

November 9, 2011

Although it's not billed as a book review, [Malcolm Gladwell](#) was in The New Yorker writing about Walter Isaacson's book on Steve Jobs.

... Steve Jobs, Isaacson's biography makes clear, was a complicated and exhausting man. "There are parts of his life and personality that are extremely messy, and that's the truth," Powell (Jobs' wife) tells Isaacson. "You shouldn't whitewash it." Isaacson, to his credit, does not. He talks to everyone in Jobs's career, meticulously recording conversations and encounters dating back twenty and thirty years. Jobs, we learn, was a bully. "He had the uncanny capacity to know exactly what your weak point is, know what will make you feel small, to make you cringe," a friend of his tells Isaacson. Jobs gets his girlfriend pregnant, and then denies that the child is his. He parks in handicapped spaces. He screams at subordinates. He cries like a small child when he does not get his way. He gets stopped for driving a hundred miles an hour, honks angrily at the officer for taking too long to write up the ticket, and then resumes his journey at a hundred miles an hour. He sits in a restaurant and sends his food back three times. He arrives at his hotel suite in New York for press interviews and decides, at 10 P.M., that the piano needs to be repositioned, the strawberries are inadequate, and the flowers are all wrong: he wanted calla lilies. (When his public-relations assistant returns, at midnight, with the right flowers, he tells her that her suit is "disgusting.") "Machines and robots were painted and repainted as he compulsively revised his color scheme," Isaacson writes, of the factory Jobs built, after founding NeXT, in the late nineteen-eighties. "The walls were museum white, as they had been at the Macintosh factory, and there were \$20,000 black leather chairs and a custom-made staircase. . . He insisted that the machinery on the 165-foot assembly line be configured to move the circuit boards from right to left as they got built, so that the process would look better to visitors who watched from the viewing gallery."

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Our lawsuit is saying, "Google, you fucking ripped off the iPhone, wholesale ripped us off." Grand theft. I will spend my last dying breath if I need to, and I will spend every penny of Apple's \$40 billion in the bank, to right this wrong. I'm going to destroy Android, because it's a stolen product. I'm willing to go to thermonuclear war on this. They are scared to death, because they know they are guilty. Outside of Search, Google's products—Android, Google Docs—are shit.

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John Stossel says unions are bad for kids, but really good for bad teachers.

A just-retired public school principal writes me after my special:

"You nailed the problems and issues in today's public education... with the current teacher unions, textbook companies, and especially teacher TENURE... teacher "tenure" is all but stopping 21st Century educational reform all over the United States."

Tenure is bad. Some teachers are more effective than others - yet the union frowns on giving the best teachers extra pay for excellence. They even frown on paying lousy teachers less. They snarl at the idea of ever firing a teacher. Public school teachers typically get tenure once they've taught for about 3 years. After that, the union and civil service protection make it just about impossible to fire them. They basically have a job for life.

In Patterson, NJ, it's ex-police detective Jim Smith's job to investigate claims against bad teachers and to try to go through the union-created, insane process of trying to fire REALLY bad ones. He says it's so hard to fire anyone that it took years to fire a teacher who hit kids. "It took me four years and \$283,000. \$127,000 in legal fees plus what it cost to have a substitute fill in, all the while he's sitting home having popcorn," said Smith.

This is not how it works in real life: the private sector. Remember when GE was a phenomenal growth company, rather than the bloated "partner" with Big Government it is now? Its CEO at the time, Jack Welch, said what was crucial was "identifying the bottom 10 percent of employees, giving them a year to improve, and then firing them if they didn't get better." ...

Canada has the same occupiers. [Margaret Wente](#) of the Toronto Globe and Mail takes a look.

Laurel O'Gorman is one of the faces of Occupy Toronto. She believes the capitalist system has robbed her of her future. At 28, she's studying for a master's degree in sociology at Laurentian University in Sudbury. She's also the single mother of two children. "I'm here because I don't know what kind of job I could possibly find that would allow me to pay rent, take care of these two children and pay back \$600 each month in loans," she said.

Ms. O'Gorman is in a fix. But I can't help wondering whether she, and not the greedy Wall Street bankers, is the author of her own misfortune. Just what kind of jobs did she imagine are on offer for freshly minted sociology graduates? Did she bother to ask? Did it occur to her that it might be a good idea to figure out how to support her children before she had them?

She's typical in her bitter disappointment. Here's Boston resident Sarvenaz Asasy, 33, who has a master's degree in international human rights, along with \$60,000 in student loans. She dreamed of doing work to help the poor get food and education. But now she can't find a job in her field. She blames the government. "They're cutting all the grants, and they're bailing out the banks. I don't get it."

Then there's John, who's pursuing a degree in environmental law. He wants to work at a non-profit. After he graduated from university, he struggled to find work. "I had to go a full year between college and law school without a job. I lived at home with my parents to make ends meet." He thinks a law degree will help, but these days, I'm not so sure.

These people make up the Occupier generation. ...

[John Tamny](#) says we need to stop worrying about the loss of manufacturing jobs. ... To put it simply, we're manufacturing more than ever, albeit with a great deal less in the way of human input. This is what they call progress.

Indeed, as a recent USA Today editorial noted, "American companies are making lots of stuff", and in fact they're producing "about 80% more than in 1979 with nearly 8 million fewer workers." Some would like to blame China for this development, but in truth they should be cheering the very innovations that attract job creating investment by virtue of companies doing more with less.

For one, the happy destruction of jobs was always thus, and it's a signal of an advancing society. Considering agriculture, from 1900-1920 in the U.S. agriculture and mining accounted for 30-40% of total employment. Today that number is a fraction, but far from pushing Americans to the breadlines, economic evolution pushed them into better, higher valued work. Would anyone in their right mind really like to return to the days in which the U.S. economy was largely farm based? The same applies to manufacturing.

Considering manufacturing, if we date its decline as an employer to the 1970s, it should be said that the drop in actual workers has coincided with a rise in higher-paying work away from the

factory floor. Specifically since the '70s, managerial and professional employment has been the fastest growing job category.

The definition of productivity is reducing costs without reducing output, and American manufacturers have done just that. But as evidenced by the rise of better paying managerial and professional work, Americans have hardly suffered this increase in productivity. ...

New Yorker

The Tweaker

The real genius of Steve Jobs.

by Malcolm Gladwell

Jobs's sensibility was more editorial than inventive. "I'll know it when I see it," he said.

Not long after Steve Jobs got married, in 1991, he moved with his wife to a nineteen-thirties, Cotswolds-style house in old Palo Alto. Jobs always found it difficult to furnish the places where he lived. His previous house had only a mattress, a table, and chairs. He needed things to be perfect, and it took time to figure out what perfect was. This time, he had a wife and family in tow, but it made little difference. "We spoke about furniture in theory for eight years," his wife, Laurene Powell, tells Walter Isaacson, in "Steve Jobs," Isaacson's enthralling new biography of the Apple founder. "We spent a lot of time asking ourselves, 'What is the purpose of a sofa?'"

It was the choice of a washing machine, however, that proved most vexing. European washing machines, Jobs discovered, used less detergent and less water than their American counterparts, and were easier on the clothes. But they took twice as long to complete a washing cycle. What should the family do? As Jobs explained, "We spent some time in our family talking about what's the trade-off we want to make. We ended up talking a lot about design, but also about the values of our family. Did we care most about getting our wash done in an hour versus an hour and a half? Or did we care most about our clothes feeling really soft and lasting longer? Did we care about using a quarter of the water? We spent about two weeks talking about this every night at the dinner table."

Steve Jobs, Isaacson's biography makes clear, was a complicated and exhausting man. "There are parts of his life and personality that are extremely messy, and that's the truth," Powell tells Isaacson. "You shouldn't whitewash it." Isaacson, to his credit, does not. He talks to everyone in Jobs's career, meticulously recording conversations and encounters dating back twenty and thirty years. Jobs, we learn, was a bully. "He had the uncanny capacity to know exactly what your weak point is, know what will make you feel small, to make you cringe," a friend of his tells Isaacson. Jobs gets his girlfriend pregnant, and then denies that the child is his. He parks in handicapped spaces. He screams at subordinates. He cries like a small child when he does not get his way. He gets stopped for driving a hundred miles an hour, honks angrily at the officer for taking too long to write up the ticket, and then resumes his journey at a hundred miles an hour. He sits in a restaurant and sends his food back three times. He arrives at his hotel suite in New York for press interviews and decides, at 10 P.M., that the piano needs to be repositioned, the strawberries are inadequate, and the flowers are all wrong: he wanted calla lilies. (When his

public-relations assistant returns, at midnight, with the right flowers, he tells her that her suit is “disgusting.”) “Machines and robots were painted and repainted as he compulsively revised his color scheme,” Isaacson writes, of the factory Jobs built, after founding NeXT, in the late nineteen-eighties. “The walls were museum white, as they had been at the Macintosh factory, and there were \$20,000 black leather chairs and a custom-made staircase. . . . He insisted that the machinery on the 165-foot assembly line be configured to move the circuit boards from right to left as they got built, so that the process would look better to visitors who watched from the viewing gallery.”

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Jobs ripped it off and mumbled that he hated the design and refused to wear it. Though barely able to speak, he ordered them to bring five different options for the mask and he would pick a design he liked. . . . He also hated the oxygen monitor they put on his finger. He told them it was ugly and too complex.

One of the great puzzles of the industrial revolution is why it began in England. Why not France, or Germany? Many reasons have been offered. Britain had plentiful supplies of coal, for instance. It had a good patent system in place. It had relatively high labor costs, which encouraged the search for labor-saving innovations. In an article published earlier this year, however, the economists Ralf Meisenzahl and Joel Mokyr focus on a different explanation: the role of Britain’s human-capital advantage—in particular, on a group they call “tweakers.” They believe that Britain dominated the industrial revolution because it had a far larger population of skilled engineers and artisans than its competitors: resourceful and creative men who took the signature inventions of the industrial age and *tweaked* them—refined and perfected them, and made them work.

In 1779, Samuel Crompton, a retiring genius from Lancashire, invented the spinning mule, which made possible the mechanization of cotton manufacture. Yet England’s real advantage was that it had Henry Stones, of Horwich, who added metal rollers to the mule; and James Hargreaves, of Tottington, who figured out how to smooth the acceleration and deceleration of the spinning wheel; and William Kelly, of Glasgow, who worked out how to add water power to the draw stroke; and John Kennedy, of Manchester, who adapted the wheel to turn out fine counts; and, finally, Richard Roberts, also of Manchester, a master of precision machine tooling—and the tweaker’s tweaker. He created the “automatic” spinning mule: an exacting, high-speed, reliable rethinking of Crompton’s original creation. Such men, the economists argue, provided the “micro inventions necessary to make macro inventions highly productive and remunerative.”

Was Steve Jobs a Samuel Crompton or was he a Richard Roberts? In the eulogies that followed Jobs’s death, last month, he was repeatedly referred to as a large-scale visionary and inventor. But Isaacson’s biography suggests that he was much more of a tweaker. He borrowed the characteristic features of the Macintosh—the mouse and the icons on the screen—from the engineers at Xerox PARC, after his famous visit there, in 1979. The first portable digital music

players came out in 1996. Apple introduced the iPod, in 2001, because Jobs looked at the existing music players on the market and concluded that they “truly sucked.” Smart phones started coming out in the nineteen-nineties. Jobs introduced the iPhone in 2007, more than a decade later, because, Isaacson writes, “he had noticed something odd about the cell phones on the market: They all stank, just like portable music players used to.” The idea for the iPad came from an engineer at Microsoft, who was married to a friend of the Jobs family, and who invited Jobs to his fiftieth-birthday party. As Jobs tells Isaacson:

This guy badgered me about how Microsoft was going to completely change the world with this tablet PC software and eliminate all notebook computers, and Apple ought to license his Microsoft software. But he was doing the device all wrong. It had a stylus. As soon as you have a stylus, you’re dead. This dinner was like the tenth time he talked to me about it, and I was so sick of it that I came home and said, “Fuck this, let’s show him what a tablet can really be.”

Even within Apple, Jobs was known for taking credit for others’ ideas. Jonathan Ive, the designer behind the iMac, the iPod, and the iPhone, tells Isaacson, “He will go through a process of looking at my ideas and say, ‘That’s no good. That’s not very good. I like that one.’ And later I will be sitting in the audience and he will be talking about it as if it was his idea.”

Jobs’s sensibility was editorial, not inventive. His gift lay in taking what was in front of him—the tablet with stylus—and ruthlessly refining it. After looking at the first commercials for the iPad, he tracked down the copywriter, James Vincent, and told him, “Your commercials suck.”

“Well, what do you want?” Vincent shot back. “You’ve not been able to tell me what you want.” “I don’t know,” Jobs said. “You have to bring me something new. Nothing you’ve shown me is even close.”

Vincent argued back and suddenly Jobs went ballistic. “He just started screaming at me,” Vincent recalled. Vincent could be volatile himself, and the volleys escalated.

When Vincent shouted, “You’ve got to tell me what you want,” Jobs shot back, “You’ve got to show me some stuff, and I’ll know it when I see it.”

I’ll know it when I see it. That was Jobs’s credo, and until he saw it his perfectionism kept him on edge. He looked at the title bars—the headers that run across the top of windows and documents—that his team of software developers had designed for the original Macintosh and decided he didn’t like them. He forced the developers to do another version, and then another, about twenty iterations in all, insisting on one tiny tweak after another, and when the developers protested that they had better things to do he shouted, “Can you imagine looking at that every day? It’s not just a little thing. It’s something we have to do right.”

The famous Apple “Think Different” campaign came from Jobs’s advertising team at TBWA\Chiat\Day. But it was Jobs who agonized over the slogan until it was right:

They debated the grammatical issue: If “different” was supposed to modify the verb “think,” it should be an adverb, as in “think differently.” But Jobs insisted that he wanted “different” to be used as a noun, as in “think victory” or “think beauty.” Also, it echoed colloquial use, as in “think big.” Jobs later explained, “We discussed whether it was correct before we ran it. It’s grammatical, if you think about what we’re trying to say. It’s not think *the same*, it’s think *different*. Think a little different, think a lot different, think different. ‘Think *differently*’ wouldn’t hit the meaning for me.”

The point of Meisenzahl and Mokyr's argument is that this sort of tweaking is essential to progress. James Watt invented the modern steam engine, doubling the efficiency of the engines that had come before. But when the tweekers took over the efficiency of the steam engine swiftly *quadrupled*. Samuel Crompton was responsible for what Meisenzahl and Mokyr call "arguably the most productive invention" of the industrial revolution. But the key moment, in the history of the mule, came a few years later, when there was a strike of cotton workers. The mill owners were looking for a way to replace the workers with unskilled labor, and needed an automatic mule, which did not need to be controlled by the spinner. Who solved the problem? Not Crompton, an unambitious man who regretted only that public interest would not leave him to his seclusion, so that he might "earn undisturbed the fruits of his ingenuity and perseverance." It was the tweeker's tweeker, Richard Roberts, who saved the day, producing a prototype, in 1825, and then an even better solution in 1830. Before long, the number of spindles on a typical mule jumped from four hundred to a thousand. The visionary starts with a clean sheet of paper, and re-imagines the world. The tweeker inherits things as they are, and has to push and pull them toward some more nearly perfect solution. That is not a lesser task.

Jobs's friend Larry Ellison, the founder of Oracle, had a private jet, and he designed its interior with a great deal of care. One day, Jobs decided that he wanted a private jet, too. He studied what Ellison had done. Then he set about to reproduce his friend's design in its entirety—the same jet, the same reconfiguration, the same doors between the cabins. Actually, not in its *entirety*. Ellison's jet "had a door between cabins with an open button and a close button," Isaacson writes. "Jobs insisted that his have a single button that toggled. He didn't like the polished stainless steel of the buttons, so he had them replaced with brushed metal ones." Having hired Ellison's designer, "pretty soon he was driving her crazy." Of course he was. The great accomplishment of Jobs's life is how effectively he put his idiosyncrasies—his petulance, his narcissism, and his rudeness—in the service of perfection. "I look at his airplane and mine," Ellison says, "and everything he changed was better."

The angriest Isaacson ever saw Steve Jobs was when the wave of Android phones appeared, running the operating system developed by Google. Jobs saw the Android handsets, with their touchscreens and their icons, as a copy of the iPhone. He decided to sue. As he tells Isaacson:

Our lawsuit is saying, "Google, you fucking ripped off the iPhone, wholesale ripped us off." Grand theft. I will spend my last dying breath if I need to, and I will spend every penny of Apple's \$40 billion in the bank, to right this wrong. I'm going to destroy Android, because it's a stolen product. I'm willing to go to thermonuclear war on this. They are scared to death, because they know they are guilty. Outside of Search, Google's products—Android, Google Docs—are shit.

In the nineteen-eighties, Jobs reacted the same way when Microsoft came out with Windows. It used the same graphical user interface—icons and mouse—as the Macintosh. Jobs was outraged and summoned Gates from Seattle to Apple's Silicon Valley headquarters. "They met in Jobs's conference room, where Gates found himself surrounded by ten Apple employees who were eager to watch their boss assail him," Isaacson writes. "Jobs didn't disappoint his troops. 'You're ripping us off!' he shouted. 'I trusted you, and now you're stealing from us!'"

Gates looked back at Jobs calmly. Everyone knew where the windows and the icons came from. "Well, Steve," Gates responded. "I think there's more than one way of looking at it. I think it's more like we both had this rich neighbor named Xerox and I broke into his house to steal the TV set and found out that you had already stolen it."

Jobs was someone who took other people's ideas and changed them. But he did not like it when the same thing was done to him. In his mind, what he did was special. Jobs persuaded the head of Pepsi-Cola, John Sculley, to join Apple as C.E.O., in 1983, by asking him, "Do you want to spend the rest of your life selling sugared water, or do you want a chance to change the world?" When Jobs approached Isaacson to write his biography, Isaacson first thought ("half jokingly") that Jobs had noticed that his two previous books were on Benjamin Franklin and Albert Einstein, and that he "saw himself as the natural successor in that sequence." The architecture of Apple software was always closed. Jobs did not want the iPhone and the iPod and the iPad to be opened up and fiddled with, because in his eyes they were perfect. The greatest tweaker of his generation did not care to be tweaked.

Perhaps this is why Bill Gates—of all Jobs's contemporaries—gave him fits. Gates resisted the romance of perfectionism. Time and again, Isaacson repeatedly asks Jobs about Gates and Jobs cannot resist the gratuitous dig. "Bill is basically unimaginative," Jobs tells Isaacson, "and has never invented anything, which I think is why he's more comfortable now in philanthropy than technology. He just shamelessly ripped off other people's ideas."

After close to six hundred pages, the reader will recognize this as vintage Jobs: equal parts insightful, vicious, and delusional. It's true that Gates is now more interested in trying to eradicate malaria than in overseeing the next iteration of Word. But this is not evidence of a lack of imagination. Philanthropy on the scale that Gates practices it represents imagination at its grandest. In contrast, Jobs's vision, brilliant and perfect as it was, was narrow. He was a tweaker to the last, endlessly refining the same territory he had claimed as a young man.

As his life wound down, and cancer claimed his body, his great passion was designing Apple's new, three-million-square-foot headquarters, in Cupertino. Jobs threw himself into the details. "Over and over he would come up with new concepts, sometimes entirely new shapes, and make them restart and provide more alternatives," Isaacson writes. He was obsessed with glass, expanding on what he learned from the big panes in the Apple retail stores. "There would not be a straight piece of glass in the building," Isaacson writes. "All would be curved and seamlessly joined. . . . The planned center courtyard was eight hundred feet across (more than three typical city blocks, or almost the length of three football fields), and he showed it to me with overlays indicating how it could surround St. Peter's Square in Rome." The architects wanted the windows to open. Jobs said no. He "had never liked the idea of people being able to open things. 'That would just allow people to screw things up.'"

Fox Business

[Unions: Good for bad teachers, bad for kids](#)

by John Stossel

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They snarl at the idea of ever firing a teacher. Public school teachers typically get tenure once they've taught for about 3 years. After that, the union and civil service protection make it just about impossible to fire them. They basically have a job for life.

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This is not how it works in real life: the private sector. Remember when GE was a phenomenal growth company, rather than the bloated "partner" with Big Government it is now? Its CEO at the time, Jack Welch, said what was crucial was "identifying the bottom 10 percent of employees, giving them a year to improve, and then firing them if they didn't get better."

That idea influenced charter school leader Deborah Kenny, and because [her schools](#) are non-union, she can fire. It's made a difference. Her students outscore the union school's students on all the standardized tests. "We fired as many as we must and as little as we can." She says the good teachers want the bad teachers out. "Somebody who doesn't carry their weight... brings down the morale of the whole team of teachers."

I asked some charter teachers if it bothered them that they could get fired at any minute. "If I'm not doing my job per se and I was fired for that, so be it," said one. Another told me, "If I was a doctor and I wasn't good, I mean I wouldn't have a job, no one would come to me, right?"

But the unions say that failing teachers should be given chances to improve. Lots of chances. "We need to lift up the low performers and help them do better," Nathan Saunders, head of the DC teachers union told me. "There's a cost of firing teachers... the quality of life of that person is deeply affected by that termination."

Boo-hoo. Notice that he didn't mention the kids who are stuck in that class with the teacher being a second, third, or fourth chance?

Former DC schools chancellor Michelle Rhee told me a story about visiting a high school where class after class had terrible attendance. She asked a teacher,

"Where are all the kids?" She was told that low-attendance was expected on a Friday, especially when it was raining. She then noticed a crowded classroom. "There are 30 kids ... not enough desks for the kids that were there. I'm watching the teacher. This is a pretty engaging lesson. So I go up to one of the kids, a young man. And I said, "What do you think about the teacher?" He said, "This is my best teacher, bar none."

Rhee later left the school and saw that same student and two of his friends leaving.

"I said, 'Excuse me, young man. Where do you think you're going?' And they said to me, 'Well, our first period teacher, the one that you saw, he's great. So we came to school. But our second period teacher is not so good, so we're going to roll.' This is not the picture that the American public has of truants! These children were making a very conscious decision to wake up early

and to come to school for first period, cause they knew they were going to get something out of it, and then to leave after that because they weren't going to get any value."

And yet, thanks to teachers unions and tenure, that great teacher gets paid no more than the others.

Toronto Glove and Mail

Occupiers are blaming the wrong people

It's not the greedy Wall Street bankers who destroyed these people's hopes. It's the virtueocracy itself.

by Margaret Wentz

Laurel O'Gorman is one of the faces of Occupy Toronto. She believes the capitalist system has robbed her of her future. At 28, she's studying for a master's degree in sociology at Laurentian University in Sudbury. She's also the single mother of two children. "I'm here because I don't know what kind of job I could possibly find that would allow me to pay rent, take care of these two children and pay back \$600 each month in loans," she said.

Ms. O'Gorman is in a fix. But I can't help wondering whether she, and not the greedy Wall Street bankers, is the author of her own misfortune. Just what kind of jobs did she imagine are on offer for freshly minted sociology graduates? Did she bother to ask? Did it occur to her that it might be a good idea to figure out how to support her children before she had them?

She's typical in her bitter disappointment. Here's Boston resident Sarvenaz Asasy, 33, who has a master's degree in international human rights, along with \$60,000 in student loans. She dreamed of doing work to help the poor get food and education. But now she can't find a job in her field. She blames the government. "They're cutting all the grants, and they're bailing out the banks. I don't get it."

Then there's John, who's pursuing a degree in environmental law. He wants to work at a non-profit. After he graduated from university, he struggled to find work. "I had to go a full year between college and law school without a job. I lived at home with my parents to make ends meet." He thinks a law degree will help, but these days, I'm not so sure.

These people make up the Occupier generation. They aspire to join the virtueocracy - the class of people who expect to find self-fulfillment (and a comfortable living) in non-profit or government work, by saving the planet, rescuing the poor and regulating the rest of us. They are what the social critic Christopher Lasch called the "new class" of "therapeutic cops in the new bureaucracy."

The trouble is, this social model no longer works. As blogger Kenneth Anderson writes, "The machine by which universities train young people to become minor regulators and then delivered them into white-collar positions on the basis of credentials in history, political science, literature, ethnic and women's studies - with or without the benefit of law school - has broken down. The supply is uninterrupted, but the demand has dried up."

It's not the greedy Wall Street bankers who destroyed these people's hopes. It's the virtueocracy itself. It's the people who constructed a benefit-heavy entitlement system whose costs can no longer be sustained. It's the politicians and union leaders who made reckless pension promises that are now bankrupting cities and states. It's the socially progressive policy-makers in the U.S. who declared that everyone, even those with no visible means of support, should be able to own a home with no money down, courtesy of their government. In Canada, it's the social progressives who assure us we can keep on consuming all the health care we want, even as the costs squeeze out other public goods.

The Occupiers are right when they say our system of wealth redistribution is broken. But they're wrong about what broke it. The richest 1 per cent are not exactly starving out the working poor. (In the U.S., half all income sent to Washington is redistributed to the elderly, sick and disabled, or to those who serve them, and nearly half the country lives in a household that's getting some sort of government benefit.) The problem is, our system redistributes the wealth from young to old, and from middle-class workers in the private sector to inefficient and expensive unions in the public sector.

Among the biggest beneficiaries of this redistribution is the higher-education industry. In Canada, we subsidize it directly. In the U.S., it's subsidized by a vast system of student loans, which have allowed colleges to jack up tuition to sky-high levels. U.S. student debt has hit the trillion-dollar mark. Both systems crank out too many sociologists and too few mechanical engineers. These days, even law-school graduates are having trouble finding work. That's because the supply has increased far faster than the demand.

The voices of Occupy Wall Street, argues Mr. Anderson and others, are the voices of the downwardly mobile who are acutely aware of their threatened social status and need someone to blame. These are people who weren't interested in just any white-collar work. They wanted to do transformational, world-saving work - which would presumably be underwritten by taxing the rich. They now face the worst job market in a generation. But their predicament is at least in part of their own making. And none of the solutions they propose will address their problem.

Ms. O'Gorman, the graduate student in sociology, didn't bring her kids to the Occupy demonstration in Toronto because she was worried about security. Still, she hoped they would absorb the message. "I'm trying to teach them equity and critical thinking from a young age," she said. If she'd only applied a bit more critical thinking to herself, she might be able to pay the rent.

Real Clear Markets

[Stop Blaming China For the Loss of Manufacturing Jobs](#)

by John Tamny

Hardly a day goes by without some pundit lamenting the loss of the U.S. manufacturing base, and with it, jobs. Usually the blame is placed on China.

It's nice, frequently heated rhetoric. But it's also utter nonsense.

To bemoan the loss of manufacturing jobs is to bemoan economic progress. Not asked enough of those with rose-colored visions of a not so glamorous manufacturing past is what advanced economic society anywhere in the world has gotten that way by way of clinging to days gone by. In the U.S. we can point to Michigan as a state stuck in the past, and the result is massive unemployment in concert with the outflow of the state's best and brightest citizens.

Of course there's an unknown story to be told about manufacturing, though it's one that those in thrall to heavy human operated machinery choose to ignore. To put it simply, we're manufacturing more than ever, albeit with a great deal less in the way of human input. This is what they call progress.

Indeed, as a recent *USA Today* editorial noted, "American companies are making lots of stuff", and in fact they're producing "about 80% more than in 1979 with nearly 8 million fewer workers." Some would like to blame China for this development, but in truth they should be cheering the very innovations that attract job creating investment by virtue of companies doing more with less.

For one, the happy destruction of jobs was always thus, and it's a signal of an advancing society. Considering agriculture, from 1900-1920 in the U.S. agriculture and mining accounted for 30-40% of total employment. Today that number is a fraction, but far from pushing Americans to the breadlines, economic evolution pushed them into better, higher valued work. Would anyone in their right mind really like to return to the days in which the U.S. economy was largely farm based? The same applies to manufacturing.

Considering manufacturing, if we date its decline as an employer to the 1970s, it should be said that the drop in actual workers has coincided with a rise in higher-paying work away from the factory floor. Specifically since the '70s, managerial and professional employment has been the fastest growing job category.

The definition of productivity is reducing costs without reducing output, and American manufacturers have done just that. But as evidenced by the rise of better paying managerial and professional work, Americans have hardly suffered this increase in productivity. Indeed, while the number lags now due to unrelated drivers of high unemployment, amid manufacturing's descent as an employer since the '70s, the work force participation rate actually rose from 60% in 1970, to 66.1% in 2005.

Yes, manufacturing jobs were destroyed as is always the case in a healthy economy, but those jobs were once again replaced with better ones. And rather than blame China, we should instead embrace advancement. Just as productivity enhancements reduced manufacturing employment, so did the computer reduce the need for clerks and secretaries. Not acknowledged is how much worse off we'd be if Americans were still stuck in the work of yesteryear.

But since they're not, rather than blame China, we should thank investors. It was investors whose intrepid allocations funded advancement that freed us from labor the markets no longer wanted, plus it's investors who are unwilling to pay the wages that used to prevail in manufacturing. Instead of blaming China here, we should blame Americans who wanted a standard of living higher than what investors in manufacturing were willing to pay. As evidenced by labor force participation rates, rates that once again rose amid a massive drop in manufacturing employment, Americans happily got what they desired.

Moving to China, it's time that Americans who lament the loss of that which wasn't so great see what the prevailing wage - once again provided by investors - is for manufacturing. Considering average income in the rising country itself, that works out to \$2,000/year (as of 2007), according to *The Elephant and the Dragon* author Robyn Meredith. Even the poorest of the working poor in the U.S. don't earn so little.

And what about factory wages in China? According to Meredith "Chinese factory workers, whether making light bulbs, talking toys, or tennis shoes, earn each day about what Americans pay for a latte at Starbucks." These are the kinds of jobs we want to lure back to the U.S.?

The simple and happy truth is that there are no jobs without investment, and factory worker pay in China reveals, investors have no interest in paying anywhere near the wages Americans have grown accustomed to. So assuming we resumed manufacturing light bulbs and tennis shoes stateside thanks to some benevolent investor, the wages that support this activity are so low that no Americans would apply for the work. Extremely low pay in China supports the positive pronouncement that we long ago left low value factory work in the rearview mirror, and with good reason. One can't get by on one Starbucks latte per day.

In *The Federalist Papers*, Alexander Hamilton warned his readers about falling for the "deceitful dream of a golden age." Manufacturing is just that. Once the employer of many at high wages, those days are long past, so to dream of a manufacturing future for the United States is to pine for excruciating poverty.

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