakistan's CIA] along with numerous militant groups as allies of Al Qaeda and the Taliban, an indication of how deep American suspicions run when it comes to Pakistani intelligence. The document is undated but appears to be from 2007 or 2008....

The drone campaign, which the C.I.A. has run against militants in Pakistan's tribal areas since 2004, will now become the preserve of General Petraeus, and it has moved to center stage, at least for the Pakistanis.

The Washington Post's foreign policy guru, David Ignatius, also noted last week that relations between the United States and Pakistan have become dangerously strained over the last several months, writing, "When you ask administration officials about the U.S.-Pakistan relationship, people just shake their heads in exasperation. They see a country beginning to crumble at the seams." Of course, from there, Ignatius goes on to blame the United States for this:

Here are four recent snapshots of the miscommunication that is the U.S.-Pakistan relationship. Each suspects the other of bad faith, as these examples show, but the larger picture is one of persistent misunderstanding. Consider:

Gen. Ahmed Shuja Pasha, the chief of Pakistan's Inter-Services Intelligence, went to Washington last month to see CIA Director Leon Panetta and patch up a feud over the arrest of CIA contractor Raymond Davis and U.S. drone attacks. Pasha lost face at home by coming to Washington, but the meeting seemed to go well. The day he left, the U.S. launched a big drone attack in North Waziristan that a Pakistani intelligence official described as an "FU."

Adm. Mike Mullen, chairman of the Joint Chiefs of Staff, traveled to Pakistan two weeks ago to try his hand at mending fences. On the way, he stopped in Afghanistan and got a hair-raising briefing about ISI connections with the Haqqani network — a Taliban faction that is America's main adversary in eastern Afghanistan. During two news conferences, Mullen unloaded on the Pakistanis. The Pakistanis were miffed at being chastised in public.

Gen. Ashfaq Kiyani, the Pakistani army chief of staff, met last year with Richard Holbrooke, the late special representative for Afghanistan and Pakistan. Kiyani was carrying an underlined copy of Bob Woodward's book "Obama's Wars," whose revelations included some sharp criticism of Pakistan by top U.S. officials. "Mr. Ambassador, can you tell me how this happened?" demanded Kiyani.

And then there are the drone attacks: In its frustration with Pakistan, the administration sharply increased its Predator strikes over North Waziristan last year. But a Pakistani military official says that in the 118 drone attacks they counted last year, only one al-Qaeda "high-value target" was killed. Meanwhile, the Pakistani public seethed at what it saw as a violation of sovereignty.

Relations are strained, therefore it *must* be the Americans' fault. Got it? Bad Americans. Bad, bad Americans. Never mind that the Pakistanis have been undermining the American effort for the entirety of the war. Or that Pakistan was the first country to recognize the Taliban leadership as a legitimate government and considers the Taliban an ally in the war against infidel India. Or that Pakistan has played host to some of the vilest acts of Islamist depredation against the West and against Americans, including the

murder of *Wall Street Journal* reporter Daniel Pearl. Or that Pakistan is home to the educational complex of madrassas that spreads Islamist doctrine throughout the Muslim world. Or that . . . Well, you get the point. The "Pakistan problem" has been simmering just below boiling point for years now. And while Ignatius may be right that these four incidents are instructive, they represent only a fraction of the actively cultivated "misunderstanding" between the Pakistanis and their American allies.

But whatever the case, it's Petraeus's problem now; it's his job to clean this mess up — just like it was his job to clean up Iraq and his job to clean up Afghanistan before. And if he doesn't clean it up, then the world is going to get very ugly. And if he does, it might get even uglier.

A great many of Barack Obama's erstwhile allies on the left are today using the death of bin Laden as a pretext to demand an end to hostilities in Afghanistan and a withdrawal of American troops. After all, we got our guy, and so it's time to bring the boys home. Right?

On the one hand, we're not entirely sure that we disagree. We've been wondering for months now what Obama is doing in Afghanistan and how he intends to define victory. And it seems to us that this might provide a convenient excuse to redefine the goals of the mission, to make them achievable, and to leave that part of the world with some semblance of dignity.

On the other hand, this assessment ignores the fact that just prior to the assault on bin Laden's compound inside Pakistan — which is a complicating factor — Barack Obama decided to double down on the current strategy in the "AfPak" conflict, escalating the "Pak" portion of it by moving Petraeus to the CIA. All of a sudden, the veneer of cooperation between the United States and the nuclear-armed Pakistanis appears to have been stripped away. All of a sudden, the top general and the man tasked time and again with restoring order is in charge of the Pakistan side of the operation. All of a sudden the monumentally corrupt Hamid Karzai and the Taliban-ghost Mullah

Muhammad Omar look like less of a problem and General Ashfaq Parvez Kayani appears to be the major obstacle to victory and the quelling of disorder in South-central Asia. *And all of this before we learned that America's greatest enemy was living in comfort, all but certainly, with the apparent full approval of the Pakistani intelligence services.*

We would love to be able to celebrate the victory that is the death of the leader of al Qaeda. We would love, indeed, to feel like it was a victory worth celebrating. But we don't know for sure that it is. We don't know what the hell is going on in that part of the world, or even who this nation's principal enemies are. Worse yet, we doubt that our President knows. And even if he does, it is still apparent that he has yet to come to grips with a strategy and an end game for the conflict.

Bin Laden is dead. Three cheer for the SEALs. Three cheers for the CIA. And one cheer for the President of the United States. We'll be more than happy to distribute the remaining cheers to Obama if he can figure out how to end this war with honor, dignity, and a safer America.

In the meantime, we can't help but feel that things just got more intense over there. And it has nothing to do with Osama bin Laden.

THE GOOD NEWS IS THE BAD NEWS.

Prior to Sunday night, it was universally acknowledged that the 2012 presidential election would be a referendum on the size and scope of government, which, naturally, would suit us just fine. This is a debate that is long overdue and one that we have been waiting eagerly to witness but have never been afforded the opportunity, largely because there was no one who could be said, with a straight face, to represent the "small government" side.

Today, many are saying that Barack Obama has secured his re-election – or at least made it more certain – by keeping the one national security promise that he made, namely the promise to "get" bin Laden

by focusing the nation's attention back where it belongs, on Afghanistan rather than Iraq. That may be, we suppose, and if so, that's great for him. But in our estimation, the death of bin Laden and any related enhancement of Obama's national security *bona fides* actually *increase* the odds that 2012 will be a referendum on the nature of government. Think about it this way: if Obama has indeed proven himself, then national security is off the table, and domestic policy will be the only issue left to discuss.

However it plays out, the notion that we have arrived at a point in history where the size of government will be the fundamental point of contention between the parties in a presidential election is actually quite remarkable. It is true that Reagan made overweening and overreaching government the antagonist of his campaigns, but that was, we're afraid, merely a sideshow, a pleasant side-effect of the political force that was Ronald Reagan. Smaller government and lower taxes were popular because Reagan made them so. And they likely would not have been popular were it not for his political leadership. In this election cycle, by contrast, the idea that government must shrink will exist as a political force all its own, independent of any individual politician. Reagan's vision will, at long last, have been caught by reality.

As we said, this is actually quite remarkable, particularly in light of the triumph of progressive-liberalism that took place just two-and-half short years ago with the election of Barack Obama and an exceptionally left-wing Democratic Congressional majority. So how did we get here? How did we get to the point where the size of government – and even the erstwhile third rails of government, Medicare and Social security – will be *the* issue in the next election? And what does it all mean?

To be honest with you, if you'd like a good history of the subject, we'd suggest you start reading [here](#). (If you need a user name or logon, just let us know.) Our archives overflow with stories about the administrative state, its history, its fatal flaws, its corruption, its distortion of classical liberal governance, its financial depravity, and its deleterious effects on the nature of American society.

Fortunately, the basics of the argument about the administrative state and the government Leviathan are not all that complicated. Unfortunately, they have been understood in varying capacities by men and women in various fields and of various ideological predispositions for decades now, though they've been by and large ignored by those who had the capacity to do anything about it (Reagan excepted). And this, unfortunately, does not portend well for the future, despite the remarkableness of the state of the debate.

On January 17, 1961, President Dwight David Eisenhower, a man who had, obviously, been president for two terms and part of the broader American experience for the better of the previous two decades, made his farewell speech to the American people and in it introduced into the American lexicon a rather notable term and concept, i.e. the military-industrial complex

A vital element in keeping the peace is our military establishment. Our arms must be mighty, ready for instant action, so that no potential aggressor may be tempted to risk his own destruction . . .

This conjunction of an immense military establishment and a large arms industry is new in the American experience. The total influence — economic, political, even spiritual — is felt in every city, every statehouse, every office of the federal government. We recognize the imperative need for this development. Yet we must not fail to comprehend its grave implications. Our toil, resources and livelihood are all involved; so is the very structure of our society. In the councils of government, we must guard against the acquisition of unwarranted influence, whether sought or unsought, by the military-industrial complex. The potential for the disastrous rise of misplaced power exists and will persist. We must never let the weight of this combination endanger our liberties or

democratic processes. We should take nothing for granted. Only an alert and knowledgeable citizenry can compel the proper meshing of the huge industrial and military machinery of defense with our peaceful methods and goals so that security and liberty may prosper together.

It goes without saying, we think, that Eisenhower's concerns were specific and dealt exclusively with military development and procurement for a reason. The question, though, is why. Did he focus on the military-industrial perversion of the relationship between government and business, to the exclusion of an erstwhile free people, because the military was clearly his field of expertise? Or was it simply that the potential for collusion between the government and industry on military matters was so glaringly obvious that even the President of the United States could see it?

Whatever the case, the fact of the matter is that by 1961, the potential for collusion between government and business to usurp the liberty of the people and, moreover, to arrogate the resources of the people for their own mutual enhancement was obvious enough that the president did not hesitate to discuss the matter in an address to the nation. And within the span of the next decade, the same case would be made in a far more structured way by far more structured thinkers, on the liberal-left, on the libertarian right, and in the field of economics, expanding the discussion far beyond the "mere" military-industrial complex.

By 1967, the economist Gordon Tullock had come to describe the concept of rent seeking (though not the term), which noted that business, in constant search of profits, was also in constant search of rents, a process by which business entities, generally through the intervention of a third party, deny other entities the opportunity to transactions to which they would otherwise have had access. In short, businesses seek rents as a means by which to harness the power of regulation and legislation to gain an advantage over competitors and potential competitors.

Over the next two decades, Tullock's work would be embellished by the likes of Anne Krueger (who went on to become the chief economist at the World Bank) and the scholar Fred McChesney to describe a process of "rent seeking" and "rent extraction," whereby government and business colluded – much as Eisenhower warned – to expand their own fiefdoms at the expense of their competition and at the expense of the *taxpayers*. Regulation and legislation in many cases came to serve no purpose whatsoever, except the economic purpose of creating rents to be manipulated by the Big Government-Big Business conspiracy.

In 1969, Theodore Lowi, the dean of American political scientists, published his *magnum opus*, *The End of Liberalism*, in which he described the destruction of American liberal governance at the hand of interest-group democracy/the iron-triangle. Lowi's principal argument, as we have relayed in these pages countless times, depicts the abdication of policy-making by the legislative branch of government and the related usurpation of that responsibility by the bureaucracy. Lowi called this development the nation's "Second Republic" in order to distinguish it from the voter-driven, democratic republicanism that constituted the "First Republic." The Second-Republic, interest-group-drive process, Lowi argued, distorts expectations, distorts democratic governance, and puts an end to the Founders' conception of self-government. It also skews government's priorities, giving short shrift to the needs and concerns of the voters and over-indulging the desires of the bureaucracy and its interest group clients. All of this, in turn, leads to the untrammelled growth of government, waste, and profligacy.

Two years after that, William Niskanen, who would go on to become the chairman of the Cato Institute and a Reagan administration official, published his seminal work, *Bureaucracy and Representative Government*, in which he made arguments similar to both Tullock's and Lowi's, though he obviously tackled them from a different perspective. Niskanen pioneered the idea of bureaucrats as "budget maximizers," the concept for which he is undoubtedly most famous in economic circles. But his 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 an 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.

In all four cases – Tullock, Lowi, Niskanen, *and* Eisenhower – it was clear as long ago as a half century that the weaknesses inherent in the administrative state and liberal big government, would eventually cannibalize that government. These individuals long ago identified the mechanisms by which government would eventually consume both the financial resources and the liberty of the American people. And because each of them came at the problem from a different perspective and, indeed, from a different academic discipline, the charge of ideological bias does little to blunt their collective criticism. It is merely the case that the "crippling" problems identified by these individuals have taken until now to reach crisis stage, to reach the point at which they do, indeed, threaten to cripple the government and the society they afflict.

The good news at the end of this brief historical synopsis is, unfortunately also the bad news, namely that the "crippling" problems foreseen for decades now remain but a threat; albeit an immediate threat; but they have not yet actually crippled anything.

Obviously, this is the good news because it means that there is still an opportunity to address these problems before they cause serious and irreversible damage. The Republican budget passed two weeks ago is a start in this direction. But only a start.

The bad news is that we here at the Political Forum continue to believe that the political powers that be – the ruling class if you will – are so obstinate, so entrenched, so used to the indulgences of power, and

so clueless about the nature of economic reality that they will not react until they are forced to, which is to say that a near-crippling is not enough. A true crippling will be required to force action.

Last week, Paul Rahe, a professor of history at Hillsdale College and one of our favorite commentators on the state of conservatism, wrote that conservatives should take heart, for victory is near:

It once made sense for conservatives to be disheartened and even defeatist. They have been fighting a rearguard action for nearly one hundred years. But, as I argued, circumstances have changed dramatically. Barack Obama has brought us to the edge of a precipice, and a majority of Americans now recognize that things cannot go on as they have in the past. The welfare state is bankrupt. The Social Security trust fund is paying out more than it is taking in. The Medicare entitlement is unsustainable, and Obamacare threatens to hurl us into the abyss.

We must either roll back entitlements and the administrative state or raise taxes to a level that is bound to extinguish growth and kill the goose that lays the golden eggs – and Americans now recognize the fact. The speech that Barack Obama delivered at George Washington University on 13 April was a reprise of his performance when he accepted the necessity of extending the Bush tax regime in December. He was angry, petulant, and rude to the guests whom he had invited to attend, as is his wont on such occasions. But he caved

So, what is the upshot? Barring a major foreign policy crisis (*Bomb, bomb, bomb, bomb, bomb Iran?*), the election in 2012 is going to turn on two issues: the economy and Obamacare. There is very little

chance that either will play to President Obama's advantage. My judgment is that the presidential election in 2012 is the Republicans' to lose.

If the Republicans nominate one of the living dead, as they did in 1996 and 2008, the President may eke out a victory. If, on the other hand, they nominate a woman or man capable of articulating the case for limited government on principled grounds, the case for a balanced budget on prudential grounds, and the case for repealing Obamacare and dismantling the administrative state on every conceivable ground, the Republicans could sweep in such a fashion as to usher in a new political era defined by balanced budgets, low taxes, and decentralization.

It sounds wonderful, doesn't it? Too bad it is not going to happen.

Rahe is right about a good many things here, as we have as much as conceded in this piece. But he is, in our opinion, far too optimistic about the chances that there will be real and significant change in the nature of governance in the absence of a real crisis. We have said it before and we will say it again: Washington is Washington, and it doesn't react unless and until its hand is forced.

Think about the great "budget victory" that the Republicans won from Obama when they forced him to "cut" the Fiscal 2011 budget by almost "\$40 billion." What did they get for their efforts? Exactly what they wanted, nothing. They "cut" money that wasn't going to be spent anyway on programs that were being phased out. In reality, the whole big mess amounted to a "cut" of \$352 million. *That's less than the federal government borrows every two hours.* That's a joke. But that's what passes for victory.

We wish we could be confident that a new president and a new Congress and a new era would mean

new results. But we're actually quite confident of the opposite. This isn't complicated stuff. As we've said, everyone on every side of the debate has known that this is coming for decades. Yet no one on the right – short of Ronald Reagan – has been able to make the ideas stick. Why should we believe that things have changed now? Why should we believe that they'll change in two years? Why should we believe that anyone in Washington will accept the obvious until he has to? In the end, the marketplace will force the action, probably via a full scale attack by our old friend Ed Yardeni's bond vigilantes.

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