

Stephen R. Soukup Publisher
soukup@thepoliticalforum.com

Mark L. Melcher Editor
melcher@thepoliticalforum.com

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THEY SAID IT

"A loaf of bread," the Walrus said,
"Is what we chiefly need:
Pepper and vinegar besides
Are very good indeed --
Now if you're ready Oysters dear,
We can begin to feed."

"But not on us!" the Oysters cried,
Turning a little blue,
"After such kindness, that would be
A dismal thing to do!"
"The night is fine," the Walrus said
"Do you admire the view?"

"It was so kind of you to come!
And you are very nice!"
The Carpenter said nothing but
"Cut us another slice:
I wish you were not quite so deaf --
I've had to ask you twice!"

"It seems a shame," the Walrus said,
"To play them such a trick,
After we've brought them out so far,
And made them trot so quick!"
The Carpenter said nothing but
"The butter's spread too thick!"

"I weep for you," the Walrus said.
"I deeply sympathize."
With sobs and tears he sorted out
Those of the largest size.
Holding his pocket handkerchief
Before his streaming eyes.

"O Oysters," said the Carpenter.
"You've had a pleasant run!
Shall we be trotting home again?"
But answer came there none --
And that was scarcely odd, because
They'd eaten every one.'

"The Walrus and the Carpenter," from *Through the Looking Glass
and What Alice Found There*, Lewis Carroll, 1871, as told by
Tweedledee.

MITT, MITT, HE'S OUR MAN!

As you may have heard, somebody named Jon Huntsman decided yesterday to suspend his presidential campaign and to endorse Mitt Romney. After searching our minds for the answer to the obvious first question, namely "who is Jon Huntsman?" we came to the conclusion that this was an important development. After all, with this Huntsman guy out of the race, the rich, white Mormon vote is no longer likely to be split,

thereby adding further to the inevitability of the Romney juggernaut. As we put it last week, “Mitt, Mitt, he’s our man!” And this is all good news. For Barack Obama and the angry left, that is.

Now, we struggle mightily to feign interest in some degree of impartiality. But we usually lose the battle, largely because we think it’s a highly overrated and essentially useless trait in this business. Nevertheless, something like impartiality has struck us this primary season, as we find ourselves barely able to muster the energy to distinguish between one equally awful GOP candidate from another.

Think about it this way: the Republicans could have had Chris Christie fighting it out with Jeb Bush, Paul Ryan, Marco Rubio, Bobby Jindal, and Mitch Daniels. Instead, they’ve climbed through the looking glass and find themselves with Tweedle Newt and Tweedle Rick, both trying desperately to stay ahead of the Mad Hatter as they all futilely chase after Somebody (or is it Nobody?), in the senseless hope that they will be the man who gets to wake up the Red King and find out that they were all just figments of his imagination. Errr . . . well . . . something like that.

In any case, this may be the weakest partisan field in memory. Willard “Mitt” Romney, the man who has emerged as the Republican frontrunner and who will, all but certainly, be the nominee, is historically insipid. This year, he garnered fewer votes in the Iowa caucuses than he did four years ago, when he finished second – to a guy who dropped out of that race a few weeks later and now hosts a cable television talk show. Before winning last week on what is more or less his home turf, he had been unable to win over more than 25% of the Republican primary electorate – either in the Iowa vote or in any major polls.

Worse yet, now that he is the clear frontrunner, his weaknesses are becoming even more glaring. This is largely because he doesn’t recognize them as weaknesses and doesn’t understand therefore how to handle them. As a result, he might end up not merely losing the election next November, but doing damage to a great deal more than merely his own reputation.

Let us explain.

Obviously, over the past several weeks, it has become clear that Mitt Romney’s background in private equity, specifically at Bain Capital, will be a liability rather than the asset Romney and many of his supporters had presumed it would be. This is NOT – and we cannot emphasize this enough here, despite its obviousness – because there is anything at all wrong with Bain Capital, with what Mitt Romney did there, or with the private equity business more generally.

The problem is how Romney has chosen to present and to defend his time at Bain and what this could do to the debate about the role of government in the economy at a particularly sensitive moment. Romney has been foolish, to say the least, by attempting to turn his tenure at Bain into something it was not – *specifically for the purpose of enhancing his political fortunes*. In so doing, he has made the counter-arguments to his foolishness sound all too reasonable and all too plausible to people who clearly don’t know any better, apparently including the former Speaker of the House.

It is important to note, we think, when discussing Romney and his career at Bain, that none of this would be particularly relevant if the candidate himself had not made it so. But he did. And he did so because he had to do something, after all, to cover up his other glaring weaknesses.

Rightly fearing the Tea Party and conservative backlash against the soft-left statism he practiced while governor of Massachusetts, Romney decided instead to stake his case for the presidency on the things he did before becoming governor. Rather than allow his opponents to define him as the irresolute, pro-choice, big-government, godfather of Obama Care that he was in office, Romney decided instead to define himself as a red-blooded capitalist success story and stalwart defender of the free market. Given the circumstances, this was smart. But it was dangerous and potentially damaging too.

A great deal of ink has been spilled over the past couple of weeks accusing Newt Gingrich in particular of growing desperate and angry and of making the

leftist case against Romney and his work at Bain. These are fair charges, we'll concede. But in truth, Gingrich only did what Romney practically invited him to do.

Frank J. Fleming, who happens to be one of our favorite young political satirists, penned a more serious piece this week, knocking those, like Gingrich, who have criticized Romney's private-sector experience. And though he doesn't mention the former Speaker by name, preferring instead to focus on the certainty that the attack will be taken up almost verbatim by the Obama camp, he does take Newt's critique head on:

People have started to learn some disturbing facts about likely Republican presidential nominee Mitt Romney: He once worked for Bain Capital — which is what's known as a private-sector business. Harmless as the term sounds, it's much scarier once you understand how such outfits operate.

A private-sector business doesn't even pretend to make decisions based on how to best help people or what creates the most jobs or even on what will most equally distribute income. It makes decisions based only on what creates a profit.

Yes, it's frightening to think that something so mercenary even exists — even worse that someone who worked for something like that could actually become president.

The problem here is that it is Romney himself — not Gingrich, or Santorum, or even Obama — who has insisted that “job creation” was the point of his experience at Bain. Romney has bragged, repeatedly, that he created over “100,000” jobs at Bain and that doing so was always his goal. As the journalist and author Jonathan Last notes, Romney seems desperate to make his work at Bain seem not just germane to governing, but admirable as well. Frank Fleming

makes a good case for Romney and for Bain. But sadly, it is *not* the case that Romney has made or even seems capable of making.

The case that Romney *is* making is one that he should know enough not to make. It is inaccurate, and worse, it allows the left to apply that inaccuracy to its already skewed depiction of the economic universe in the hope of further crippling the system by which wealth is created in free societies.

As more than one commentator has noted, the principal problem with the Romney depiction of Bain, with the Gingrich attack on Bain, and with the conservative rejoinder to Gingrich is that all three tend to presume that finance and capitalism are one and the same. We don't need to tell you, gentle reader, but finance is not the sum total of capitalism. It is a part of capitalism. It is — not to put too fine a point on this — the means by which capitalism is financed. But to equate finance with capitalism in its entirety; to presume that finance is the absolute engine of creation; to believe that jobs arise exclusively from finance rather than from entrepreneurship and creativity and prescience is simply naïve at best.

We presume, of course, that Mitt Romney knows this. We presume that he could, at any moment, set the record straight; that he could say to Newt: “Look. At Bain, I was an absolutely integral cog in the capitalist machine. I did my best maximize the return on the investments made by my company. I tried my damndest to make profits for myself and my investors because profits are the lifeblood of a free economy. Profits provide the necessary resources for growth, and growth provides the resources to feed expansion, to feed entrepreneurs, to feed retailers, and yes, to feed families. Contra Gordon Gecko, greed is not good. But profits most certainly are. And I am neither ashamed nor embarrassed that I sought them vigorously. Without people to provide the financing for business, capitalism could not exist. The beauty in all of this, as any good capitalist knows, is that it leads, inevitably, to wealth production, job growth, and greater incomes for society at large.”

But he hasn't done this. And he appears not to want to do this. Indeed, he appears willing to allow the conflation of finance and capitalism go unchallenged – all because he wants us to believe that he was not a profit-seeker so much as a noble do-gooder. This is garbage. And worse, it's damaging garbage.

For starters, this conflation of finance and capitalism feeds perfectly into the left's current world view and its present attempts to portray Wall Street as the source of all evil in the world. When the agitated leftie youth – inspired by the agitated leftie not-so-youth – decided to take another crack at discrediting “capitalism,” they decided they would occupy Wall Street. Why? Because a handful of Wall Street big shots had engaged in some skullduggery, because a handful more had grown rich while the rest of the country had fallen on hard times, because a handful more had played fast and loose with the rules and had helped inflate the bubble that, when it popped, helped take down the global economy. They attacked Wall Street because its big banks had infamously been bailed out “in the public interest” and with the public's money, which meant that those banks made a good target, one that most people in the country – right, left, and in between – could agree had been allowed to get away with something.

Mostly, though, they attacked Wall Street because they thought that if they could convince people that Wall Street was evil, then they could convince people that capitalism itself was evil and that the “unregulated” markets (HA!) were dangerous and must be assailed by government on behalf of the people. Romney's tap dance, unfortunately, has encouraged this sloppy and terribly simplistic thinking. Indeed, it has lent it credence.

The second thing that Romney's intentional misperception has done, which is not unrelated to the first, is to aid in the threat that is currently posed to the American affection for the “investor class.” As a rule, Americans generally and rightly understand that “investors” provide the capital for economic growth, and they desire, as much as anything, to be investors themselves. But there is, since the collapse of the

financial bubble in particular, a threat to that sentiment that could allow the left to make significant headway in the class war it has been waging rather fruitlessly for more than a century.

For some time now, the lazy and intellectually substandard conservative members of the political class have sold supply-side tax policy almost exclusively as a means to bolster the “job creators.” We need low taxes, we are told, because only then will financiers and business owners be willing to invest their money in business and create jobs. And that is the sum total of their argument.

That this is inadequate goes without saying. Yet this is what passes for discourse among our leaders. Mitt Romney, as the presumptive presidential nominee and the titular head of party, has exacerbated this inadequacy by suggesting that the point of private equity, of finance, and even of capitalism more broadly is to “create jobs.” He went into business to create jobs. And that's what it was and is all about to him. Creating jobs. It's noble. It's easy. And everyone should do it.

The problem arises if and when jobs aren't created. What if the “masters of the universe” can't create jobs? What happens if, for a variety of reasons – some policy-related, some globally driven – low tax rates and a profitable financial services industry don't generate the jobs that Mitt Romney and the simpletons in Congress say are the whole point of it all? What happens if, say, the Bush tax rates remain in place, Wall Street has a couple of good years, and yet the unemployment rate remains stubbornly high, the number of unemployed remains higher still, and people in general believe, rightly, that the jobs market is in the proverbial toilet?

The “conservatives” of the political world have insisted that low taxes for Wall Streeters and other rich folk are designed to empower them to create jobs. And the wannabe president has likewise insisted that Wall Street success is directed at creating jobs. And yet there are no jobs. So now what happens?

In her classic tome, *The Origins of Totalitarianism*, Hannah Arendt describes the fate of those who once had money and power, but who, for whatever reason, lost the power but not the money:

According to Tocqueville, the French people hated aristocrats about to lose their power more than it had ever hated them before, precisely because their rapid loss of real power was not accompanied by any considerable decline in their fortunes. As long as the aristocracy held vast powers of jurisdiction, they were not only tolerated but respected. When noblemen lost their privileges, among others the privilege to exploit and oppress, the people felt them to be parasites, without any real function in the rule of the country. In other words, neither oppression nor exploitation as such is ever the main cause for resentment; wealth without visible-“function is much more intolerable because nobody can understand why it” should be tolerated.

Anti-semitism reached its climax when Jews had similarly lost their public functions and their influence, and were left with nothing but their wealth. When Hitler came to power, the German banks were already almost *judenrein* (and it was here that Jews had held key positions for more than a hundred years) and German Jewry as a whole, after a long steady growth in social status and numbers, was declining so rapidly that statisticians predicted its disappearance in a few decades. Statistics, it is true, do not necessarily point to real historical processes; yet it is note-worthy that to a statistician Nazi persecution and extermination could look like a senseless acceleration of a process which would probably have come about in any case .

Only wealth without power or aloofness without a policy are felt to be parasitical, useless, revolting, because such conditions cut all the threads which tie men together.

The intellectual hollowness of the conservative ruling class now coupled with power-driven chicanery of the Romney campaign have created a misimpression of the role of finance and wealth in this country. Worse yet, in so doing, they have also created an impression of impotence, which is to say an impression of “wealth without power or aloofness without policy.” The analogy here to the French aristocracy or the European Jews is, of course, imperfect, not the least because this is all based on a misimpression. Still, perception matters, and if a man like Newt Gingrich, who fashions himself “Reaganesque,” can be fooled into believing that the private equity side of finance is despicable because it is obvious that Romney’s fictitious promises are too simplistic to be true, then one shudders to think what less “Reaganesque” Americans might think about finance or capitalism in general based on the constant repetition of this misimpression and the associated mistaken claim of powerlessness.

Now, as damaging as all of this has been and will be – and believe us, the worst is yet to come – none of it will, in the end, serve the purpose for which it was intended, namely to allow Mitt Romney to get out from under the weight of his statist tendencies and emerge as a strong, free-market candidate and/or president. He just doesn’t have that in him. Romney is, at heart, a manager. And he believes that things should be managed from the top down, whether that “top” is in business or in government. And in government, this approach leads to distortions and inefficiencies, at the very least.

For whatever reason – and we suspect it’s a combination of pride and a genuine belief in the power of technocratic management – Romney refuses to disavow his health care adventures explicitly and, in fact, continues to defend what he

did in Massachusetts, empirical evidence of disaster notwithstanding. The fact of the matter is that Mitt Romney represents a wing of the Republican Party that believes in government and believes that the problem with liberals is simply that they don't know how to run things. He would be a better president than Obama because he has private sector experience that he could apply to government, not because he wants to strangle government and turn its usurped powers back over to the people. He wants to run your lives differently, better, not let you run them. As the columnist David Harsanyi put it, "If the thought of big, intrusive liberal government offends you, he might just be your man. And if you favor a big, intrusive Republican government, he's unquestionably your candidate."

Now, that Harsanyi wrote the above about Rick Santorum rather than Romney is beside the point, since it applies to Romney as well – and Gingrich, for that matter. Indeed, it applies to every Republican running with the exception of the Mad Hatter himself, Ron Paul. And that's the real risk to the GOP in this election cycle.

Romney is undoubtedly a lovely man. (As is Santorum. As for Newt . . . well . . . he's got nice hair.) But he's going to tear the Republican Party apart. Most conservative commentators and many Republican voters have made their peace with him and have decided that something is better than nothing, and compared to the nothingness of another Obama term, they'd gladly take the something of a Romney presidency, even if the something in question was rather small. This is understandable, we suppose, given the reality of the situation. But it's also insufficient. And given the unhappiness of much of the party's base, the challenges facing the nation, and the complete obliviousness of the Romney-establishment crowd to any of this, win or lose there is going to be a reckoning within the party come 2013.

Just after the Iowa Caucuses, in an interview with Fox News, Sarah Palin warned that the Republicans would be reckless and foolish to abandon those voters who support Paul. Specifically, she said:

Here's the deal: The GOP would be so remiss to marginalize Ron Paul and his supporters as we come out of Iowa tonight and move down the road to New Hampshire, South Carolina and Florida, et cetera. If we marginalize these supporters who have been touched by Ron Paul and what he believed in over these years, well, then, through a third party run of Ron Paul's or the Democrats capturing those independents and these libertarians who supported what Ron Paul's been talking about, well, then the GOP is going to lose. And then there will be no light at the end of the tunnel.

So, the worst thing that the GOP machine can do is marginalize Ron Paul and his supporters . . .

If we may take the liberty of translating what Mrs. Palin is saying here, there is a significant faction within the GOP that has had enough of the big government technocratic meddling. It is easy, sometimes, to dismiss Ron Paul's voters as crackpots, simply because Paul himself is a crackpot. But the overwhelming majority of his supporters are just average Americans who don't want better management of their lives, but want to take back the right to manage their own lives. To alienate them would be foolish and would risk tearing the party apart, either in support of a third party or by putting Obama over the top through their apathy.

We agree, of course (which only makes sense, since we did the "translating"). If anything, we think Mrs. Palin soft-sells the potential damage. The supporters of Ron Paul are but the tip of the proverbial iceberg. The Tea Party movement, its passion, its power, its energy, and its longevity provide far better indicators of the Republican voters' displeasure with the status quo, even within their own party.

In a very real sense, Mitt Romney and his approach to governance are a direct rebuke to the Tea Party and to the spirit of individualism and liberty that

have Republican voters so upset with Barack Obama. While it may be true that many Republicans have made their peace with Romney's nomination, for the sake of harmony entering the general election, a great many haven't. And a great many more who think that they have will find out that they feel differently when he loses and they conclude that he did so in part because what he offered was more of the same, only less.

Ron Paul himself can never be the GOP presidential nominee, largely because his beliefs about government are far more bizarre than most people realize and too far from the mainstream to make him a viable candidate. But his candidacy is important, if for no other reason than it represents the single honest rebuke to the big-government consensus that still dominates both parties in Washington.

As we wrote last week in our forecast piece, 2013 will be a very troubling year in American politics and it will, in our estimation, produce far greater anger and unrest among the various factions in the electorate than has been seen in a long time. Obviously, we will expound on all of this as the shape of this meltdown begins to form. For now, though, know that we expect that the freshly re-elected President Obama, who will be freed from the constraints of having ever to campaign again, will both step up his consolidation of power in the hands of the Executive Branch and will expand his class war by trying to sully capitalism writ large with the misdeeds and aloofness of a handful of men and women in the financial sector.

Unfortunately, both goals will have been made easier by the candidacy of Mitt Romney.

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