

January 3, 2012

Craig Pirrong in Streetwise Professor says if "libertarian" is what Ron Paul is, then maybe he'd like to find something else to call himself.

In 1960 Hayek wrote an essay titled "Why I Am Not a Conservative." In it, Hayek pondered the conundrum that many Americans like me have struggled with since: What should we call ourselves? This is not a problem in Europe: I would be a liberal. Adam Smith is the quintessential liberal, in the European sense. But as Schumpeter noted, in the US, those who supported big government and wanted to limit and control the free market started calling themselves liberal: "[a]s a supreme, if unintended, compliment, the enemies of private enterprise have thought it wise to appropriate its label." So unhyphenated liberal means "progressive" or the like in the US, and that is definitely not an accurate label for a believer in a minimal state. Say "classical liberal" in the US and people just hear "liberal" and think "progressive": confusion still reigns. "Conservatives" in the European sense, as Hayek argued, are primarily traditionalists, and hostile to many economic, personal, and civil liberties.

So what is the alternative? By default, "libertarian"—a word that Hayek said "[f]or my taste . . . carries too much the flavor of a manufactured term and of a substitute"—is pretty much all that is left. Again quoting Hayek: "But I have racked my brain unsuccessfully to find a descriptive term which commends itself." So libertarian has pretty much become the default term to describe someone in the US who is not a liberal/progressive, traditional conservative, socialist, communist, or what have you.

But the "libertarian" label has been claimed by myriad people whom Hayek, and Friedman, and Richard Epstein—and Adam Smith—would find repulsive and decidedly unliberal, in the classical sense. The most prominent of these today is presidential candidate Ron Paul. Another is Paul's former chief of staff Lew Rockwell. Yet another is radio ranter Alex Jones. (Sort of working my way down the food chain here.)

As Paul has made a serious challenge in Iowa, he and these others, and his supporters, have attracted much more scrutiny. And what is revealed is not pretty. Actually, ugly would be the proper word. ...

Mark Steyn in The Corner has Randy thoughts.

Like many chaps round these parts, my general line on Ron Paul was that, as much as I think he's out of his gourd on Iran et al, he performs a useful role in the GOP line-up talking up the virtues of constitutional conservatism. But this Weekly Standard piece by John McCormack suggests Paul is a humbug even on his core domestic turf: The entitlement state is the single biggest deformation to the Founders' republic, and it downgrades not only America's finances but its citizenry. Yet Paul has no serious proposal for dealing with it, and indeed promises voters that we won't have to as long as we cut "overseas spending".

This is hooey. As I point out in my book, well before the end of this decade interest payments on the debt will consume more of the federal budget than military spending. ...

Toby Harnden writes on the luck of Mitt Romney.

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But Perry turned out to be an abysmal candidate. Whether handicapped by pain medicine for his bad back, a lack of fire in his belly or the fact that his luck finally ran out after a charmed political career in Texas, Perry was a dud – his “Oops” moment in a November debate a cruel epitaph for his candidacy.

Each time a new rival rose in the polls, they wilted under the fresh scrutiny and highlighted Romney’s strengths in the process. With Herman Cain gone and Michele Bachmann in the doldrums, in early December Romney found himself facing a resurgent Newt Gingrich.

If Romney could have invented a man he would like to duke it out for the nomination, he couldn’t have done better than Gingrich – a lobbyist in all but name, a creature of Washington, thrice-married and with no money or campaign structure. Gingrich’s policy apostasies, including an embrace of elements of Obamacare, inoculated Romney.

Throw into the mix the maverick libertarian Ron Paul – a man with no chance of winning the Republican nomination but a possible Iowa victor – and the scenarios got even better. A Paul win would do little to damage Romney but would stifle any chance of his rivals building momentum.

But the position Romney finds himself in is not accidental. He is a vastly improved candidate from the Romney of 2008. ...

Peggy Noonan says Romney gets stronger in this years strange nomination process.

... The most memorable line of the first phase? There's "9-9-9" and "Oops," but the best came from Mitt Romney when he was asked about the Gingrich campaign's failure to qualify for the Virginia ballot. Mr. Gingrich had compared it to Pearl Harbor, a setback, but we'll recover. Mr. Romney, breezily, to a reporter: "I think it's more like Lucille Ball at the chocolate factory."

It made people laugh. It made them want to repeat it, which is the best free media of all, the line people can't resist saying in the office. And they laughed because it pinged off a truth: Gingrich is ad hoc, disorganized.

The put-down underscored Romney's polite little zinger of a week before, that Mr. Gingrich was "zany." And it was a multi-generationally effective: People who are 70-years-old remember "I Love Lucy," but so do people who are 30 and grew up with its reruns. Mr. Romney's known for being organized but not for being deft. This was deft. It's an old commonplace in politics that if you're explaining you're losing, but it's also true that if they're laughing you're losing. The campaign trail has been pretty much a wit-free zone. It's odd that people who care so much

about politics rarely use one of politics' biggest tools, humor. Mr. Romney did and scored. More please, from everyone.

Newt Gingrich in the end will likely prove to be a gift to Mitt Romney. He was a heavyweight. This isn't Herman Cain, this is a guy everyone on the ground in every primary state knows and has seen on TV and remembers from the past. But his emergence scared a lot of people—"Not him!"—and made some of them think, 'OK, I guess I better get off the sidelines and make a decision. Compared to Newt, Romney looks pretty reasonable."

Mr. Gingrich took some of the sting out of Romney-as-flip-flopper because he is a flip flopper too. He also, for a few weeks there, made Mr. Romney look like he might be over. He made Mr. Romney fight for it, not against an unknown businessman but against a serious political figure whose face and persona said: "I mean business." In the end it will turn out he was a gift to the Romney campaign, a foe big enough that when you beat him it means something.

If it is Mitt, and if he wins, we'll have our work cut out for us if he brings along advisors like John Sununu. [Weekly Standard Blog](#) has that thought.

As Jonathan Last [pointed out](#), John H. Sununu, the former chief of staff for President George H.W. Bush and a top adviser for Mitt Romney's 2012 campaign, [recently told](#) the New Hampshire Union Leader that "Iowans pick corn and New Hampshire picks Presidents."

A friend of THE WEEKLY STANDARD and proud Hawkeye responded succinctly: "Yes, and Sununus pick Souters." And another friend notes, for the record, that the last three presidents, Barack Obama, George W. Bush, and Bill Clinton, all lost the New Hampshire primary. The last "first in the nation" primary winner to continue to the presidency was George H.W. Bush in 1988—whose presidency lasted only one term, thanks in part to...John H. Sununu. ...

[James Pethokoukis](#) picks 2011's Economic HEROS and zeros.

HEROS - 5. Erskine Bowles and Senator Alan Simpson. 4. Herman Cain. 3. Steve Jobs. 2. Scott Walker. 1. Paul Ryan.

zeros - 5. Lafe Solomon. 4. The Occupy movement. 3. Elizabeth Warren. 2. The White House. 1. Kim Jong-il.

[Pethokoukis](#) also blogs on the fact too many kids are going to college.

As I mentioned earlier, I am currently reading [Real Education](#) by Charles Murray. In the book, Murray makes four big points: a) Ability varies; b) half of the children are below average; c) too many people are going to college; and d) America's future depends on how we educate the academically gifted. It's the third point I am concerned about for the moment. Here is President Obama's recent Osawatimie, Kansas, speech:

"But we need to meet the moment. We've got to up our game. We need to remember that we can only do that together. It starts by making education a national mission — a national mission.

Government and businesses, parents and citizens. In this economy, a higher education is the surest route to the middle class. The unemployment rate for Americans with a college degree or more is about half the national average. And their incomes are twice as high as those who don't have a high school diploma. Which means we shouldn't be laying off good teachers right now — we should be hiring them. We shouldn't be expecting less of our schools — we should be demanding more. We shouldn't be making it harder to afford college — we should be a country where everyone has a chance to go and doesn't rack up \$100,000 of debt just because they went."

Obama's words remind me of this passage in the book:

"The problem begins with the message sent to young people that they should aspire to college no matter what. Some politicians are among the most visible offenders, treating every failure to go to college as an injustice that can be remedied by increasing government help."

Murray makes several points that dispute Obama: ...

Streetwise Professor

What's My Name Again?

by Craig Pirrong

In 1960 Hayek wrote an essay titled "Why I Am Not a Conservative." In it, Hayek pondered the conundrum that many Americans like me have struggled with since: What should we call ourselves? This is not a problem in Europe: I would be a liberal. Adam Smith is the quintessential liberal, in the European sense. But as Schumpeter noted, in the US, those who supported big government and wanted to limit and control the free market started calling themselves liberal: "[a]s a supreme, if unintended, compliment, the enemies of private enterprise have thought it wise to appropriate its label." So unhyphenated liberal means "progressive" or the like in the US, and that is definitely not an accurate label for a believer in a minimal state. Say "classical liberal" in the US and people just hear "liberal" and think "progressive": confusion still reigns. "Conservatives" in the European sense, as Hayek argued, are primarily traditionalists, and hostile to many economic, personal, and civil liberties.

So what is the alternative? By default, "libertarian"—a word that Hayek said "[f]or my taste . . . carries too much the flavor of a manufactured term and of a substitute"—is pretty much all that is left. Again quoting Hayek: "But I have racked my brain unsuccessfully to find a descriptive term which commends itself." So libertarian has pretty much become the default term to describe someone in the US who is not a liberal/progressive, traditional conservative, socialist, communist, or what have you.

But the "libertarian" label has been claimed by myriad people whom Hayek, and Friedman, and Richard Epstein—and Adam Smith—would find repulsive and decidedly unliberal, in the classical sense. The most prominent of these today is presidential candidate Ron Paul. Another is

Paul's former chief of staff Lew Rockwell. Yet another is radio ranter Alex Jones. (Sort of working my way down the food chain here.)

As Paul has made a serious challenge in Iowa, he and these others, and his supporters, have attracted much more scrutiny. And what is revealed is not pretty. Actually, ugly would be the proper word.

Many have documented the ugliness—most notably the racism that pervades Ron Paul's newsletters from the 90s. A good compendium can be found at [Ace of Spades](#). Given all that's out there, I'll let you find it for yourself. Just be prepared for what you find. Don't say you weren't warned.

I just want to make a few points.

First, much of the most trenchant criticism of Paul and his cultish followers (more on them later) comes from people who are sympathetic with many of the position he takes. These critics think that government is far too large, and that our liberties have been progressively (pun intended) eroded. And I agree.

But the dislike of Paul and the Paulians for the government has curdled into a hatred of America. There is no ugly anti-American conspiracy theory that they do not embrace. 9-11 Trutherism, for instance. They routinely recycle theories first floated by the KGB. No wonder RT loves Paul and gives Rockwell plenty of air time. And it is this profound anti-Americanism that repels people like me, and other Paul critics—people who believe that America is flawed but the last, best hope of mankind that has on balance been a profound force for good at home and in the world at large.

Second, Paul and the Paulians are utterly unrealistic in their prescriptions. Politics is the art of the possible, but Paul advances impossible plans built on fantastical foundations. Maybe a dictator could implement them. Maybe. But even ignoring the irony of dictatorial libertarianism, these grandiose plans are fundamentally at odds with Hayek's warnings about the pretense of knowledge: the unintended consequences of libertarian social engineering would likely be as traumatic, at least in the short run, as socialist social engineering. The world is not an Etch-a-Sketch that you can shake clear and start all over again. But Paul evidently thinks so and prescribes root-and-branch transformations of every aspect of government policy from money to the military.

And the shrieking vituperation that Paulians direct at those who point out these realities makes plain that if, heaven forbid, they did take power they would be as extreme and uncompromising as any True Believing Bolshevik or Khmer Rouge. Disagree with any of their extremely unrealistic prescriptions—abolish the Fed, adopt the gold standard, eliminate every American overseas military facility—and you will be immediately bombarded with the Paulian insult trilogy: “neocon, statist, warmonger.” Yeah, that's the way to win friends and influence people.

Paul's historical disquisitions present a revealing perspective on his belief in his unique ability to find magical solutions to immense problems in the face of political obstacles that stymied generations of able statesmen in the past. The Civil War is an excellent example. He has called Lincoln a warmonger, and claims that the Civil War could have been avoided at lower cost by buying slaves.

Yeah. Nobody thought of that. Gee, I wonder what the problems would have been? Like: who would pay? Would the South have agreed to a paid emancipation plan given that the primary source of government revenue was tariffs that were paid largely out of Southern agricultural exports, notably cotton (an import tax is equivalent to an export tax)? Would Northerners, who were not, truth be told, abolitionists, been willing to pay taxes to compensate rich Southerners to free blacks whom most Northerners didn't care a whit about? And another issue: as Reconstruction demonstrated, the issue of slavery was more complicated than dollars and cents. It involved the entire social structure of the South. One could go on.

Lincoln was in fact sympathetic to the idea of paid emancipation: he advanced the futile plan of buying slaves and relocating them to Africa. It was a political and practical folly.

But pay no mind to these practical realities. Ron Paul would have solved the political problem that bedeviled America from its founding. It is an American tragedy that Ron Paul was not around at the beginning of the 19th century. (Well, maybe he was. He is pretty old.)

Paul's and the Paulian's treatment of political issues past and present reveals them to be political gnostics of the radical dualist stripe. They believe they have special esoteric knowledge that gives them the ability to devise schemes of social salvation. They believe that the political world is divided between powers of darkness and powers of light.

These positions are utterly fantastical and have no hope of prevailing. Moreover, the stridency, weirdness and frequent ugliness of the advocates of these positions actually undermine the prospects for progress towards a smaller, Smithian state that focuses on protecting people against force and fraud. In 2012, Paul empowers Obama. Paul has no chance of winning, but he can so damage the already tenuous Republican presidential prospects that Obama could coast to victory despite fundamentals that would doom him to a landslide loss in most years.

But even beyond 2012, Paul and Paulians have so tarnished the libertarian label, that many like me are revisiting Hayek's question: what's my name again? And further: what is the practical political program that will lead to a smaller, less intrusive, less controlling, less destructive state? That is what Hayek pondered. That is what Friedman wrote about. That is what serious Smithian liberals think about today. That is not what Ron Paul and the Paulians do. And what they do gives libertarianism a bad name.

The Corner **Ignorance is Bliss**

by Mark Steyn

So you could abolish the Pentagon, sell off the fleet to Beijing and the nukes to Tehran and Khartoum and anybody else who wants 'em, and we'd still be heading off the cliff. If a candidate isn't talking about entitlement transformation, he's unserious.

And, before the Ronulans start jeering "Neocon!", I part company with many friends on the right who argue that defense spending can't be cut. I wrote a cover story for NR a couple of months back arguing that the military's bloated size (and budget) is increasingly an impediment to its effectiveness: When you're responsible for 43 per cent of global military expenditure, it's hardly

surprising that you start acting like the world's most lavishly funded transnational-outreach non-profit rather than the sharp end of America's national interest. In Afghanistan, the problem is not that we haven't spent enough money but that so much of it has been utterly wasted – and mostly in predictable ways. I am in favor of a leaner, meaner military, with the emphasis on both adjectives.

But Ron Paul, with his breezy indifference to the entitlement question, is peddling the same illusion Obama sold a gullible electorate in 2008 – that, if only America retreats from “Bush's wars”, life can go on, and we'll be fat and happy with literally not a care in the world. Big Government parochialism is an appealing fantasy because it suggests America's fortunes can be restored without pain. But they can't – and when Ron Paul tells you otherwise he's talking hogwash.

Telegraph, UK
[The Luck of Mitt Romney](#)
by Toby Harnden



Mitt Romney campaigns in New Liberty, Iowa.

Is there any politician more fortunate than Mitt Romney? The former Massachusetts governor entered the battle for the Republican nomination – in fact, he never really stopped running after losing in 2008 – with several albatrosses lashed to his neck.

A former moderate Republican who had run as a staunch conservative, his recent (and politically convenient) conversion to the litmus-test issue of opposing abortion rights and his other policy shifts meant he was easily branded a flip flopper, a weather vane, a chameleon.

Despite having spent a significant chunk of his massive personal fortune in 2008, he was soundly rejected by Republican voters, who found him inauthentic. His fourth-place defeat in South Carolina raised the question of whether a member of the Mormon faith (regarded as a cult by many evangelicals) could ever win the Republican nomination.

If anything, the political environment took a turn for the worse for Romney once President Barack Obama was inaugurated. The raucous, uncompromising and ideologically-charged Tea Party movement that sprung up and seized the Republican agenda from 2009 was never going to an ally of Matinee Mitt, the well-coiffed, buttoned-down epitome of a corporate man who was born into wealth.

And then there was Obama's healthcare reform, rammed through Congress without a single Republican vote, to the fury of conservatives across Middle America. Given that a prototype for "Obamacare" had been introduced by him in Massachusetts, Romney could have been forgiven for calculating that he was toast. How could a party enraged by Obamacare overlook Romneycare?

True, Republicans had a tendency to choose the next in line rather than, as Democrats more easily do, select the shiny new thing as their nominee. But technically the next in line was Mike Huckabee, the former Arkansas governor, who collected more delegates than Romney in 2008.

With all these difficulties to overcome, Romney prepared for a bloody war of attrition in which he just might be the last man standing. It was a strategy that involved spending less money and time in first-voting Iowa – where in 2008 he had poured in cash and candidate days only to be humiliated by Huckabee, who won it on a wing and a prayer.

Last week, however, it began to dawn on Romney's aides that they could well win Iowa. Having always calculated that it would be ground they would cede to a rival more beloved of evangelicals – Michelle Bachmann, Rick Perry, Sarah Palin if she had run – Team Romney decided to go all out for victory. He was returned to Iowa on Saturday afternoon to criss-cross the state until the caucuses are held on Tuesday night.

Team Romney's long-war strategy had involved building a firewall in New Hampshire, where Romney (with great planning or prescience) bought a home in 1997. No one in Romneyland dreamed of an Iowa win. Couple that with an expected victory in New Hampshire and his momentum could be unstoppable.

Romney has certainly been fortunate with his opponents – and those who ducked the chance to take him on. On paper, Rick Perry should be the nominee. The longest-serving governor in Texas history, chief executive of a huge, job-creating state, an evangelical Christian with an easy charm and the looks of the Marlboro Man, Perry seemed to be everything a Republican nominee should be.

But Perry turned out to be an abysmal candidate. Whether handicapped by pain medicine for his bad back, a lack of fire in his belly or the fact that his luck finally ran out after a charmed political career in Texas, Perry was a dud – his "Oops" moment in a November debate a cruel epitaph for his candidacy.

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married and with no money or campaign structure. Gingrich's policy apostasies, including an embrace of elements of Obamacare, inoculated Romney.

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But the position Romney finds himself in is not accidental. He is a vastly improved candidate from the Romney of 2008. The fact that so many major Republican figures opted not to enter the fray was partly down to the formidable campaign operation Romney had built and his campaign's machinations behind the scenes.

Romney has played to his main strength as a businessman who has ideas about how to turn the economy around. This time, he hasn't tried to be someone he isn't. And the fact that in 2008 Americans fell in love with an inspirational candidate who disappointed them makes them more likely to plump for someone a little less exciting this time. The Tea Party's influence has waned, or at least been subsumed into a broader desire to defeat Obama, if necessary by selecting a candidate like Romney who can appeal to a broad swathe of general election voters.

Romney's rivals sank not just because of their own failings but because the smooth, smiling former Massachusetts governor was willing to tear out their entrails with negative ads while his campaign skillfully fed narratives to the press. And in a campaign that became defined by debates, Romney – who was mediocre in them in 2008 – has excelled.

In preparing for a war of attrition, Romney has, paradoxically, made a swift triumph possible – only Ron Paul currently has both the national structure and funds to challenge him much beyond January.

After New Hampshire, Romney still has the unfriendly turf of South Carolina to contend with. He could yet stumble and there are always campaign surprises in store. But Romney is now almost ideally positioned to win the Republican nomination, whether it be in quick or slow time.

Willard Mitt Romney is indeed a fortunate man. But winners in politics tend to make much of their own luck.

WSJ

[Gingrich Is Making Romney Better](#)

The most memorable campaign line so far isn't '9-9-9' or 'Oops.'

by Peggy Noonan

So the first third of the Republican presidential race is ending. The first third is the introduction: "This is who I am, this is what I want to do, this is why you want to choose me."

The campaign is announced, organized, and goes forward in key early states.

The second phase is the long slog through the primary states to the convention next August in Tampa, Fla. The third and final is the election proper, in the autumn of 2012.

The first phase was clouded by an overlay of frustration and dissatisfaction: The best weren't in the game. Mitch Daniels, Paul Ryan, John Thune, Haley Barbour, none of them reporting for duty. But in the past few weeks another mood has begun to dig in: You fight with the army you have. You pick from the possible candidates. You make a choice and back him hard.

Part of this is simple realism. Time is passing, and the contenders have been at least initially inspected. Every four years the potential nominees on either side look smaller than the sitting president who, whether or not you like him, is the president. You're used to him. He's on TV. They play Hail to the Chief when he walks in. The office is big and imparts bigness.

But less so this year than past years. There's a lot of 1980 in the 2012 presidential election, which doesn't mean it will end the same way, but still. The incumbent looks smaller than previous sitting presidents, as did Jimmy Carter. His efforts in the Oval Office have not been generally understood as successful. There's a broad sense it hasn't worked. And Democrats don't like him, as they didn't Jimmy Carter.

This continues as one of the most amazing and underappreciated facts of 2012—the sitting president's own party doesn't like him. The party's constituent pieces will stick with him, having no choice, but with a feeling of dissatisfaction. It is not only the Republicans who have been unhappy this year. All this will have some bearing on the coming year.

Debates arrived in a new way, with a new power. Candidates rose and fell depending on how they did in nationally televised forums. The whole primary season this year has been more wholesale than retail, more national than local.

Mitt Romney (left) debates Newt Gingrich during the ABC News GOP presidential debate on the campus of Drake University in Des Moines, Iowa, Dec. 10.

In the past, state issues were important, but now only one issue—the nation's economy—is important. An hour with the Grand Rapids Rotary Club is still nice, but not as nice as an eight-minute, prime-time cable hit. This marks the continuation of a half century-long trend. National trumps local, federal squashes state, the force of national culture washes out local culture. Primaries are fully national now.

The most memorable line of the first phase? There's "9-9-9" and "Oops," but the best came from Mitt Romney when he was asked about the Gingrich campaign's failure to qualify for the Virginia ballot. Mr. Gingrich had compared it to Pearl Harbor, a setback, but we'll recover. Mr. Romney, breezily, to a reporter: "I think it's more like Lucille Ball at the chocolate factory."

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The put-down underscored Romney's polite little zinger of a week before, that Mr. Gingrich was "zany." And it was a multi-generationally effective: People who are 70-years-old remember "I Love Lucy," but so do people who are 30 and grew up with its reruns. Mr. Romney's known for

being organized but not for being deft. This was deft. It's an old commonplace in politics that if you're explaining you're losing, but it's also true that if they're laughing you're losing. The campaign trail has been pretty much a wit-free zone. It's odd that people who care so much about politics rarely use one of politics' biggest tools, humor. Mr. Romney did and scored. More please, from everyone.

Newt Gingrich in the end will likely prove to be a gift to Mitt Romney. He was a heavyweight. This isn't Herman Cain, this is a guy everyone on the ground in every primary state knows and has seen on TV and remembers from the past. But his emergence scared a lot of people—"Not him!"—and made some of them think, 'OK, I guess I better get off the sidelines and make a decision. Compared to Newt, Romney looks pretty reasonable."

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Weekly Standard [Another Sununu Folly](#)

by Michael Warren

As Jonathan Last [pointed out](#), John H. Sununu, the former chief of staff for President George H.W. Bush and a top adviser for Mitt Romney's 2012 campaign, [recently told](#) the *New Hampshire Union Leader* that "Iowans picks [sic] corn and New Hampshire picks Presidents."



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American.com

5 economic heroes (and zeroes) of 2011

by James Pethokoukis

It was another dreary year for the U.S. economy and political scene. But the combo did generate some heroes and, unfortunately, some zeroes. First, the good guys:

5. Erskine Bowles and Senator Alan Simpson. The co-chairmen of President Obama's [National Commission on Fiscal Responsibility and Reform](#) put the lie to the idea that government must inexorably and massively grow in coming decades. Their long-term budget plan capped spending at 21 percent of GDP, far below the minimum level many on the left think necessary to adequately fund the old-fashioned entitlement system and needed government "investments." They also advocated smart tax reform ideas like lowering tax rates and getting rid of economically inefficient tax breaks. While I a) would like an even lower level of spending and b) don't like the commission's tax hikes, the panel overall performed a valuable service. And while the report actually came out in December 2010, the duo's year-long advocacy of its ideas—despite Obama's rejection of them—merit their placement on this list.

4. Herman Cain. The pizza mogul's White House campaign may be defunct, but his [9-9-9 tax plan](#) has a lasting legacy. America's current tax code is a drag on economic growth, but the Republican presidential field was failing to offer bold reform. Then came Cain. His proposal was full of good ideas: dramatically lower tax rates, ending the bias against investment, simplification. Cain's 9-9-9 was then followed by flat tax proposals from Rick Perry and Newt Gingrich. Even Mitt Romney is finally talking more about sweeping, pro-growth tax reform. No matter what the outcome of the 2012 race, the ideas embodied in 9-9-9 have pushed taxes back to the forefront of the GOP and national agenda.

3. Steve Jobs. The passing of Apple's founder created the classic "teachable moment" on entrepreneurship and innovation and how an economy works. Jobs focused on producing and supplying innovative new consumer technology to the marketplace, creating demand for them. If you build it, they will come—and spend. And, of course, that is exactly what America needs: more producers, more employers, more makers. And in the Walter Isaacson biography of Jobs, the entrepreneur is quoted telling Obama that "regulations and unnecessary costs" are killing U.S. manufacturing. He also told the president that America's education system was being "crippled by union work rules" and until "the teachers' unions were broken, there was almost no hope for education reform." Right and right.

2. Scott Walker. The Wisconsin governor is acting as America's Margaret Thatcher by fighting the corrosive power of government unions in the Badger State. Not only are union pensions and healthcare obligations threatening the fiscal solvency of many states, government unions are also—as Steve Jobs said—a big reason why our schools are not creating the citizens and workers America needs to compete and thrive in the 21st century. The recall effort against him will certainly be one of the big political and economic stories of 2012.

1. Paul Ryan. He decided not to run for president—this time around—but there's no more important policymaker in Washington than the chairman of the House Budget Committee. Just as Ronald Reagan did in the '80s, Ryan is shaping the debate today about what kind of government America will have for the next generation and beyond. So in that sense, it's not just his [policy proposals that matter](#) but also his arguments. No U.S. public figure is as effective at

reminding us how America became America, at reminding us of all that once was good, and what could be again. Free men pursuing happiness in free markets. As Ryan said [in a recent speech](#):

You know, in the midst of all the joys and sorrows of our everyday lives, I think we sometimes forget why America was considered such an exceptional nation at its Founding and why it remains so. To me, the results of the Founders' exceptional vision can be summed up in a single sentence: Throughout human history, the American Idea has done more to help the poor than any other economic system ever designed.

Americans, guided by our ideals, have sacrificed everything to combat tyranny and brutal dictators. We've expanded opportunity, opened markets, and inspired others to resist oppression; we've exported innovation and imagination; and we've welcomed immigrants seeking a fresh start.

Here in America—unlike most places on Earth—all citizens have the right to rise.

And now for the zeroes. And since it is the holiday season and I am trying to be upbeat, we'll keep this short and sweet:

5. Lafe Solomon. Back in April, the acting general counsel of the National Labor Relations Board [filed a complaint](#) against Boeing seeking to force the airplane maker to bring a production line back to unionized Washington from non-unionized South Carolina. It was a chilling overreach of government power reminiscent of the worst of FDR's New Deal excesses.

4. The Occupy movement. The self-proclaimed advocate of the 99 percent is, unfortunately, 99 percent wrong in its diagnosis of what ails America and its economy. Our problems are not ones of greed, inequality, and banks, but of too much government, slow growth, crony capitalism, and distorted markets.

3. Elizabeth Warren. The Harvard law professor and Democratic U.S. Senate candidate in Massachusetts claimed she created "much of the intellectual foundation" of the Occupy movement. More than enough to merit being on this list.

2. The White House. The bad news: Team Obama stiff-armed its own deficit commission, offered no long-term budget plan, pushed another Keynesian stimulus plan, and launched a populist, class-warfare campaign in pursuit of a second term. The good news: This was probably an improvement over 2010.

1. Kim Jong-il. He's not an American, but there was no bigger economic zero in 2011. And, of course, the now-deceased dictator of North Korea wasn't a zero as much as a monster who kept his hostage nation in [economic and spiritual poverty](#). North and South Korea: Same people. Same culture. Same geography. But one a communist, totalitarian state, the other a democratic capitalist one. And that makes all the difference.

American.com

[Why getting a good education and a good job doesn't necessarily mean going to a four-year college](#)

by James Pethokoukis

As I mentioned earlier, I am currently reading [Real Education](#) by Charles Murray. In the book, Murray makes four big points: a) Ability varies; b) half of the children are below average; c) too many people are going to college; and d) America's future depends on how we educate the academically gifted. It's the third point I am concerned about for the moment. Here is President Obama in his recent Osawatomie, Kansas, speech:

But we need to meet the moment. We've got to up our game. We need to remember that we can only do that together. It starts by making education a national mission — a national mission. Government and businesses, parents and citizens. In this economy, a higher education is the surest route to the middle class. The unemployment rate for Americans with a college degree or more is about half the national average. And their incomes are twice as high as those who don't have a high school diploma. Which means we shouldn't be laying off good teachers right now — we should be hiring them. We shouldn't be expecting less of our schools — we should be demanding more. We shouldn't be making it harder to afford college — we should be a country where everyone has a chance to go and doesn't rack up \$100,000 of debt just because they went.

Obama's words remind me of this passage in the book:

The problem begins with the message sent to young people that they should aspire to college no matter what. Some politicians are among the most visible offenders, treating every failure to go to college as an injustice that can be remedied by increasing government help.

Murray makes several points that dispute Obama:

1. Only 20 percent of all students have the academic ability to do college work without decreasing the difficulty level.
2. For the student who wants to become a hotel manager, journalist, software designer, farmer, hospital administrator, four years of class work at a brick-and-mortar college is unnecessary — especially if K-12 did a better job at providing a classical liberal education.
3. The income for the people in a wide variety of occupations that do not require a college degree is higher than the average income for many occupations that do require a BA. For some, being an electrician is a better career path than being a middle-level manager, both in terms of wages and job satisfaction.

Now this is not to say education should end at high school. Certainly not, as [Joel Kotkin points out in City Journal](#):

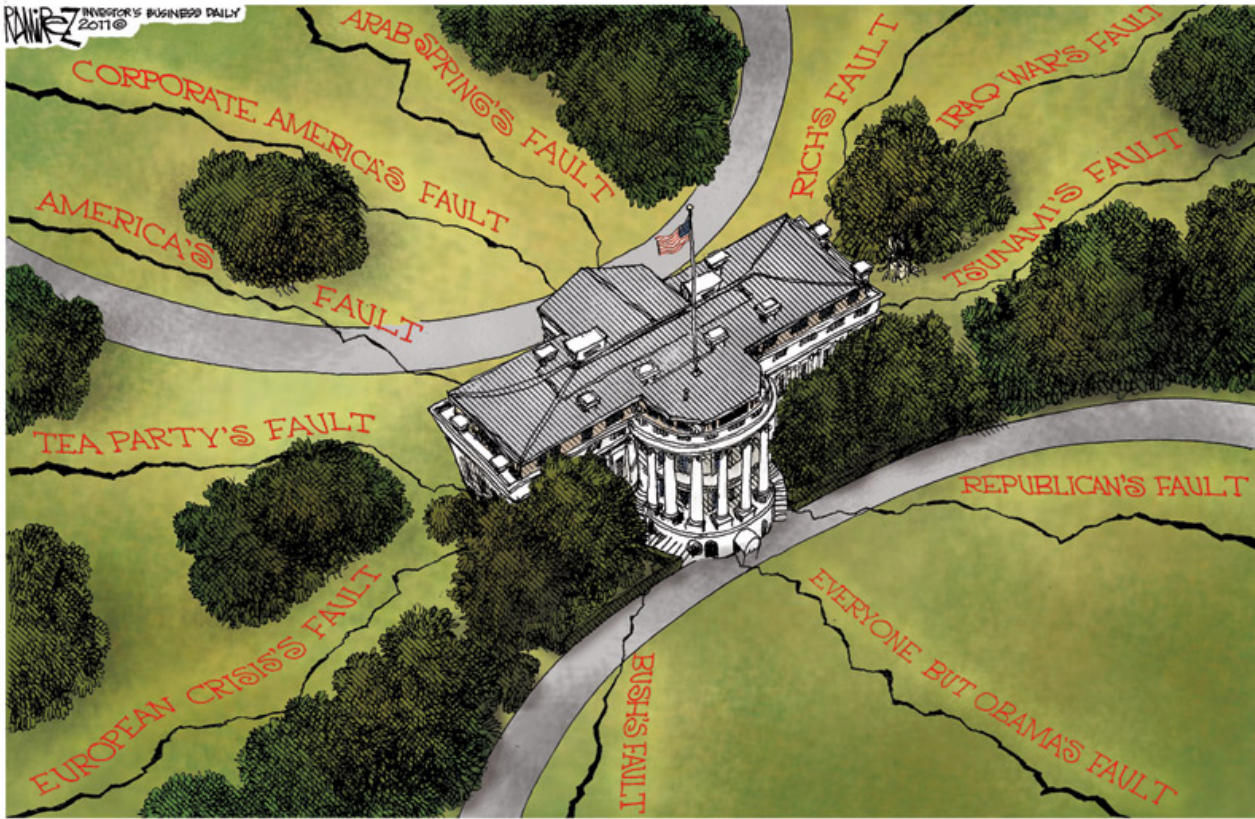
The shortage of industrial skills points to a wide gap between the American education system and the demands of the world economy. For decades, Americans have been told that the future lies in high-end services, such as law, and “creative” professions, such as software-writing and

systems design. This has led many pundits to think that the only real way to improve opportunities for the country's middle class is to increase its access to higher education.

That attitude is a relic of the post–World War II era, a time when a college education almost guaranteed you a good job. These days, the returns on higher education, particularly on higher education gained outside the elite schools, are declining, as they have been for about a decade. ... The reason for the low rewards is that many of the skills learned in college are now in oversupply. ... The oversupply of college-educated workers is especially striking when you contrast it with the growing shortage of skilled manufacturing workers. ... Two-year colleges will be crucial to the effort to train skilled workers. One of these schools, Central Ohio Technical College, has recently expanded by 70 welding students and 50 aspiring machinists per year. Many of the college's certificate programs are designed and partly funded by companies, which figure that they're making a wise investment. ...

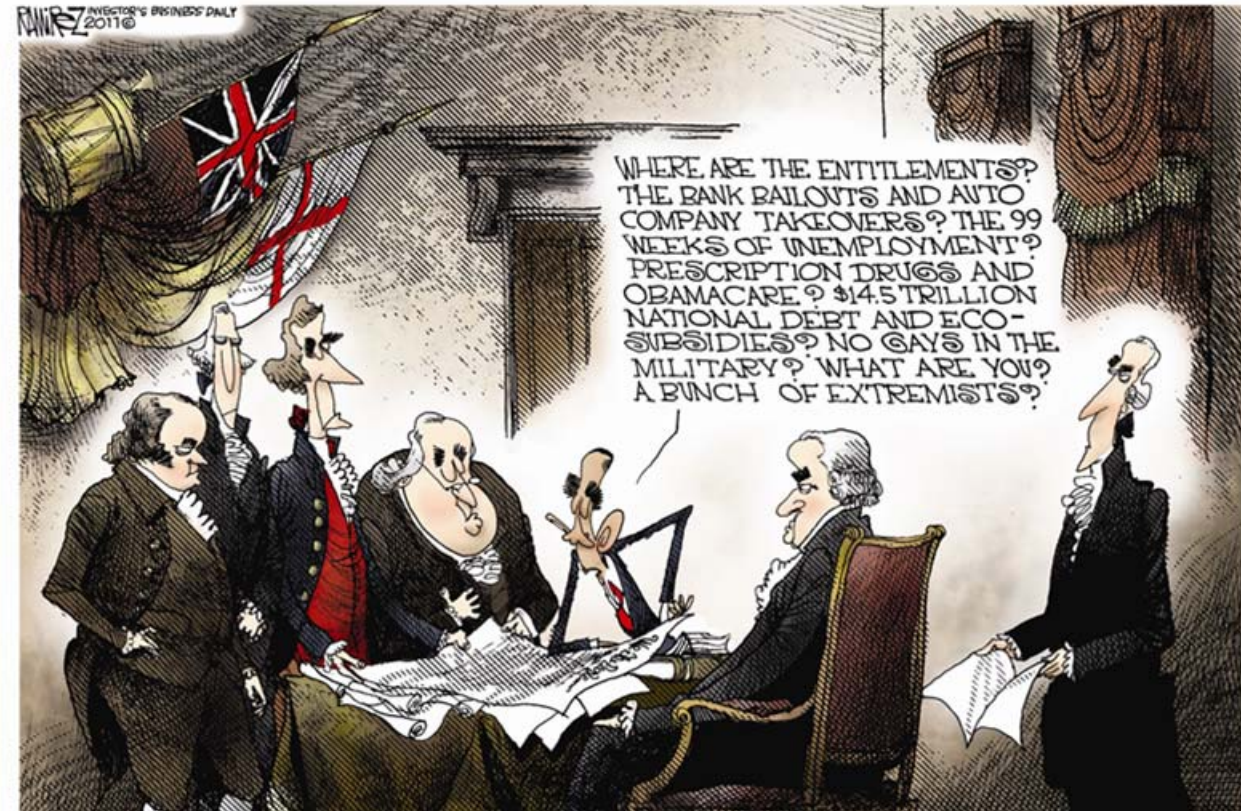
Such shorter educational alternatives will become ever more important as industrial workers retire. The average skilled worker in the industries supplying the gas boom is in his mid-fifties. "At our plant, you have lots of people with 20 to 30 years' experience," says Kirk, who has three high-skill openings that he can't fill. "But there's no apprenticeship program—no way to fill the future growth. We are simply running out of people."





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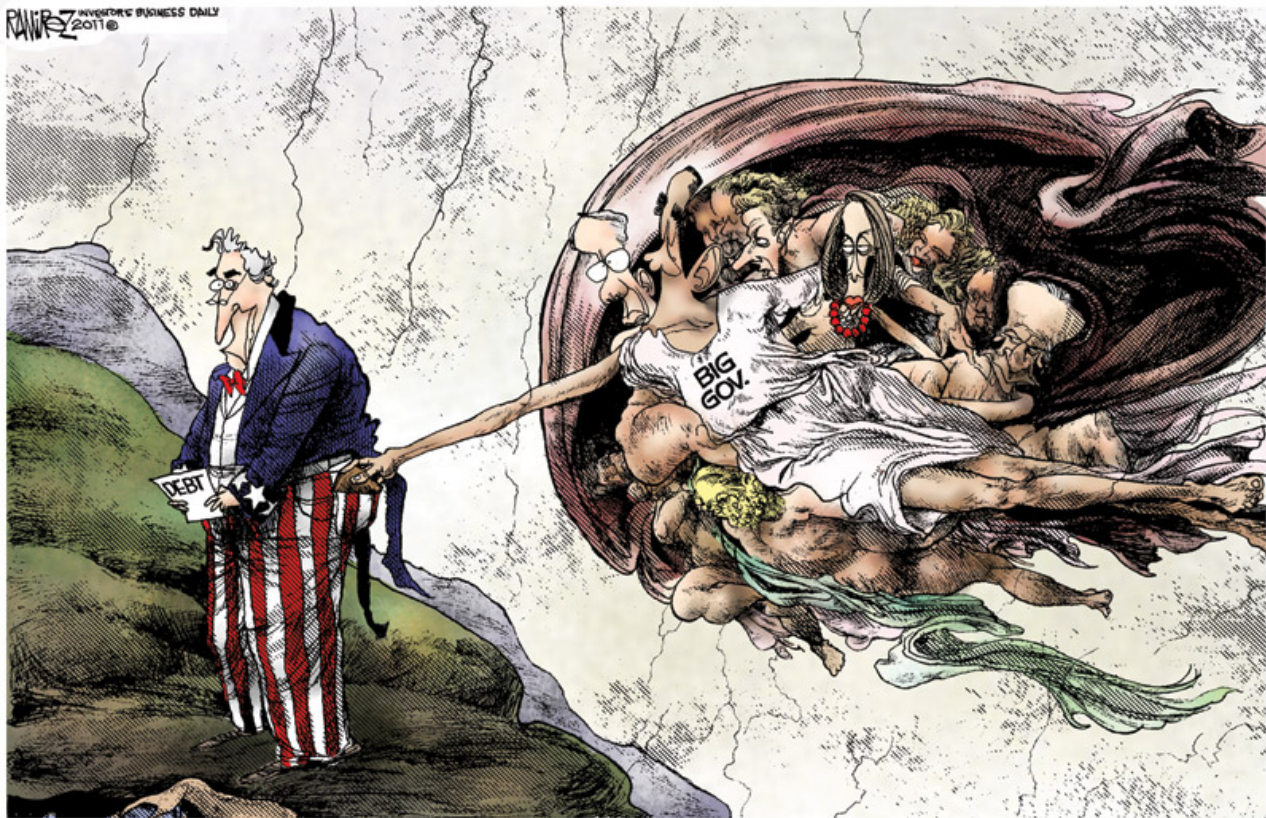
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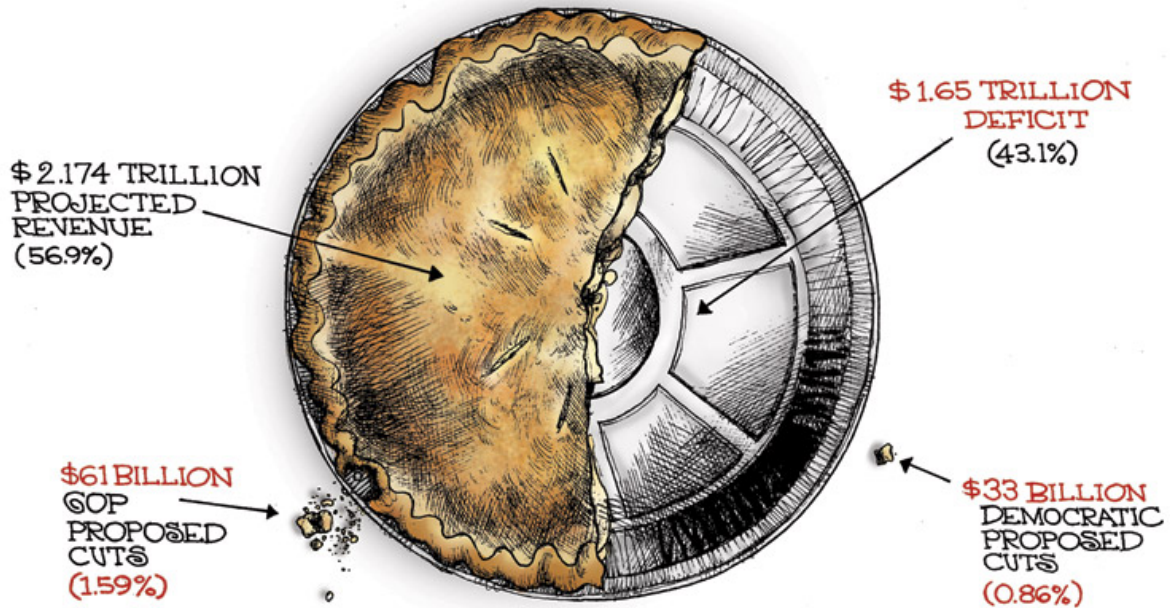
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2011 SPENDING \$3.82 TRILLION



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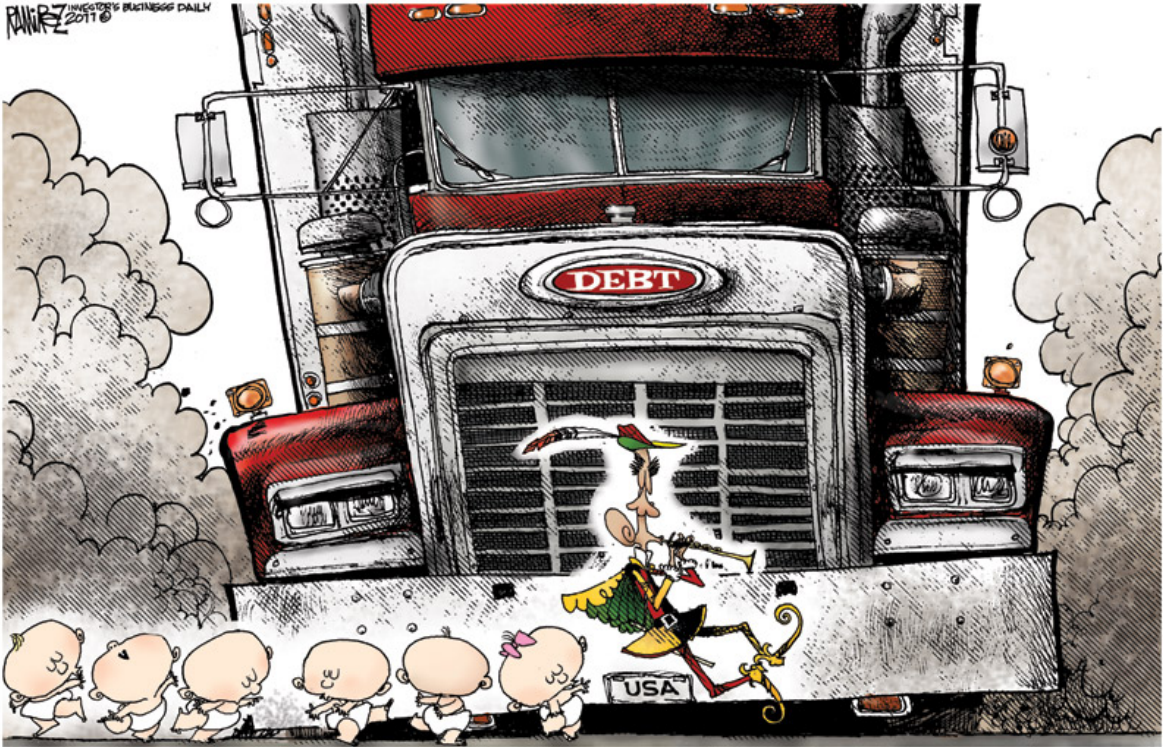


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GUNS DON'T KILL, THE ATF DOES.

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