March 22, 2012

In his weekly WSJ column, <u>Karl Rove</u> reviews the White House campaign film. ... The film is riddled with other inaccuracies and misleading claims. For example, the United Auto Workers may not have gotten "money" in the bailout, but as an unsecured creditor, the union received a 17.5% ownership interest in General Motors and 55% of Chrysler, while the companies' bondholders got hosed.

The film asserts that the auto companies "repaid their loans." But they still owe taxpayers \$26.5 billion, and the Treasury Department's latest report to Congress noted that nearly \$24 billion of the bailout money is gone forever.

The film includes Mr. Obama's 2008 claim that the death of his mother, Stanley Ann Dunham, from cancer "could have been prevented" if only she "had good, consistent insurance." But earlier this year, a biography of Dunham by Janny Scott, "A Singular Woman," revealed that she had health insurance that covered most all her medical bills, leaving only a few hundred dollars a month in deductibles and uncovered costs. For misleading viewers, the Washington Post fact checker awarded this segment of the film "Three Pinocchios."

The film also offers up numerous straw men. For example, opponents of Mr. Obama's auto industry bailout, we're told, just wanted to "let it go," as if an orderly bankruptcy of GM and Chrysler in the courts rather than by presidential fiat was never an option. It was. ...

WSJ has a profile on one of Rove's big donors.

Few people want to defeat President Barack Obama more than billionaire Harold Clark Simmons, who is willing to spend many millions of dollars in the quest. As it happens, campaign rules now give him the opportunity.

Watching a TV news report that Republican presidential candidate Rick Santorum was rising in polls last month, Mr. Simmons wondered about the prospects of the former Pennsylvania senator. He called his personal political muse, Republican strategist Karl Rove.

Harold Simmons, who has donated more than \$18 million to conservative super PACs to beat President Obama, aims to double that amount by November. WSJ's Monica Langley spoke with Jerry Seib about her interview with the press-shy Texas billionaire.

"Is he worth investing into his super PAC?" Mr. Simmons asked. He rose from his leather recliner in the den and stood at a bay window overlooking swans gliding on a lake encircled by 17,000 tulips. "Does he have a chance?"

"Yes, I wouldn't count him out," Mr. Rove said. Mr. Simmons's wife, Annette, who was keen on Mr. Santorum, promptly donated \$1 million to his super PAC, cash badly needed for an ad blitz ahead of the Super Tuesday primaries.

The 80-year-old Texan, who heads Contran Corp., a chemicals and metals conglomerate, gave hefty donations to the super PACs supporting other GOP candidates during similar moments in

the spotlight: Rick Perry's optimistic entry into the race last summer, and after the debate-driven surge of Newt Gingrich. Mr. Simmons has so far given \$800,000—including \$500,000 this week—to super PACs backing former Massachusetts Gov. Mitt Romney, who won the Illinois primary Tuesday and contends no rival can catch him in the GOP delegate race.

It isn't particularly important which man wins the nomination, for Mr. Simmons simply wants to defeat the president and reduce the reach of government. "Any of these Republicans would make a better president than that socialist, Obama," said Mr. Simmons during two days of rare interviews at his Dallas home and office. "Obama is the most dangerous American alive...because he would eliminate free enterprise in this country."

The tall, lanky, soft-spoken industrialist has given more than \$18 million to conservative super PACs so far, making him the 2012 election's single largest contributor—ahead of billionaires Sheldon Adelson, Mr. Gingrich's financial patron, and Foster Friess, Mr. Santorum's biggest donor.

Sipping lemonade iced tea made with lemons grown on his California estate east of Santa Barbara—next door to Oprah Winfrey's place in Montecito—Mr. Simmons said he planned to spend \$36 million before the November election.

Unlike some big donors—including Mr. Adelson—Mr. Simmons isn't driven by an attraction to a specific candidate or policy. His motivation is broader: to elect Republicans up and down the line in the hopes they will change the overall U.S. tax and regulatory approach.

That helps explain why the biggest chunk of his political contributions in this election cycle have gone not to individual candidates but to Mr. Rove-advised super PAC American Crossroads—its stated mission to defeat Mr. Obama and elect "majorities in both the House and the Senate that are 100% dedicated to rescuing our economy from the Obama agenda."

Mr. Simmons has some businesses that are heavily regulated, which helps explains his interest in deregulation. He also pushes for tort reform. One of his companies, NL Industries Inc., has fought lawsuits from school districts and businesses over lead paint that it made before Mr. Simmons acquired it.

More broadly, he said, he and other individuals need to contribute to match the "unlimited amounts from labor unions" that benefit liberal candidates.

"I've got the money, so I'm spending it for the good of the country," ...

There'll be a lot of buzz this weekend about the opening of the movie Hunger Games. **John Tamny** has a libertarian take.

It's said about The Hunger <u>Games</u>, Suzanne Collins' blockbuster novel that will be released in movie form this Friday, that it appeals to a broad demographic ranging from teens to senior citizens. If so, it's fair to assume that a not insignificant portion of the book's devotees see a political message within. Cue up the hateful comments, but my libertarian instincts tell me the novel is a boisterous comment about the certain horrors of big government.

To provide background for those who've not yet read the book, The Hunger Games takes place in a post-modern North America where society has collapsed thanks to drought, famine and war. The country is Panem, which has a major city called Capitol run by the governing elite. Those in power oversee twelve districts.

Each year at the pleasure of brutal politicians desperate for sadistic entertainment, two representatives from the twelve districts engage in a televised game of survival whereby only one person comes out alive. Though the novel has a variety of characters, most of the story centers on Katniss Everdeen and Peeta Mellark, Hunger Games representatives from District 12 (presumably West Virginia), and their efforts to emerge from the games alive.

On its face the book reveals the oppressive cruelty that is big government. Indeed, while the global political class and their enablers in the media to this day try to explain away droughts and the resulting famines from an "Act of God" point of view, the simple truth is that economically free countries don't suffer them.

Though food is surely the most essential, life-enhancing good on the planet, it's plentiful in the most barren of climates where it's not grown or farmed owing to the free-trade truth that we trade products for products; all manner of non-perishable items exchanged for food with great regularity. Simply put, visitors to Arizona don't witness distended bellies among the citizenry due to a lack of farmers, instead Arizona is prosperous and its citizens well fed for the latter pursuing all manner of work the product of which enables them to freely exchange the fruits of their labor for other goods, including groceries.

<u>Joel Kotkin</u> says as it lays waste to the rest of the country, one city is booming - Washington, DC.

... Boom times in the capital — particularly amid a weak recovery elsewhere — are driving this growth. Since 2007, notes Stephen Fuller at George Mason University, the D.C. region's economy has expanded 14 percent compared with a mere 3 percent for the rest of the country. Washington's unemployment never scaled over 7 percent, well below the national average, and is now down to around 5.5 percent, about the lowest of any major metropolitan area. Unemployment of course is much higher, reaching 25 percent, in some of the district's poorer neighborhoods.

This prosperity is rooted largely in the steady growth of the federal workforce, as <u>federal</u> <u>spending accounts for one-third of the region's economy</u>. Over the past decade 50,000 bureaucratic jobs have been added in the area while local federal spending grew 166 percent. The D.C. region, with 5 percent of the nation's population, garners more than three times that percentage in payroll and more than four times that percentage in procurement dollars.

This debt-financed gusher has helped expand the economy beyond simply federal workers. You think California is the biggest beneficiary of the current tech boom? Think again. Washington's tech sector employment, according to an analysis by Economic Modeling Systems Inc., has expanded by more than 5 percent since 2009, more than twice the national and California average of barely 2 percent. California may have Facebook, Google and Apple, but Washington tech has federal agencies, the defense establishment, a growing media sector and the lobbying industry to feed upon.

Washington also ranks fourth in middle-income job growth, with employment in that category expanding at four times the national average over the past two years. The relatively higher salaries — and far better benefits — propel even modestly educated workers into middle incomes. The recession may have been brutal for the middle class, but not those who work for Uncle Sam. Not surprisingly, according to Gallup, Washingtonians are the most optimistic in the country about the improvements in the economy. ...

LA Times reports on monster container ship that docked at Long Beach.

The largest cargo container ship to ever dock in the Americas made a fog-shrouded first voyage into the <u>Port of Long Beach</u> on Friday morning, sending a message to competitors that Southern California can handle the giant vessels most others can't welcome for at least two more years.

Out by the breakwater, it looked as though a man-made island had sprung up overnight, but the dark shape was a vessel called the Fabiola, gliding very slowly toward port.

The Fabiola is one of a new generation of vessels that can carry 11,000 or more containers, favored by ocean cargo lines because packing more freight boxes onto each ship lowers costs.

"She's way beyond our previous record for size," said Dick McKenna, executive director of the Marine Exchange of Southern California, which logs the arrival and departure of all ships calling at the ports of Los Angeles and Long Beach, the nation's largest seaport complex. "This is quite a significant jump for us."

The Fabiola, owned by Geneva-based Mediterranean Shipping Co., can carry 12,500
containers. The ship is just 30 feet shorter than the Empire State Building is tall, as wide as a
10-lane freeway and big enough to carry the contents of eight 1-million-square-foot warehouses.

WSJ

'The Road We've Traveled' With Obama

Three dismal years are spun into 17 minutes of fact-challenged campaign film. by Karl Rove

This month, Barack Obama's re-election campaign released a 17-minute film, "The Road We've Traveled," that previews the Democratic general election narrative. Directed by Academy Award winner Davis Guggenheim and narrated by actor Tom Hanks, the film explores Mr. Obama's most important decisions.

Viewers are told Mr. Obama deserves re-election for restoring America to prosperity after a recession "as deep as anything . . . since the Great Depression." He accomplished this in part, so the film says, by bailing out the auto companies—deciding not to just "give the car

companies" or "the UAW the money" but to force them to "work together" and "modernize the automobile industry." The president, we're told, also confronted "one of the most worrisome problems facing America . . . the cost of health care."

Abroad, Mr. Obama ended the Iraq war and, in the "ultimate test of leadership," Osama bin Laden was killed on his watch. The film heralds Mr. Obama as a leader committed to "tough decisions" and as someone who "would not dwell in blame" in the Oval Office.

Where to begin? Perhaps with the last statement: Mr. Obama has spent three years wallowing in blame. His culprits have ranged from his predecessor, to tsunamis and earthquakes, to ATMs, to Fox News, to yours truly. If you Google "Obama, Blame, Bush" and "Obama, Inherited," you'll get tens of millions of hits.

As for inheriting the worst economy since the Great Depression: Perhaps Mr. Obama has forgotten the Carter presidency, which featured double-digit inflation, double-digit interest rates, and high unemployment.

The film is riddled with other inaccuracies and misleading claims. For example, the United Auto Workers may not have gotten "money" in the bailout, but as an unsecured creditor, the union received a 17.5% ownership interest in General Motors and 55% of Chrysler, while the companies' bondholders got hosed.

The film asserts that the auto companies "repaid their loans." But they still owe taxpayers \$26.5 billion, and the Treasury Department's latest report to Congress noted that nearly \$24 billion of the bailout money is gone forever.

The film includes Mr. Obama's 2008 claim that the death of his mother, Stanley Ann Dunham, from cancer "could have been prevented" if only she "had good, consistent insurance." But earlier this year, a biography of Dunham by Janny Scott, "A Singular Woman," revealed that she had health insurance that covered most all her medical bills, leaving only a few hundred dollars a month in deductibles and uncovered costs. For misleading viewers, the Washington Post fact checker awarded this segment of the film "Three Pinocchios."

The film also offers up numerous straw men. For example, opponents of Mr. Obama's auto industry bailout, we're told, just wanted to "let it go," as if an orderly bankruptcy of GM and Chrysler in the courts rather than by presidential fiat was never an option. It was.

Almost as important as what the film says is what it doesn't. There's not a word about the failure of the president's stimulus to produce the jobs he pledged—according to the Bureau of Labor Statistics, fewer Americans are working today (132.7 million) than when Mr. Obama was sworn in (133.6 million).

There's nothing about his promise to cut the deficit in half by the end of his term—according to Treasury's Bureau of Public Debt, the administration has piled up more debt in three years and two months (\$4.93 trillion) than his predecessor did in eight years (\$4.8 trillion).

Nothing is said about the centerpieces of last year's State of the Union—green energy jobs (Solyndra anyone?) and high-speed rail (fizzled). Nada on the president's promises about how

ObamaCare would lower premiums and lower the deficit while allowing people to keep their existing coverage (all untrue).

There's nothing about the crumbling situation in Afghanistan, strained relations with allies like Israel, Mr. Obama's unpopularity in the Islamic World, the rise of the Muslim Brotherhood in Egypt, multiple missteps with Iran (from failing to protest the stolen Iranian elections in 2009 to the mullahs' unchecked pursuit of nuclear weapons), and Mr. Obama's flip flops on closing the Guantanamo Bay detention facility and providing civilian trials for terrorists.

As for the killing of Osama bin Laden, Mr. Obama did what virtually any commander in chief would have done in the same situation. Even President Bill Clinton says in the film "that's the call I would have made." For this to be portrayed as the epic achievement of the first term tells you how bare the White House cupboards are.

Mr. Rove, the former senior adviser and deputy chief of staff to President George W. Bush, is the author of "Courage and Consequence" (Threshold Editions, 2010).

WSJ

Texas Billionaire Doles Out Election's Biggest Checks

by Monica Langley

DALLAS—Few people want to defeat President Barack Obama more than billionaire Harold Clark Simmons, who is willing to spend many millions of dollars in the quest. As it happens, campaign rules now give him the opportunity.

Watching a TV news report that Republican presidential candidate Rick Santorum was rising in polls last month, Mr. Simmons wondered about the prospects of the former Pennsylvania senator. He called his personal political muse, Republican strategist Karl Rove.

Harold Simmons, who has donated more than \$18 million to conservative super PACs to beat President Obama, aims to double that amount by November. WSJ's Monica Langley spoke with Jerry Seib about her interview with the press-shy Texas billionaire.

"Is he worth investing into his super PAC?" Mr. Simmons asked. He rose from his leather recliner in the den and stood at a bay window overlooking swans gliding on a lake encircled by 17,000 tulips. "Does he have a chance?"

"Yes, I wouldn't count him out," Mr. Rove said. Mr. Simmons's wife, Annette, who was keen on Mr. Santorum, promptly donated \$1 million to his super PAC, cash badly needed for an ad blitz ahead of the Super Tuesday primaries.

The 80-year-old Texan, who heads Contran Corp., a chemicals and metals conglomerate, gave hefty donations to the super PACs supporting other GOP candidates during similar moments in the spotlight: Rick Perry's optimistic entry into the race last summer, and after the debate-driven surge of Newt Gingrich. Mr. Simmons has so far given \$800,000—including \$500,000 this week—to super PACs backing former Massachusetts Gov. Mitt Romney, who won the Illinois primary Tuesday and contends no rival can catch him in the GOP delegate race.

It isn't particularly important which man wins the nomination, for Mr. Simmons simply wants to defeat the president and reduce the reach of government. "Any of these Republicans would make a better president than that socialist, Obama," said Mr. Simmons during two days of rare interviews at his Dallas home and office. "Obama is the most dangerous American alive...because he would eliminate free enterprise in this country."

The tall, lanky, soft-spoken industrialist has given more than \$18 million to conservative super PACs so far, making him the 2012 election's single largest contributor—ahead of billionaires Sheldon Adelson, Mr. Gingrich's financial patron, and Foster Friess, Mr. Santorum's biggest donor.

Sipping lemonade iced tea made with lemons grown on his California estate east of Santa Barbara—next door to Oprah Winfrey's place in Montecito—Mr. Simmons said he planned to spend \$36 million before the November election.

Unlike some big donors—including Mr. Adelson—Mr. Simmons isn't driven by an attraction to a specific candidate or policy. His motivation is broader: to elect Republicans up and down the line in the hopes they will change the overall U.S. tax and regulatory approach.

That helps explain why the biggest chunk of his political contributions in this election cycle have gone not to individual candidates but to Mr. Rove-advised super PAC American Crossroads—its stated mission to defeat Mr. Obama and elect "majorities in both the House and the Senate that are 100% dedicated to rescuing our economy from the Obama agenda."

Mr. Simmons has some businesses that are heavily regulated, which helps explains his interest in deregulation. He also pushes for tort reform. One of his companies, NL Industries Inc., has fought lawsuits from school districts and businesses over lead paint that it made before Mr. Simmons acquired it.

More broadly, he said, he and other individuals need to contribute to match the "unlimited amounts from labor unions" that benefit liberal candidates.

"I've got the money, so I'm spending it for the good of the country," said Mr. Simmons, whose net worth is estimated at \$10 billion, up from an estimated \$4.1 billion in prerecession 2006, according to Forbes. He wears \$3,000 Brioni sport coats in a nod to his wealth and Wal-Mart underwear in a sign of a frugal upbringing; his early years were spent without indoor plumbing or electricity.

Republicans consider super PAC contributions essential to offset an expected advantage by Mr. Obama's campaign, which had \$85 million in reserves at the end of February—more than all four GOP presidential candidates combined, and well more than the \$7.3 million on hand for Mr. Romney.

Democrats also have financial advantages when it comes to official party organizations. The Democratic National Committee has outraised its Republican counterpart \$157.7 million to \$116.3 million so far, according to data compiled by the Center for Responsive Politics. The two party organizations have roughly the same amount of cash on hand, but the Republican National Committee, still digging out of a deep financial hole from the 2010 election, has about twice as much debt.

Democratic committees to support House and Senate candidates also have slightly outraised their Republican counterparts so far this cycle.

In contrast, the Republican advantage lies with the super PACs. The largest Democratic-leaning super PAC, the one set up to benefit Mr. Obama, has raised just \$6.3 million compared with \$26.9 million by American Crossroads. (The American Crossroads figure doesn't include money contributed to a sister organization that doesn't have to make public its donors.)

This year's election seems tailor-made for Mr. Simmons. New rules effectively eliminate limits for those willing to take advantage of a string of federal court decisions and regulatory changes that together allow super PACs to take unlimited donations and advocate for a candidate or party, as long as they don't coordinate their spending with the presidential campaigns.

People who disagree with the changes say super PACs now have more influence than political parties and are less accountable. "Harold Simmons is unleashed to give as much as he wants—whether motivated to help Republicans or his business empire," said Bill Allison, editorial director of Sunlight Foundation, a nonpartisan government watchdog group.

Ben LaBolt, of the Obama campaign, said: "Mr. Simmons is a self-proclaimed corporate raider who, like many others representing special interests, will spend whatever it takes to maintain the ability to write rules that benefit his own interests at the expense of middle-class Americans and to the detriment of what's best for the nation."



Texas billionaire Harold Simmons

Mr. Simmons said, "You never talk about what you want when giving money." Besides, he added, "I don't pay attention to what other people think...There shouldn't be restrictions of any kind on political contributions."

He is a longtime political donor; he was fined by the Federal Election Commission for surpassing contribution limits in 1988 and 1989, which he said was inadvertent. When politicians call his office now, his secretary runs an Internet search to ensure they are "pro-business, antigovernment," he said. He isn't interested in such conservative social issues as abortion. "I'd probably be pro-choice," he said. "Let people make decisions on their own bodies."

Longtime friend and oil man <u>T. Boone Pickens</u> described Mr. Simmons as a man who backs up his beliefs with his bucks. "Harold isn't doing this for attention," the fellow Republican said. To the contrary, while mega-donors Mr. Adelson and Mr. Friess have gone on TV to tout big gifts to their candidates, Mr. Simmons rarely speaks publicly. He agreed nonetheless to talk with The Wall Street Journal on a range of subjects, including money, politics and his appetite for sweet potatoes.

The son of school teachers from tiny Golden, in east Texas, Mr. Simmons earned economics degrees—a bachelor's degree in 1951 and a master's degree a year later—from the University of Texas, where he also played guard on the 1951 basketball team that won the Southwest Conference. He worked as a bank examiner for the federal government and a bank loan officer.

"All the guys getting loans had high-school educations and were making more money," Mr. Simmons said. "I had grandiose financing ideas but no one listened to me. I had no credibility as a businessman."

To remedy that, Mr. Simmons bought his first business in 1960, a drugstore across the street from Southern Methodist University, using \$5,000 in savings and a \$95,000 loan. He kept buying another and another, eventually getting a pilot's license to visit them all. In 1973, he sold his 100-store chain for \$50 million. Mr. Simmons used the proceeds to buy stock of underperforming public companies, turning into a corporate raider in the 1970s and 1980s with the nickname "Ice Man."

Mr. Simmons said his political activism was sparked in 1983, when the Labor Department accused him of mishandling pension fund assets. A federal judge found he invested an excessive portion of the pension in a takeover target, Amalgamated Sugar Co. The judge awarded no cash damages because the fund earned 50% on its investment. Mr. Simmons agreed not to use pension funds in takeover bids for 10 years, according to a consent decree that settled the case.

"That's when I started contributing to politicians with free-market and antiregulation agendas," he said. "If the Labor Department hadn't sued, that pension would be as rich as me."

His corporate empire, under the Contran holding company, includes large stakes in multinational conglomerates NL Industries, Titanium Metals Corp., Valhi Inc., Kronos Worldwide Inc. and Keystone Consolidated Industries Inc. These diverse interests include the heavily regulated waste-control and nuclear-waste disposal businesses, as well as some of the world's biggest manufacturers of chemicals, components and titanium for military and commercial aircraft.

Many of these companies bear the weight of government regulatory decisions, making Mr. Simmons's political interest more than simple patriotism. "We live with a smothering of government," said Steven Watson, Contran's No. 2 executive. He listed oversight by the

Environmental Protection Agency, banking regulators, the Labor Department and Securities and Exchange Commission, as well as "frivolous lawsuits" brought by state attorneys general.

From a spotless desk, Mr. Simmons pores over financial statements of his far-flung empire, which has 10,000 employees world-wide. "No one understands my financials better than I do," he said. "It's so much fun to run my companies."

His business success allows a lavish life. On a recent weekend, Mr. Simmons flew his jet, with two co-pilots aboard, to his Santa Barbara County estate. He also frequently flies to his Arkansas ranch—filled with 35 bears and 100 elk, as well as 250 deer and 300 wild turkeys for hunting.

This month, Mr. Simmons played golf at Augusta National and frequently plays with his stepson Andy Fleck, who works for Contran. Mr. Simmons works out at home with a Pilates instructor. He drinks Opus One wine and typically eats fish. On Sunday nights, he grills steak for dinners with his wife.

He and Annette Simmons, 76, his wife of 31 years, are major philanthropists, with their names on buildings throughout the state. "Harold doesn't say a word. He's so quiet, he hardly talks," said Dallas grande dame Ruth Atshuler. "He just makes tons of money and gives it away." At social events, caterers give Mr. Simmons a doggie bag to take home in his chauffeur-driven Bentley.

He has given \$500 million to mostly Texas charities, including a new organ-transplant hospital wing after his successful kidney transplant a few years ago. His stepdaughter Amy donated a kidney to Mr. Simmons, who later adopted her. He also gave \$5 million to a South African school started by his California neighbor, Ms. Winfrey. The TV host had Mrs. Simmons on her show twice—about the annual sweet-potato festival in Mr. Simmons's hometown and Mrs. Simmons's famous tea parties. At her 50th birthday party, Ms. Winfrey danced first with Mr. Simmons—until John Travolta cut in.

The billionaire takes day trips every week to visit obscure libraries, churches and museums around Texas. He arrives unannounced and typically turns over a big check or several hundred dollar bills. He gives \$50 and \$100 bills to panhandlers to and from work. If they use the money to buy liquor or drugs, he said, it's "not my business."

The Simmonses hobnob with Dallas Cowboys owner Jerry Jones and Mr. Pickens and their wives. "Harold was my first supporter and friend when there was no honeymoon in this town," said Mr. Jones, who was reviled when he bought the team 23 years ago and fired coach Tom Landry. He and Mr. Simmons have neighboring boxes at the new Cowboy stadium.

On a recent afternoon, Mr. Simmons, donning a Dallas Cowboy Windbreaker, walked his Springer Spaniel Duke and counted the ducks in his lake, 42 on this morning. Three times he climbed the 60 stairs of the brick tower he built in his backyard to watch the Dallas sunset.

Later that day, Mr. Simmons, who goes to Luby's Cafeteria for a \$5.95 lunch or brings leftovers, met with the two of his four daughters who run his charitable foundation. Serena Simmons Connelly strongly disagrees with her father's politics. But she recently removed her Obama bumper sticker as a concession. "Dad and I have parking spots next to each other," she said.

Mr. Simmons was a key donor for the Swift Boat veterans' attack ads against Democratic presidential candidate John Kerry in 2004, as well as the 2008 campaign ads touting ties between Mr. Obama and Bill Ayers, co-founder of the radical Weather Underground. "If we had run more ads," he said, "we could have killed Obama."

Mr. Simmons relishes his chance to give freely in this year's election, particularly in conjunction with Mr. Rove, the top political adviser to former President George W. Bush. "Karl is the best political mind out there," he said.

In early 2010, Mr. Rove gathered a handful of big Texas donors for lunch at a private club in Dallas, including Mr. Pickens, real-estate magnate Harlan Crow and Mr. Simmons. Mr. Rove explained how the fledgling group American Crossroads would work to defeat Mr. Obama and get GOP control of Congress. "All of us are responsible for the kind of country we have," Mr. Rove recalled saying.

After Mr. Rove paused, Mr. Simmons spoke first. "I'm in," he said. Mr. Rove said Mr. Simmons's early nod helped give the group instant credibility.

Mr. Simmons said he relies on Mr. Rove's advice on the prospects and positions of candidates. Aside from his contributions to presidential contenders, Mr. Simmons and his private holding company have, since 2010, donated almost \$20 million to American Crossroads, which plans with its sister organization to spend as much as \$300 million to defeat Democrats in the November election.

The very private Mr. Simmons and the well-known Mr. Rove have become unlikely partners, chatting by phone every couple of days. "Karl won't waste my money," Mr. Simmons said, noting that American Crossroads doesn't sink money into hopeless or easily winnable contests.

"Getting control of Congress is almost as important as beating the president," he said. "If Republicans can get control of the Senate, we can block that crap," which he described as over-regulation of business.

Last week, Mr. Simmons considered whether to give more money to the GOP contenders, as the race narrowed to Messrs. Romney and Santorum. The billionaire with a knack for numbers sees merit in Mr. Romney's mathematical argument that only he will win enough delegates to clinch the nomination, and he put a half million dollars behind his calculation this week.

"I have lots of money, and can give it legally now," he said, "just never to Democrats."

Forbes

<u>Suzanne Collins' "The Hunger Games" Illustrates the Horrors of Big Government</u>

by John Tamny

It says here that HBO's *The Wire*, which ran from 2002-2008, is the greatest television drama of all time. The show, essentially an historical-fiction style documentary on the tragedy that is Baltimore (MD), notably appealed to all sides of the political spectrum.

Liberals of the American variety seemed to like it for revealing how very crushing and insurmountable poverty is, conservatives perhaps liked it for televising the human error frequently behind poverty, not to mention the corruption inside media and government, and then libertarians including this writer surely enjoyed it for laying out the totally ineffective nature of the "war on drugs", and the *sheer incompetence* of government.

It's said about *The Hunger Games*, Suzanne Collins' blockbuster novel that will be released in movie form this Friday, that it appeals to a broad demographic ranging from teens to senior citizens. If so, it's fair to assume that a not insignificant portion of the book's devotees see a political message within. Cue up the hateful comments, but my libertarian instincts tell me the novel is a boisterous comment about the certain horrors of big government.

To provide background for those who've not yet read the book, *The Hunger Games* takes place in a post-modern North America where society has collapsed thanks to drought, famine and war. The country is Panem, which has a major city called Capitol run by the governing elite. Those in power oversee twelve districts.

Each year at the pleasure of brutal politicians desperate for sadistic entertainment, two representatives from the twelve districts engage in a televised game of survival whereby only one person comes out alive. Though the novel has a variety of characters, most of the story centers on Katniss Everdeen and Peeta Mellark, Hunger Games representatives from District 12 (presumably West Virginia), and their efforts to emerge from the games alive.

On its face the book reveals the oppressive cruelty that is big government. Indeed, while the global political class and their enablers in the media to this day try to explain away droughts and the resulting famines from an "Act of God" point of view, the simple truth is that economically free countries don't suffer them.

Though food is surely the most essential, life-enhancing good on the planet, it's plentiful in the most barren of climates where it's not grown or farmed owing to the free-trade truth that we trade products for products; all manner of non-perishable items exchanged for food with great regularity. Simply put, visitors to Arizona don't witness distended bellies among the citizenry due to a lack of farmers, instead Arizona is prosperous and its citizens well fed for the latter pursuing all manner of work the product of which enables them to freely exchange the fruits of their labor for other goods, including groceries.

Those who were around in the '80s doubtless remember the droughts that allegedly created a famine in Ethiopia, but the greater truth is that Ethiopian citizens at one time exported food so plentiful was it; the famine that properly tugged at our heartstrings a function of a brutal dictatorship that socialized agriculture. It was said after Great Britain left India that famines in the former Jewel in the Crown became a thing of the past, but the truer reality is that "famines" were redefined to whitewash the socialist basket case that India became once independent. "Inflation" is presently low in the United States, but that's only true insofar as the commodities most sensitive to monetary error have been removed from the calculation. Droughts and famines are an inevitable effect of overbearing, interventionist and greedy governments.

As for war, though history says most have economic underpinnings, it is governments and politicians that start wars. This tells us that the horrific country that is Panem is the result of initial government error of the warring kind that led to something much worse.

Back to the malnourishment that pervades Panem, and underlies the story, Katniss muses at one point early on "What it must be like, I wonder, to live in a world where food appears at the press of a button? How would I spend the hours I now commit to combing the woods for sustenance if it were so easy to come by?" Well, in countries where individuals are allowed to keep the product of their work and trade it freely, food can essentially be had at the press of a button, or in modern parlance, with the click of a mouse.

Alternatively, as Bastiat long ago observed, when goods don't cross borders, armies eventually do. A lack of free trade not only means we get to enjoy much less of the world's plenty, but it also means we have no rooting interest in the ability of others to produce for us so that we can produce for them. Instead, suffering from a lack of what we want with no avenue to get what we want, we go to war in order to forcibly take that which would otherwise reach us through voluntary, mutually wealth-enhancing exchange.

Panem is essentially a society at war, in this case a war for food. This scenario is happily one that Americans are unaware of owing to our ability to largely produce surplus in order to consume the surplus of others irrespective of country, but one that other countries have sadly known all too well thanks to oppressive government. A hapless, interventionist, warring government is the only kind that could have fostered the societal crack-up that is Panem, and then Panem reflects – if possible – politicians even more inept pouring gasoline onto the proverbial fire.

Gale Hawthorne, Katniss's best friend back in District 12, ably fills the role of wise government skeptic. Katniss imagines him saying in response to the government's efforts "to plant hatred between the starving workers of the Seam and those who can generally count on supper", that "It's to the Capitol's advantage to have us divided among ourselves." Of course it is.

Free societies, personally and economically, don't rely on government. Instead, a natural harmony eventuates as self-interested individuals create what they're best at so that they can trade their production for that of others. The problem for political types under such a scenario is that people realize not only that they don't need government, but that even those who can't provide for themselves are taken care of thanks to the benevolent doings of those who can.

In the U.S., assuming a better world where special interest groups didn't regularly descend on <u>Washington</u> seeking that which natural market forces won't provide them with, the plain truth is that politicians would invent them. Divided societies give politicians an important role whereby their decisions about the allocation of resources to the politically connected weaken a society, thus boosting their status as our allegedly benevolent Nanny. Second, with the productive ever eager to achieve no matter the barriers placed in front of them in a world where government, as opposed to market forces dictates action, politicians know that the best and brightest will similarly have to go to great lengths to please them in order to keep more of what they earn.

In Panem food, something we take for granted, is scarce thanks to power hungry politicians. Even more than monetary debasement, the creation of food scarcity through unnatural barriers to production and trade is the easiest way for politicians to divide the citizenry, and to be fair, often results from monetary debasement. And with hunger a constant burden, politicians have created a situation whereby the brutalized citizens of Panem will do anything to eat, including killing their fellow citizens in government-organized games that so thrill the Capitol politicians.

Of course the Hunger Games not only entertain the politicians, they're also the Capitol's way of, as Katniss puts it, "reminding us how totally we are at their mercy." Panem's citizens know that if they desire any kind of comfortable life with good housing and plentiful food, they must not only participate in the Games, but also be the last one standing. Wealth in this Dystopian nightmare of a country is not earned by fulfilling the needs of others, but results from pleasing politicians through the *murder* of others.

We're thankfully a very faint shadow of Panem in the United States, but increasingly we live at the mercy of politicians irrespective of party. If this is doubted, try to evade your taxes, and when you get a letter from the IRS asking for them, ignore the letter. Eventually you'll be visited by government officials who, if not carrying guns, will be backed by those who do.

Republicans might say that at least Republican politicians seek to lower our rates of taxation, but think about that for a moment. When politicians promise lower tax rates, they're implicitly telling all of us that they have the power to charge us as much or as little as they want to for our work. A nation founded on deep skepticism of government and politicians now has leaders who "grant" us the right to keep more of our money.

Taking this further, both parties, consciously or subconsciously realizing "we are at their mercy", offer us tax breaks if we live as they want us to. If you buy a house your mortgage interest payments will be tax deductible, give to a charity and it's similarly tax deductible, and then in Rick Santorum's case if you "make things" as a manufacturer, or have kids, zero corporate tax rates (manufacturing) and tax deductions (per child) are in your future. Mitt Romney will "grant" you a lower tax rate on capital gains for instance, but only if you're not rich. President Obama is bolder in his presumption that we're at his mercy and that we need to pay his government even more in the way of tribute. Yes, we're under the thumbs of politicians, and *The Hunger Games* shows the extremes of where this can lead when they're handed too much power. Democrat and Republican partisans beware.

Closer to the book's end, Katniss thinks about her "fury against the cruelty, the injustice they [the rulers] inflict upon us", and wonders if there's some "way to take revenge on the Capitol." While considering this, she remembers Peeta's words "I keep wishing I could think of a way to...to show the Capitol they don't own me. That I'm more than just a piece in their Games." Absolutely. Excessive government *IS* ownership, of the fruits of our labor, and our personal freedoms. Katniss and Peeta are ultimately fighting to get their lives back from the greedy hands of the politicians in the Capitol.

Back in the real world, something similar is at work. Though agreement is not uniform, and our government not nearly as oppressive as the one in *The Hunger Games*, many Americans simply want to be left alone, to get their lives back. *The Hunger Games* seems to channel this natural, and very American, urge to be free.

Forbes

The Expanding Wealth of Washington

by Joel Kotkin

Throughout the brutal and agonizingly long recession, only one large metropolitan area escaped largely unscathed: <u>Washington</u>, D.C. The city that wreaked economic disasters under two administrations last year <u>grew faster</u> in <u>population</u> than any major region in the country, up a

remarkable 2.7 percent. The continued steady growth of the Texas cities, which dominated the growth charts over the past decade, pales by comparison.

Boom times in the capital — particularly amid a weak recovery elsewhere — are driving this growth. Since 2007, notes Stephen Fuller at George Mason University, the D.C. region's economy has expanded 14 percent compared with a mere 3 percent for the rest of the country. Washington's unemployment never scaled over 7 percent, well below the national average, and is now down to around 5.5 percent, about the lowest of any major metropolitan area. Unemployment of course is much higher, reaching 25 percent, in some of the district's poorer neighborhoods.

This prosperity is rooted largely in the steady growth of the federal workforce, as <u>federal</u> <u>spending accounts for one-third of the region's economy</u>. Over the past decade 50,000 bureaucratic jobs have been added in the area while local federal spending grew 166 percent. The D.C. region, with 5 percent of the nation's population, garners more than three times that percentage in payroll and more than four times that percentage in procurement dollars.

This debt-financed gusher has helped expand the economy beyond simply federal workers. You think California is the biggest beneficiary of the current tech boom? Think again. Washington's tech sector employment, according to an analysis by Economic Modeling Systems Inc., has expanded by more than 5 percent since 2009, more than twice the national and California average of barely 2 percent. California may have Facebook, Google and Apple, but Washington tech has federal agencies, the defense establishment, a growing media sector and the lobbying industry to feed upon.

Washington also ranks fourth in middle-income job growth, with employment in that category expanding at four times the national average over the past two years. The relatively higher salaries — and far better benefits — propel even modestly educated workers into middle incomes. The recession may have been brutal for the middle class, but not those who work for Uncle Sam. Not surprisingly, <u>according to Gallup</u>, Washingtonians are the most optimistic in the country about the improvements in the economy.

This, of course, did not start with the Obama administration's relentless expansion of federal power. The Washington region has been growing steadily — well ahead of all major eastern regions — for a generation. The expansion of defense spending under President Ronald Reagan and then again under George W. Bush helped create wealthy suburbs around the city; four of the nation's five wealthiest counties (the other is in suburban New Jersey) and nine of the top 15 are located in the Virginia and Maryland suburbs around the capital. These counties all enjoy median house incomes over \$100,000, twice the national average.

But the biggest change has occurred in the district itself, which last led the nation in population growth in the early 1940s. The hopelessly dysfunctional, crime-ridden city of the era of four-term Mayor Marion Barry in the 1970s and '80s has been left behind like the much-maligned 19th century swamp town that aspired to be the next Paris but was widely regarded by diplomats as a hardship posting. Barely three decades after its founding, the city had "not a single great mercantile house," a foreign dignitary observed in 1811-12, according to "The Age of Federalism," by Stanley Elkins and Eric McKittrick, and had "a total absence of all sights, smells, or smells of commerce."

Washington may still not be a great center of real commerce, where people make things or risk their livelihoods on ideas. But it thrives as the marketplace for the collusional capitalist state that has been growing for decades and may now be at its apex. Offices fill with well-paid lobbyists and lawyers, and their service help, as they protect the interests of investment banks, real estate interests and unions that are increasingly influenced by Washington. The central area has been revived by new condo, hotel and office developments. It may still not be Paris, or even Chicago's Gold Coast, but it's a fair bit better than the drab, dangerous place of 30 years ago.

No one should ever disparage the success of a region, but there is something disturbing in D.C.'s recent rise. Most expansions of the federal region came to meet a perceived national challenge: the Depression, the Second World War, the Cold War, the Space Race and the Civil Rights movement. Since the Depression, Washington's "good times" usually have paralleled that of the rest of the country. Only now do we see a "new normal" where Washingtonians, like the pigs in Orwell's *Animal Farm*, seem "a bit more equal" than the rest of us.

Will this trend continue? The outcome of the election may prove determinative. In a second Obama term – which should bolster the power of agencies such as the EPA, Energy and Justice – the federal grip on daily life will expand. This could greatly expand the appeal of being close to the capital. When everything from zoning and the location of industrial plants and healthcare is under Washington's control, the capital could conceivably even emerge as a challenger to New York's two century reign as the country's most important city.

Yet as the *Washington Post's* Steve Pearlstein points out, this ascendency could be curtailed. Even under a second Obama administration, he notes, "the federal gravy train" could be derailed, with inevitable cuts in spending. Steve Cochrane at Moody Analytics suggests that the Washington as "the leader in terms of job growth and economic strength are really over."

The election certainly will determine which part of the Washington ox get gored. If Democrats rule, one can expect these cuts to come in large part at the expense of defense firms, which, after all, now tilt to the Republicans. This could be particularly tough on the suburbs, where many military contractors reside.

More dangerous still would be a Republican sweep, which would bring a budget-cutting mentality back to the White House, particularly on the social spending and regulatory apparatus dear to many Democrats . These jobs tend to be in the district. Even a renewal of the current balance of power threatens federal expansion since the House still holds the appropriation purse strings. The oxygen that sustains Washington seems likely to be cutback in any case.

None of this, however, means that D.C. is about to slip back to its dystopian past, much less its swampy roots. The region boasts the nation's wealthiest and best-educated population. This could give it a leg up on other areas in the tech and business service job markets. Many millennials may find a steady career in the bureaucracy safer, and even more satisfying, than finding places in a slow-growing, hyper-regulated private sector economy.

Yet the key lies to Washington's future may lie with the fate of the national economy. Eighty years of relentless federal expansion has created a relentless parasite that knows how to feed on its host. But if that host weakens, so too will the federal state. To sneak an early pick for this scenario, hop a flight to Madrid, Rome or Athens, where being tied to the bureaucracy no longer provides exemption from the vicissitudes of economic struggle.

LA Times

Mammoth cargo ship arrives at Port of Long Beach

The Fabiola is almost as long as the Empire State Building is tall, as wide as a 10-lane freeway and big enough to carry the contents of eight 1-million-square-foot warehouses. by Ronald D. White



The cargo container ship Fabiola, owned by Geneva-based Mediterranean Shipping Co., is maneuvered to its berth after sailing to the Port of Long Beach from China. The largest such ship to ever dock at a U.S. port, it can carry 12,500 containers.

The largest cargo container ship to ever dock in the Americas made a fog-shrouded first voyage into the <u>Port of Long Beach</u> on Friday morning, sending a message to competitors that Southern California can handle the giant vessels most others can't welcome for at least two more years.

Out by the breakwater, it looked as though a man-made island had sprung up overnight, but the dark shape was a vessel called the Fabiola, gliding very slowly toward port.

The Fabiola is one of a new generation of vessels that can carry 11,000 or more containers, favored by ocean cargo lines because packing more freight boxes onto each ship lowers costs.

"She's way beyond our previous record for size," said Dick McKenna, executive director of the Marine Exchange of Southern California, which logs the arrival and departure of all ships calling at the ports of Los Angeles and Long Beach, the nation's largest seaport complex. "This is quite a significant jump for us."

The Fabiola, owned by Geneva-based Mediterranean Shipping Co., can carry 12,500 containers. The ship is just 30 feet shorter than the Empire State Building is tall, as wide as a 10-lane freeway and big enough to carry the contents of eight 1-million-square-foot warehouses.



But most harbors in North, Central and South America aren't deep enough and don't have the equipment to handle the biggest ships, though several are on a building spree to take market share and jobs from Southern California's ports.

In <u>Panama</u>, new canal locks that can handle such huge vessels won't be finished for at least two years. The Panama Canal is a vital link on a so-called all-water trade route that competes with Southern California for the movement of products from Asia, mainly from China.

The Gulf Coast and East Coast ports that could benefit from the widened canal will have to spend billions of dollars to be ready. That gives the country's two largest cargo container ports — Los Angeles and Long Beach — an important head start in showing off their ability to handle ships like the Fabiola, which sailed from Yantian, China.

"When customers see that we welcome these ships now, it will affect their deployment decisions when they plan out how to ship their cargo," said Shawn Strawbridge, managing director for trade development and operations at the Port of Long Beach. "This ship's arrival here today is a very good example."

Wally Baker, president of the Jobs 1st Alliance, a jobs promotion group pushing to help the twin ports maintain their competitive dominance, said local residents "need these ships calling at our ports. It will lead to more jobs and more business."

The Fabiola's smooth arrival looked routine, but a lot of preparation had gone into bringing her into the port for the first time, said Tom Jacobsen, president of Jacobsen Pilot Service Inc., the 90-year-old family-run business that handles all of the Long Beach port's ship arrivals.



Pilots are the maritime experts found at any major port who take over the handling of ships as they approach ports and guide them safely to dock.

For the Fabiola's arrival, Jacobsen pilots went to the California Maritime Academy in Vallejo, northeast of San Francisco, to practice on its ship simulator the maneuver that would bring the vessel to dock with the assistance of three tugboats, swing her around in the port's turning channel and ease her past shoals on either side.

The normal route for a Mediterranean Shipping Co. vessel couldn't be used because the ship is too wide for the Long Beach port's back channel, Jacobsen said, and too tall to fit under the aging Gerald Desmond Bridge, which is due to be replaced.

"This is just the beginning," Jacobsen said of the Fabiola's arrival. "We're going to see several ships after this one that are just as big or almost as big."

Mediterranean Shipping, for instance, has become the most prolific buyer of so-called very large container ships. The company, which commands a merchant fleet bigger than the U.S. Navy, with 484 ships it either charters or owns, now owns 43 such mega-ships, or more than twice as many as any other shipping line.

Before Friday's docking, the Fabiola, which was completed in 2010 by <u>Samsung Heavy</u> <u>Industries</u> of South Korea, was used on one of Mediterranean Shipping's Asia-to-Europe routes.











