

November 18, 2010

Happy 22nd Birthday Liza. Click on About. She is the little girl in the first picture. Calls herself Number Six.

[Jennifer Rubin](#) on the verdict in New York.

The acquittal of Guantanamo detainee Ahmed Khalfan Ghailani yesterday on all but one of 285 counts in connection with the 1998 Al Qaeda bombings of the U.S. embassies in Kenya and Tanzania has once again demonstrated that the leftist lawyers' experiment in applying civilian trial rules to terrorists is gravely misguided and downright dangerous. The soon-to-be House Chairman on Homeland Security Peter King issued a statement blasting the trial outcome and the nonchalant response from the Justice Department:

"I am disgusted at the total miscarriage of justice today in Manhattan's federal civilian court. In a case where Ahmed Khalfan Ghailani was facing 285 criminal counts, including hundreds of murder charges, and where Attorney General Eric Holder assured us that 'failure is not an option,' the jury found him guilty on only one count and acquitted him of all other counts including every murder charge. This tragic verdict demonstrates the absolute insanity of the Obama Administration's decision to try al-Qaeda terrorists in civilian courts" ...

And [John Podhoretz](#).

The horrendous result in the trial of the al-Qaeda participant in the 1998 embassy bombings is a revelation. What it reveals is just how feckless and irresponsible the policies of this administration have proved to be in the administration of the war on terror. The fact is that, over the course of the Bush administration, a legal regime was established to govern the of this administration in dealing with the legal complexities of the war on terror. The regime came under withering assault from liberals, but it was consistent, predictable, and had underlying logic. Now, almost certainly, we're spinning off into complete improvisation — Gitmo remaining open when the administration has declared its intention to close it, Khalid Sheikh Muhammad about to be detained indefinitely under war terms his detainers in this administration have rejected. What the Bush people did was far more considered than it was given credit for being at the time, and now the people who claimed it was acting lawlessly are on the verge of true lawlessness — which is what law is when it is inconsistently and improvisationally applied.

[Peter Wehner](#) says the prez is in denial.

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In fact, the exit polling shows the public did exactly what the president denies. The midterm elections were as close to a plebiscite as we have ever seen in a midterm election. It was, in large measure, a referendum on Obama and his policies — on Obamaism — and the public stood awthart history yelling, "Stop!" ...

John Podhoretz tells us what happened to Dem congresspersons who voted with the toxic president.

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And more besides. For it was the 20-plus seats lost due to Obama's liberal policies that turned the election from a wave into a tsunami -- a wholesale rejection of his party fearsome in its intensity and destructiveness (an astounding 680 Democratic state legislators lost their jobs on Nov. 2).

The Stanford analysis (by professor David Brady, also deputy director of the Hoover Institution) addresses the effect on individual House members who voted both for health-care reform and the cap-and-trade bill.

Democrats who voted for both bills and whose districts went for John McCain rather than Obama in 2008 were wiped out. So were the ones in districts that Obama essentially split with McCain 50-50.

Perhaps even more interesting is this: A Democrat in one of these "50-50" districts who voted no on both health-care and cap-and-trade ended up with a 71 percent chance of getting re-elected -- while one who voted yes on both bills had only a 6.5 percent chance of holding on. ...

David Harsanyi has some fun.

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You'll remember that one of the most common and potent rationales for passing reform was the claim that insurance companies routinely deny coverage to innocent Americans with pre-existing conditions.

Obamacare features a \$5 billion program designed to stem this profit-ridden epidemic. And to ensure vibrant participation — by both those legitimately in need and those who couldn't quite grasp the theory behind "insurance" — 65 percent of premiums are subsidized by taxpayers.

But as The Wall Street Journal reported this week, even with generous inducements, since July only 8,000 people — rather than the White House's projected 375,000 — have signed up for a national program that is theoretically going to add another 400,000 citizens in each upcoming year.

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Or, in other words, we have another \$5 billion relentlessly searching for a problem. ...

Joel Kotkin continues the Texas/California dichotomy.

In the future, historians may likely mark the 2010 midterm elections as the end of the California era and the beginning of the Texas one. In one stunning stroke, amid a national conservative tide, California voters essentially ratified a political and regulatory regime that has left much of the state unemployed and many others looking for the exits.

California has drifted far away from the place that John Gunther described in 1946 as “the most spectacular and most diversified American state ... so ripe, golden.” Instead of a role model, California has become a cautionary tale of mismanagement of what by all rights should be the country’s most prosperous big state. Its poverty rate is at least two points above the national average; its unemployment rate nearly three points above the national average. On Friday Gov. Arnold Schwarzenegger was forced yet again to call an emergency session in order to deal with the state’s enormous budget problems.

This state of crisis is likely to become the norm for the Golden State. In contrast to other hard-hit states like Pennsylvania, Ohio and Nevada, which all opted for pro-business, fiscally responsible candidates, California voters decisively handed virtually total power to a motley coalition of Democratic-machine politicians, public employee unions, green activists and rent-seeking special interests. ...

George Gilder with more on California's problems.

California officials acknowledged last Thursday that the state faces \$20 billion deficits every year from now to 2016. At the same time, California's state Treasurer entered bond markets to sell some \$14 billion in "revenue anticipation notes" over the next two weeks. Worst of all, economic sanity lost out in what may have been the most important election on Nov. 2—and, no, I'm not talking about the gubernatorial or senate races.

This was the California referendum to repeal Assembly Bill 32, the so-called Global Warming Solutions Act, which ratchets the state's economy back to 1990 levels of greenhouse gases by 2020. That's a 30% drop followed by a mandated 80% overall drop by 2050. Together with a \$500 billion public-pension overhang, the new energy cap dooms the state to bankruptcy. ...

Jennifer Rubin says follow the successful states.

... These budget balancers and spending cutters are successful Republican governors, all of whom have been mentioned as 2012 presidential contenders. And in the 2010 midterms, their ranks expanded with Republicans elected in New Mexico, Wisconsin, Ohio, Iowa, Pennsylvania, Michigan, Kansas, Oklahoma and Tennessee. That’s a lot of GOP governors who have the opportunity to lead on fiscal discipline.

Not only does this dispel the liberal myths that we need massive taxes to balance our books or that the public won’t accept reduced services; but it provides Republicans with a wealth of talent for the 2012 and future presidential races. The country seems poised to get serious on tax and budget reform and has grown weary of a president whose not much into governance. That suggests a unique opportunity for these GOP governors — provided they stick to their sober approach to governance.

And on the other hand, we have the example of California which has yet to get its spending and public employee unions under control. It’s the beauty of federalism — 50 laboratories in which we can see what works and what doesn’t. So far a lot of GOP governors are showing how to do it right.

Howard Kurtz interviews Roger Ailes. We have both parts.

... Ailes brushes aside suggestions that journalists have been much harder on the president as his sliding popularity has led to a Republican takeover of the House. He is far more sympathetic to Obama's predecessor:

"This poor guy, sitting down on his ranch clearing brush, gained a lot of respect for keeping his mouth shut. I literally never heard an Obama speech that didn't blame Bush."

None of this is personal, you understand. Ailes says he likes Obama, who was gracious to him during last year's Christmas party, and David Axelrod and Valerie Jarrett. He recently had breakfast with Axelrod to discuss Fox's coverage. But Ailes took an unprovoked swipe at Robert Gibbs, saying the press secretary "is a little big for his britches" and "will end up like that little shthead who worked for Bush"—meaning Scott McClellan, the onetime loyalist who wrote a book criticizing his former boss. Gibbs and the White House declined to respond.

Fox was the favorite network of the Bush White House, the default channel on its television sets and the go-to guys for big interviews. The Obama White House, by contrast, declared rhetorical war on the network last year and rarely provides top officials as guests.

The steady barrage of criticism from the opinion folks, led by Glenn Beck and Sean Hannity, has lifted Fox's ratings, although Ailes says he sees no connection. Fox is averaging 11 million viewers this year, an 8 percent jump in Nielsen numbers over 2008, while CNN has dropped 37 percent and MSNBC 15 percent. Unlike two years ago, Fox is averaging more viewers than its two cable rivals combined. ...

Contentions

The Ghailani Debacle

by Jennifer Rubin

The acquittal of Guantanamo detainee Ahmed Khalfan Ghailani yesterday on all but one of 285 counts in connection with the 1998 Al Qaeda bombings of the U.S. embassies in Kenya and Tanzania has once again demonstrated that the leftist lawyers' experiment in applying civilian trial rules to terrorists is gravely misguided and downright dangerous. The soon-to-be House Chairman on Homeland Security Peter King issued a statement blasting the trial outcome and the nonchalant response from the Justice Department:

"I am disgusted at the total miscarriage of justice today in Manhattan's federal civilian court. In a case where Ahmed Khalfan Ghailani was facing 285 criminal counts, including hundreds of murder charges, and where Attorney General Eric Holder assured us that 'failure is not an option,' the jury found him guilty on only one count and acquitted him of all other counts including every murder charge. This tragic verdict demonstrates the absolute insanity of the Obama Administration's decision to try al-Qaeda terrorists in civilian courts"

The Congress can start by ending federal court jurisdiction over detainees. Then they should demand Eric Holder's resignation — preferably before his serially wrong advice causes any more damage to our national security.

Let's review what went on here. First, this was a case of mass murder. As the [New York Times](#) explains:

[P]rosecutors built a circumstantial case to try to establish that Mr. Ghailani had played a key logistical role in the preparations for the Tanzania attack.

They said the evidence showed that he helped to buy the Nissan Atlas truck that was used to carry the bomb, and gas tanks that were placed inside the truck to intensify the blast. He also stored an explosive detonator in an armoire he used, and his cellphone became the "operational phone" for the plotters in the weeks leading up to the attacks, prosecutors contended.

The attacks, orchestrated by Al Qaeda, killed 224 people, including 12 Americans, and wounded thousands of others.

But the case was ill-suited to civilian courts and a key witness was excluded from testifying:

But because of the unusual circumstances of Mr. Ghailani's case — after he was captured in Pakistan in 2004, he was held for nearly five years in a so-called black site run by the Central Intelligence Agency and at Guantánamo Bay, Cuba — the prosecution faced significant legal hurdles getting his case to trial. And last month, the government lost a key ruling on the eve of trial that may have seriously damaged their chances of winning convictions.

In the ruling, the judge, Lewis A. Kaplan of Federal District Court, barred them from using an important witness against Mr. Ghailani because the government had learned about the man through Mr. Ghailani's interrogation while he was in C.I.A. custody, where his lawyers say he was tortured.

The witness, Hussein Abebe, would have testified that he had sold Mr. Ghailani the large quantities of TNT used to blow up the embassy in Dar es Salaam, prosecutors told the judge, calling him "a giant witness for the government."

The judge called it correctly and explicitly warned the government of "the potential damage of excluding the witness when he said in his ruling that Mr. Ghailani's status of 'enemy combatant' probably would permit his detention as something akin 'to a prisoner of war until hostilities between the United States and Al Qaeda and the Taliban end, even if he were found not guilty.'"

In other words, what in the world was the bomber doing in an Article III courtroom? He was, quite bluntly, part of a stunt by the Obama administration, which had vilified Bush administration lawyers for failing to accord terrorists the full panoply of constitutional rights available to American citizens who are arrested by police officers and held pursuant to constitutional requirements.

Once again, the Obama team has revealed itself to be entirely incompetent and has proven, maybe even to themselves, the obvious: the Bush administration had it right. And in fact, maybe we should do away with both civilian trials and military tribunals and just hold these killers until hostilities end. You know, like they do in *wars*.

Contentions

The Ghailani Debacle and What It Means

by John Podhoretz

The horrendous result in the trial of the al-Qaeda participant in the 1998 embassy bombings is a revelation. What it reveals is just how feckless and irresponsible the policies of this administration have proved to be in the administration of the war on terror. The fact is that, over the course of the Bush administration, a legal regime was established to govern the of this administration in dealing with the legal complexities of the war on terror. The regime came under withering assault from liberals, but it was consistent, predictable, and had underlying logic. Now, almost certainly, we're spinning off into complete improvisation — Gitmo remaining open when the administration has declared its intention to close it, Khalid Sheikh Muhammad about to be detained indefinitely under war terms his detainers in this administration have rejected. What the Bush people did was far more considered than it was given credit for being at the time, and now the people who claimed it was acting lawlessly are on the verge of true lawlessness — which is what law is when it is inconsistently and improvisationally applied.

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Obama's Fall from Grace

by Peter Wehner

“Campaigning is different than governing,” President Obama told reporters during his return flight from Asia this weekend. When asked about his meeting with GOP leaders later this week, Obama said: “They are flush with victory after a campaign of just saying ‘No.’ But I’m sure the American people did not vote for more gridlock.”

In fact, the exit polling shows the public did exactly what the president denies. The midterm elections were as close to a plebiscite as we have ever seen in a midterm election. It was, in large measure, a referendum on Obama and his policies — on Obamaism — and the public stood awthart history yelling, “Stop!”

As for the differences between campaigning and governing: that is precisely the distinction some of us warned Obama about in the immediate afterglow of his election. At the time, Obama's supporters mocked the cautionary notes; governing would be a breeze once The One we had been waiting for took his throne. Mr. Obama himself is responsible in large measure for this. After all, he created almost mythological expectations of what he would achieve.

It has turned out to be quite a lot different, and quite a lot harder, than Mr. Obama ever imagined.

The world is an untidy place; problems are often more difficult and even more intractable than candidates imagine. Expressing intentions — like, say, closing down Guantanamo Bay, trying Khalid Sheik Mohammad in a civilian court, keeping unemployment below 8 percent, bending the health-care cost curve down while at the same time covering more people, convincing the Iranians to give up their pursuit of nuclear weapons, ushering in peace between the Israelis and the Palestinians, even signing a free-trade agreement with South Korea — is different than actually implementing successful policies.

Republicans, to their credit, seem to have learned from Obama's mistakes, as well as some of their own. There is no more talk about “revolutions.” Rather, there is a sober realization of the tasks that lie

before them. This attitude doesn't guarantee success, but it does show a level of maturity about politics and life, about their possibilities and limitations, that is a welcome thing to see.

Barack Obama's stunning fall from grace has had an effect on him and on his opponents. The days of meaningless incantations like "hope and change," of healing the planet and reversing the ocean tides, are gone with the wind. We are at least better for that.

NY Post

[Sorry, O, the voters were saying 'No'](#)

by John Podhoretz

President Obama sounded a bizarre note upon his return home on Sunday when asked about upcoming negotiations with Republicans in Congress: "They're still flush with victory, having run a strategy that was all about saying no," he said.

The thing is it doesn't matter what the GOP strategy was in the election's run-up. What matters is what the voters said by the way they cast their votes. It was the *voters* who said no.

A remarkably original analysis of election results by the Stanford Institute for Economic Policy Research makes this not just an assertion but a matter of fact. The study demonstrates that more than 20 seats lost by Democrats -- at least a third of the overall loss -- went to the GOP as a result of liberal policy votes.

In one sense, the survey should make Obama feel a little better, since Republicans needed 37 seats to take control. This means he can assign the Democratic loss of control in the House to the economy alone. Why? Because the survey estimates that 40 seats were lost to Democrats due to the economy's weakness.

In another sense, it should make him feel far worse, because the 20-plus seats lost above and beyond the economy are -- according to the Stanford survey -- entirely attributable to Obama's left-liberal policies.

Obama clearly wants to blame the economy's woes for his crushing defeat, in part because he seems to assume he bears no blame for them. Yet that is, to be charitable, a profoundly problematic assumption.

Yes, he inherited a mess. But over the 20 months of his presidency he championed dramatic and expensive policy efforts to heal the economy -- \$863 billion worth of stimulus provisions and a hundred other smaller steps. Those have proved ineffective at best and at worst have served as a drag on recovery -- as have other policies, in particular health-care reform and the uncertainty about the future it has created for businesses large and small.

Certainly, then, some proportion of that 40-seat loss can and should be attributed to *his* poor handling of the economy. Let's weight the results in his favor and say he should shoulder only 25 percent of the responsibility. That would translate into 10 lost seats.

So you can assign a 30-seat loss to economic woes for which Obama was not responsible. If Dems had only lost 30 seats, they'd still control the House. But they lost more than 60. Thus, Obama must still bear responsibility for the loss of the House.

And more besides. For it was the 20-plus seats lost due to Obama's liberal policies that turned the election from a wave into a tsunami -- a wholesale rejection of his party fearsome in its intensity and destructiveness (an astounding 680 Democratic state legislators lost their jobs on Nov. 2).

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Democrats who voted for both bills and whose districts went for John McCain rather than Obama in 2008 were wiped out. So were the ones in districts that Obama essentially split with McCain 50-50.

Perhaps even more interesting is this: A Democrat in one of these "50-50" districts who voted *no* on both health-care and cap-and-trade ended up with a 71 percent chance of getting re-elected -- while one who voted *yes* on both bills had only a 6.5 percent chance of holding on.

These findings are supported by other surveys, like one by Smart Politics, a Web site run out of the University of Minnesota. It found that "just 11 percent of Democrats who voted 'yes' on the health-care bill in congressional districts carried by John McCain in 2008 were re-elected to the 112th Congress (2 of 18 representatives), 39 percent of those who voted 'no' in McCain districts will return to their offices in DC (9 of 23)."

These studies indicate that the president may be living in the realm of the delusional when it comes to the results of the election. "I am very confident that the American people were not issuing a mandate for gridlock," he said on Sunday.

Really? Right now, "a mandate for gridlock" would be the most generous possible interpretation of the election results, as far as Obama is concerned. "A major public revolt" would be less charitable -- and more accurate.

Denver Post

It's not a message problem

by David Harsanyi

The White House says it has a "messaging" problem when it comes to health care reform. As in, a "you're-not-buying-our-message" problem. And this week's news, to say the least, was no help.

You'll remember that one of the most common and potent rationales for passing reform was the claim that insurance companies routinely deny coverage to innocent Americans with pre-existing conditions.

Obamacare features a \$5 billion program designed to stem this profit-ridden epidemic. And to ensure vibrant participation — by both those legitimately in need and those who couldn't quite grasp the theory behind "insurance" — 65 percent of premiums are subsidized by taxpayers.

But as The Wall Street Journal reported this week, even with generous inducements, since July only 8,000 people — rather than the White House's projected 375,000 — have signed up for a national program that is theoretically going to add another 400,000 citizens in each upcoming year.

Perhaps advocates confused their own dismal view of American ingenuity with reality. But I'm not worried. If this administration excels at anything, it's giving away stuff. No messaging problem there. And the Department of Health and Human Services has promised to cut premiums by 20 percent more and enhance benefits to encourage enrollment.

Or, in other words, we have another \$5 billion relentlessly searching for a problem.

You'll also remember that President Barack Obama promised Obamacare was going to immediately alleviate some of the pain of rising premiums for businesses. This week, we learned that 111 waivers had already been granted by the administration to those threatening to drop coverage for tens of thousands of employees they can no longer afford to cover. Others around the country, like AARP (sweet schadenfreude) and Boeing, were forced to raise their premiums, in part, because of Obamacare.

Sixteen of the waivers, you won't be surprised to learn, were granted to union-based plans, which confirms that the sleaze-addled bill became a sleaze-addled law. Why, after all, should a few chosen companies be granted dispensation while others subsidize them?

The administration argues that these waivers are necessary only until reform takes effect in 2014, at which time workers will enjoy a wide range of approved options. Now, clearly anyone gullible enough to believe that a giant, invasive regulatory scheme is going to spur competition and choice is already working for the administration. But even if we were to suspend our disbelief, how does any of that comport with the president's claim that we can all keep our insurance if we like it? (Answer: not well.)

Let's add this news to other iffy rationales for passage. Once we remove illegal immigrants, those who can afford insurance but choose not to buy and those eligible for other government programs, that amazing 30 million to 50 million of "uninsured" becomes a more manageable 9 million.

Remember, despite the incessant complaints about our flawed system, once experts like Dr. Scott Atlas at the Hoover Institution at Stanford University removed inputs that had nothing to do with care, the U.S. led the world in life expectancy and in almost every survival rate.

So even before we touch on cost, the long-term affects, rationing, the way the bill was passed, or the constitutionality of reform, the very justifications for passage suffer from a serious "messaging" problem.

Then again, when your messaging problem is really just an honesty problem, it's not going to get any easier.

Forbes

[As California Declines, Texas Embraces Growth](#)

by Joel Kotkin

In the future, historians may likely mark the 2010 midterm elections as the end of the California era and the beginning of the Texas one. In one stunning stroke, amid a national conservative tide, California voters essentially ratified a political and regulatory regime that has left much of the state unemployed and many others looking for the exits.

California has drifted far away from the place that John Gunther described in 1946 as “the most spectacular and most diversified American state ... so ripe, golden.” Instead of a role model, California has become a cautionary tale of mismanagement of what by all rights should be the country’s most prosperous big state. Its poverty rate is at least two points above the national average; its unemployment rate nearly three points above the national average. On Friday Gov. Arnold Schwarzenegger was forced yet again [to call an emergency session in order to deal with the state’s enormous budget problems](#).

This state of crisis is likely to become the norm for the Golden State. In contrast to other hard-hit states like Pennsylvania, Ohio and Nevada, which all opted for pro-business, fiscally responsible candidates, California voters decisively handed virtually total power to a motley coalition of Democratic-machine politicians, public employee unions, green activists and rent-seeking special interests.

In the new year, the once and again Gov. Jerry Brown, who has some conservative fiscal instincts, will be hard-pressed to convince Democratic legislators who get much of their funding from public-sector unions to trim spending. Perhaps more troubling, Brown’s own extremism on climate change policy—backed by rent-seeking Silicon Valley investors with big bets on renewable fuels—virtually assures a further tightening of a regulatory regime that will slow an economic recovery in every industry from manufacturing and agriculture to home-building.

Texas’ trajectory, however, looks quite the opposite. California was recently [ranked by *Chief Executive* magazine](#) as having the worst business climate in the nation, while Texas’ was considered the best. Both Democrats and Republicans in the Lone State generally embrace the gospel of economic growth and limited public sector expenditure. The defeated Democratic candidate for governor, the brainy former Houston Mayor Bill White, enjoyed robust business support and was widely considered more competent than the easily re-elected incumbent Rick Perry, who sometimes sounds more like a neo-Confederate crank than a serious leader.

To be sure, Texas has its problems: a growing budget deficit, the need to expand infrastructure to service its rapid population growth and the presence of a large contingent of undereducated and uninsured poor people. But even conceding these problems, the growing chasm between the two megastates is evident in the economic and demographic numbers. Over the past decade nearly 1.5 million more people left California than stayed; only New York State lost more. In contrast, Texas gained over 800,000 new migrants. In California, foreign immigration—the one bright spot in its demography—has slowed, while that to Texas has increased markedly over the decade.

A vast difference in economic performance is driving the demographic shifts. Since 1998, California’s economy has not produced a single new net job, notes economist John Husing. Public employment has swelled, but private jobs have declined. Critically, as Texas grew its middle-income jobs by 16%, one of the highest rates in the nation, California, at 2.1% growth, ranked near the bottom. In the year ending September, Texas accounted for [roughly half of all the new jobs created in the country](#).

Even more revealing is California’s diminishing preeminence in high-tech and science-based (or STEM—Science, Technology, Engineering and Mathematics) jobs. Over the past decade California’s supposed bulwark grew a mere 2%—less than half the national rate. In contrast, Texas’ tech-related employment surged 14%. Since 2002 the Lone Star state added 80,000 STEM jobs; California, a mere 17,000.

Of course, California still possesses the nation’s largest concentrations of tech (Silicon Valley), entertainment (Hollywood) and trade (Port of Los Angeles-Long Beach). But these are all now declining. Silicon Valley’s Google era has produced lots of opportunities for investors and software

mavens concentrated in affluent areas around Palo Alto, but virtually no new net jobs overall. Empty buildings and abandoned factories dot the Valley's onetime industrial heartland around San Jose. Many of the Valley's tech companies are expanding outside the state, largely to more business-friendly and affordable places like Salt Lake City, the Research Triangle region of North Carolina and Austin.

Hollywood too is shifting frames, with more and more film production going to Michigan, New Mexico, New York and other states. In 2002, 82% of all film production took place in California—now it's down to roughly 30%. And plans by Los Angeles County, the epicenter of the film industry, to double permit fees for film, television and commercial productions certainly won't help.

International trade, the third linchpin of the California economy, is also under assault. Tough environmental regulations and the anticipated widening in 2014 of the Panama Canal are [emboldening competitors](#), particularly across the entire southern tier of the country, most notably in Houston. Mobile, Ala., Charleston, S.C., and Savannah, Ga., also have big plans to lure high-paid blue collar jobs away from California's ports.

Most worrisome of all, these telltale signs palpable economic decline seem to escape most of the state's top leaders. The newly minted Lieutenant Governor, San Francisco Mayor Gavin Newsom, insists "there's nothing wrong with California" and claims other states "would love to have the problems of California."

But it's not only the flaky Newsom who is out of sync with reality. Jerry Brown, a far savvier politician, maintains "green jobs," up to 500,000 of them, will turn the state around. Theoretically, these jobs might make up for losses created by ever stronger controls on traditional productive businesses like agriculture, warehousing and manufacturing. But its highly unlikely.

Construction will be particularly hard hit, since Brown also aims to force Californians, four-fifths of whom prefer single-family houses, into dense urban apartment districts. Over time, this approach will send home prices soaring and drive even more middle-class Californians to the exits.

Ultimately the "green jobs" strategy, effective as a campaign plank, represents a cruel delusion. Given the likely direction of the new GOP-dominated House of Representatives in Washington, massive federal subsidies for the solar and wind industries, as well as such boondoggles as high-speed rail, are likely to be scaled back significantly. Without subsidies, federal loans or draconian national regulations, many green-related ventures will cut as oppose to add jobs, as is already beginning to occur. The survivors, increasingly forced to compete on a market basis, will likely move to China, Arizona or even Texas, already the [nation's leader in wind energy production](#).

Tom Hayden, a '60s radical turned environmental zealot, admits that given the current national climate the only way California can maintain Brown's "green vision" will be to impose "[some combination of rate heights and tax revenues](#)." Such an approach may help bail out green investors, but seems likely to drive even more businesses out of the state.

California's decline is particularly tragic, as it is unnecessary and largely unforced. The state still possesses the basic assets—energy, fertile land, remarkable entrepreneurial talent—to restore its luster. But given its current political trajectory, you can count on Texans, and others, to keep picking up both the state's jobs and skilled workers. If California wishes to commit economic suicide, Texas and other competitors will gladly lend them a knife.

WSJ

California's Destructive Green Jobs Lobby

Silicon Valley, once synonymous with productivity-enhancing innovation, is now looking to make money on feel-good government handouts.

by George Gilder

California officials acknowledged last Thursday that the state faces \$20 billion deficits every year from now to 2016. At the same time, California's state Treasurer entered bond markets to sell some \$14 billion in "revenue anticipation notes" over the next two weeks. Worst of all, economic sanity lost out in what may have been the most important election on Nov. 2—and, no, I'm not talking about the gubernatorial or senate races.

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Conservative pundits have lavished mock pity on the state. But as America's chief fount of technology, California cannot go down the drain without dragging the rest of the country with it.

The irony is that a century-long trend of advance in conventional "non-renewable" energy—from wood to oil to natural gas and nuclear—has already wrought a roughly 60% drop in carbon emissions per watt. Thus the long-term California targets might well be achieved globally in the normal course of technological advance. The obvious next step is aggressive exploitation of the trillions of cubic feet of low-carbon natural gas discovered over the last two years, essentially ending the U.S. energy crisis.

The massive vote against repeal of the California law—62% to 38%—supports an economy-crushing drive to suppress CO2 emissions from natural gas and everything else. In a parody of supply-side economics, advocates of AB 32 envisage the substitution of alternative energy sources that create new revenue sources, new jobs and industries. Their economic model sees new wealth emerge from jobs dismantling the existing energy economy and replacing it with a medieval system of windmills and solar collectors. By this logic we could all get rich by razing the existing housing plant and replacing it with new-fangled tents.

All the so-called "renewables" programs waste and desecrate the precious resource of arable land that feeds the world. Every dollar of new wages for green workers will result in several dollars of reduced pay and employment for the state's and the nation's other workers—and reduced revenues for the government.



Most destructive of all is the bill's stultifying effect on America's and California's most important asset: the venture capital industry, which accounts for the nation's technological leadership, military power, and roughly a fifth of GDP.

Led by Al Gore's investment affiliate, Kleiner Perkins Caulfield and Byers, the campaign to save AB 32 raised \$31 million—more than three times the \$10 million that the oil companies raised for repeal. Pouring in millions were such promethean venturers as John Doerr and Vinod Khosla of Kleiner Perkins, Eric Schmidt and Sergei Brin of Google, and the legendary Gordon Moore and Andrew Grove of Intel. The campaign even managed to shake down a contribution from the state's public utility, Pacific Gas and Electric, and gained the backing of the GOP's eBay billionaire gubernatorial candidate, Meg Whitman.

What is wrong with California's plutocratic geniuses? They are simply out of their depth in a field they do not understand. Solar panels are not digital. They may be made of silicon but they benefit from no magic of miniaturization like the Moore's Law multiplication of transistors on microchips. There is no reasonable way to change the wavelengths of sunlight to fit in drastically smaller photo receptors. Biofuels are even less promising. Even if all Americans stopped eating (saving about 100 thermal watts per capita on average) and devoted all of our current farmland to biofuels, the output could not fill much more than 2% of our energy needs.

In the past, Kleiner Perkins funded scores of vital ventures, from Apple and Applied Materials to Amazon and Google. But now Kleiner is moving on to such government-dependent firms as Miasole, Amyris Biofuels, Segway and Upwind Solutions. Many have ingenious technology and employ thousands of brilliant engineers, but they are mostly wasted on pork catchers.

Other venturers plunged into solar panel manufacturer Solyndra, which received some \$500 million in federal subsidies and a campaign visit from Barack Obama before laying off 17% of its work force and giving up on a new factory that was supposed to create 1,000 green jobs.

Many of these green companies, behaving like the public-service unions they resemble, diverted some of their government subsidies into the AB 32 campaign for more subsidies. Virtually every new

venture investment proposal harbors a "green" angle that turns it from a potential economic asset into a government dependent.

A partial solution is a suit by four attorneys general outside of California. They argue that the California law violates the Constitution's interstate commerce clause because of the limits it places on electricity generated by out-of-state, coal-fired power plants. But ultimately the new Congress must act. The Center for American Progress has found that 50 out of 100 or so new Republican congressmen elected earlier this month are "climate-change skeptics." But Republican leaders such as incoming Speaker John Boehner and Majority Leader Eric Cantor show dangerous gullibility in the face of environmentalist claims.

Co-sponsoring a disgraceful bill introduced in September to force utilities to expand their use of "renewable energy" to 15% by 2021 are Republican Sens. Sam Brownback and Susan Collins. Republican politicians are apparently lower in climate skepticism than readers of Scientific American, which recently discovered to its horror that some 80% of its subscribers, mostly American scientists, reject man-made global warming catastrophe fears.

Republicans may delude themselves that the U.S. can undertake a costly, inefficient and disruptive transformation of the energy economy, estimated by the International Energy Agency to cost some \$45 trillion over 40 years, while meeting our global military challenges and huge debt overhang. But the green campaign wastes scarce and precious technological and entrepreneurial resources indispensable to the nation's future. Now it is debauching America's most precious venture assets. It must be defeated, not appeased.

Mr. Gilder is a founding fellow of the Discovery Institute.

Contentions

Follow the States, But Only the Right Ones

by Jennifer Rubin

[This report](#) makes the point that, unlike the federal government, state officials have had to make hard choices to balance their books. The impression one gets listening to the mainstream media and incumbent politicians is that budget balancing is nearly impossible. The states have shown otherwise:

In the past three years, 29 states have raised fees on, or cut services for, the elderly and people with disabilities, says the Center on Budget and Policy Priorities, a liberal-leaning research group. Fifteen states raised sales or income taxes in 2009 or 2010, according to the Tax Foundation, a conservative-leaning Washington research outfit.

Let's see if you notice the pattern:

One popular state tactic has obvious—and ironic—national implications. New Jersey, Indiana and Minnesota, among others, have trimmed *state* spending by sending less money to *local* governments. That pushes onto local officials politically tough decisions about raising taxes, cutting spending or finding major money-saving efficiencies. ...

Now, in Illinois and California, "the political system has done little more than lurch to the end of the fiscal year." While in Mississippi, Minnesota, New Jersey, and Indiana, governors pushed for real fiscal reform. A sample:

New Jersey's Chris Christie has cut pensions for future state and local employees, vetoed a tax increase on income over \$1 million and cut \$1.26 billion in aid to schools and municipalities, which local officials said would drive up property taxes. ...

In Indiana, Gov. Mitch Daniels, a second-term Republican and the former White House budget director for President George W. Bush, moved the state from deficit to surplus by paring spending in good times. Indiana swung from a nearly \$200 million deficit in 2004, the year Mr. Daniels was first elected, to a \$1.3 billion surplus last year. It was not without controversy: On his second day in office, Mr. Daniels issued an executive order that ended collective-bargaining rights for state employees. ...

In May, Minnesota lawmakers approved a budget widely seen as a victory for outgoing Republican Gov. Tim Pawlenty, because it ratified spending cuts he had made unilaterally and it didn't raise taxes.

And, likewise, Bob McDonnell got elected in 2009 in Virginia on the promise to balance the budget without raising taxes. And he has done just that.

OK, you see point. These budget balancers and spending cutters are successful *Republican* governors, all of whom have been mentioned as 2012 presidential contenders. And in the 2010 midterms, their ranks expanded with Republicans elected in New Mexico, Wisconsin, Ohio, Iowa, Pennsylvania, Michigan, Kansas, Oklahoma and Tennessee. That's a lot of GOP governors who have the opportunity to lead on fiscal discipline.

Not only does this dispel the liberal myths that we need massive taxes to balance our books or that the public won't accept reduced services; but it provides Republicans with a wealth of talent for the 2012 and future presidential races. The country seems poised to get serious on tax and budget reform and has grown weary of a president whose not much into governance. That suggests a unique opportunity for these GOP governors — provided they stick to their sober approach to governance.

And on the other hand, we have the example of California which has yet to get its spending and public employee unions under control. It's the beauty of federalism — 50 laboratories in which we can see what works and what doesn't. So far a lot of GOP governors are showing how to do it right.

The Daily Beast

[Roger Ailes Lets Rip](#)

In an exclusive interview with The Daily Beast, the Fox News chief says Obama thinks differently from most Americans, defends Murdoch's GOP donations, and admits Beck sometimes goes too

by Howard Kurtz

In the media world, as in politics, having a high-profile target can be a very good thing.

The age of Obama has provided a ratings boost for Fox News as its loudest personalities have relished the opportunity to play offense. Critics, of course, view Fox as an unabashed cheerleader for the Republican Party, an evil media empire spewing propaganda and misinformation at a gullible audience.

But Roger Ailes says his network is just reflecting reality when it comes to the White House.

“The president has not been very successful,” the Fox News chairman says in a lengthy interview. “He just got kicked from Mumbai to South Korea, and he came home and attacked Republicans for it. He had to be told by the French and the Germans that his socialism was too far left for them to deal with.”

The 70-year-old Ailes, dressed in a lavender shirt and tie, goes on in this vein, saying the network isn’t singling out Obama for criticism but that its style “tends to be more direct” in challenging presidents. Then he offers this observation about Obama:

“He just has a different belief system than most Americans.”

That seems a rather loaded phrase—different belief system—even if you strongly disagree with most of Obama’s policies. It fits the view of those who are trying to paint the president as being outside the mainstream. But from the big second-floor office at Fox’s Midtown Manhattan headquarters, it’s the rest of the media that are using a distorted lens.

“He’s had 3,000 press secretaries since he got into office,” Ailes says of Obama, but these days, “he’s making it harder for the press to make him look good... When the press falls in love, they fall in love hard. They’re like teenagers in love. It’s like the old Frankie Lymon song, ‘Why Do Fools Fall in Love?’”



Roger Ailes insists that his channel lives up to the logo in its treatment of the administration.

Ailes brushes aside suggestions that journalists have been much harder on the president as his sliding popularity has led to a Republican takeover of the House. He is far more sympathetic to Obama’s predecessor:

“This poor guy, sitting down on his ranch clearing brush, gained a lot of respect for keeping his mouth shut. I literally never heard an Obama speech that didn’t blame Bush.”

None of this is personal, you understand. Ailes says he likes Obama, who was gracious to him during last year’s Christmas party, and David Axelrod and Valerie Jarrett. He recently had breakfast with Axelrod to discuss Fox’s coverage. But Ailes took an unprovoked swipe at Robert Gibbs, saying the press secretary “is a little big for his britches” and “will end up like that little shthead who worked for

Bush”—meaning Scott McClellan, the onetime loyalist who wrote a book criticizing his former boss. Gibbs and the White House declined to respond.

Fox was the favorite network of the Bush White House, the default channel on its television sets and the go-to guys for big interviews. The Obama White House, by contrast, declared rhetorical war on the network last year and rarely provides top officials as guests.

The steady barrage of criticism from the opinion folks, led by Glenn Beck and Sean Hannity, has lifted Fox's ratings, although Ailes says he sees no connection. Fox is averaging 11 million viewers this year, an 8 percent jump in Nielsen numbers over 2008, while CNN has dropped 37 percent and MSNBC 15 percent. Unlike two years ago, Fox is averaging more viewers than its two cable rivals combined.

Sipping coffee from a “Fair & Balanced” mug, Ailes insists that his channel lives up to the logo in its treatment of the administration. “We are not interested in savaging them. We are interested in the truth. We're interested in two points of view; most networks aren't.” Fox has beaten the drums on some stories that the mainstream media have wound up following, such as allegations that led to the resignation of environmental aide Van Jones, and others—such as a voter-intimidation case involving two New Black Panther Party members—that are widely viewed as overblown.

Ailes may dismiss the constant carping about Fox, but he understands the importance of public perception. He says he was “totally surprised” when his parent company, News Corp., donated \$1 million to the Republican Governors Association and another \$1 million to the Chamber of Commerce—and realized that “lefties would use it to immediately try to damage Fox News.”

But Ailes registered no protest. “Rupert Murdoch's worked for 60 years,” he says. “He's the biggest media mogul in the world. I don't think anyone can tell him what to do with his money. That's sort of his right.”

In a conversation about the donations, Ailes recalls, Murdoch told him: “I hope that didn't cause you any problems.”

“Nothing we can't handle,” Ailes replied.

It's no accident that Fox, which delights in skewering MSNBC, barely mentioned [Keith Olbermann's recent suspension](#) for donating to three Democratic candidates. Ailes had sent word to the troops that it wasn't much of a story.

“If they went to get the guy, they were going about it fairly stupidly,” Ailes says. “It isn't like we don't know the guy supports left-wingers.”

Ailes says he bars his hard-news journalists from making political contributions, but merely discourages the practice for commentators and talk-show hosts. It can “disrupt the appearance of integrity. You have a responsibility not to make your colleagues look like a horse's ass.”

He draws the line at donating to a candidate while also putting that person on the air, as Olbermann did in the case of Arizona Congressman Raul Grijalva. But Hannity did the same thing in giving \$5,000 to Minnesota Congresswoman Michele Bachmann and also interviewing her on his program.

Ailes doesn't defend the move, saying only: “I don't think there's any doubt about what Sean Hannity is.” Last April, an obviously annoyed Ailes ordered Hannity to cancel a show at a Cincinnati Tea Party event for which the organizers were charging admission.

The Fox chief offers a more spirited defense of Beck, who has come under sharp criticism for an attack last week on liberal activist and philanthropist George Soros.

Beck said that Soros, at age 14, accompanied a Hungarian to help him “deliver papers to the Jews, and confiscate their property, and then ship them off... Here’s a Jewish boy helping send the Jews to the death camps.” Beck added that Soros had no choice but that he didn’t understand why Soros had done no “soul searching” about his past.

Why go there? Why bring up what an 80-year-old man had to do as a teenager? Ailes says Beck relied on Soros’ own account and that “his point wasn’t really about Nazis or the Holocaust, more about the character of George Soros.” There are some “left-wing rabbis who basically don’t think that anybody can ever use the word, Holocaust, on the air.”

As for Soros, “if he has a problem with Glenn Beck, he ought to man up, come on [the air] and talk to him about it,” Ailes declares. He is still fuming about Soros giving \$1 million to the liberal advocacy group Media Matters to help “hold Fox News accountable for the false and misleading information they so often broadcast.”

The Anti-Defamation League assailed Beck’s remarks as “completely inappropriate and offensive.” But after Ailes spoke to its national director, Abe Foxman, the ADL executive softened his criticism in a statement calling Beck “a strong supporter of Israel and the Jewish people.”

What about Beck’s other inflammatory outbursts, such as calling Obama a racist? Ailes says that everyone who ad libs for a living makes mistakes. But admits to asking Beck to watch his tone: “He and I have had conversations and lunches where I say, ‘What the hell are you doing, man?’...Beck trashes Republicans every night. I’ve said to him, ‘Where the hell are you going to get your audience if you keep this up? You’re trashing everyone.’”

Beck takes such criticism well, Ailes explains, “because he’s so intelligent and basically sensitive.”

There’s one criticism that Ailes doesn’t want to hear. He admonished the staff after unnamed Fox journalists told me they are worried that the divisive Beck is becoming the face of the network.

“Yeah, shut up,” says Ailes. “You’re getting a paycheck. Go on the team or get off the team. Don’t run around here badmouthing a colleague.”

The Daily Beast

Fox News Chief Blasts NPR 'Nazis'

Roger Ailes slams Jon Stewart as a conservative-basher, explains why he rode to Juan Williams’ rescue—and sees NPR as taxpayer-funded propaganda.

by Howard Kurtz

When Jon Stewart was appearing on the *O’Reilly Factor* a few weeks back, he stopped by Roger Ailes’ office for an hour-long chat about politics.

“He’s obviously really, really smart,” the Fox News chairman says. “He openly admits he’s sort of an atheist and a socialist. He once told me he would’ve voted for Norman Thomas.”



Ailes was appraising the *Daily Show* star in a friendly, good-natured tone. But that tone changed when the conversation turned to Stewart's continuous carping about the excesses of cable news:

"He *hates* conservative views. He hates conservative thoughts. He hates conservative verbiage. He hates conservatives."

There was more.

"He's crazy. If it wasn't polarized, he couldn't make a living. He makes a living by attacking conservatives and stirring up a liberal base against it."

I tried to interrupt.

"He *loves* polarization. He depends on it. If liberals and conservatives are all getting along, how good would that show be? It'd be a bomb."

But Stewart played clips of MSNBC as well as Fox at his Washington rally last month, casting them as part of the "24-hour politico, pundit, perpetual panic conflictinator." He says his concern is the not the ideology of cable channels but the tone of the discourse.

"Oh, horseshit," Ailes shot back. "Look what he does to Sarah Palin." If Stewart wants to go after cable hosts for the entertainment value, fine, "but don't give me a social speech on the steps of the Washington Monument. Don't lapse into non-comedy."

The onetime Republican strategist is a man of strong opinions, in case that wasn't clear, and he also puts his money where his mouth is. When Juan Williams was fired by National Public Radio for remarks he made on Fox about fearing airplane passengers in Muslim garb, Ailes rushed to award him a three-year, \$2 million contract.

"A guy who gets fired and humiliated in the press can lose a lot of confidence," Ailes says. Calling Williams "a pure liberal," Ailes says he wanted to compensate the pundit for his losses because he was "mad" and "I didn't want him to have to call his wife and say we lost money."

Then he turned his sights on NPR executives.

“They are, of course, Nazis. They have a kind of Nazi attitude. They are the left wing of Nazism. These guys don’t want any other point of view. They don’t even feel guilty using tax dollars to spout their propaganda. They are basically Air America with government funding to keep them alive.”

It’s hardly surprising that Ailes would defend Williams or castigate NPR. But trotting out such Third Reich rhetoric seems, shall we say, disproportionate to the situation. NPR spokeswoman Anna Christopher says only that “we will let Mr. Ailes’ words speak for themselves.”

Speaking of going too far, I asked Ailes about a recent crack by Bill O’Reilly that seemed to envision a violent end for Dana Milbank. [The Washington Post columnist](#) had criticized Fox’s election coverage as biased and neglected to acknowledge that numerous Democrats had appeared as commentators.

“Does Sharia law say we can behead Dana Milbank?” O’Reilly asked his colleague [Megyn Kelly](#). He added: “That was a joke for you Media Matters people out there.” [Milbank wrote a follow-up column](#) objecting to the violent imagery, saying he was a friend of Daniel Pearl, who was murdered in that fashion in Pakistan. O’Reilly then accused the reporter of casting a bit of humor as a serious threat.

So should O’Reilly be joshing about beheading Milbank?

Ailes couldn’t resist: “Well, I would have cut a little lower.”

He quickly got serious: “No, he shouldn’t joke about beheading... Bill knows he probably shouldn’t have said it. He just shot off his mouth.”

Ailes maintains that Fox’s reporting—along with such factors as good video, high morale, and low turnover—contribute to its ratings success. But he does not quarrel with the notion that his brand is most closely identified with such conservatives as Sean Hannity, Glenn Beck, Karl Rove and a slew of potential GOP presidential candidates.

“If you’ve got a big star like O’Reilly, it does overshadow what the hard-news guys do during the day. That’s the nature of television,” he says.

My own view is that Fox’s opinion lineup has become more aggressively conservative. Two years ago, Beck was still working at HLN. Sarah Palin was an ex-vice-presidential candidate. Bernie Goldberg, the author of *Bias* and other books, was regularly paired with American University’s Jane Hall in media analysis segments; now he appears alone. Hannity was sharing his prime-time program with Alan Colmes.

Ailes notes that Hannity has plenty of Democrats on in his Great American Panel segment. Actually, one out of three guests is usually of the Democratic persuasion. Nice try.

Despite these examples, the Fox chief isn’t buying the argument that the network has shifted rightward.

“Bill has not moved to the right,” Ailes says. “He’s moved to the left. He’s been very fair and balanced on Obama, Bush, everyone.”

What’s more, “he’s never given money to political candidates.” Ailes paused. “Because he’s cheap.”

That was a joke, Media Matters folks.

Ailes has nearly 2-1/2 years left on a contract that pays him roughly \$15 million to \$20 million a year, much of it based on incentives for hitting certain targets. The 70-year-old executive shows no signs of slowing down, which should delight those who admire Fox News and depress those who view it as a menace.

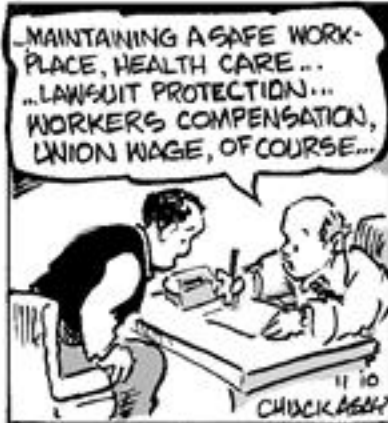
“With the country in the trouble it’s in,” Ailes says, “it’s important to stay in the debate and make sure the information is getting out.”

Note: I reported yesterday that the Anti-Defamation League had initially criticized Glenn Beck for “offensive” comments involving liberal philanthropist George Soros and his long-ago role in Hungary as “a Jewish boy helping send the Jews to the death camps.” Ailes said he talked to Abe Foxman, the ADL’s national director, after which a Foxman statement emerged in which he called Beck “a strong supporter of Israel and the Jewish people.”

But the chronology didn’t play out that way. In fact, an ADL spokesman says the statement praising Beck had been written the previous month: “The morning after we expressed our concerns about the Soros program, Mr. Beck went on his radio show to accuse us of calling him an anti-Semite, which we did not. He also told his listeners he would release the Oct. 22 letter, claiming that it showed that we had ‘flip-flopped’ and contradicted ourselves in our opinion of him. Several hours later, Beck shared the letter with several conservative websites, which posted it.”



WHAT DOES IT TAKE TO GET A JOB AROUND HERE?



I'M PLEASED
TO ANNOUNCE A
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IN MY MEETING
WITH CHINA'S
PRESIDENT HU...



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