June 21, 2010 49145 $3.95

JOSH BARRO: The Case for the Fed

NATIONAL REVIEW

$130 TRILLION

What We Owe

Kevin D. Williamson

$3.95
25
0 74851 08155 6
www.nationalreview.com

For a strong economy and clean air,

Westinghouse is focused on nuclear energy.

The nuclear energy renaissance has already created thousands of new jobs. By providing reliable and affordable electricity, nuclear energy will help keep American business competitive, and will power future worldwide job growth.

Westinghouse and its more than 14,000 global employees are proud of our leadership position in this important industry. Our technology is already the design basis for well over 40 percent of the world's operating nuclear power plants, including 60 percent of those in the United States.

The Westinghouse **AP1000** nuclear power plant is the most advanced of its kind currently available in the global marketplace. Four **AP1000** units are now under construction in China, in addition to being selected as the technology of choice for no less than 14 new plants planned for the United States.

Today, nuclear energy provides 16 percent of total global electricity generation and 20 percent in the United States. Additionally, nuclear energy accounts for more than 70 percent of the carbon-free electricity in the United States.

Building additional advanced nuclear plants will enhance our energy security and provide future generations with safe, clean and reliable electricity.

Check us out at **www.westinghousenuclear.com**

Westinghouse

A Toshiba Group Company

You can be sure...
if it's Westinghouse

WESTINGHOUSE ELECTRIC COMPANY LLC

Contents

NATIONAL REVIEW

JUNE 21, 2010 | VOLUME LXII, NO. 11 | www.nationalreview.com

Jay Nordlinger on Lech Walesa
p. 26

COVER STORY Page 28

The Other National Debt

About that $14 trillion national debt: Get ready to tack some zeroes onto it. That number doesn't even begin to cover the real indebtedness of American governments at the federal, state, and local levels, because governments don't count up their liabilities the same way businesses do. *Kevin D. Williamson*

COVER: RANDY FARIS/CORBIS

ARTICLES

FEATURES

BOOKS, ARTS & MANNERS

SECTIONS

National Review (ISSN: 0028-0038) is published bi-weekly, except for the first issue in January, by National Review, Inc., at 215 Lexington Avenue, New York, N.Y. 10016. Periodicals postage paid at New York, N.Y., and additional mailing offices. Address all editorial mail, manuscripts, letters to the editor, etc., to Editorial Dept., National Review, 215 Lexington Avenue, New York, N.Y. 10016. Address all subscription mail orders, changes of address, undeliverable copies, etc., to National Review, Circulation Dept., P. O. Box 433015, Palm Coast, Fla. 32143-3015; phone, 386-246-0118, Monday–Friday, 8:00 A.M. to 10:30 P.M. Eastern time. Adjustment requests should be accompanied by a current mailing label or facsimile. Direct classified advertising inquiries to: Classifieds Dept., National Review, 215 Lexington Avenue, New York, N.Y. 10016 or call 212-679-7330. POSTMASTER: Send address changes to National Review, Circulation Dept., P. O. Box 433015, Palm Coast, Fla. 32143-3015. Printed in the U.S.A. RATES: $59.00 a year (24 issues). Add $21.50 for Canada and other foreign subscriptions, per year. (All payments in U.S. currency.) The editors cannot be responsible for unsolicited manuscripts or artwork unless return postage or, better, a stamped self-addressed envelope is enclosed. Opinions expressed in signed articles do not necessarily represent the views of the editors.

NATIONAL REVIEW

JUNE 21 ISSUE; PRINTED JUNE 3

Letters

Taking the Supply Side

Why is Kevin D. Williamson caving in to parochial calculations by accountant economists of the revenue effects of tax cuts ("Goodbye Supply-Side," May 3)? Has he no idea of the vast body of data from around the globe showing that low-tax countries increase their government spending three times faster than high-tax countries, because the low-tax countries grow their economies some six times as fast? Does he have any idea of how silly it is to connect higher tax rates with increased revenues at all? Tax rates are prices. A huge body of economic and management literature shows that low prices, in general, yield more revenue and larger market share (global tax share) over time than high prices do.

Spending, on the other hand, is a political matter reflecting the increasing sway of special interests in our affairs as a result of campaign-finance laws that restrict individual contributions to a few thousand dollars but allow millions in outlays from PACs. Archer Daniels Midland can buy an ethanol mandate wholesale, but world-class chemist Art Robinson in Oregon has to raise money to oppose them in Congress two thousand bucks at a time.

The key to rectifying the pension crisis is a major increase in the retirement age. The problem is exacerbated by the scandalous and illegal self-dealings between politicians and public-sector unions extorting unsustainable benefits in exchange for their political support. Focus on that, rather than on grand plans for a deal with the Democrats that exchanges hypothetical spending cuts for real tax hikes that doom the U.S. to Eurosclerosis and disarmament.

NATIONAL REVIEW should be more skeptical toward leftist economists playing to the mainstream political galleries.

George Gilder
Via e-mail

KEVIN D. WILLIAMSON REPLIES: Mr. Gilder writes in the great American tradition of optimism: He is confident that naïve supply-siders, having had more than 40 years to pull a sound fiscal policy out of the magic hat, will get it right this time. Mr. Gilder is a man with many brilliant and original insights, none of which changes the fact that $1 = $1, and that the income side of the national ledger eventually has to match the expense side. There are 130 trillion pieces of evidence weighing heavily against Mr. Gilder's analysis, which I enumerate in part on page 28.

Mr. Gilder asks why I am "caving in to parochial calculations by accountant economists," and that's a fair question. The answer is that the accountants have a much better record for getting the numbers right than do those who have adopted Mr. Gilder's dessert-first philosophy about taxing and spending. Mr. Gilder is in the predictions business, but who would have predicted that a decade of Republican leadership in Congress, coupled with a Republican near-lock on the White House, interrupted only by the fiscally moderate Bill Clinton, would have left the nation with the cumbrous public debt under which it now labors? The politics of taxing and spending simply have not played out as advertised. Conservatives have a duty to deal with reality and to abjure magical thinking. Supply-side mysticism gave an entire generation of Republican politicians an excuse for avoiding the hard work of cutting spending and balancing the books. Scarcity stinks, it's tough being a grown-up, but that's life.

Letters may be submitted by e-mail to letters@nationalreview.com.

BRADLEY PRIZES

CONGRATULATIONS TO THE 2010 BRADLEY PRIZE RECIPIENTS

The Bradley Prizes will be presented on June 16th at the John F. Kennedy Center for the Performing Arts in Washington, D.C.

The Bradley Prizes recognize outstanding achievements that are consistent with the Foundation's mission statement. Founded in 1985, The Lynde and Harry Bradley Foundation is devoted to strengthening American democratic capitalism and the institutions, principles and values that sustain and nurture it. Its programs support limited, competent government; a dynamic marketplace for economic, cultural activity; and a vigorous defense, at home and abroad, of American ideas and institutions.

Learn more at
www.bradleyfdn.org

Michael Barone

Senior Political Analyst, *The Washington Examiner*
Resident Fellow, American Enterprise Institute
Syndicated columnist and Commentator, Fox News Channel
Co-author of *The Almanac of American Politics*

Paul A. Gigot

Editorial Page Editor and Vice President, *The Wall Street Journal*

Bradley A. Smith

Josiah H. Blackmore II/Shirley M. Nault Designated Professor of Law, Capital University Law School
Former Federal Election Commission Chairman
Senior Fellow, Goldwater Institute
Founder and Chairman, Center for Competitive Politics

John B. Taylor

Mary and Robert Raymond Professor of Economics, Stanford University
George P. Shultz Senior Fellow in Economics, Hoover Institution for War, Revolution and Peace
Senior Fellow, Stanford Institute for Economic Policy Research
Former Under Secretary of the Treasury for International Affairs

THE LYNDE AND HARRY BRADLEY FOUNDATION

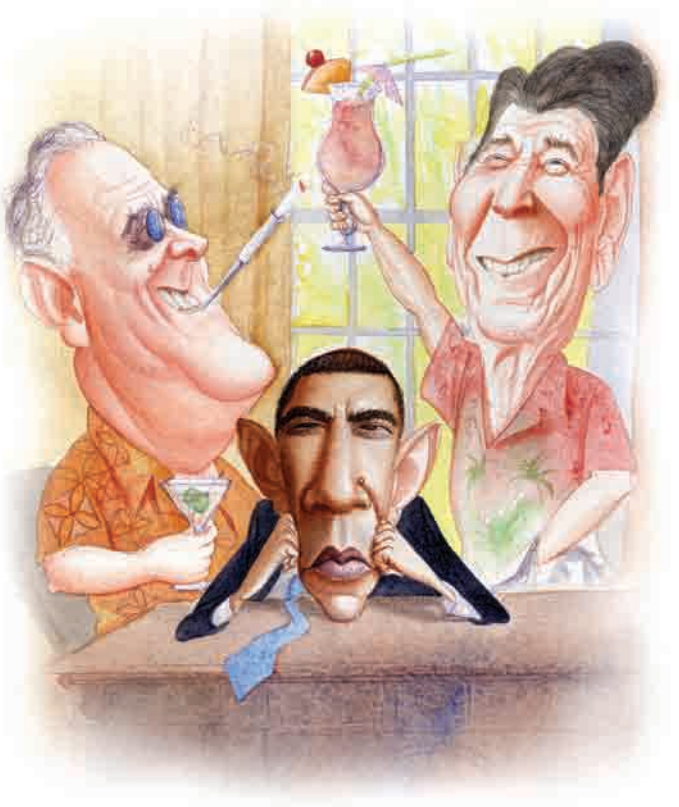
The Week

■ If that unpaid advisory job is still open, we hear Arlen Specter is available.

■ The explosion of BP's Deepwater Horizon oil rig in the Gulf of Mexico April 20 killed eleven workers and released—how many gallons of oil? Estimates, as of Memorial Day, ranged from 18 to 40 million. The problem has three faces. BP tries to cap the mile-deep well; their latest plan is to lower a dome with a siphon. Relief wells, drilled diagonally, can deliver plugs of heavy liquids and cement, but they will not be finished until August. Meanwhile the state of Louisiana begs for damage control—booms and temporary sand berms to keep oil from its wetlands. Finally, there is the question of public perception. On the first problem, though the administration hectors BP for the disaster, it follows BP's lead since, as Adm. Mike Mullen, chairman of the Joint Chiefs, said, the firm has the "best technology." On problems two and three, there has been drift. Louisiana asked for berms in early May, for booms ten days later. They got no response. Obama himself has been remote, an absence. Cajun loyalty caused even James Carville to erupt: "Put somebody in charge of this thing and get this thing moving." Obama did not cause the deep-sea disaster, but he has to deal with it. Louisiana may wound a second 21st-century presidency.

■ Speaking at a fundraiser in San Francisco, President Obama said, "Let's face it: This has been the toughest year and a half since any year and a half since the 1930s." As others have pointed out, the period from the '30s till now includes Pearl Harbor, World War II, the Cold War, the Korean War, the Cuban Missile Crisis, the Vietnam War, race riots, Watergate, "stagflation," the Iran hostage crisis, 9/11, and much else. Certainly the current period has its challenges, but so have other periods, in fact most of them. If Obama keeps feeling sorry for himself, his next stage will be getting bitter, then clinging to guns and religion.

■ Maybe Rahm Emanuel and Bill Clinton aren't as shrewd as we thought. According to the White House counsel's version of events, they tried to tempt Joe Sestak out of the Democratic Senate primary in Pennsylvania with an offer of an unpaid position on a presidential advisory board. This doesn't sound like a very enticing offer for a sitting congressman and former three-star admiral, and doesn't sound like the high-ranking job Sestak had said back in February he was offered to get out of the race. Presumably the reason the White House took months to produce its version of events, which is sketchy and highly lawyerly, is that this is a ticklish area. If a job offer was made to Sestak in an explicit trade for a decision not to run, it ran afoul of federal law. The White House should have, as a matter of public hygiene, handed the matter off to the Public Integrity Section of the Justice Department, but that's too much to expect from the most transparent administration ever.



ROMAN GENN

■ Chris Christie, New Jersey's governor, has twice recently shown an ability to speak unvarnished truth to those who would rather not hear it. At a town hall in May, Christie received a by now surely familiar greeting: the ire of a public-school teacher jealously guarding every dollar of her recession-proof pay raises. When the teacher said that she could be making more money as a babysitter, Christie suggested, to audience applause, that perhaps educators, whose lobbyists often speak of teaching as a calling, should put their taxpayer-funded Cadillac benefits packages where their mouths are, or find a new line of work. The event came just a week after Christie vetoed the Democratic-controlled state legislature's "millionaire's tax" a mere two minutes after its passage. "We'll be back, Governor," said the Democratic senate president, who'd delivered the bill to Christie's desk. "We'll see," replied Christie. What he left unsaid is the sentiment that has underlined every act of his fearless administration to date: This far, no farther.

■ Author Joe McGinniss, who is doing a book on Sarah Palin, has rented a house in Wasilla, Alaska, next door to her for the summer. Call it Method writing. Palin should consider herself lucky; McGinniss researched his first book, *The Selling of the President 1968*, by infiltrating Richard Nixon's presidential

What's the fastest way to learn a language?

ACT LIKE A BABY.

It's not the advice you'd expect. Learning a new language seems formidable, as we recall from years of combat with grammar and translations in school. Yet infants begin at birth. They communicate at eighteen months and speak the language fluently before they go to school. And they never battle translations or grammar explanations along the way.

Born into a veritable language jamboree, children figure out language purely from the sounds, objects and interactions around them.

Their senses fire up neural circuits that send the stimuli to different language areas in the brain. Meanings fuse to words. Words string into structures. And language erupts.

Three characteristics of the child's language-learning process are crucial for success:

First, and most importantly, a child's natural language-learning ability emerges only in a speech-soaked, immersion environment free of translations and explanations of grammar.

Second, a child's language learning is dramatically accelerated by constant feedback from family and friends. Positive correction and persistent reinforcement nurture the child's language and language skills into full communicative expression.

Third, children learn through play, whether it's the arm-waving balancing act that announces their first step or the spluttering preamble to their first words. All the conversational chatter skittering through young children's play with parents and playmates—"…what's this…" "…clap, clap your hands…" "…my ball…"—helps children develop language skills that connect them to the world.

Adults possess this same powerful language-learning ability that orchestrated our language success as children. Sadly, our clashes with vocabulary drills and grammar explanations force us to conclude it's hopeless. We simply don't have "the language learning gene."

At Rosetta Stone, we know otherwise. You can recover your native language-learning ability as an adult by prompting your brain to learn language the way it's wired to learn language: by complete immersion. Our award-winning, computer-based method does just that.

Dynamic Immersion® unlocks the innate language-learning ability you acquired before birth and mastered as a child.

By recreating the immersion context in which you learned your first language, you understand, speak, read and write your new language with confidence and accuracy from the beginning—without translations and explanations.

At every step and in every skill, you receive instant, actionable feedback, including speech recognition and analysis technologies that prepare you for everyday conversations. And Adaptive Recall® brings back material just when you need it to reinforce and perfect your learning.

Every act of learning is an act of play for children and there's no reason it should be different for learners of any age. With Rosetta Stone® programs, you rediscover the joy of learning language. Clever, puzzle-like activities produce sudden "Aha!" moments and astonishing language discoveries.

Your "language brain" remembers. We see it all the time.

A slow smile sneaks across the learner's face after just a few screens. It's a smile of recognition, as though the brain suddenly recalls what it was like to learn language as a child, as though it realizes, "Aha! I've done this before."

Act like a baby? You bet. Visit our website and find out how you can reactivate your own innate, language-learning ability with Rosetta Stone. It's the fastest way to learn a language. Guaranteed.®

SAVE 10% TODAY WHEN YOU ORDER

Version 3 Personal Edition CD-ROM products.

Level 1	Reg. ~~$229~~	**$206**
Level 1,2,&3	Reg. ~~$539~~	**$485**
Level 1,2,3,4,&5	Reg. ~~$699~~	**$629**

More than 30 languages available.

WIN/MAC compatible.

SIX-MONTH, NO-RISK, MONEY-BACK GUARANTEE.*

PICK UP A NEW LANGUAGE TODAY!
(866) 357-3150 RosettaStone.com/qds060
Use promo code qds060 when ordering.

RosettaStone®

campaign. Palin reacted on Facebook. "Maybe we'll welcome him with a homemade blueberry pie tomorrow so he'll know how friendly Alaskans are." That is Palin's charm. Then she went off on McGinniss's "'journalism'" (note her scare quotes), his "peering," and his "overlooking Piper's bedroom." She should have done what she talked about in the first sentence and let the anger go. Should she become president, she will encounter people a lot worse than Joe McGinniss. John Adams said that George Washington possessed "the gift of silence." A gift Sarah Palin must acquire.

■ "Tea party protesters scream 'nigger' at black congressman." So read the McClatchy News headline, but there is more—and less—to the story. Rep. Emanuel Cleaver (D., Mo.), according to the same report, was spat upon by a protester, who was arrested. The big-hearted Democrat, according to McClatchy, declined to press charges—a lucky thing, since nobody had been arrested. And nobody had been arrested because, as video shows, Representative Cleaver was not being spat upon. McClatchy's report relies upon a couple of Democratic officeholders and an unnamed "colleague" for its sources. The tea-party protest in question was thick with media and cameras. Not one piece of evidence has been produced that this story is true—even after Andrew Breitbart offered $100,000 for such evidence—and some evidence has shown that aspects of it are false, such as this fictional spitting arrest. McClatchy's brass has dug in, and its editors have so far refused to acknowledge the problems with their reporting, though they have dispatched self-righteous e-mails to their critics over at the blog Power Line, writing: "Without

In the Red

NOTHING aligns with the conceits of economists quite so wonderfully as the reliable and heavily reproduced result that economic conditions are the key driver of election results. Witness the provocative title of one of the more recent entries in the literature by economists Jeffrey DeSimone and Courtney LaFountain: "Still the Economy, Stupid: Economic Voting in the 2004 Presidential Election."

DeSimone and LaFountain extend our understanding of the impact of the economy on elections in an important way. They find that the effect of the economy on elections is asymmetric: A bad economy severely undermines support for incumbents, but a good economy does not necessarily reward them.

This finding is bad news for Democrats heading into the midterm election. The economy is turning around, but the improving conditions will not necessarily create the voter euphoria Nancy Pelosi and Harry Reid might be hoping for. And the attached chart suggests the news for Democrats may be even worse than that. The recovery has been quite spotty, with some parts of the country storming ahead and others still reeling, and the pockets of continuing misery are strategically placed.

The chart draws on two data sources. First, RealClearPolitics.com assembles polling data for Senate races around the country and ranks seats as either likely Democratic (New York and Oregon), leaning Democratic (California, Connecticut, and Wisconsin), or toss-up (Colorado, Florida, Missouri, Ohio, Pennsylvania, and Washington). In addition, eleven states are either leaning or likely Republican. The second data source is drawn from Dismal Scientist, a website that uses state-level data to determine whether the recovery is fully under way in each state. The chart combines these sources and identifies the fraction of states in each political category that are already in recovery.

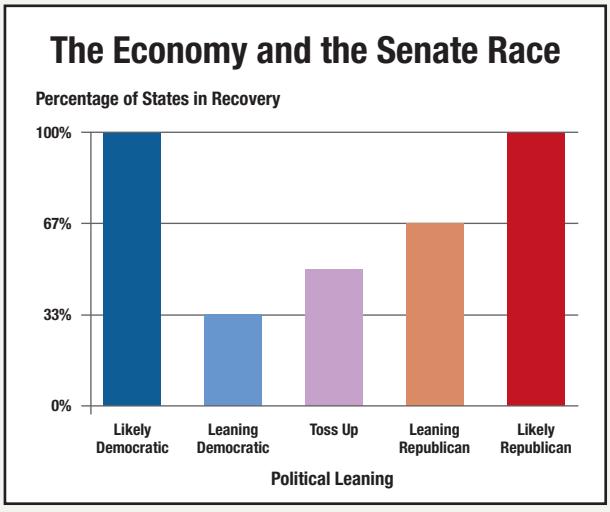
The chart tells an interesting story. The "likely" states, both Democratic and Republican, are in recovery. But the states that are leaning Democratic or toss-up—the states that will be most in play—are the pockets of misery where the economy will be a big issue.

The chart likely understates the problem for Democrats, as the Dismal Scientist rankings seem a little generous to these eyes in calling a recovery. Indeed, the only state in the column leaning toward Democrats that is in recovery is California, and the unemployment rate there is still 12.6 percent.

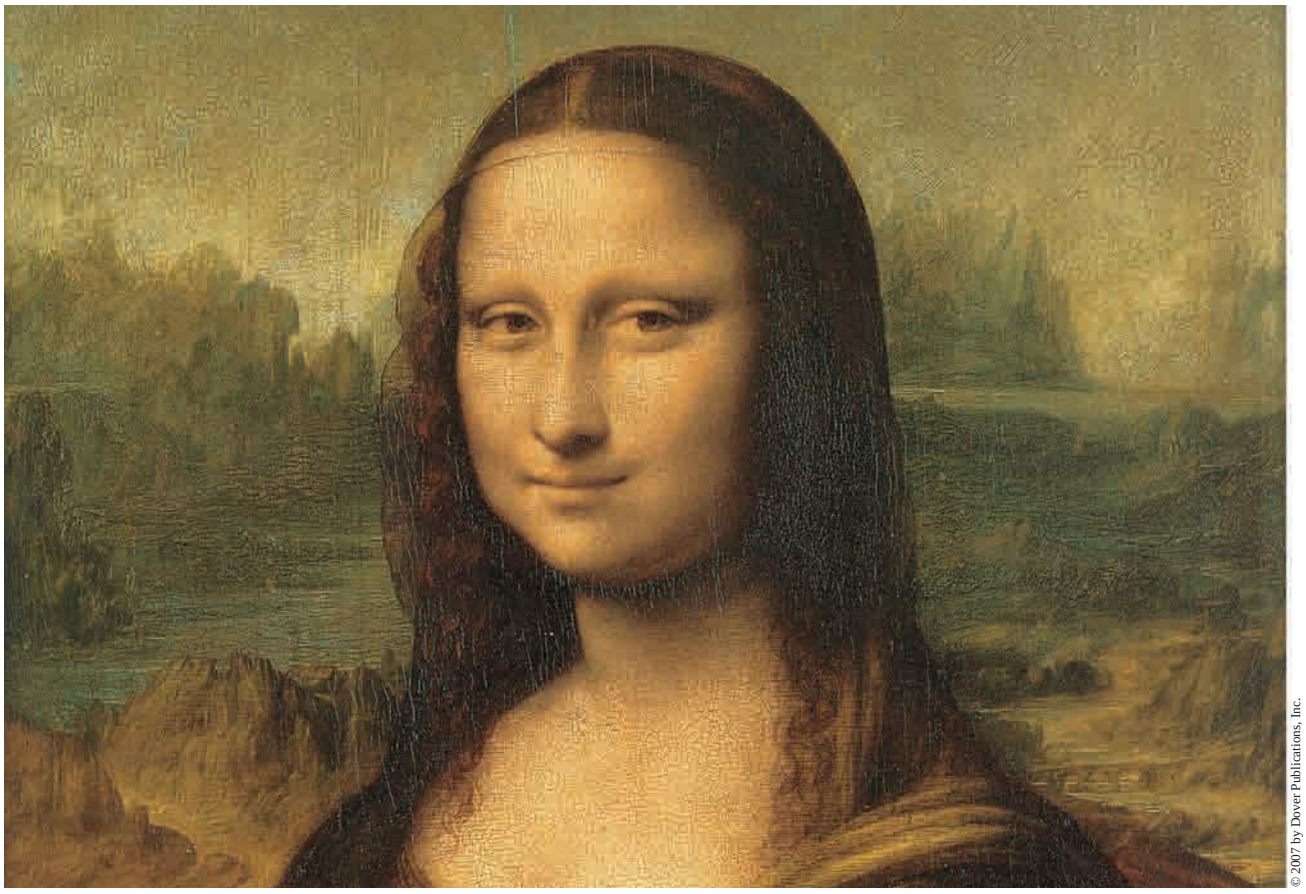
In the spring of 2008, a similar analysis in this space portended calamity for Republicans in that year's elections. The regional data suggested, I wrote, that "as Republicans enter the fall campaign, they can collectively add a significant economic disadvantage to their list of handicaps."

This year, the forces are reversed.

—KEVIN A. HASSETT



SOURCES: REAL CLEAR POLITICS, DISMAL SCIENTIST, AND AUTHOR'S CALCULATIONS



Tour the Louvre with a World-renowned Art Historian

Discover a great way to enhance your appreciation of the Louvre. **Museum Masterpieces: The Louvre**, our 12-lecture course, is a veritable guided tour of this sprawling one-time art academy, now world-famous public museum. Your guide is Professor Richard Brettell, Margaret McDermott Distinguished Professor of Art and Aesthetics at the University of Texas at Dallas and renowned art critic and historian. He starts with an introductory lecture, and then offers a selective sampling of the grand masterpieces and many hidden lesser-known gems. Experience the full range of the Louvre from the Italian Renaissance, Baroque and Flemish paintings, to Rembrandt, Vermeer, and the French School. Join Professor Brettell on an exhilarating tour of one of the great museums of the world.

This course is one of The Great Courses®, a noncredit recorded college lecture series from The Teaching Company®. Award-winning professors of a wide array of subjects in the sciences and the liberal arts have made more than 300 college-level courses that are available now on our website.

Museum Masterpieces: The Louvre

Taught by Professor Professor Richard Brettell, The University of Texas at Dallas

Lecture Titles

1. Palace to Museum—The Story of the Louvre
2. Leonardo and the Origins of the Collection
3. Italian Renaissance and Baroque Painting
4. Spanish School of Painting
5. Rubens and Flemish Painting; Early German
6. Rembrandt, Vermeer, and Dutch Painting
7. De La Tour, Le Nain, and 17th-Century Painting
8. Claude and Poussin—French Painters in Rome
9. Watteau and Chardin
10. Boucher, Fragonard, and the Rococo in France
11. Jacques-Louis David and His School
12. Delacroix and Ingres—The Great Dialectic

Order Today!
Offer expires Friday, August 20, 2010

Museum Masterpieces: The Louvre
Course No. 7175
12 lectures (30 minutes/lecture)

DVDs ~~$199.95~~ NOW $39.95

+ $5 Shipping, Processing, and Lifetime Satisfaction Guarantee

Special price for shipping, processing, and lifetime satisfaction guarantee for this offer only.

Priority Code: 39457

ACT NOW!

1-800-TEACH-12

www.TEACH12.com/9natr

The Teaching Company

professional journalists, the citizenry will be forced to rely on partisans like yourself and Powerline for whom facts are a nettlesome inconvenience." And who are these professional journalists?

■ Republicans finally have something to brag about in a special election for the House of Representatives: In Hawaii's 1st congressional district, where Obama grew up, Charles Djou on May 22 became the first Republican to represent the Aloha State in Congress since 1991. But this contest—triggered by Democrat Neil Abercrombie's decision to retire mid-session to help his bid for governor—was an outlier. Two Democrats—veteran state senator Colleen Hanabusa and Ed Case, a former congressman from Hawaii's other district—split their party's vote, allowing Djou to win with just under 40 percent. Democrats largely shrugged and predicted they would win in November; Hanabusa's task grew easier when Case announced on May 30 that he would not compete in this fall's Democratic primary. One trend in Djou's favor? Hawaiians have never rejected an incumbent member of the House or Senate.

■ Pres. Felipe Calderón of Mexico used the occasion of an address to a joint session of Congress to attack Arizona's immigration law. What is wrong with this picture? *Hypocrisy*. Mexico's immigration laws are at least as draconian as Arizona's—its officials are "required to demand that foreigners prove their legal presence in the country before attending to any issues." What's sauce for the *oca* is sauce for the *ganso*. *Rudeness*. A traveling head of state should not abuse the hospitality of his hosts' legislature by intervening in their politics. Intervention is a sensitive topic with Mexicans, given our long and fraught history; surely Calderón understands. *The reaction*. Congressional Democrats, eager to use the Arizona law to gin up their base, greeted his remark with applause. Rep. Tom McClintock, a California Republican, instead invited Calderón to "apply for citizenship . . . learn our history and our customs, and become an American. And then he will have every right to participate in [this] debate."

■ Richard Blumenthal, the attorney general of Connecticut and the Democrats' nominee for the U.S. Senate there, has repeatedly implied, and sometimes said, that he served as a Marine in Vietnam. The principal defense has been that on many other occasions he told the truth, which is that his Vietnam-era service in the Marine Corps Reserve took place stateside. He says he "misspoke" unintentionally. The only people who profess to believe him are those with an interest in doing so, a class that includes nearly the entire Democratic party. That Blumenthal attempted to steal other men's valor is no indictment of his party; that it has rallied to his defense surely is.

■ The $113 billion "extenders" package that the Obama administration and its allies are attempting to pass through Congress contradicts most of what they told us over the last 18 months—about the stimulus, the health-care bill, and the budget deficit. The bill contains yet another extension of unemployment benefits for those whose aid was set to expire, revealing that the stimulus was not to be temporary, but ongoing. It delays certain scheduled cuts in physicians' Medicare reimbursements, revealing that the health-care bill did not reduce the deficit; promises used to secure its passage are now adding tens of billions to its cost. And the fact that the Democrats decided not to offset the new spending reveals that they are not serious about deficit reduction; they ignore their own pay-as-you-go rules whenever these prove inconvenient. After BP figures out how to plug that leak in the Gulf, maybe it can engineer a way to stop the gusher of borrowed money in Washington.

■ Public-employee compensation is a promising issue for conservatives, and not just because the associated pensions threaten to bankrupt several states, as Kevin D. Williamson reports on page 28. Government employees now take home a total compensation package worth 44 percent more than their private-sector colleagues, and enjoy one very important intangible benefit—job security: While millions of private-sector jobs were shed in the recession, and unemployment hovers around 10 percent, governments have made only the smallest reductions to their workforces. Indeed, many government agencies are hiring, the stimulus was directed largely into the pockets of government workers, and the number of federal employees earning six-figure salaries has exploded under the Obama administration. As they campaign, Republicans should remind government workers and the public who works for whom.

■ Imam Feisal Abdul Rauf wants to build a 13-story Muslim cultural center and mosque near Ground Zero. How near? He has bought an empty clothing store two blocks north, which was damaged on 9/11 when a landing-gear assembly of one of the hijacked airplanes crashed through its roof. Rauf preaches moderation. "My colleagues and I are the anti-terrorists," he wrote in the *Daily News*. "[We want] to interweave America's Muslim population into the mainstream society." Sometimes he sounds less moderate: After 9/11 he told *60 Minutes* that "United States policies were an accessory to the crime that happened." The holding company for his project, the Cordoba Institute, had less than $20,000 in assets as of 2008; where will the $100 million he plans to raise come from? In 1993 John Paul II moved a Carmelite convent from the site of Auschwitz. The nuns did not build Auschwitz, and decent Muslims are not terrorists (they were among 9/11's victims, as Rauf points out). But anyone who is not a provocateur would acknowledge the importance of symbolism and the risk of mixed messages. Imam Rauf should take his mosque elsewhere.

■ Hillary Clinton, taking pains to point out that she was speaking for herself and not for the administration (since when do secretaries of state do *that*?), made some strange observations about taxes and Brazil: "The rich are not paying their fair share in any nation that is facing the kind of employment issues" that the United States is, she said, "whether it's individual, corporate, or whatever. . . . Brazil has the highest tax-to-GDP rate in the Western hemisphere and guess what—they're growing like crazy." Hillary Clinton is always the last to know: Brazil's

SCOTT J. FERRELL/*CONGRESSIONAL QUARTERLY*

Imagine examining artifacts in the Smithsonian Institution and finding a never-before-seen sketch for the largest and highest denomination American coin ever proposed? That's just what happened as one coin expert recently explored the collection at this celebrated public institution. But as this numismatist discovered, it has more to share than he could ever imagine.

To his own surprise, he had found the original design concept for a hundred dollar denomination created by George T. Morgan, arguably the greatest American coin designer. These sketches, hidden within an original sketchbook for nearly a century, represent perhaps the grandest American coin ever proposed—the $100 Union.

George T. Morgan will always be remembered for his most famous coin—the Morgan silver dollar. Until recently, the world knew nothing of Morgan's larger sized and higher denomination $100 Union concept design.

The secret's out! For a limited time, you can secure the world's first and only $100 Union Proof struck in pure .999 Silver at our special price of only $99 (plus S&H). CALL TODAY!

Discovered…Historic Coin Design!

America's Lost Masterpiece

THE $100 UNION™

Original sketches found at the Smithsonian

Call now to secure your reservation for this exceptional collector's treasure!

$100 Union™ Silver Proof
Only $99

This is not a reproduction…this is the first time ever Morgan's $100 Union™ design has been struck as a silver proof.

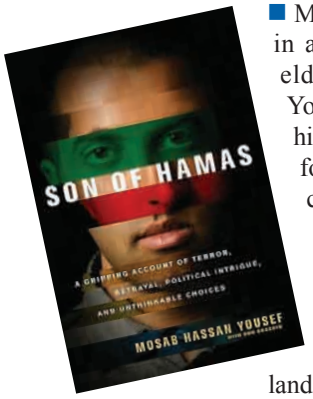
Smithsonian Institution®

A portion of the sales proceeds from your purchase of this licensed product supports the chartered educational purposes of the National Numismatic Collection, housed in the Smithsonian's National Museum of American History.

1-800-642-9160 ext. 4410

New York Mint, 5577 West 78th Street, Edina, MN

aggregate tax burden, at 24 percent of GDP, is slightly lower than the U.S. tax burden. Brazil's top personal income-tax rate is 27.5 percent; the top U.S. rate is 35 percent, soon to be raised to 39.6 percent. Madam Secretary did not say how she thinks higher taxes on the rich will produce jobs for everybody else. Given her light dusting of education on the subject, that's probably for the best.



■ Mosab Hassan Yousef has told his story in a memoir, *Son of Hamas*: He is the eldest son of Hamas founder Hassan Yousef. Sickened by what he saw around him, he turned against Hamas and spied for the Israelis—in order to save innocent lives, of which he saved plenty. He converted to Christianity and came to the United States. He went to Homeland Security, saying, effectively, "This is who I am, this is what I've done, I wish to seek asylum." Homeland Security is balking, citing his former terrorist ties. Yousef says that DHS officers are embarrassed: embarrassed that he pointed out "huge gaps" in our security and in our "understanding of terrorism." He lives in San Diego, working at a grocery store. He is to appear before an immigration judge on June 30. Nobody has a better case for political asylum.

■ The story with the highest irony quotient this fortnight concerned Massachusetts state representative Mike Moran, a keen supporter of Gov. Deval Patrick's "sanctuary state" policies towards illegal immigrants. Representative Moran was waiting in his car at a red light when he was rear-ended at 60 mph by Isaias Naranjo, an illegal immigrant from Mexico. Mr. Naranjo had no license, and his blood alcohol level was three times the limit. Nothing abashed, he laughed at the police when they read these charges to him, and scoffed that nothing would happen to him as he could just go back to "my country." Not to be outdone in reckless candor, Moran said to a TV reporter after the event: "I have been and will continue to be pro-immigrant and in some cases even pro-illegal-immigrant. It would be politically expedient for me at this point in time to change that. That should . . . tell you that even after being hit by one I will continue to advocate for immigrants and their rights as citizens in this country." Rear-end him again!

■ You don't have to be a scholar to know that congressional chairmen bring home the pork. But researchers at Harvard Business School, working with decades' worth of data, put a number on it: Earmarked spending targeted at a specific state increases by about 40 percent when one of that state's senators becomes chairman of one of the major committees, such as appropriations, and by about 20 percent when one of its representatives heads such a committee in the House. The surprise twist: The economy chokes on all that pork. Rather than thriving on the injections of federal cash, local businesses actually retrench: "The firms significantly cut physical and R&D spending, reduce employment, and experience lower sales," says Prof. Joshua Coval in an interview with *Working Knowledge*. "The results show up throughout the past 40 years, in large and small states, in large and small firms, and are most pronounced in geographically concentrated firms and within the industries that are the target of the spending." The researchers posit that "crowding out"—government projects' supplanting of private projects—as well as competition for highly skilled labor and other resources explains the paradox. The paper is titled "Do Powerful Politicians Cause Corporate Downsizing?" and should be required reading as we enter yet another debate on stimulus and unemployment. If President Obama won't heed Hayek, perhaps he'll heed Harvard.

■ Before Obama adviser Kal Penn went to the White House, he went to White Castle. *Harold & Kumar Go to White Castle* was a comedy, but *Barack & Kumar Go to White Castle* is a tragedy, at least for White Castle. The victualer specializing in diminutive hamburgers reports that the punitive features of Obamacare will cut its income—in half. Very likely, that lost income will be recouped in part through cutting labor costs, meaning fewer jobs and lower wages for White Castle employees. Mr. Penn has his Hollywood millions to fall back on, Mr. Obama his Ivy League law degree and presidential pension. What about the people who work at White Castle? There's a high price to pay for supersizing government, and they'll pay it.

■ When an NYPD officer—or a police officer just about anywhere—determines that his life or that of another is in danger, he is authorized by law to use deadly force. Police are taught to aim their weapon at the center of the target and fire until the threat subsides. But New York City assembly members Annette Robinson and Darryl Towns (both Democrats of Brooklyn) want to change this. They have introduced a bill that would require officers to shoot "with the intent to stop, rather than kill." In an accompanying memo, they explain that "an officer would have to try to shoot a suspect in the arm or the leg," and that "the number of times an officer shoots a person should not exceed the minimal number necessary to stop the person." To anyone familiar with the difficulty of shooting anything with a pistol, the requirement to aim for a suspect's extremities is patently absurd: Even aiming for the central body mass, and even at a distance of six feet or less, officers miss suspects more often than they hit them. Similarly, the requirement that officers reassess the situation after every shot they fire will give suspects more time to shoot back. When aiming at this bill, shoot to kill.

■ The latest flare-up of violence off the Gaza coast has been months in the planning. Hamas, the Islamist movement that seized power in Gaza, does everything it can to bring in weapons and gunmen. Naturally there is an Israeli blockade. This time, Hamas got open Turkish backing to prepare and launch a flotilla of ships to enter Gaza. Hundreds of activists from all over the world, united only in hatred of Israel, were recruited to sail and provide civilian cover. Either the ships would dock, in which case the blockade would prove useless, or, more likely, there would be a confrontation, and Israel would be made to look bad. Either way, Hamas was sure to generate immense publicity, and that would be victory enough. As expected, Israeli commandos stormed the lead ship. Activists resisted, and nine or maybe ten people were killed,

four of them Turks. The flotilla was then escorted into an Israeli port where the cargoes are being inspected and the activists deported. Provoking rage over this incident for which it is largely responsible, Turkey is advancing the process of breaking with Israel and the West, abandoning its past secular stance for the sake of Islamist solidarity. The world's disproportionate condemnation of Israel's efforts to defend itself shows the organizers of this flotilla that hatred pays dividends.

■ Israel has never signed the Non-Proliferation Treaty, and neither denies nor confirms that it has a nuclear weapon. Its enemies have long been trying to oblige it to join the NPT as a step in clarifying the situation, and then if necessary enforcing Israel's disarmament. Hitherto the United States has used its veto power to head off such an outcome. In a conference of the International Atomic Energy Agency, the Muslim countries, including Iran, have passed a resolution that Israel should allow inspection of its atomic sites, join the NPT, and, in effect, lose an important aspect of its defenses. The United Nations Security Council naturally has backed the resolution. Here's the crunch: The resolution addresses Israel alone, and makes no mention of Iran's continuous refusal to comply with its obligations to the IAEA and obvious determination to have its nuclear-weapon and -delivery systems. For the first time, the United States has failed to use its veto, instead backing this resolution. Consider it a moral disarmament.

■ International investigators have dispelled any doubt that North Korea was responsible for torpedoing a South Korean warship and killing 46 sailors on March 26. The attack is surely Pyongyang's most spectacular atrocity since the 1987 bombing of Korean Air Flight 858. Secretary of State Clinton is now working to build support for a fresh round of global sanctions on the Communist regime. New sanctions would not topple the dictatorship, nor dramatically alter North Korea's conduct. Tightening our grip on Pyongyang's finances, however, would bolster U.S. leverage at a critical moment in Korean history, with 69-year-old Kim Jong Il in deteriorating health and a shaky leadership transition already under way. The U.S. should also re-list North Korea as a state sponsor of terrorism; meanwhile, to demonstrate solidarity with Seoul, Congress should approve the bilateral free-trade deal that was signed in June 2007 and has been held hostage by the United Auto Workers ever since. We fully expect China to continue subsidizing the Hermit Kingdom with food and fuel aid. But the Obama administration should do everything possible to choke Pyongyang's cash flow and provide incentives for a post-Kim regime to seek rapprochement with its democratic neighbors.

■ The deadbeat Greeks put together a deficit-reduction package in advance of the bailout enabled by the International Monetary Fund and the European Union. Economic analysts already are saying that Athens is not on track to meet this year's deficit-reduction goals. This should surprise nobody: Greece has been lying about its deficits since it entered the European Union and never has made a serious effort to meet its fiscal obligations under the Maastricht Treaty. The United States is providing about $54 billion of the IMF bailout bucks. It's one thing for Greece's corrupt and self-dealing government to pillage its own citizens and the European Union; it's another for it to pillage us. The IMF should insist that Greece hit its deficit-reduction target, and the United States should, if necessary, withhold IMF funds to make that happen. After all, we're going to want to make sure that there's something left in the IMF kitty when it's Washington's turn.

■ Orlando Zapata Tamayo, a Cuban prisoner of conscience, died in February after an 83-day hunger strike. His ordeal and death has galvanized opposition on the island. A Cuban-born artist in New Jersey, Geandy Pavón, had an inspired idea. He is taking Zapata's picture and projecting it onto the façades of buildings. Just any buildings? No—buildings in the Free World that contain offices of the Cuban dictatorship. Most recently, he did this with the Cuban Interests Section on 16th St. in Washington. The date was May 20, the anniversary of Cuba's independence from Spain. Pavón says that his Zapata art "imposes the face of the victim upon the assassin, using light as an analogy to truth, reason, and justice."

It's one thing for Greece's corrupt and self-dealing government to pillage its own citizens and the European Union; it's another for it to pillage us.

■ Gun battles, killing dozens, erupted in Tivoli Gardens, a neighborhood of Jamaica's capital, Kingston, as authorities tried to extradite Christopher "Dudus" Coke to the United States on charges of drug- and gun-running. Coke is also the don, or de facto mayor, of Tivoli Gardens, preserving order of a kind and dispensing largesse. He is not sui generis—Jamaica's political parties, left and right, have relied on the support of gangsters like Coke for more than 30 years. Political philosophers called such a situation *imperium in imperio*, the state within a state. It appears, in even more feral forms, in Mexico and Colombia. In all three countries the fertilizer is drug money. Americans shake our heads, but we should recognize that our grotesque appetites for stimulation create problems that weaker governments cannot handle.

■ In 1989, Lori Berenson dropped out of MIT "to pursue a passion for social justice." That's the way the Associated Press put it in a report the other day. Berenson's passion eventually led her to Peru, where she joined up with the Túpac Amaru Revolutionary Movement, or MRTA (as it's known in Latin America). The MRTA was a cousin of the Shining Path, Communist and terrorist. They did their best to overthrow Peru's democracy, and almost succeeded. They killed and maimed a lot of people. Berenson was arrested in connection with a plot to take over the Peruvian congress.

Having served three-quarters of her 20-year sentence, she has been released. She has never turned on the MRTA. But she's now interested in working as a translator and dessert chef. Let's hope that in the future she breaks only the literal kind of eggs.

■ The Museum of Modern Art off the Champs-Élysées is a Paris showplace. In the small hours, a thief removed one of its windows, avoided most of the closed-circuit-television cameras—perhaps he knew where they were—and cut five pictures out of their frames. For some reason, the security alarm did not go off, so the three guards on duty suspected nothing. Oddest of all, the five pictures are masterworks by Picasso, Matisse, Braque, Modigliani, and Léger, all far too well known to be offered for sale. A mad collector wanted them? Some obscure blackmail or swap in the underworld? Revenge by some disappointed museum insider? The value of the stolen pictures is estimated at $123 million, making this one of the biggest art heists ever. They weren't insured either. All that's required for a gripping movie is a director with imagination to make sense of it all.

■ When Elton John appeared on the program of an eight-day arts festival in Morocco, Islamists protested. Mustapha Ramid, a spokesman of the Justice and Development party, said the gay artist would corrupt the young, and refused even to call him a man: "Sorry, I should say this person." The festival, which operates under the aegis of the Moroccan government, would not back down. "Elton John is one of the best artists in the world," said festival director Aziz Daki. He is a woeful artist, who has been peddling carbonated treacle for decades. But *de gustibus non est disputandum*. Thousands of Moroccans turned out to hear him when he performed in the capital city of Rabat. Congratulations to them, and to their government for not wanting to turn the country into a fundamentalist madrassah.

■ Public-school test scores in Washington, D.C., are still far below national averages, while per-pupil expenditures are among the nation's highest, as are student obesity rates. In one respect at least, though, D.C. schools are a model for the nation. The quality of the free condoms issued to high-school and college students could not be better, following a recent upgrade to Trojan brand in attractive gold wrappers. This followed complaints from students that the condoms formerly issued were of poor quality and too small. "We thought making condoms available was a good thing, but we never asked the kids what they wanted," confessed the chairman of the District's health committee. Isn't that the whole aim of education, to give students what they want? If you thought it was something to do with imparting knowledge, building character, and transmitting culture, go to the back of the class . . . and don't forget to pick up your free prophylactics as you pass the teacher's desk.

■ Thanks to a change in federal law sponsored by Sen. Tom Coburn (R., Okla.), licensed gun owners may now carry their weapons in national parks, subject to the laws of the states they are in. This is good news for hikers but bad news for aggressive grizzlies, as one such found out in Alaska's Denali National Park. The bear emerged from trailside brush and charged a backpacker. Fortunately, the hiker's companion was packing heat—a .45 caliber semiautomatic pistol. It took nine rounds to stop the bear, which staggered off into the woods, collapsing and dying 100 feet away. The incident has become a test case of the new law, which does not permit the actual *firing* of a weapon. Other federal laws forbid killing wildlife in the parks, with a separate law against the killing of bears. We hope the Denali hikers will emerge as unscathed from these legal tangles as they did from their grizzly encounter. Should things turn out otherwise, they will have for consolation the old gun-rights adage that it is better to be tried by twelve than carried by six.

■ Suppose you were picking a mascot for the 2012 Olympics in London. What would best represent the host nation? A lion or bulldog? Way too pugnacious for today's caring Britain. John Bull? Entirely too plump for these health-conscious times. Instead, the organizing committee has settled on a pair of elaborate and baffling single-eyed creatures—festooned with lights, cameras, bracelets, and indecipherable symbols—that resemble Teletubbies turned inside out, except not quite as handsome as that makes them sound. The dismal duo are guaranteed not to offend any racial, ethnic, gender, or religious group, mainly because nobody knows what the hell they are. Do marketers expect the public to fall in love with what looks like the product of an illicit liaison between Gumby and your cell phone? Surely the nation that produced Thomas Gainsborough and Mary Quant can come up with something better to personify today's Britain—although, considering the pair of nondescript hybrids that British voters have just chosen to run their country, perhaps not.

■ Debuting after 9/11 (though in production before it), the TV cliffhanger series *24* could not help becoming a cultural barometer. Critics hated it for reducing war on terrorism to a matter of willpower, skill, and patriotism properly applied. Jack Bauer, the protagonist for all eight seasons of the show, would stop at nothing to do what he needed to defend the nation from all enemies, foreign and domestic—including torture. Critics had a point there, but their complaints fell on deaf ears to millions of viewers who simply rejoiced in an unapologetically entertaining TV romp. While fighting terrorism is far more complicated in real life, we salute the show for acknowledging that the fight is doomed without, yes, willpower, skill, and patriotism properly applied.

■ Martin Gardner was one of a kind. Though best known for his books and columns on math and science, his interests ranged far wider. *The Annotated Alice*—Lewis Carroll's "Alice" books with Gardner's commentary in the margins—is still in print after 50 years. His 1996 essay collection *The Night Is Large* includes sections on the arts, philosophy, and religion. He chronicled his own journey through the last of those zones, from fundamentalist Protestantism to abstract theism, in an autobiographical novel, *The Flight of Peter*

AFP

Learn More Conservative Ideas in One Week Than in Four Years of College

Meet like-minded students and network with top campus activists from across the country.

Are you are looking for a place to learn about conservative ideas and spend time with like-minded students? Young America's Foundation offers a week-long conference where you will learn the principles and ideas that define conservatism from the Conservative Movement's biggest stars.

There Is No Other Event Like It

You will learn about American history, free market economics, individual freedom and responsibility, and the conservative side of today's pressing issues through a series of lectures, discussions, and policy briefings. Get the latest updates from policy leaders, analysis on hot issues, special tips for campus activism, and more!

Rave Reviews From Attendees

Amanda Sharp of East Carolina University notes, *"I found this to be the most rewarding experience of my college career."* Elizabeth Koren from Thomas Jefferson School of Law declares, *"The Young America's Foundation National Conservative Student Conference is a 'rite of passage' in which every conservative student should participate."*

When You Attend, You Will

- Meet and **ask questions** of your conservative heroes
- Gain a **better understanding** of conservative principles
- Meet and network with like-minded friends
- Receive **valuable resource materials** including recommended reading and conservative organization lists
- Improve your **critical thinking** and debate skills
- Hear the side of **pressing issues** not presented on your campus
- Learn how to **bring the Movement's leaders to your school**
- **And much more...**

Speakers Whom You'll Recognize

You can hear from activist **David Horowitz**, historian **Burt Folsom**, Congressman **Dan Lungren**, activist **Bay Buchanan**, and entrepreneur **Herman Cain**. This conference has been hosted at the White House by **President Reagan** and addressed by Nobel Laureates **Milton Friedman** and **James Buchanan**, Attorney General **John Ashcroft**, actor **Ben Stein**, Speaker **Newt Gingrich**, writer **Ann Coulter**, and many others.

Summertime In Washington, D.C.

From August 2 to 7, 2010, Young America's Foundation will host the 32nd annual National Conservative Student Conference at George Washington University. GWU is situated in the heart of downtown Washington, D.C., just a few minutes from the city's unique attractions.

National Review Readers Save Money

The low fee is only $399, but *National Review* readers save an extra $49 by using code NR02 when applying. This amazingly low fee covers all meals, dormitory accommodations, supplies, resource materials, and tuition.

Students can learn from renowned economist Dr. Walter Williams, who is heard on the Rush Limbaugh program.

Apply Today Before It Is Too Late!

The National Conservative Student Conference routinely sells out well before the event. To secure your spot, submit your application today. If you are interested in sponsoring the students in your life, please tell them about this event today. Visit our website *www.yaf.org* or call 800-USA-1776 to take advantage of this incredible opportunity you cannot miss! The application deadline is July 2.

Are you a high school student? *Visit our website and learn about our summer conferences designed specifically for you!*

800-USA-1776 · www.yaf.org

National Headquarters, F.M. Kirby Freedom Center, 110 Elden Street, Herndon, Virginia 20170
The Reagan Ranch Center, 217 State Street, Santa Barbara, California 93101

YOUNG AMERICA'S FOUNDATION

Fromm. His 1957 classic *Fads and Fallacies in the Name of Science* ruthlessly debunked such pseudosciences as Dianetics and Orgone Therapy, which he saw not only as insults to real science, but also as cheap demystification of the ineffable. Gardner was by upbringing and temperament an American gentleman of the old school. His personal kindnesses endeared him to thousands, while his indefatigable productivity—more than 70 books and innumerable magazine columns—made him known to millions. A great American, Martin Gardner died May 22, aged 95. R.I.P.

■ Art Linkletter said the darnedest things. The popular host of long-running television programs could have spent his final years in a comfortable Hollywood dotage. Instead, he crusaded for Social Security reform, becoming active in organizations such as the United Seniors Association and Team Grandparent. "I was one of the first people to ever pay Social Security," he told the *Wall Street Journal* last year. "But now the program has become a rip-off, just like the guy [Bernard Madoff] who did the Ponzi scheme. We need to stop the congressional raid on the trust fund and turn this tax money back over to individuals so they can own it and control it." On May 26, Linkletter died at the age of 97. R.I.P.

HEALTH CARE

The Republican Retreat

EVERY week brings fresh bad news about Obamacare. Many companies are considering dropping their health coverage as a result of the incentives the law creates. Small businesses are reporting that the law's tax credits are encouraging them not to make new hires. People with preexisting conditions, who were supposed to be the chief beneficiaries of the law, will mostly be left out of its high-risk pools: There are perhaps 4 million of them, but only enough funding for 200,000. The Department of Health and Human Services is already behind schedule in implementing the law. And the director of the Congressional Budget Office, appointed by Democrats, denies that the law will reduce the pressure of health spending on the budget.

Republicans ought to be seizing on each revelation to press the case for repealing Obamacare. It is, after all, the worst law the Democrats have enacted on Obama's watch; and it is also the GOP's best issue in this year's elections. Instead Republicans have largely allowed the Democrats to switch the subject from their unpopular health-care legislation to financial regulation, oil spills, and immigration. They have been reacting to the news instead of trying to make it.

The most important step Republicans could take to promote repeal would be to launch a campaign to pressure House Democrats who voted against Obamacare to co-sponsor legislation to repeal it. On this crucial issue, though, House Republicans have whiffed. Some Republican congressmen are worried about being seen as having no health-care solutions of their own, and so the leadership has gotten behind a bill that both repeals Obamacare and replaces it with various conservative reforms.

We would, of course, be delighted to see such a bill enacted. But the principal effect of including conservative alternatives will be to make it easier for Democrats not to sign on to the bill. It thus sets back the biggest conservative health-care reform of all: the repeal of Obamacare. And it does so for no good reason. For one thing, all the House Republicans are already on record supporting conservative health solutions; there is no need for this piece of legislation to include them. For another, the number of incumbent Republican congressmen at risk of losing to a Democratic challenger this year is vanishingly small. The number of Republican congressmen at risk of losing their seats because they are not sufficiently vocal about their favored health reforms is zero. Is it really beyond the wit of House Republicans to say that they favor first repealing Obamacare and then enacting constructive legislation?

Donald Berwick

What is most worrisome about the party's tactical mistake is the loss of nerve that explains it. That loss of nerve is apparent in the party's other silences.

Most Americans believe that government should not fund abortion, and liberals' insistence to the contrary nearly sank Obamacare. Republican congressman Roy Blunt, running for the Senate in Missouri, says he will fight to apply the Hyde amendment's restrictions on abortion funding to Obamacare. Where are the rest of the Republicans?

Elena Kagan, Obama's Supreme Court nominee, was solicitor general during the legislative debate over Obamacare. Her office may have been consulted about the legal issues it poses. Shouldn't Republicans be asking about her role, if only to begin making the case that a Justice Kagan would have to recuse herself?

Obama has nominated Donald Berwick, a man who describes his attachment to the British single-payer model of rationing health care in nearly erotic terms, to head the Centers for Medicare and Medicaid Services. A few Republicans have, to their credit, objected—but not enough. A White House spokesman says that the opponents see the nomination as an "excuse to re-fight health care." Who needs an excuse? Excessive government control of health care, the basic issue in the Obamacare fight, is the basic issue in this fight as well—if, that is, Republicans are prepared to put up a fight.

Failing to put advocates of Obamacare on the defensive arguably contributed to the Republicans' loss of a special election in Pennsylvania. If their lassitude continues, Republicans will blow many more opportunities in the months to come.

No Contract

Finally, a cell phone that's… a phone!

"Well, I finally did it. I finally decided to enter the digital age and get a cell phone. My kids have been bugging me, my book group made fun of me, and the last straw was when my car broke down, and I was stuck by the highway for an hour before someone stopped to help. But when I went to the cell phone store, I almost changed my mind. The phones are so small I can't see the numbers, much less push the right one. They all have cameras, computers and a "global-positioning" something or other that's supposed to spot me from space. Goodness, all I want to do is to be able to talk to my grandkids! The people at the store weren't much help. They couldn't understand why someone wouldn't want a phone the size of a postage stamp. And the rate plans! They were complicated, confusing, and expensive… and the contract lasted for two years! I'd almost given up when a friend told me about her new Jitterbug phone. Now, I have the convenience and safety of being able to stay in touch… with a phone I can actually use."

Questions about Jitterbug?

Try our pre-recorded Toll-Free Hotline 1-888-827-9418.

The cell phone that's right for me. Sometimes I think the people who designed this phone and the rate plans had me in mind. The phone fits easily in my pocket, but it flips open and reaches from my mouth to my ear. The display is large and backlit, so I can actually see who is calling. With a push of a button I can amplify the volume, and if I don't know a number, I can simply push one for a friendly, helpful operator that will look it up and even dial it for me. The Jitterbug also reduces background noise, making the sound loud and clear. There's even a dial tone, so I know the phone is ready to use.

Affordable plans that I can understand – and no contract to sign! Unlike other cell phones, Jitterbug has plans that make sense. Why should I pay for minutes I'm never going to use? And if I do talk more than I plan, I won't find myself with no minutes like my friend who has a prepaid phone. Best of all, there is no contract to sign – so I'm not locked in for years at a time or subject to termination fees. The U.S. – based customer service is second to none, and the phone gets service virtually anywhere in the country.

Monthly Minutes	50	100
Monthly Rate	$14.99	$19.99
Operator Assistance	24/7	24/7
911 Access	FREE	FREE
Long Distance Calls	No add'l charge	No add'l charge
Voice Dial	FREE	FREE
Nationwide Coverage	Yes	Yes
Trial Period	30 days	30 days

Other plans available. Ask your Jitterbug expert for details.

FREE Gift

Order now and receive a free Car Charger. A $24 value!

100% U.S. Based Customer Service

New Red phone shown Also available in White and Graphite.

Call now and get a FREE GIFT. Try Jitterbug for 30 days and if you don't love it, just return it. Why wait, the Jitterbug comes ready to use right out of the box. The phone comes preprogrammed with your favorite numbers, and if you aren't as happy with it as I am you can return it for a refund of the purchase price. Call now, the Jitterbug product experts are ready to answer your questions.

jitterbug® SAMSUNG

firstSTREET for Boomers and Beyond®
1998 Ruffin Mill Road
Colonial Heights, VA 23834

Jitterbug Cell Phone
Call now for our lowest price.
Please mention promotional code 39934.

1-888-759-2843

www.jitterbugdirect.com

47429

IMPORTANT CONSUMER INFORMATION: All rate plans require the purchase of a Jitterbug phone and a one-time set up fee of $35.00. Coverage and service is not available everywhere. There are no additional fees to call Jitterbug's 24-hour U.S. Based Customer Service. However, for calls to an Operator in which a service is completed, minutes will be deducted from your monthly balance equal to the length of the call and any call connected by the Operator, plus an additional 5 minutes. Rate plans do not include government taxes or assessment surcharges. Prices and fees are subject to change. Savings are based on marketing materials from nationally available cellular companies as of June, 2010 (not including family share plans). The full price of the Jitterbug Phone will be refunded if it is returned within 30 days of purchase, in like-new condition, and with less than 30 minutes of usage. A Jitterbug Phone purchased from a retail location is subject to the return policy of that retail location. The Jitterbug phone is created together with worldwide leader Samsung. Jitterbug is a registered trademark of GreatCall, Inc. Samsung is a registered trademark of Samsung Electronics America, Inc. and its related entities. Created together with worldwide leader Samsung.

DARREN GYGI

The Right's Civil Wrongs

On the intellectual roots of a troubled legacy

BY RAMESH PONNURU

Civil rights are a problem for the American Right: a political problem, an intellectual one, a moral one. In the civil-rights debates of the 1950s and 1960s, many conservatives—including William F. Buckley Jr., other figures associated with this magazine, and Sen. Barry Goldwater—took positions that the vast majority of conservatives now reject. Most contemporary conservatives who know this history regret it and find it embarrassing.

In some cases these conservative positions were motivated by straightforward support for an official policy of white supremacy, or by a desire to enlist segregationist southern Democrats in the burgeoning conservative movement. But some people held these positions while also sincerely wishing for segregation to end. They believed that their conservative principles—principles that do not on their face entail hostility to blacks—compelled opposition to the civil-rights movement's platform. Most critics place Goldwater in this group.

But if the conservative record on race cannot be dismissed as the product of conservative racism (or indifference to racism), the implications of that fact should be disconcerting rather than reassuring for conservatives. The principles that led the Goldwaterites to oppose civil rights are still upheld by conservatives today. Indeed, every segment of the Right cherishes a principle that was at least in serious tension with the triumph of civil rights.

Conservatives favor federalism. But the civil-rights laws involved a huge expansion of federal power over matters previously reserved to the states. Traditionalists believe that change should be incremental and organic. The civil-rights laws sought to effect a revolution in southern mores. Conservative legal thinkers believe that the courts should defer to Congress and state legislatures unless the Constitution makes judicial intervention unavoidable. The Supreme Court ordered the desegregation of the schools based on reasoning more sociological than constitutional. Libertarians think that private conduct should be unregulated so long as it is not coercive. The Civil Rights Act of 1964 banned private actors from withholding services or denying employment on the basis of race (or of religion, sex, or national origin).

It is this last point that got Rand Paul, the Republican nominee for the U.S. Senate from Kentucky, into trouble. Paul is a libertarian who has expressed opposition to the provisions of the Civil Rights Act that regulate private (that is, nongovernmental) conduct. After his remarks set off a national controversy, Paul clarified that he believes that federal intervention in the South was necessary, that he would have voted for the act, and that he does not seek to undo the portions of the law that he thinks were wrong. He has not, however, backed off from his contention that the regulation of private behavior was wrong. Racist business owners may warrant boycotts and social ostracism, in his view, but the federal government should not bar them from acting on their noxious beliefs.

Some Paul supporters reacted to the controversy by questioning the newsworthiness of his views about 46-year-old legislation that nobody expects to see debated in the Senate. They are probably less important than his views about how to balance the federal budget, respond to Iran, or handle judicial nominations. Someone who agrees with him about those matters but disagrees with him about civil rights should probably vote for him. And it would be unfair to conclude that Paul is a racist or is trying to use opposition to the act to appeal to racist voters; he has instead acted as though he considers his views on the act a political liability that his philosophy unfortunately compels.

But Paul's views on the Civil Rights Act cannot simply be treated as an irrelevancy because it is 2010. He is running largely on the basis of his adherence to a political philosophy. He means to confine the federal government to what he regards as its proper constitutional dimensions. Voters may reasonably conclude that a political philosophy that places such strict limits on government that it cannot ban

The Luxury Revolution.
5 Carats of Rubies FREE

Why would a jewelry company give away a pair of 5-Carat Genuine Ruby Earrings? We have a really good reason...

You pay too much for jewelry. Way too much. But you don't have to. Not any more. Stauer has changed the rules and launched a luxury revolution. But talk is cheap. I want you to see for yourself. That's why I'm giving away this stunning pair of **5-Carat Ruby Drop Earrings** for **FREE**. Five full carats of the world's most passionate precious gemstone... our gift to you. That's a $195 value for FREE!

We're doing things to fine jewelry prices that have never been done before. It's no secret that high-end retailers aren't exactly thrilled with our offers. But we're not out to please them. Stauer is addicted to making you happy. We can't help ourselves. But today you can.

Why 100% Off Makes Sense

Why would any jeweler give away FREE ruby earrings? Because we don't thrive as a company by selling you only one pair of earrings. Our mission at Stauer is to revolutionize the jewelry business and change the way you think about luxury. It doesn't have to cost a fortune. Maybe you always assumed that the gift of jewelry was something you could only afford once or twice a year. You were probably right, but that's only because you were shopping in the wrong place. There's a better way to buy. ***And we can prove it.***

I spend my year circling the globe in search of the best prices on the rarest stones. When I buy, I buy big. Last year Stauer was among the largest buyers of carat-weight emeralds in the world and we're on track to do the same with rubies. Because we don't have to worry about retail costs or celebrity endorsements, we can afford to get a little creative. And we must be doing something right, because last year, our business was up 38% while the economy suffered and fellow jewelers struggled. But don't take our word for it. Ask our satisfied customers who have helped us earn a rare A+ rating from the Better Business Bureau.

Reserve Your Rubies Today

Seeing is believing. All the words in the world can't do the job of 5 carats of ravishing ruby up close. Each of your Ruby Drop Earrings feature three faceted teardrops of genuine ruby, bezel-set in 14K gold-fused sterling silver. Each gem has been gently color-enhanced to coax out the richest reds of the world's most passionate stone. Each drop is connected with golden links, allowing for maximum swing and sparkle. The earrings attach with swooping French hooks.

"I wasn't just impressed... I was floored. Absolutely beautiful."

— Praise for Stauer Rubies from I.R. in California

Introducing "Better Than FREE" Shipping. Call today to reserve your **FREE** pair of **5-Carat Ruby Drop Earrings** (you only pay a shipping & processing fee of $19.95). Of course, if I had my way, we'd ship them to you at no charge. Unfortunately, the rising cost of gas and freight makes that impossible. But what I can do is send you a bonus to make up the difference. That's right, order today and I'll include a **$20 Stauer Gift Coupon** with your FREE Earrings, than makes this **Better Than Free**! Due to its outrageous nature, this offer is ***strictly limited to one pair per shipping address***. Viva la Luxury Revolution!

JEWELRY SPECS:

- 14K gold-fused wire - 5 carats of genuine rubies - 2" in length

Ruby Drop Earrings (5 ctw) ~~$195~~

Your Cost **FREE — pay shipping & processing only.**

Ruby Drop Necklace (20 ctw) **$129**+ S&P

Ruby Drop Necklace & Bracelet (30 ctw) **$129**+ S&P

Call now to take advantage of this extremely limited offer.

1-888 201-7657

Promotional Code GRE117-01
Please mention this code when you call.

ACCREDITED BUSINESS BBB — Stauer has a **Better Business Bureau Rating** of **A+**

Stauer 14101 Southcross Drive W., Dept. GRE117-01
Burnsville, Minnesota 55337

Smart Luxuries—Surprising Prices

racial discrimination in circumstances such as those of the South in the mid-1960s is defective.

Which it is. Looking back, it seems obvious that the Goldwaterites failed to give sufficient weight to the black claim to justice. Even those who agreed that blacks were being treated unjustly did not see the rectification of that injustice as an urgent necessity, and that moral error affected their political judgment about federal intervention.

They also erred about the Constitution, even as they, like Paul, urged restraint in its name. Too many conservatives in the Sixties treated the claim that the Fourteenth and Fifteenth Amendments to the Constitution are not valid law as though it were a serious argument. But even those who were immune to this kookery acted as though the enactment of these amendments had changed nothing.

The claim that segregation was an internal matter for the southern states to resolve was never morally compelling, but it would have been legally defensible in the absence of those amendments. Their enactment fairly obviously put those states in violation of the Constitution; and the amendments explicitly grant Congress the power to remedy the offense. The amendments easily justify the Voting Rights Act (at least in its original form) and many of the provisions of the Civil Rights Act.

The provisions of the Civil Rights Act that trouble Paul—the ones regulating private-sector discrimination—were the most constitutionally problematic. Two constitutional justifications for the act were asserted. The first was its power to regulate interstate commerce. Since the New Deal, this power has been understood expansively. But too much of the economic activity the act regulates is purely intrastate for this justification truly to satisfy the constitutionally scrupulous.

The second justification was the Fourteenth Amendment's guarantee that states would not deny any person the "equal protection of the laws." The difficulty with this justification is that in theory a state could allow private discrimination while still providing the equal protection of the laws. The guarantee, that is, seems to block only public-sector discrimination and, perhaps, government-imposed private discrimination. For this reason the Supreme Court struck down the Civil Rights Act of 1875.

Its reasoning was too narrow, as should have been apparent by the 1960s. Jim Crow was a deeply rooted social system with many facets that blurred the private-public distinction. Governments discriminated against citizens, and ordered the private sector to discriminate. Privately organized terrorism was allowed by the state. It was entirely reasonable for a constitutionally conscientious legislator to conclude that the only way for Congress to enforce the guarantee that states offer equal protection to all citizens was to uproot the whole system: Force the states to allow blacks to vote; require hotels and theaters to treat customers without regard to race; ban employers from considering race as well; end every part of the system that could be ended.

If this reasoning suffices to overcome constitutional scruples about the legislation, it should also suffice to overcome libertarian ones. One might believe that in general people should be free to hire or fire employees on whatever basis they wish, and set a high bar for the infringement of this freedom, while also believing that in the specific circumstances legislators faced in the 1960s this freedom had to be curtailed in order to end a wicked and coercive status quo.

Note, however, that this reasoning, depending as it does on the peculiar circumstances Congress faced, cannot justify just any congressional enactment in the name of equality. It would be implausible to argue, for example, that Congress had to outlaw age discrimination for the elderly to enjoy equal protection. Nor, I think, could a legislator argue with a straight face that requiring universities and employers to extend preferential treatment to black applicants would be justified as a way to enforce the Fourteenth Amendment.

The point is that the amendment requires Congress—it is clearly Congress that the Reconstruction amendments principally empower—to exercise its independent judgment about how to make equal protection real. The word "independent" should be stressed: Nobody seriously maintains that the Supreme Court could have by itself banned private-sector racial discrimination. The Fourteenth Amendment allows that prohibition but does not compel it.

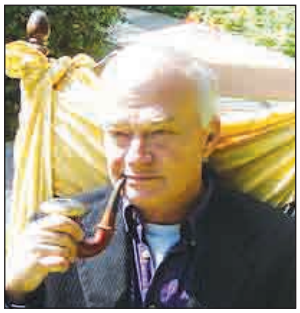
Yet the congressional power to exercise such judgment is still a subject of debate. The Supreme Court, in a seminal 1978 case, decided to ignore the Civil Rights Act's ban on racial discrimination by universities receiving federal funds. The Court essentially reasoned that a thumb on the scales for black applicants was consistent with the Fourteenth Amendment and that the Congress had no authority to prohibit it. (Actually, the Court went a bizarre step farther, and ruled that Congress intended to prohibit only whatever the Court decided to prohibit.) The Court's affirmative-action rulings have never looked back.

Conservatives are highly skeptical of the congressional power to enforce the Fourteenth Amendment, libertarians even more so.

Conservatives are highly skeptical of the congressional power to enforce the Fourteenth Amendment, libertarians even more so. In a 1997 case, *City of Boerne v. Flores*, the Court ruled, to much conservative acclaim, that Congress could use its enforcement powers to protect only those rights that the Court recognized. Many libertarians have also objected to federal laws against abortion, such as the partial-birth-abortion ban, on the theory that these laws "disregard the federal system" and rest on "specious constitutional grounds"—to quote the concerns raised by Rep. Ron Paul, a prominent libertarian (and Rand's father). On the assumption that unborn children are persons, however, such laws are fairly straightforward applications of the congressional power to enforce equal protection.

The Right's past errors live on, alas, and not just in the mind of Rand Paul. **NR**

Could this be…
THE END OF FORGETFULNESS?



If You Struggle With… Remembering Names… Remembering Phone Numbers… Remembering Directions and Locations, especially when driving a car…READ THIS NOW!

Steph Wexford, Staff Reporter

It's called age-related memory loss. And if you're one of millions who suffer from it, a new scientific advance promises to change your life. Using the latest advances in biotechnology, scientists have developed Lipogen PS Plus (phosphatidylserine) a breakthrough formula with a core ingredient so powerful, so effective, it has stunned and excited scientists all over the world.

Meir Shinitzky, Ph.D. one of the world's leading experts in the physiology and function of brain cell membranes, says it not only works, but works faster than anyone had dreamed possible.

"Lipogen PS Plus is a proprietary, state-of-the-art fusion of natural compounds that's 'pure memory fuel' for aging brains. In just 90 days, you'll actually feel more alert, absorb new information faster, and recall it with much less effort."

TURN BACK THE HANDS OF TIME

Like graying hair, memory problems are a normal part of aging. But other factors like alcohol, cigarettes, even emotional stress can affect your memory. That's why you can't remember names, can't find your keys, or can't concentrate like you did when you were younger.

Phosphatidylserine "Locks in Fading Memories"

Until now, nothing could be done to reverse this trend. "However, thanks to Lipogen PS Plus, virtually everyone with these age-related memory problems can be helped," says Dr. Shinitzky.

2 KEYS TO A BETTER MEMORY

Scientists have long known about the memory-boosting powers of phosphatidylserine and the vital role it plays in cognitive function. Unfortunately as you age, vital brain nutrients diminish and brain cells begin to malfunction. As a result, your memory and mental abilities suffer dramatically.

"LOCK IN" LOST MEMORIES"

Lipogen PS Plus packs every capsule with a pure Phosphatidylserine complex to "lock-in" memories (that would ordinarily fade with time) Your brain cells get the essential nutrients they need to function at peak performance.

CLINICALLY PROVEN*

In a double-blind clinical trial, researchers administered phosphatidylserine to 149 men and women suffering from age-related memory loss. After three months, some of the subjects had their memory problems reversed by a full 4 years!

In another study, test subjects were noticeably sharper and they could remember more. But doctors noticed an added benefit. The mood of the test group was more upbeat and happier than the other group who took only the placebo.

What's more, the phosphatidylserine in Lipogen PS Plus also helps you fight the rise in cortisol levels that often cause fatigue, depression and wild mood swings. The results published in the International Journal on the Biology of Stress (Volume 7, no.2), showed phosphatidylserine helps you stay calm and relaxed, even in stressful situations.

PS is the ONLY brain support compound with a qualified brain health claim for effectiveness

FDA reviewed

In both Europe and the U.S. the key ingredient in Lipogen PS Plus proved to boost memory, rev-up recall, improve the retention of information and even elevate your mood. The results were so sensational, they were reported by the most prestigious medical journals.

Phosphatidylserine is the ONLY natural brain health compound with an FDA "qualified brain health" claim for effectiveness.

"Lipogen PS helps give you back a robust memory so you'll never again feel upstaged by people half your age", adds Dr. Shinitzky.

DELIGHTED USERS

After two or three weeks, Linda R., of West Virginia, noticed she was remembering things, even if they weren't very important. "I'm also more alert and able to concentrate. Hooray!"

Linda H., a 51-year-old from Flowery Branch, GA started taking the formula and "in approximately two months, I recognized a distinct difference in my memory and mental acuity. Now, my mind is razor sharp!"

SAFE AND EASY TO DIGEST

Lipogen's easy-to-swallow capsules are all-natural, well-tolerated and have no reported side effects. Lipogen PS Plus starts working in just 30 minutes.

TRY IT RISK-FREE!

Call now and you can experience the amazing memory-boosting power of Lipogen PS Plus with no risk or obligation. You'll be able to think faster, remember more, and feel happier than you have in years -- or it won't cost you a single penny.

GET 2 FREE BONUS REPORTS

Along with your risk-free trial, you'll also get two valuable bonus gifts valued at $55.90 -- absolutely free.

FREE REPORT #1:

PREVENT Memory Loss & Improve Your Brain Even As You Age! This all-new FREE Report will uncover startling news you need to know... including the 1 drink you must avoid to protect your memory... 3 ways you can lock in fading memories... the daily exercise that reduces your memory loss by 13%... and more!

FREE REPORT #2:

What YOU Eat Controls Your Brain! This must-have FREE Report tells you which foods help energize your mind... the 1 food that actually increases your risk for Alzheimer's... the 5 foods that will reverse memory loss... and much more!

But hurry! This is a special introductory offer and supplies of Lipogen PS Plus are limited, so call now!

Call Now, Toll-Free!
1-800-452-6191

*(CENACCHI, ET AL, COGNITIVE DECLINE IN THE ELDERLY: A DOUBLE-BLIND, PLACEBO-CONTROLLED MULTI-CENTER STUDY OF EFFICACY OF PHOSPHATIDYLSERINE ADMINISTRATION. AGING (CLIN. EXP. RES.), 1993, 5:123-33) "MODELS ARE USED IN ALL PHOTOS TO PROTECT PRIVACY" THESE STATEMENTS HAVE NOT BEEN REVIEWED OR EVALUATED BY THE FDA. THIS PRODUCT IS NOT INTENDED TO DIAGNOSE, TREAT, CURE OR PREVENT ANY DISEASE. RESULTS MAY VARY. LIPOGEN PS PLUS IS NOT A MEDICINE BUT IF YOU HAVE A CHRONIC MEDICAL CONDITION SUCH AS DIABETES, HYPERTENSION OR HEART DISEASE, BE SURE TO CHECK WITH YOUR DOCTOR BEFORE TAKING THIS OR ANY SUPPLEMENT. DIETARY SUPPLEMENTS MAY NOT BE RISK-FREE UNDER CERTAIN CIRCUMSTANCES.

Use What You Got

We already have a national ID-card system; now we should refine it

BY MARK KRIKORIAN

It's not news that Americans have a deep-seated fear of efforts by the state to register and document the citizenry. During the 1996 immigration debate, open-borders activists lobbied Congress with bar-code tattoos on their forearms, implying that proposed identity-verification measures were akin to Nazi concentration-camp methods. Google "national ID" with "Nazi" and you get 50,000 hits. And, of course, Arizona's recent legislation introducing into state law the existing federal document requirements for foreigners has spawned much demagoguery about the impending arrival of fascism.

This might seem to suggest that Americans are and will always be opposed to a national ID card. Yet they already have one, or at least something close enough for government work. You probably have it in your wallet right now. It's called a driver's license.

We use our driver's licenses (or non-driver IDs, which are issued by almost all DMVs) every day—to board planes, enter office buildings, cash checks, even buy decongestant at the drugstore. Backed up by a Social Security number, it is the face of the United States's national identification system. (The passport is a much more robust, and centrally run, form of ID, but only a small share—maybe 28 percent—of Americans have one.)

The reality is that in a modern society, some system of identification is essential. In earlier times, when virtually everyone lived and died within a radius of a few miles, there was no need for such a system—almost everyone you were ever likely to meet already knew your name, as well as your parents, your occupation, the location of your home, etc. There were few instances when it was necessary to prove your identity to strangers.

But that's no longer the case, and it never will be again. One of the first steps toward differentiating and identifying large numbers of people came centuries ago (in most places) with the development of surnames, a process often initiated by the state. Later came other means, such as birth certificates, national pension and health-care systems, and so on.

In the centralized states of Europe, many governments developed national ID cards. In our country, consistent with our federal system, ID cards came from the bottom up, with the states issuing the first driver's licenses about a century ago. These licenses were not originally intended as a form of identification, but people needed IDs in dealing with business and government, and the lack of alternatives combined with widespread automobile ownership made licenses the natural choice. The federal government did establish the Social Security number in the mid-1930s, but the Social Security *card* was and remains a flimsy piece of paper designed only to help the bearer remember his number, not to serve as a proof of identity.

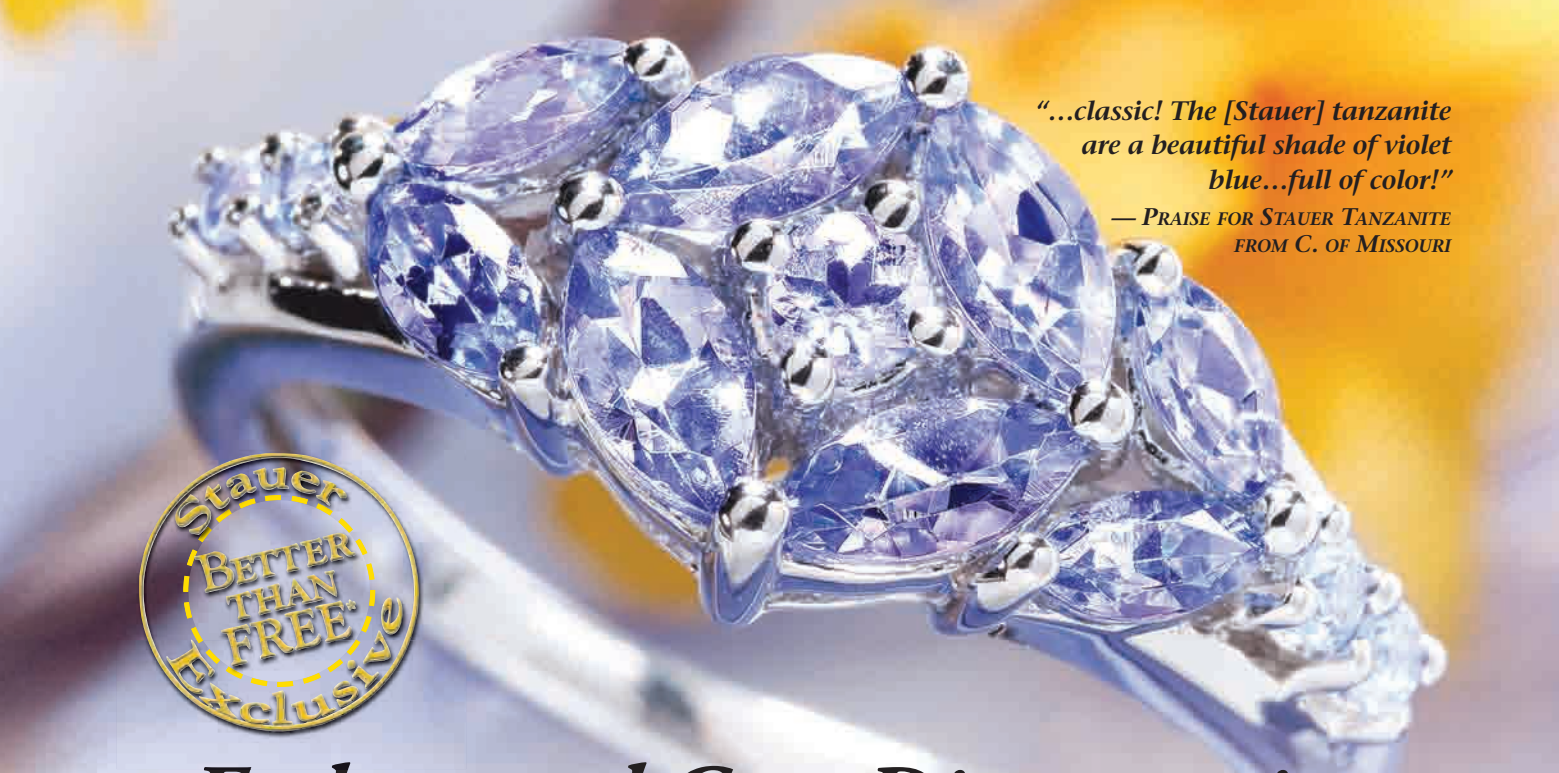
In order to set minimum standards for this decentralized identification system (run by all 50 states, D.C., Puerto Rico, Guam, American Samoa, etc.), Congress in 2005 passed the REAL ID Act. The law was prompted by the 9/11 Commission's observation that "for terrorists, travel documents are as important as weapons." More specifically, it said: "Secure identification should begin in the United States. The federal government should set standards for the issuance of birth certificates and sources of information, such as driver's licenses." After all, the 9/11 hijackers had between them 17 licenses and 13 non-driver state IDs, seven of them obtained by fraud in Virginia. Even some of the legitimately obtained licenses were duplicates, the same hijackers having been issued licenses by multiple states.

The REAL ID Act bars the issuance of licenses to illegal aliens or multiple licenses to the same person, links state databases to one another, requires the authentication of documents presented by applicants, mandates anti-fraud features in the cards themselves, and more. The implementation deadline has been pushed from 2008 to 2017, but after that point, the federal government will not recognize licenses issued by non-complying states—i.e., residents of those states will not be able to use their driver's licenses to board planes or enter federal buildings. Despite opposition from some states and efforts in Congress to repeal the bill, the process is well under way.

While some resist efforts to improve and streamline our existing ID system, others push to scrap it entirely and replace it with a national ID card. The most recent manifestation of this sentiment is the Senate Democrats' outline of an amnesty bill, sponsored by Harry Reid, Chuck Schumer, and Robert Menendez. The substance of the plan is amnesty and increased immigration, but it makes a show of being tough on enforcement and in this vein requires the creation (within 18 months) of a new "fraud-proof Social Security card." While ostensibly an improved version of the existing card, it would in fact be an entirely new kind of document: machine-

VARIE/ALT/CORBIS EDGE

Mr. Krikorian is executive director of the Center for Immigration Studies and author, most recently, of How Obama Is Transforming America Through Immigration *(Encounter Books).*



"…classic! The [Stauer] tanzanite are a beautiful shade of violet blue…full of color!"

— Praise for Stauer Tanzanite from C. of Missouri

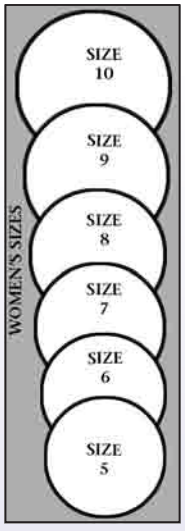
Stauer Better Than FREE* Exclusive

Endangered Gem Disappearing

Tanzanite is found in only one remote spot on Earth, and it's 1,000 times rarer than diamonds. Experts say the mines will soon run dry forever, but today you can own more than 1 carat for ***Better Than FREE****!*

Time is running out. Geological experts predict the world's supply of tantalizing tanzanite will disappear in a matter of just a few years. Maybe sooner. High-end retailers are raising prices on this rare stone. And gem dealers are in a mad scramble to secure their claim before it's too late. Let them scramble.

Our buyer recently secured a huge cache of beautiful rare tanzanite, the precious stone loved for its vivid violet-blue color. Today you can own over 1 carat of this rare stone (1,000 times rarer than diamonds) in our spectacular ***Tanzanite Cluster Ring*** with a suggested retail of $795 for only **$95**. Want to learn how to get this magnificent ring for **Better Than Free**…read on.



USING THE RING SIZE CHART
Place one of her rings on top of one of the circle diagrams. Her ring size is the circle that matches the inside diameter of the ring diagram. If her ring falls between sizes, order the next larger size.

Order the exclusive ***Tanzanite Cluster Ring (1 1/5 ctw)*** for $95 and we'll give you a ***$100 Stauer Gift Coupon***. That's right. You pay $95 and you get the Tanzanite Ring AND $100 toward your next Stauer purchase. This is our impossible **Better Than FREE** offer.

It started with a lightning bolt. One strike set the African plains on fire and uncovered a secret that was buried for more than 585 million years. Tanzanite naturally occurs in only one place on Earth: Tanzania's remote Merelani Hills, in the shadow of Mount Kilimanjaro.

World's most endangered gem. Top-quality tanzanites can often fetch higher prices than diamonds. But, once the last purple gem is pulled from that remote spot beneath Kilimanjaro, that's it. No more tanzanite.

Reserve your piece of gem history. If you go online right now, you'll find one of the largest retailers selling tanzanite rings for well over $2,000 each. Ridiculous. Instead, you can secure your own piece of limited-edition tanzanite history at the right price.

Better Than FREE and Guaranteed. Our **Better Than FREE** offer is so consumer friendly that we have earned an **A+ Rating** with the Better Business Bureau. But, why a $100 Gift Coupon with your $95 purchase? It's simple. We want you to come back to Stauer for all of your jewelry and watch purchases. If you are not 100% delighted with your ring, send it back within 30 days for a full refund of the purchase price. Just remember that the odds of finding this stone at this price ever again is like waiting for lightning to strike the same place twice.

JEWELRY SPECS:
- 1 1/5 ctw tanzanite
- Rhodium-layered .925 sterling silver setting
- Ring sizes 5–10

Tanzanite Cluster Ring (1 1/5 ctw)—~~$795~~ **$95** + S&P *PLUS*

***Better Than FREE*—Receive a $100 Stauer Gift Coupon with the purchase of the Tanzanite Cluster Ring.**

Call now to take advantage of this limited offer.

1-888-870-7339

Promotional Code CTR130-01
Please mention this code when you call.

BBB ACCREDITED BUSINESS — Stauer has a **Better Business Bureau Rating** of **A+**

Stauer
14101 Southcross Drive W., Dept. CTR130-01
Burnsville, Minnesota 55337
www.stauer.com

Smart Luxuries—Surprising Prices

readable and containing biometric elements (photo, fingerprints, iris scans) and a memory chip.

Yet we already have an ID infrastructure based on the driver's license, and improving it, rather than devising a new system from scratch, should be our goal. An analogy can be made to Social Security: If we were designing a retirement system today, we certainly wouldn't come up with anything like the current one. But we're not in that position—we have to adapt the system we've inherited by, for instance, raising the retirement age or allowing a portion of contributions to be invested privately.

Although there certainly are immigration and security hawks who favor a unitary national ID, the energy behind the current push for one comes from those with a deep interest in ensuring the failure of border control. Chuck Schumer's super-duper Social Security card is intended to work with a proposed "Bio - metric Enrollment, Locally-stored Information, and Electronic Verification of Employment" (BELIEVE) system to prevent illegal aliens from getting jobs. But just as the new card would replace the current longstanding ID arrangements, BELIEVE would replace the existing E-Verify system, an online method of checking legal status that has been developed over a decade and a half and is now used to screen perhaps one-fourth of all new hires.

One might charitably conclude that this whole push for a new ID card and a new verification system is an example of the perfect being the enemy of the good. That in itself would be enough to make it anti-conservative in its approach. But given that Chuck Schumer was one of the architects of the last amnesty when he was still in the House, why would anyone believe that his promises of enforcement are serious this time around? It seems quite clear that this latest push for a national ID card is both a diversion and a delaying tactic: a plan to divert attention from the real goal of amnesty, and to delay any effective enforcement of immigration laws as long as possible while the new verification system is developed.

To paraphrase a wise man, you go with the ID system you have, not the ID system you might want. An increasingly secure driver's license in the hand is better than two "fraud-proof Social Security cards" in the bush. NR

To Educate, Innovate

Student-centric instruction is the key to controlling school costs

BY REIHAN SALAM

Most voters have no sense of how much we actually spend on K–12 education. In 2007, Education Next and Harvard's Program on Education Policy and Governance conducted a survey on the matter. Ninety percent of respondents underestimated per-pupil expenditures in their district, and most did so severely: The median estimate was $2,000 per pupil; in the districts surveyed, actual per-pupil spending varied in 2004–05 between $5,644 and $24,939, and the average was $10,377. On teacher salaries, respondents were closer to the mark: They underestimated salaries by only $14,370 on average.

As Americans grimly contemplate a decade-long economic slump, the time has come to take a long, hard look at these expenditures, which are not only high but rising. We should start by asking: Given that today it takes roughly as much time to teach a student how to read or how to solve an algebra equation as it did in 1980, why does it cost far more? In part because teachers' unions have been so successful at lobbying for higher salaries. But their lobbying against measures that increase productivity may be an even bigger factor.

At the heart of the problem is Baumol's cost disease, so named because it was identified by New York University econ - omist William Baumol. Baumol noted that some sectors of the economy become more productive over time because of technological advances, while others stagnate—and that, counterintuitively, wages and salaries tend to rise in both types of sectors. He observed that when sectors experience productivity growth and raise their pay, they force the rest of the economy to follow suit to compete for workers. Babysitters and caregivers in nursing homes are textbook examples: Their work doesn't get much less labor-intensive as technology marches forward, but if they are not to move to higher-paying sectors of the economy, their wages must keep pace with wages elsewhere.

The only solution to this problem is to increase productivity in the stagnant sectors. As economists Jack E. Triplett and Barry Bosworth wrote in 2002, this happened in the late 1990s in the service sector. As retail firms embraced the use of information technology, they found they could do more with less. Walmart was an essential driver of this retail revolution, replacing small, inefficient mom-and-pops with a sprawling and sophisticated logistical infrastructure that rivals that of the U.S. military. Inevitably, Walmart forced all of its competitors and all of its suppliers to improve their productivity, lest they be wiped out. Triplett and Bosworth even declared that Baumol's cost disease had been cured. Unfortunately, the productivity boom in retail has slowed down, as all of the low-hanging fruit has been picked. Further productivity increases will likely prove more expensive, and more difficult, to achieve.

But because educational productivity has been so stagnant for so long, increasing productivity in education is well within our reach, provided we have the political will. The first step is simply explaining to cost-conscious voters why education is so expensive. But the next steps are harder, for they involve taking on the education cartel:

Choice. Earlier this year, the University of Arkansas Department of Education Reform published a study assessing Milwaukee's School Choice Demonstration Project. For many voucher enthusiasts, the results were sobering. Students enrolled in choice schools performed no better on reading and math tests than students attending conventional public schools. Critics such as Kevin Carey, a leading center-left education reformer, suggested that the Milwaukee experiment is therefore a failure.

Yet as Frederick Hess of the American Enterprise Institute (AEI) noted, students enrolled in the choice program are educated more cheaply than district-school students. As of the 2008–09 school year, the maximum amount Milwaukee's choice schools received per

Mr. Salam is an adviser at e21, an economic-policy think tank. He blogs at agenda.nationalreview.com.

They stole only the best.

Silver Dollars from the 1920s are on America's Most Wanted List. Own one today for 50% off!

Our buyer found a hoard of Silver Dollars from the 1920s *just miles* from where Ma Barker hid out in gangster-ridden St. Paul, Minnesota, in the 1930s. The owner said a family member who worked in a speakeasy during Prohibition tucked them away. He always claimed that's where he got them.

The U.S. Mint stopped making these 90% Silver Dollars 75 years ago. Since then, millions were melted to get the silver. Today, Silver Dollars from the gangster era are hard to find.

Our buyer carefully examined the coins. When he saw that every one is in Choice Uncirculated condition, he quickly struck a fantastic deal.

Today, you can get these historic gangster Silver Dollars for as little as $29.50 each (plus s&h). ***That's 50% off what similar coins sell for elsewhere.***

Order Risk-Free!

Best of all, you own your gangster Silver Dollars risk-free with our 30-day money-back guarantee. Don't wait! Call toll-free to get yours today!

Buy more and you save *more*!

Dates are our choice from the 1920s. Each silver dollar is guaranteed to be in choice Brilliant Uncirculated condition.

- One 1920s gangster Silver Dollar for $39.95 + s/h
- Five for only $34.00 each + s/h **Save $29.75**
- Half Roll (10) for only $31.50 each + s/h **Save $84.50**
- Banker's Roll (20) for only $29.50 each + s/h **Save $209**

Toll-Free 24 hours a day

1-888-870-8526

Offer Code GAD146
Please mention this code when you call.

GovMint.com
YOUR ONE BEST SOURCE FOR COINS WORLDWIDE

14101 Southcross Drive W., Dept. GAD146
Burnsville, Minnesota 55337
www.GovMint.com

Prices and availability subject to change without notice. Actual size of coin is 38.1 mm
Note: GovMint.com is a private distributor of worldwide government coin issues and is not affiliated with the United States government.
Facts and figures were deemed accurate as of March 2010. ©GovMint.com, 2010

BBB ACCREDITED BUSINESS

student was $6,607. In contrast, the Milwaukee public schools spent approximately $14,520 per pupil. While these numbers aren't directly comparable, it certainly seems that the district schools are considerably more expensive than the voucher program. Moreover, parents were more satisfied with the quality of education at choice schools, which suggests that some of the schools' positive aspects were not captured in reading and math scores.

In 2006–07, we spent $562 billion on K–12 public education, or 3.9 percent of GDP. Let's be generous to the education industry and assume that we could trim its costs by only one-fifth. This would save taxpayers over $100 billion.

So far, the argument for school choice has been about equity and, for many suburban parents, the threat vouchers might pose to their property values. If it were framed as a question of value for money, and of restraining increases in the state and local tax burden, voters might find it considerably more attractive.

Targeted summer programs. Rather than simply cut $100 billion of educational spending, we could reallocate it in a variety of ways. Educational researchers Dave Marcotte and Benjamin Hansen found that ten additional instructional days had a bigger positive effect on a student's educational outcomes than did a smaller class (the productivity-reducing go-to strategy of the teachers' unions), repeating a grade, or even having a better teacher. And instead of extending the school year for everyone, we could do it on a voluntary basis, and for only the students who will benefit most.

In 2006, Princeton economist Alan Krueger and grad student Molly Fifer McIntosh published a paper calling for the creation of "summer opportunity scholarships," vouchers designed to help students close the skills gap that opens when schools are out of session. During the school year, all students make educational gains. But students from disadvantaged families tend to lose ground over the summer months, while students from advantaged families, thanks to exposure to a more stimulating set of activities, lose very little, and might even make gains. Krueger calls this the Harry Potter divide: the gap between families that encourage recreational reading and other skill-building activities, and those that don't.

Krueger and McIntosh suggest that summer opportunity scholarships be made available to all students eligible for free or reduced-price lunches. The funds could be redeemed only at carefully vetted institutions, operated by school districts, nonprofits, or businesses, that use tested and proven instruction techniques. They estimate that roughly 3.6 million students would take part at a cost of under $5 billion, a trivial sum in light of the program's potential.

Discipline. In 2001, years after California spent large sums reducing class sizes, Stanford economist Edward Lazear published a paper finding that the number of *disruptive* students, to a greater degree than the total number of students, was a barrier to effective teaching. The misbehavior of one or two students demands the attention of the teacher, distracts from instruction for the rest of the class, and can be contagious. And even if we leave aside misbehavior, the presence of students who can't keep up with demanding material and thus seek, and deserve, more personalized attention can disrupt the learning environment for other students. Very slight changes in student behavior can cause great differences in the amount of time spent on a task.

One obvious strategy would be to remove disruptive students from conventional classes and place them in a setting where they would receive the specialized attention they need, including more effective discipline. One of the reasons Milwaukee's choice schools outperform district schools could be that teachers are willing to receive lower compensation if they know they won't have to do constant battle with disruptive students.

Student-centric technology. The most promising avenue for delivering real productivity increases over time involves facilitating the spread of student-centric technology tools such as those described in *Disrupting Class*, written by celebrated management theorists Clayton Christensen, Michael Horn, and Curtis Johnson. Instead of focusing on the deployment of technology in existing classrooms, the authors call for using customized online educational tools to create courses that aren't already offered. Even the largest high schools tend not to offer languages like Mandarin—or, for that matter, advanced math courses—and not everyone has access to a high-quality community college.

Online courses are already helping to address this problem, through programs such as the Florida Virtual School and Alabama's ACCESS, which offer a rich complement of Advanced Placement and other courses to students attending conventional public high schools that lack them. Defenders of the status quo often argue that online courses are inferior to those conducted in a conventional classroom setting, but the objection is irrelevant if the choice is between a less-than-ideal way to learn Mandarin and no way to learn Mandarin at all.

If the argument for school choice were framed as a question of value for money, and of restraining increases in the state and local tax burden, voters might find it considerably more attractive.

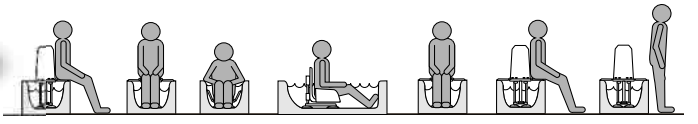
"If the school can send in substitute teachers, how come we can't send in substitute students?*"*

Thousands have rediscovered the luxury and therapy of bathing… now it's your turn

Exclusive offer for seniors – this newly redesigned bath lift can help you rediscover the joys and benefits of bathing.

American seniors can now enjoy the independence and dignity European seniors have for years with the newly redesigned Neptune® Bath Lift.

Smaller footprint means more room in the bath



Discover the freedom that European seniors have known for many years.
For years European seniors, long known to worship their independence and dignity, have been enjoying a quality of life in their golden years that many of us in the U.S. have not. Older Italian, English, German and French seniors have traditionally remained in their own homes and with their families significantly longer than their U.S. counterparts while relying on nursing homes and assisted living facilities far less than we do.

What's their secret? Europeans understand that most falls in the home happen in the bathroom, and that slipping and falling is the number one reason seniors can no longer take care of themselves and are forced to move into costly assisted living facilities. That's why many European families—in order to ensure their elders can lead independent and dignified lives as long as possible—install a Neptune® Bath Lift.

Redesigned, Easy To Use & New Lower Prices For the U.S. Market
The Neptune® Bath Lift has been a best seller in Europe among households with seniors for decades. But its high price tag has made it prohibitive to many seniors in the U.S. That's why Neptune's engineers recently went back to the drawing board with a single mission... create a high-quality, easy-to-use bath lift that American seniors on fixed incomes can actually afford.

Easy To Install, Easy To Use & Portable
The Neptune® Bath Lift is a technologically advanced, fully portable "chair" that sits in your tub. High-quality suction cups hold it in place. You simply sit on the transfer flap—a piece that sticks out from the chair's side—and swing your legs into the tub. Then you press a button on the fully waterproof remote, and the chair lowers to the bottom of the tub. When you're done, you press another button, and the chair returns you to the top of the tub.

Smart-Chip Technology Make the Neptune® Safe & "Fool-Proof"
The remote control contains a powerful rechargeable battery that operates up to seven up/down cycles which lets you know with a light indicator when it needs recharging. The remote can be recharged in any household outlet. Advanced "smart-chip" technology will not allow it to lower you down if there is not sufficient power to raise you back up.

- *Durable Construction & powerful motor supports up to 280 lbs.*
- *Comfortable seat and self-adjusting transfer flaps*
- *Chair raises to 17" and lowers to 3"*
- *Fits almost any bath tub & portable*
- *New Lower price – see special offer**

Exclusive Offer! Try it Risk Free For 30 Days!
Not sold in any stores. As part of their introduction into the U.S. market, the Neptune® Bath Lift is exclusively available right now only through this exclusive Risk FREE Trial Offer. For a limited time, it is being offered at its LOWEST PRICE EVER, just so you can try it for yourself. If you are not 100% satisfied with how safe and easy taking a bath becomes with the Neptune™, simply return it for a full purchase price refund.

Call today and discover the Neptune's ease of use, with its simple touch hand-held waterproof remote control.

NEW Neptune® Upright Bath Lift

Call now for our lowest price!

Please mention promotional code 39935.

1-888-633-1202

Ask about our lifetime warranty!

firstSTREET for Boomers and Beyond®

1998 Ruffin Mill Road
Colonial Heights, VA 23834

www.neptunelift.com

And because online education remains an innovative, lightly regulated space, it is getting better and cheaper at a far faster rate than conventional alternatives. Which is to say that well-designed online tools could be the cure for Baumol's cost disease in education.

Ultimately, all of these strategies emphasize increasing specialization in the education sector. Our schools are built on a model from the industrial age, when the operating assumption was that differences in learning styles were irrelevant—everyone had to master the same curriculum, so they would do it together. We have long since run up against the limits of that strategy. It's very difficult to imagine that a single school will ever be able to offer the world's best math instruction and Mandarin instruction, and also have the best record at mainstreaming autistic children. Student-centric technology can help us get closer to that utopian place by encouraging the rise of specialized institutions that focus on being the best at a fairly narrow task.

In his brilliant book *Education Unbound*, AEI's Hess notes that conventional public-school districts tend to perform many functions in-house that comparable institutions in the private sector would outsource. Teacher recruitment, for example, is a function that a small, specialized firm could perform at lower cost and at higher quality than the in-house recruiting arms of most large districts. Also, in many states, the anti-reform movement is heavily subsidized by building contractors who depend on lucrative contracts to build and repair large, centralized facilities. A more diverse education marketplace would likely see the creative repurposing of commercial space, not to mention heavier reliance on online education—which would devastate the capital budgets on which politically powerful contractors depend.

The education marketplace is almost as dysfunctional as the health-care marketplace. As in health care, it is very difficult for consumers to get a good sense of the relative quality of different providers. Innovation has been severely restricted by the dominance of the government, and entrepreneurship has been relegated to the margins. That has to change. NR

Prizewinner

A chat with Lech Walesa in the home of the Nobel peace prize

BY JAY NORDLINGER

Oslo, Norway

Lech Walesa sits in the Grand Hotel, here in the Norwegian capital: This is the hotel in which Nobel peace laureates traditionally stay, when they pick up their prize. But Walesa did not stay here. He did not come to Oslo at all when he won in 1983.

There were a couple of reasons for this. First, he did not want to come to this swank Western capital and "sip champagne" while many of his fellow democrats were in jail and hungry. And second: The Communist government might have prevented him from returning to Poland. As he puts it to me, "They could have made me an exile. The Communists could have said, 'They love you so dearly in the West, they have given you the Nobel peace prize, why don't you stay with them there, forever?'" And he wanted to continue to lead the struggle against the Communists.

In the long history of the prize—which began in 1901—only a handful of winners have not come to Oslo to collect their medal and diploma, and give their lecture. The significant ones are these: Carl von Ossietzky in 1936 (he was a political prisoner of the Nazis); Andrei Sakharov, the Soviet dissident, in 1975; Walesa; and Aung San Suu Kyi, the Burmese democracy leader, in 1991. Even in the depths of apartheid, the South African laureates were able to come.

Walesa sent his wife, Danuta, in his stead. She took with her their eldest son, Bogdan. As Walesa says, "What were they [the Communists] going to do about that? It would have been a little bit difficult to act against this mother of so many children": seven at the time. (There would later be an eighth.) On Presentation Day, December 10, Mrs. Walesa read her husband's acceptance speech. In the evening, she and Bogdan stood on a balcony here at the Grand to watch the traditional torchlight parade go by. That parade included Norwegian trade unions, proud of 1983's laureate.

I ask Walesa, "How did she do?" How had Mrs. Walesa performed? He shrugs humorously, saying, "Well, she did all right. She didn't embarrass me."

Walesa, as you know, was the leader of Solidarity, the trade-union movement in Poland. He was key in bringing down Polish Communism, and he symbolized the freedom struggle throughout the Soviet bloc. He was the first president of a free Poland: elected in 1990. But in 1983, things looked grim for him and his movement. Solidarity was banned. The government was waging a vicious propaganda campaign against him.

Honestly, he had hoped to win the Nobel prize in 1982, but the committee passed him by. (Winning were Alva Myrdal, the grande dame of Scandinavian socialism, and Alfonso García Robles, a Mexican diplomat. They won jointly for their disarmament efforts at the U.N.) On Oct. 5, 1983, the day the prize was announced, Walesa went into the woods with friends, to pick mushrooms. They listened for the news on a portable radio. It was his year.

As usual, President Reagan spoke well. He said that this was "a triumph of moral force over brute force," and "a victory for those who seek to enlarge the human spirit over those who seek to crush it." Also as usual, the new laureate's countryman, Pope John Paul II, spoke well, saying that the committee's decision had "special eloquence." All over Poland, they rejoiced. For its part, the government, aggrieved, banned the playing of Norwegian or American music on the radio. No Grieg, no Copland!

Walesa is in Norway this year to take part in the Oslo Freedom Forum, a human-rights conference organized by Thor Halvorssen, that human-rights impresario. (He also runs the Human Rights Foundation in New York.) Walesa is an extra-special guest, the final speaker, almost the presiding spirit of the conference.

He is 66 years old, hale and hearty. He looks almost exactly like he did in his Solidarity days, with a full head of hair and that "walrus mustache." The only difference is, those things are gray and white now. The Walesa charisma, I have read about and heard about, but now I experience it for myself. It is a powerful phenomenon. You have no trouble seeing why the workers chose him as their leader. Walesa is warm, expansive, funny, earthy—just what he's supposed to be.

I tell him it is an honor to meet him

(because it is). He says, "How do you know? Wait till you talk to me, it may not be an honor." He then says that I ought to ask him tough questions, because "the tougher the questions, the better my answers." And "if your questions are boring, I'll fall asleep." At one point, I say I will be quick about my work, because I know that he doesn't have much time. He says, "Do I look unwell?" Do I think he's about to kick the bucket? Walesa smiles broadly and chuckles. He loves to joke, and to have others joke back.

He explains what the Nobel prize meant to him, Solidarity, and the defeat of Communism. It meant everything, in a word. "There was no wind blowing into Poland's sail. It's hard to say what would have happened if I had not won the prize. The Nobel prize blew a strong wind into our sail. Without that prize, it would have been very difficult to continue struggling." And, from a personal point of view, "it has made me immortal." There's that broad smile again. "The world could have forgotten a trade-union member," a mere "organizer of strikes." But "a Nobel-prize winner? That is something else."

The struggle against Soviet Communism lasted as long as Soviet Communism itself: about 75 years. All those captive nations, all those dissident leaders, all those prisoners of conscience. The Nobel committee gave its prize to two persons in this general struggle: Sakharov and Walesa. It honored the anti-apartheid struggle in South Africa three times: in 1960 (when the prize went to Chief Lutuli, a great man); in 1984 (when it went to Bishop Tutu, later Archbishop Tutu); and, finally, in 1993 (when it went to Mandela and de Klerk, who were seeing apartheid out). The Nobel Peace Center here in Oslo now has a special exhibition honoring these South African laureates.

Another participant in the Oslo Freedom Forum is another great champion of freedom, Armando Valladares—for 22 years a guest in Cuba's gulag. He remarks that, if the Cuban dictatorship were right-wing instead of left-wing, "we would have won two or three Nobel prizes already." I think that is true. I also think that a Nobel prize to a Cuban dissident would have badly shaken the regime, if not toppled it. Even now it would go off like a bomb.

I ask Walesa what he thinks of the 1990 prize—which went to Mikhail Gorbachev. Chuckling, he says, "I think we can debate it." He then says, "I'm certainly very fond of Gorbachev, and I respect him. But you should ask him the two questions I always ask him." First, Walesa asks, "Did you betray Communism? Are you a traitor to Communist ideology?" Gorbachev says, "No, of course not." Then Walesa says, "Okay. But you're a bright guy. Did you really believe it was possible to reform Communism?" And that, says Walesa, "really pisses him off." He "gets all red-faced and angry at me." And he doesn't answer.

LEON NEAL/AFP 11/10/09

Walesa says, "Gorbachev tried to reform the Communist system and failed. If he had succeeded, *I'm* the one who would have failed. So we were all very happy that he failed, and if they wanted to give him the Nobel prize for his failure? That was fine with us. He failed, he got the Nobel prize—everyone was happy."

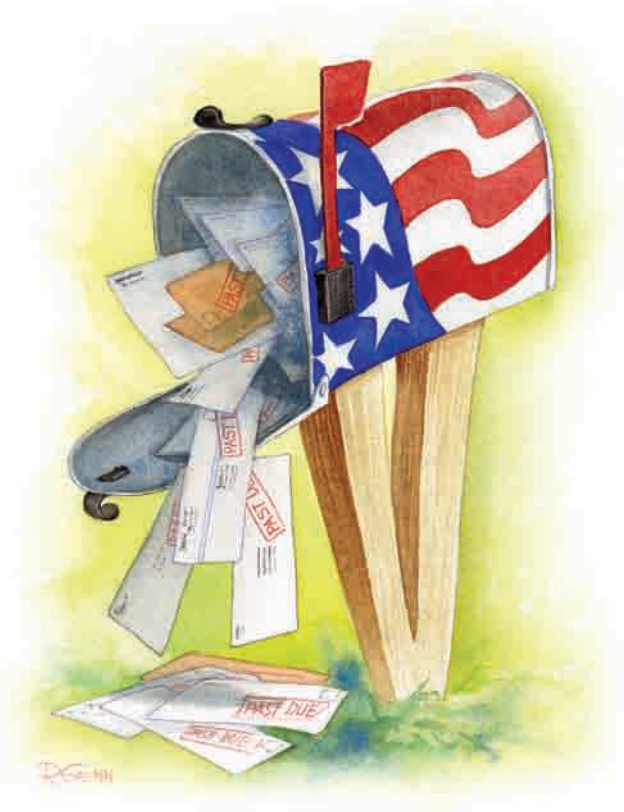
And we should also consider this, says Walesa: Gorbachev "had the instruments of rape, and he did not use them." In other words, he had the brute power to suppress rebellion, as his predecessors had, and refrained from using it. "Every male has the instrument of rape," continues Walesa. "Should we all be awarded Nobel prizes for not raping?" He then says, "I wonder how you're going to phrase that for your article." I say, "What's to rephrase?"

Another speaker at this conference, Mart Laar, one of the first prime ministers of post-Communist Estonia, has already made a different point. Gorbachev, he noted, had his troops fire on unarmed people in Vilnius in January 1991, a mere month after he received the peace prize. That is not what you expect a peace laureate to do. (Arafat, maybe.) But, I reflect, only about 15 people were killed, and only about 600 were injured, and that's nothing—practically kisses—from a Soviet leader.

And what, I ask Walesa, about the 2009 award, to Barack Obama? Walesa says, "The wise men of the committee gave the award to Obama for his potential merit, and to encourage him not to stray from a path of peace." And then Walesa engages in some of his characteristic mischief: "Well, we could all get a Nobel prize for our potential merit—and in order to be encouraged. For example, every journalist could get the Nobel prize to be encouraged to write better." How can I disagree with that?

Another question: Who, in Walesa's view, might have won the peace prize, or should have, but did not? He wrinkles his brow, murmurs, and offers one name: Stanislau Shushkevich, the statesman in Belarus who was "a member," says Walesa, "of that little group of people who dissolved the Soviet Union," and who "continues to struggle for democracy," against wretched odds. He ought to have won, and should win—but "the world's not fair. Sometimes it is, but not always."

It was fair in 1983, when this God-fearing, heroic Pole was drenched in Nobel glory. **NR**



The Other National Debt

$14 trillion in the red? We should be so lucky

BY KEVIN D. WILLIAMSON

ABOUT that $14 trillion national debt: Get ready to tack some zeroes onto it. Taken alone, the amount of debt issued by the federal government—that $14 trillion figure that shows up on the national ledger—is a terrifying, awesome, hellacious number: Fourteen trillion seconds ago, Greenland was covered by lush and verdant forests, and the Neanderthals had not yet been outwitted and driven into extinction by *Homo sapiens sapiens*, because we did not yet exist. Big number, 14 trillion, and yet it doesn't even begin to cover the real indebtedness of American governments at the federal, state, and local levels, because governments don't count up their liabilities the same way businesses do.

Accountants get a bad rap—boring, green-eyeshades-wearing, nebbishy little men chained to their desks down in the fluorescent-lit basements of Corporate America—but, in truth, accountants wield an awesome power. In the case of the federal government, they wield the power to make vast amounts of debt disappear—from the public discourse, at least. A couple of months ago, you may recall, Rep. Henry Waxman (D., State of Bankruptcy) got his Fruit of the Looms in a full-on buntline hitch when AT&T, Caterpillar, Verizon, and a host of other blue-chip behemoths started taking plus-size writedowns in response to some of the more punitive provisions of the health-care legislation Mr. Waxman had helped to pass. His little mustache no doubt bristling in indignation, Representative Waxman sent dunning letters to the CEOs of these companies and demanded that they come before Congress to explain their accounting practices. One White House staffer told reporters that the write-downs appeared to be designed "to embarrass the president and Democrats."

A few discreet whispers from better-informed Democrats, along with a helpful explanation from *The Atlantic*'s Megan McArdle under the headline "Henry Waxman's War on Accounting," helped to clarify the issue: The companies in question are required by law to adjust their financial statements to reflect the new liabilities: "When a company experiences what accountants call 'a material adverse impact' on its expected future earnings, and those changes affect an item that is already on the balance sheet, the company is required to record the negative impact—'to take the charge against earnings'—as soon as it knows that the change is reasonably likely to occur," McArdle wrote. "The Democrats, however, seem to believe that Generally Accepted Accounting Principles are some sort of conspiracy against Obamacare, and all that is good and right in

ROMAN GENN

America." But don't be too hard on the gentleman from California: Government does not work that way. If governments did follow normal accounting practices, taking account of future liabilities today instead of pretending they don't exist, then the national-debt numbers we talk about would be worse—far worse, dreadfully worse—than that monster $14 trillion–and–ratcheting–upward figure we throw around.

Beyond the official federal debt, there is another $2.5 trillion or so in state and local debt, according to Federal Reserve figures. Why so much? A lot of that debt comes from spending that is extraordinarily stupid and wasteful, even by government standards. Because state and local authorities can issue tax-free securities—municipal bonds—there's a lot of appetite for their debt on the marketplace, and a whole platoon of local special-interest hustlers looking to get a piece. This results in a lot of misallocated capital: By shacking up with your local economic-development authority, you can build yourself a new major-league sports stadium with tax-free bonds, but you have to use old-fashioned financing, with no tax benefits, if you want to build a factory—which is to say, you can use tax-free municipal bonds to help create jobs, so long as those jobs are selling hot dogs to sports fans.

Also, local political machines tend to be dominated by politically connected law firms that enjoy a steady stream of basically free money from legal fees charged when those municipal bonds are issued, so they have every incentive to push for more and more indebtedness at the state and local levels. For instance, the Philadelphia law firm of Ballard, Spahr kept Ed Rendell on the payroll to the tune of $250,000 a year while he was running for governor—he described his duties at the firm as "very little"—and the firm's partners donated nearly $1 million to his campaign. They're big in the bond-counsel business, as they advertise in their marketing materials: "We have one of the premier public finance practices in the country, participating since 1987 in the issuance of more than $250 billion of tax-exempt obligations in 49 states, the District of Columbia, and three territories." Other Pennsylvania bond-counsel firms were big Rendell donors, too, and they get paid from 35 cents to 50 cents per $1,000 in municipal bonds issued, so they love it when the local powers borrow money.

So that's $14 trillion in federal debt and $2.5 trillion in state-and-local debt: $16.5 trillion. But I've got some bad news for you, Sunshine: We haven't even hit all the big-ticket items.

One of the biggest is the pension payments owed to government workers. And here's where the state-and-local story actually gets quite a bit worse than what's happening in Washington—it's the sort of thing that might make you rethink that whole federalism business. While the federal government runs a reasonably well-administered retirement program for its workers, the states, in their capacity as the laboratories of democracy, have been running a mad-scientist experiment in their pension funds, making huge promises but skipping the part where they sock away the money to pay for them. Every year, the pension funds' actuaries calculate how much money must be saved and invested that year to fund future benefits, and every year the fund managers ignore them. In 2009, for instance, the New Jersey public-school teachers' pension system invested just 6 percent of the amount of money its actuaries calculated was needed. And New Jersey is hardly alone in this. With a handful of exceptions, practically every state's pension fund is poised to run out of money in the coming decades. A federal bailout is almost inevitable, which means that those state obligations will probably end up on the national balance sheet in one form or another.

"We're facing a full-fledged state-level debt crisis later this decade," says Prof. Joshua D. Rauh of the Kellogg School of Management at Northwestern University, who recently published a paper titled "Are State Public Pensions Sustainable?" Good question. Professor Rauh is a bit more nuanced than John Boehner, but he comes to the same conclusion: Hell, no. "Half the states' pension funds could run out of money by 2025," he says, "and that's assuming decent investment returns. The federal government should be worried about its exposure. Are these states too big to fail? If something isn't done, we're facing another trillion-dollar bailout."

The states have been running a mad-scientist experiment in their pension funds, making huge promises but skipping the part where they sock away the money to pay for them.

The problem, Professor Rauh explains, is that pension funds are used to hide government borrowing. "A defined-benefit plan is politicians making promises on time horizons that go beyond their political careers, so it's really cheap," he says. "They say, 'Maybe we don't want to give you a pay raise, but we'll give you a really generous pension in 40 years.' It's a way to borrow off the books." The resulting liability runs into the trillions of dollars.

Ground Zero for the state-pension meltdown is Springfield, Ill., and D-Day comes around 2018: That's when the state that nurtured the political career of Barack Obama is expected to be the first state to run out of money to cover its retirees' pension checks. Eight years—and that's assuming an 8 percent average return on its investments. (You making 8 percent a year lately?) Under the same projections, Illinois will be joined in 2019 by Connecticut, New Jersey, and Indiana. If investment returns are 6 percent, then 31 U.S. states will run out of pension-fund money by 2025, according to Rauh's projections.

States aren't going to be able to make up those pension shortfalls out of general tax revenue, at least not at current levels of taxation. In Ohio, for instance, the benefit payments in 2031 would total 55 percent of projected 2031 tax revenues. For most states, pension payments will total more than a quarter of all tax

revenues in the years after they run out of money. Most of those pensions cannot be modified: Illinois, for instance, has a constitutional provision that prevents reducing them. Unless there is a radical restructuring of these programs, and soon, states will either have to subsidize their pension systems with onerous new taxes or seek a bailout from Washington.

So how much would the states have to book to fully fund those liabilities? Drop in another $3 trillion. Properly accounting for these obligations, that takes us up to a total of $19.5 trillion in governmental liabilities. Bad, right? You know how the doctor looks at you in that recurring nightmare, when the test results come back and he has to tell you not to bother buying any green bananas? Imagine that look on Tim Geithner's face right now, because we still have to account for the biggest crater in the national ledger: entitlement liabilities.

THE debt numbers start to get really hairy when you add in liabilities under Social Security and Medicare—in other words, when you account for the present value of those future payments in the same way that businesses have to account for the obligations they incur. Start with the entitlements and those numbers get run-for-the-hills ugly in a hurry: a combined $106 trillion in liabilities for Social Security and Medicare, or more than five times the total federal, state, and local debt we've totaled up so far. In real terms, what that means is that we'd need $106 trillion in real, investable capital, earning 6 percent a year, on hand, today, to meet the obligations we have under those entitlement programs. For perspective, that's about twice the total private net worth of the United States. (A little more, in fact.)

Suffice it to say, we're a bit short of that $106 trillion. In fact, we're exactly $106 trillion short, since the total value of the Social Security "trust fund" is less than the value of the change you've got rattling around behind your couch cushions, its precise worth being: $0.00. Because the "trust fund" (which is not a trust fund) is by law "invested" (meaning, not invested) in Treasury bonds, there is no national nest egg to fund these entitlements. As Bruce Bartlett explained in *Forbes*, "The trust fund does not have any actual resources with which to pay Social Security benefits. It's as if you wrote an IOU to yourself; no matter how large the IOU is it doesn't increase your net worth. . . . Consequently, whether there is $2.4 trillion in the Social Security trust fund or $240 trillion has no bearing on the federal government's ability to pay benefits that have been promised." Seeing no political incentives to reduce benefits, Bartlett calculates that an 81 percent tax increase will be necessary to pay those obligations. "Those who think otherwise are either grossly ignorant of the fiscal facts, in denial, or living in a fantasy world."

There's more, of course. Much more. Besides those monthly pension checks, the states are on the hook for retirees' health care and other benefits, to the tune of another $1 trillion. And, depending on how you account for it, another half a trillion or so (conservatively estimated) in liabilities related to the government's guarantee of Fannie Mae, Freddie Mac, and securities supported under the bailouts. Now, these aren't perfect numbers, but that's the rough picture: Call it $130 trillion or so, or just under ten times the official national debt. Putting Nancy Pelosi in a smaller jet isn't going to make that go away. **NR**

TALKING Cures

To beat the Left, try beating cancer

BY JAMES P. PINKERTON

REPUBLICANS are campaigning this year on a pledge to repeal Obamacare—and who can blame them? The Democrats are slathering another layer of bureaucracy onto the medical sector, an act that promises to both to lower the quality of our health care and raise the price we pay for it. Happily for conservatives, the country mostly agrees with their anti-Obamacare critique: A Gallup poll taken in March shows that 65 percent of Americans believe that the new program has given Uncle Sam too much control over the health-care system.

But the same poll finds that Americans are skeptical of purely private-sector solutions. Fifty-two percent think the bill that Pres. Barack Obama signed into law should have included a "public option" for health insurance, and 51 percent think that the bill doesn't go far enough in regulating health care. If the GOP makes big gains in November, there is a danger that repeal-minded Republicans in the 112th Congress will be seen as simply wishing to overturn Obama's signature legislation in order to hand him a stinging political defeat, peeling away a bureaucratic layer but doing nothing to address the fundamental flaws of our health-care system. This danger is compounded by the fact that just at the moment a new Republican congressional majority would be pushing to eviscerate Obamacare, many on the right would no doubt be arguing that Republicans must take the lead in cutting federal spending—including, inevitably, spending on Medicare. Unelected would-be budget-balancers, secure in their ivory towers, don't have to worry about town halls or voters, but members of Congress do.

Health-care spending is a problem, but it is important to remember that spending is a secondary issue. The primary issue is health itself—how to achieve it, how to maintain it, and how to regain it in the case of sickness or injury. Health-care finance is hotly contested political ground, yet Washington has had precious little to say on the subject of health in recent years.

That is perplexing—and a huge missed opportunity. After all, people don't go to the doctor because they have insurance plans or health-savings accounts. They go to the doctor to get well and to stay well. Americans' eyes may glaze over at the wonky debates that are catnip to Washingtonians, but, beyond the Beltway, they can't seem to get enough information about their bones, bladders, and blood pressure.

And they can't get enough care for them, either. According to

Mr. Pinkerton, a former domestic-policy aide in the Ronald Reagan and George W. Bush administrations, is a Fox News contributor and the editor of the Serious Medicine Strategy blog.

the Kaiser Family Foundation, 67 percent of Americans say that they are not getting the tests and treatments they need. By contrast, just 16 percent say that they have received unnecessary care. In other words, Americans more health-care services than they currently are consuming. This is the political chasm that separates average Americans from the elites who dominate the health-care policy debate: Reformers in both parties argue that Americans spend too much on health care, but most Americans believe we should be consuming *more*.

It goes without saying that the governing class sees no need to cut back on its own health care. In June 2009, President Obama was asked by ABC News whether he would be willing to see his family live by the cost strictures of his health-care bill. His answer was forthright in its limousine-liberal hypocrisy: "If it's my family member, if it's my wife, if it's my children, if it's my grandmother, I always want them to get the very best care." In a Glenn Beck world, any American who is paying attention is wise to those double standards—and resents them.

Washington sees the health-care crisis as a possible opportunity to perform works of social justice, as well as a definite opportunity to save money, but doesn't talk much about health itself. The American public is pushing in exactly the opposite direction: The regular folks care about their health, and they want access to more health-care services and products. If history and the polls are any guide, the folks will ultimately win that showdown.

A MORE intelligent approach would be to think of the public's demand for health care as an opportunity rather than a liability. Our economy is driven by the harmonious convergence of entrepreneurial exuberance and insatiable consumer demand. Those are good things—so let's have more of them.

People say they want more treatment. Great—but let's make it a more effective treatment, which is to say, one that is less expensive in the long run. In most cases, it is cheaper to cure a chronic disease than to finance the long-term treatment of it. And prevention is cheaper still. It is expensive to develop cures and vaccines,

but it is more expensive not to have them—and long-term extended care is truly expensive. If the policy elites want to offer something of value, they should find ways to support medical and scientific research rather than lecture us on our spending.

There is precedent for this kind of approach. At one time, American leaders worked to eliminate diseases and their damaging effects. They worked on urban sanitation as a way of eradicating contagion, making our cities less pestilential and more habitable. In Chicago, for example, engineers reversed the flow of the Chicago River so that it drained sewage out of Lake Michigan. Those leaders were motivated by civic and humanitarian concerns, but also by strategic calculations. To use another example, Theodore Roosevelt knew from the failure of earlier French efforts that the Panama Canal could not be built if the malarial swamps surrounding it weren't drained. So Americans pushed back the jungle and the canal was completed. The same thinking was then applied across the American South, eradicating a disease that had been a persistent killer.

Later in the 20th century, three presidents—Franklin D. Roosevelt, Harry Truman, and Dwight Eisenhower—oversaw the public-private partnership that developed the polio vaccine. Among its other benefits, the vaccine saved the government money: In 1950, Uncle Sam estimated that polio would cost the nation $100 billion by 2000—about $1 trillion in current dollars. Instead, we have virtually eliminated polio, and polio spending has thus been virtually eliminated as well.



Polio-vaccine warriors Roosevelt, Truman, and Eisenhower

BETTMANN/CORBIS

More recently, we went undertook a national campaign against AIDS. A disease completely unknown in 1981 became manageable, at least in the United States, by the early 1990s. AIDS in America is still a serious disease, but it is not a death sentence; its treatment is akin to that of diabetes. And along the way, our understanding of viruses and retroviruses has vastly improved, a great boon to our understanding of, among other things, cancer.

Thanks to these victories for medical progress, which are distinct from "health-care reform," our lives are not only better, but longer. The life expectancy of the average American has soared from less than 50 years in 1900 to nearly 80 years today. And while it's not hard to find cynically utilitarian economists who lament the long lives of Gramps and Granny, for most people longevity is good news. Woe betide the American politician who lets himself be associated with anything close to a death panel.

This pro-life approach to health care hasn't cost us money at all; in fact, it has earned us money as people live and work longer and more productively than ever. While life expectancy has grown by 60 percent since 1900, the real per capita GDP of the country has risen by 800 percent. A healthier population is a wealthier population.

Given our experiences with malaria, polio, and AIDS, why aren't we making similar national efforts on other diseases, such as cancer, heart disease, and diabetes? Is it too cynical to suggest that maybe the current federal government is less interested in medical research, which might extend people's lives, than it is in public health insurance, which extends state power? A chronically ill senior, in poor health and anxious about his next dialysis session, is likely to be a diligent AARP dues-payer—and a Democratic voter.

Those on the right who have been fighting Obamacare have been loud and articulate in their criticism of its bureaucratic aspects, but they have had precious little to say about curing and preventing diseases. The opportunity now exists for Republicans to reassociate themselves with the creation of health. Let the Democrats own the redistribution of health-care dollars and the management of scarcity; Republicans have a chance to own the much more powerful issue of solving health problems.

Rather than running up a $1 trillion bill, as Obamacare will do, such a strategy promises actually to add to the national wealth. When the volume of value-added goods increases, the per-unit price falls—that's the nature of mass production. Since the dawn of the Industrial Revolution, productivity increases have led to greater quantity, greater quality, and falling prices. This phenomenon can hold true in the health-care market, too. Already we have seen cost crashes in many health sectors: Treatment for heart attacks, for instance, was always expensive, as was open-heart surgery. Then came stents, statin drugs, and angioplasties. Now heart disease is cheaper to treat—but that treatment became cheaper only after lots of R&D investment was made in response to strong consumer demand. Which is to say, cardiac care became cheaper because we spent more on it, not less.

ALONG the way, health care has become a big business, giving profits and jobs to millions of Americans. In the United States today, health care provides 14.3 million jobs; ten of the 20 fastest-growing occupations are health-related. And the United States enjoys a major comparative advantage in health care: Already, we take in some $5 billion a year from medical tourism, as well-off foreigners visit us for access to the best medical care the world has to offer. Health care is what

economists call a "superior good," meaning that its consumption rises with income, or even faster than income. As new middle classes spring up in China and India, we have the opportunity to sell to the world ten times, or a hundred times, the $5 billion worth we already are selling.

At present, the United States spends 17 percent of its GDP on health care, while the rest of the world devotes a mere 6 percent. The would-be reformers insist that our health-care spending should go down; the rest of the world's is more likely to go up. Instead of trying to bring Americans' health-care consumption down to the world average, we should be asking ourselves: Where will the world's new rich go for their health care? Will the medical meccas of the future be in the United States, or will they be in Singapore and Switzerland? Medical technology, as Segway inventor Dean Kamen observes, is "one of the few industries where the U.S. still exports to the world, and we still have leadership." Do we build on that technological advantage, or do we choke it off in the name of fictitious deficit reduction?

In truth, we don't have much choice other than to push ahead into a better health future—because a go-slow approach to health is an invitation to financial disaster. Today, some 39 million Americans are over the age of 65, and by 2050 that number will rise to 89 million. Many of those seniors will develop Alzheimer's disease. And whether we pay for their care with public or private money, we will still face a crushing fiscal burden. So why not make it easier on ourselves? Why not try to cure or prevent Alzheimer's? We don't know for sure that we can succeed, but history suggests that with a concentrated effort—as we saw, most recently, with AIDS—we could make a major difference.

Such a national effort would surely necessitate, among other reforms, overhauling intellectual-property laws and reining in the trial lawyers. We might offer a variation on the Ansari X Prize, the $10 million reward that helped inspire inventors and entrepreneurs to reach space in private vehicles. In the past, we used all manner of public and private tools to build the railroads, to win our wars, and to reach the moon. If we set a great national goal—a goal that inspires our best and our brightest—we may be pleasantly surprised by the outcome. At a minimum, we could push back the onset of the disease. This wouldn't take a tax increase. It would take a coordinated and catalytic effort here in the United States, pulling in the best scientists, along with corporations, medical schools, philanthropists, and maybe even a sovereign-wealth fund or two. Alzheimer's is a worldwide problem, and it would be better to profit by curing it than to go broke managing it. That's just one example of the kind of creative thinking that is needed in—but currently absent from—the health-care debate.

Republicans would do well to occupy this strategic terrain—presenting a vision of America as the world's medicine chest. Democrats seem instead to be enraptured by the siren songs of scarcity and rationing, part of a chorus of green no-growthism. The danger for conservatives is that they will be so eager to charge against the particular objectionable features of Obamacare that they lose sight of even better, bolder objectives.

Hot pursuit of a partisan foe does not amount to a sound strategy for the betterment of the medical commonweal. We need a strategy for cures. That's the route to both medical and political victory—because Obamacare is not the only thing that ails Americans. **NR**

Mend the Fed

We still need the central bank, despite its flaws

BY JOSH BARRO

Last month, delegates to Maine's state Republican convention junked the party's proposed platform in favor of one promoted by tea-party activists. While a majority of its planks are unremarkable conservative proposals, the platform garnered some national attention for its more extreme elements, particularly a flat assertion that global warming is a myth and that its proponents should be investigated for illegal collusion.

But one troubling component of the platform that has mostly escaped notice is its position on the Federal Reserve. The platform supports an audit of the Fed, a mostly uncontroversial proposition that recently passed the Senate 96–0, "as the first step in Ending the Fed." It is now the official position of the Maine Republican party that the United States should abolish its central bank.

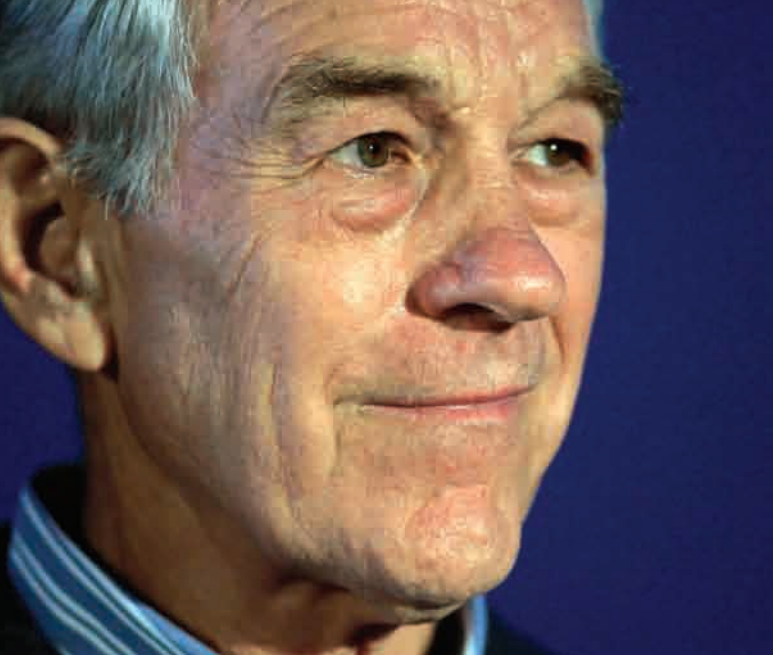
There are real concerns about the Fed's actions in the last two years, including a move into financial-asset markets far larger and more opaque than the one the Treasury Department has undertaken through TARP. The Fed has loaned out more than $2 trillion, and we don't know to whom or on what terms. This is why the Fed should be audited and, if necessary, subjected to new restrictions on its activities. It does not follow, however, that we can do without a central bank or that we should return to the gold standard. Indeed, these moves would expose the United States to sharper business cycles and more frequent banking panics—all to solve an inflation problem that doesn't exist.

For the first 130 years of American history, central-banking policy was a flashpoint in political debates. The period featured repeated establishments and disestablishments of central banks, a contest finally resolved with the creation of the Federal Reserve in 1913. In the ensuing 100 years, keeping the Fed has been largely uncontroversial. Since the early 1980s, its low inflation targets and its use of nonmetallic currency have been equally uncontroversial. No significant contingent within either political party has talked seriously about ending central banking for decades.

One outlier is Rep. Ron Paul (R., Texas), who has a bill before Congress to abolish the Fed—co-sponsored by none of his colleagues. How did his fringe position end up on a state Republican party's platform? Three developments in the last two years have generated new enthusiasm for abolishing the Fed in certain Republican activist circles.

First, Ron Paul's supporters have gained strength and influence within conservative ranks. Paul's long-shot libertarian bid for the Republican presidential nomination in 2008 won him no primaries, but he nonetheless managed to win this year's CPAC

Mr. Barro is the Walter B. Wriston fellow at the Manhattan Institute. His research is focused on state and local fiscal policy.



Rep. Ron Paul

straw poll by a healthy margin. Many of his supporters are active in the tea-party movement and share his zeal for abolishing the Federal Reserve.

Other planks that Paul's supporters might seek to insert in Republican platforms—an end to the drug war, a call for non-interventionist foreign policy—would draw strenuous objections from traditional Republicans, but few of them, and very few Americans in general, have a strong emotional investment in monetary policy. It's not surprising that a call for radical change in that policy would be met with a shrug of acceptance.

Second, various overreaches of the federal government, including massive expansions of entitlements under the Bush and Obama administrations, have energized conservatives against intrusive federal agencies. Paul's argument that the Fed is not only unwise but unconstitutional dovetails nicely with conservatives' claims that Obamacare is unconstitutional. The timing is favorable for anti-Fed sentiment to catch on among conservatives.

But most important, the Fed's activities have changed over the last two years in significant and worrisome ways. Since the financial crisis of 2008, the Fed has intervened in the market by purchasing not only government debt, which is normal, but also huge quantities of private debt, especially commercial paper (the short-term debt of large companies, financial and otherwise) and mortgage-backed securities.

The Fed also increased its lending with the creation of special credit facilities open to non-bank financial institutions not ordinarily eligible to borrow from the Federal Reserve. In short, the Fed has been freelancing under its existing authority and without congressional oversight, engaging in activities similar to those that Treasury has undertaken under TARP.

The practical effect of these moves has been to lower mortgage rates and to keep credit markets more liquid. But the Fed's actions also expose American taxpayers to credit risk on top of what we already bear through Federal Housing Administration–insured mortgages, our guarantee of Fannie Mae and Freddie Mac, and other explicit and implicit guarantees to financial institutions.

We can't say exactly what the risks are, because the Fed does not disclose exactly what assets it has purchased and to whom it has loaned (or is lending) money. All it discloses is the aggregate amount of lending it has done—which peaked at more than $2 trillion at the height of the crisis, dwarfing the $700 billion authorized under TARP.

Given these massive and opaque actions, why would anybody oppose auditing the Fed? One objection is that disclosing the details of the Fed's lending to firms could undermine market confidence—for example, an investment bank that is known to be getting emergency loans from the Fed could face a run. This is true in the short run: Announcing "Bear Stearns almost ran out of cash today!" would not foster stability in the financial markets. But as Dean Baker of the Center for Economic and Policy Research points out, this is not a justification for withholding such information indefinitely: "The Fed is not in the business of covering up banks' bad financial shape," he writes. "The Fed should be making the banks' condition more transparent, not helping them conceal it, as they did with Lehman for many months."

Ben Bernanke made another case against an audit to Congress last year, arguing that it could undermine the Fed's independence in its traditional roles—regulating the money supply and acting as a lender of last resort to banks. Indeed, it would be undesirable for Congress to start inserting itself in decisions about interest rates and the money supply: As we learned in the early 1980s, actions necessary to tame inflation can produce long-term economic benefits but drive the economy into recession in the short run, and this process is politically possible only because Congress can deflect blame toward the independent Fed.

But because the audit provision that the Senate recently attached to the financial-reform bill is limited to a one-time review of the Fed's past activities, it's hard to understand how this would enable Congress to interfere in future Fed actions. Since the results of the view would only be made public at a later date, it would not cause a panic about individual financial institutions. But it will allow us to know whom we loaned money to and on what terms—and what risks we were and are exposed to. And, as the Cato Institute's Arnold Kling notes, "one could argue that the larger threat to Fed independence comes from its departure from standard operating procedures"—that if the Fed would stick to its traditional activities, then there would be no groundswell for greater oversight.

The case for an audit is compelling, which is why support for it grew beyond the odd coalition of far-left and far-right backers (Ron Paul teamed up with left-wing Florida Democrat Rep. Alan Grayson to sponsor the bill) to achieve unanimous support in the Senate. But should this audit really be a first step to "ending the Fed," as the Maine GOP proposes?

Ron Paul's 2009 anti-Fed polemic (aptly titled "End the Fed") goes well beyond criticizing the Fed for using taxpayer dollars to stabilize teetering financial firms. In the book, Paul says "the entire operation of the Fed is based on an immoral principle"—that the government should have a monopoly on money and the power to inflate. He wants to abolish the Federal Reserve, end the issuance of fiat money (government currency not backed by precious metals), and return America to the gold standard.

Paul even finds Biblical justification for the gold standard, in Leviticus 19:35–36. He argues that the admonition to use "just weights and measures" requires the use of a precious metal

ZUMA

standard and renders fiat money "an abomination to the Lord." (No word on whether Paul ever wears clothing weaved of two different materials, which is proscribed by Leviticus 19:19.) Of course, Paul's anti-Fed case isn't solely (or even principally) religious. He contends the Fed's "inflationary policies" led to the recent financial crisis and recession. This is, he argues, because they have encouraged people to consume and borrow rather than save and invest.

You might be asking yourself, "What inflationary policies?" Good question. Since Paul Volcker was Fed chair in the early 1980s, inflation in the United States has been low and stable. Consumer Price Index increases since 1983 have averaged just 2.9 percent per year. What inflation exists at present does not discourage investment, because the normal, expected level of inflation is built into asset prices. Today, core inflation—the measure of consumer prices that excludes goods subject to non-monetary price shocks, such as food and fuel—is at its lowest level since the 1960s, less than 1 percent. This despite a vast increase in the money supply overseen by the Fed in the last two years.

When the economy picks up, the Fed will need to contract the money supply in order to prevent a resurgence in inflation, and that could be politically unpopular, as it may cause unemployment to spike. So there is a case to be made that inflation is likely to be higher in the future. But we can measure market expectations of future inflation by comparing the interest paid on indexed bonds (which compensate bondholders for loss of value due to inflation) with interest on normal government bonds. This measure, the "TIPS spread," is under 2 percent for ten-year bonds, meaning the markets expect less than 2 percent average inflation over the next ten years. In other words, the markets believe that the Fed will suck excess liquidity out of the system when necessary, and that the dollar will remain stable. America hasn't had an inflation problem since the Carter era and isn't expected to have one in the future.

If whipping inflation is not critical at this moment, Paul sees many further benefits in abolishing the Fed. According to his book, it would take away the funding for "endless wars," "curb the government's attacks on civil liberties," and "arrest . . . massive expansions of the welfare state." All of which is nonsense. The Fed's activities are not an important source of government financing. In 2009, the Fed set a record by posting a $45 billion profit, while the federal government collected more than $2 trillion in taxes and floated more than $1 trillion in net debt. As Megan McArdle of *The Atlantic* put it, "The federal government gets the money for the 'welfare-warfare' state just where it says it does: by taxing the bejeesus out of your wages."

Governments sometimes try to finance themselves through inflation, with Zimbabwe providing an extreme example. It's unsustainable and ultimately undermines your currency. But in America, seignorage (the government's profit from issuing currency and inflating the money supply) pays for only a trivial portion of federal spending. Ending the Fed would not significantly crimp the government's ability to create new health-care entitlements or conduct wars.

The promised benefits from ending the Fed would prove illusory, but the costs would be very real. The Fed's main purpose is to take counter-cyclical monetary actions: interest-rate cuts in

slow economies to encourage consumption, rate increases to discourage bubbles when the economy is strong. If we "end the Fed," we must give up these practices.

Purist libertarians will cry that this is state management of the economy, but the overall track record of the Fed is good: Recessions over the last 70 years have been shorter and less severe than previously in American history, including those that occurred during the free-banking era. Paul claims that the Fed is the source of bubbles and panics, but bubbles and panics have been around much longer than the Fed and would endure in its absence.

It is also important to consider the alternatives to the Federal Reserve. When the economy enters recession, a chorus descends upon Washington demanding that lawmakers "do something" to fix it. Ordinarily, they can point to the Fed and say that it is easing interest rates to perk up the economy.

But in the current recession, we have seen what happens when room runs out for expansionary monetary policy, as short-term interest rates approach zero and the Fed consequently loses its ability to provide more monetary easing. Then attention shifts to Keynesian fiscal stimulus, with the government striving to spend money as quickly as possible, in ways wise and unwise, to try to create jobs. In other words, you get the stimulus package.

If we abolish the Fed, the government will lose its ability to manipulate the money supply, but not the political impulse to intervene in recessions. One of two outcomes is likely—either the government will go off the gold standard, so that it can increase the money supply, or it will substitute fiscal responses for monetary ones. Neither outcome is congenial for libertarians.

Finally, some of the benefits that Paul touts for the gold standard—notably, more stable price levels for exporters—would be realized only if other countries also adopted the gold standard. Since all industrialized countries use fiat currencies, America's currency would still move relative to others, and exporters could not count on stable prices. Given the recent instability in gold prices, they would likely see increased price volatility.

To say that the Fed is necessary is not to say that it is perfect. Until the Volcker-Greenspan era, the Federal Reserve long had a bias toward being too expansionary, which led to the persistent inflation of the 1970s. More recently, the Fed appears to have erred by keeping interest rates too low for too long in the middle of the last decade, fueling a devastating housing bubble. And we don't yet know what costs (or profits) taxpayers will see from the Fed's recent financial-market activities.

If we abolished the Navy, we wouldn't have any more scandals like Tailhook. But we keep the Navy because, whatever its flaws, we'd be worse off without it. The same is true of the central bank. To the extent we find problems with the Fed, we can reform it, being careful to maintain its independence in core monetary functions.

Reform will be easier once we have information from the audit. But the problems at the Fed that have spawned the calls for an audit—opacity and mission creep—are ones that Congress can tackle by imposing new restrictions. They do not relate to inflation, and they do not require that we "end the Fed." NR

EXCEPTIONAL
Down to the Bone

Anatomizing the origins of the American character

BY JAMES C. BENNETT

In recent months, National Review has hosted a fascinating and important discussion of American exceptionalism—the belief that the United States is qualitatively different from all other nations in important ways, and that these differences have given its people different characteristics and caused it to follow different paths. This discussion is particularly relevant now, because there is a sense on the right that President Obama and his allies want to move the country in a direction that is not consistent with "who we are"—to paraphrase the title of Samuel Huntington's 2004 book *Who Are We? The Challenges to America's National Identity*. Is America really exceptional? And does our uniqueness mean that what works in other countries cannot work here? In answering these questions, it helps to look at the deep historical roots of what makes us different, and why.

To pursue this inquiry, we do not need to discuss America in terms of its moral qualities, as political commentators like to do. The Right tends to see exceptionalism in America's unique virtues, such as its freedom, prosperity, and innovativeness. The Left is more likely to see exceptionalism in America's unique evil or guilt, focusing on its history of slavery and claiming that it is uniquely oppressive or destructive to the environment. While I generally agree with the former and disagree with the latter, American exceptionalism, if it exists, is not just an opinion or a moral judgment, but a testable and falsifiable hypothesis. To meet this condition, a claim of exceptionalism should have (overall) predictive value, and be subject to negation by identification of contrary evidence.

The first place to look for American exceptionalism is in the underlying culture of the United States. We can think of the deep things in our culture as its bones and the surface things as its flesh, with the narratives we tell about ourselves being the clothes. Since clothes can be self-consciously chosen, and changed frequently, they are sensitive to current conditions, while bones and flesh are much more permanent. Although all are significant, it helps, when thinking about the surface features, to understand what lies beneath.

Consider three critically important bone-level characteristics that contribute to defining a culture. They may at first seem remote from the usual issues people talk about when discussing American exceptionalism, but they form the basis of any culture, including America's.

The first is a culture's marriage practices—specifically, who is allowed to marry whom? Are people expected to marry cousins or

Mr. Bennett is the author of The Anglosphere Challenge *(Rowman & Littlefield, 2004).*

other relatives (which is called endogamy), or are they expected to marry people who are not related to them (which is called exogamy)? And do adult children get to pick their own spouses?

The second bone-level feature is a culture's inheritance practices. Are parents required to transmit property to one child only or to divide it equally between their children, or are they free to distribute it however they want?

The third bone-level feature is whether adult children form their own households. Do they stay with their parents or move out? Does the head of the family retain any legal authority over the adult children?

We take for granted the American way of life in these matters. People don't marry their relatives; they marry by mutual agreement, without their families telling them whom to pick; they can leave their property to whomever they wish; and when they grow up, they move out and start their own families. As normal as all this may sound to us, it has not always been normal in the rest of the world (though Europe has moved more in our direction in modern times, and Japan has always shown some parallels to us in family structure). In fact, taking all these characteristics together, America has been normal only in comparison with the other English-speaking countries.

ADMITTEDLY, most of the world practices exogamous marriage. But as to the other items on the list, the only people who have this particular set of family practices are the other English-speaking countries (meaning those that were settled by large numbers of English speakers, instead of ones such as India that were colonies). This makes sense, since we all inherited these features from England, even if our biological ancestors came from somewhere else.

The English allowed people to make their own marriage decisions to what was, until modern times, an unusual degree. Similarly, unlike almost all other cultures, in which designated persons are heirs by law and cannot be disinherited, the English, as far back as our records go, established no mandatory pattern of inheritance. (The Normans did impose on England the law of primogeniture, which required that the eldest son inherit all of his father's real estate. But the English never liked it and developed ways to get around it before finally abolishing it.) So Americans resemble other English-speakers with respect to the treatment of inherited property, but are exceptional compared with the rest of the world.

The third bone-level cultural question is whether adult children form their own households rather than living with their parents. Americans, and residents of the other English speaking countries, have shown a strong preference to form their own nuclear-family homes while granting no authority over adult children to parents.

These cultural practices establish the basic structure of American exceptionalism. Immigrants who have come to America have, by and large, adopted them (until recently, anyway), largely because the law declined to enforce any others. Parents had no legal authority to interfere with the marriage decisions of adult children, for example.

The social consequences of these practices are somewhere between substantial and overwhelming. The individual in the English-speaking world has always been psychologically more independent and less willing to place himself under the control of others. He expects to be on his own, with a spouse of his own choosing, to make his own way in the world, and if possible to live in a home of his own.

These individualist nuclear families, rather than relying on extended family ties, create new networks and new sets of voluntary associations, with all their potential for exposure to new information, outlooks, and opportunities. This pattern is less extraordinary now, when most people in developed countries no longer live in farming villages and everyone is saturated in media, and active in voluntary associations, that provide such stimulation. But it's easy to see that in earlier eras, a society with an individualist family structure would be far more dynamic than one in which adult children were controlled by parents and grandparents, and where the extended family took the place of voluntary associations.

The flip side of this freedom and autonomy is that English-speaking nuclear families do not live as part of an extended family group, which would be a source of help and protection in a hard world. English-speaking families have always been "on their own" far more than families in other cultures. As a result, American families have always coped with a stronger sense of insecurity, always knowing that they had to work hard and make a go of things. This has led to our well-known "go-getting" and "hustling" spirit. It has made the English-speaking nuclear family a powerful engine of economic development.

In sum, a person living in an individualistic society is less likely to believe he is entitled automatically to a share of anything, is less troubled by inequality, and is driven to provide for himself and his family through his own effort. By contrast, the family structures of many other cultures have over the centuries led people to feel a much stronger sense of entitlement. In parts of Western Europe, for example, it was mandatory that male children receive equal shares of the parents' land. This led to an expectation that there would be equality of incomes. Further, the degree of parental control in many types of families leads people outside the English-speaking world to be far more willing to cede control over large areas of their lives to a lifelong, provident, controlling authority. In other words, political beliefs are a reflection of the deep structure of society, particularly family practices.

Modern life has of course made developed nations, Anglophone and non-Anglophone alike, more individualistic. In an era when most such nations are experiencing birth rates of less than two children per family, patterns of property division between brothers begin to seem irrelevant. Yet the historical family practices remain important today, because the expectations and demands once made on the family by the individual, and on the individual by the family, have been transferred to the state. This has had liberal effects—the state had no need to dictate marriage partners—but it has also aggravated the bad consequences of collective wealth-sharing. In pre-industrial times, the ideal of equality of wealth in egalitarian cultures applied only within the family or clan, or at most within a village. This still permitted the feedback of reality: Unless all worked hard and exercised peasant thrift, there would be little or nothing to share. When in modern times the ideal of paternalistic egalitarianism was transferred to the state, the chain of cause and effect weakened dramatically, especially when techniques like sovereign debt and inflation caused consequences to be pushed far out of sight.

The paternalistic welfare state is a recent import to the English-speaking world, and in adopting it we have not been immune to the attraction of the (illusory) free lunch. Yet we still do not have

the bone-deep expectation of entitlement seen in other nations. English-speaking people generally do not feel the sense of outrage and betrayal displayed by, for example, the Greeks when their expectations of paternal beneficence from the state are violated.

The French anthropologist Emmanuel Todd, and scholars building on his research, have done fascinating work speculating on the correlations between historical family patterns and contemporary attitudes and expectations toward the state. Many details of these studies remain debatable, but it is becoming clearer that bone-deep cultural patterns contribute, perhaps decisively, to the appeal of (broadly speaking) government-skeptical, individualist politics in America, as opposed to many other countries. These studies seem to explain both the limited success of such policies elsewhere and the fact that fascist and Communist movements failed to develop mass followings in any English-speaking country.

When it comes to these fundamental characteristics, then, the histories of all the English-speaking countries are virtually identical. For all the differences between the U.S. and the other English-speaking countries, in comparison with the rest of the world, we are more individualistic, market-oriented, enterprising, and averse to taxation and regulation, and less likely to look on the state as either the provider of benefits or the guarantor of equal outcomes.

At the same time, particular characteristics, histories, and situations have created important differences between America and the rest of the Anglosphere at the levels of flesh and clothing. America's uniqueness can be explained in two main ways. First is the "frontier thesis" of the historian Frederick Jackson Turner. In the 1890s Turner wrote that early settlers in America underwent a psychological transformation because of the constant lure of open land to the west, which turned deferential, class-conscious Englishmen into egalitarian, assertive, republican Americans. The other view, most recently stated by David Hackett Fischer, is that, in essence, all the ingredients that made Americans what they are today were present when the first colonists left the British Isles. According to Fischer, what the Americans brought to the wilderness was at least as important as what they found there.

What Fischer showed was that the early settlers in what is now the United States came from different regional cultures in England. The middle-class Puritans of East Anglia settled in New England; Quakers of the English North and Midlands moved to the Delaware Valley; and the aristocratic younger sons of southern England planted themselves in Virginia. These first settler groups were not fixated by the frontier; it was not until the Scotch-Irish arrived in the early 18th century and found the best coastal land taken that large numbers of people began to move inland and settle the trans-Appalachian West. These first settlers established the culture of the American regions that they and their descendants settled in as they spread across the continent. Immigrants who came after them adapted themselves to that culture.

At the flesh level, American exceptionalism is a result of the encounter of these various regional cultures with the conditions of North America. The transatlantic passage left behind many of the aristocratic institutions of England and gave America a much more thoroughly middle-class character. England's manorial system was ill-suited to the tobacco plantations of Virginia, where the land wore out within a generation and inheriting it was no great prize. The Puritan colonists of New England brought both the religious republicanism of the English Civil War and the urgent missionary universalism of the radical wing of the Reformation. Quakers brought a democratization of manners—the handshake, once reserved for sealing a business deal, replaced the aristocratic bow as an everyday greeting. The Scotch-Irish, tempered in centuries of raids across the Anglo–Scottish border and accustomed to fighting for their land, added to these English characteristics a combativeness, a restlessness, and a contempt for constraints. Over time, and not without conflict, this assortment of British Isles characteristics combined to form the uniquely American mix of regional cultures.

American exceptionalism took on institutional and legal form with the Revolution, the Declaration of Independence, and the Constitution. These milestones certainly make us exceptional, but they should be understood in the context of the cultural foundations that preceded them, which gave rise to a constitutional republic and have kept it going for over two centuries. The lesson is that American exceptionalism is primarily cultural, and only secondarily constitutional or economic or technological or military. Our rule of law, our economic might, our technological dynamism, our military power, all rest on cultural foundations that have taken form over four centuries in North America, and have deeper roots going back to England.

Almost all the further differences between the U.S. and other English-speaking nations are matters not of culture, but of narrative. By narrative, we refer to the way people talk about and understand their country and its history, the words and phrases they use to understand themselves. This is not to say that narrative is trivial. Culture rarely makes anybody walk into a recruiting station and volunteer for a war; it's narrative that does. But narrative evolves from generation to generation and from circumstance to circumstance. Every generation's understanding of what it means to be an American has been different from that of the previous one, back to the generation of 1776, which had grown up certain that to be a good American was to be loyal to king and empire.

The American narrative has developed in stages. From our multiple founding populations we inherited a variety of styles for a free and voluntaristic society (including one that relied heavily on slavery). These were fused at the time of the Revolution into a republican universalism expressed in Anglo-American Enlightenment language of natural rights and liberty. Subsequent events added a patriotic pride in American achievements, and the Civil War linked the Declaration's principles to the expansion of rights within America. Wilson and FDR turned republican universalism outward to play an assertive role in foreign affairs, and Ronald Reagan harnessed this impulse to the cause of defeating the Soviet empire in the Cold War.

We are conflicted about the universalist narrative because we are divided between an inward-looking and an outward-looking understanding of universalism. The former says "anybody can become an American," while the latter says "anyplace can become America." At present, the former proposition is widely accepted, at least with the caveat that we should strongly promote assimilation, based on a record of success over two centuries. The latter has been a problematic aspect of foreign policy in many eras, including our own.

THE foregoing analysis of American exceptionalism supports several conclusions. First, other countries, because of their cultural roots, are simply better at socialism than we are. The Anglosphere in general is poorly adapted to large-scale, planned, centrally directed state enterprises or invasive measures to promote equality of outcome. Governmental mechanisms have been and will continue to be used on a pragmatic basis, but they are not immune to public-choice problems, as can be seen in the regulatory capture of the home-mortgage industry, or the taxpayer bailout of the auto industry. Our history is filled with short-term successes of government action that eventually succumbed to these public-choice problems and required reform or abolition. The government financing of railroad construction after the Civil War was a scandal-ridden disgrace, for example. When we try to be like the French, Germans, or Japanese, we are particularly liable to poor implementation, because our cultural structures are dissimilar to theirs. Government-run enterprises in those countries are likely to work better than they would here. Even if it were desirable to imitate them, we would not be able to do as good a job.

For example, the deep-seated French spirit of equal opportunity supports a dedication to meritocracy—unequal outcomes are accepted, so long as every child has at least a theoretically equal start. This explains the creation of a school system oriented toward identifying talented students and channeling them into the elite polytechnic universities, from which they are fed into public administration. In America, by contrast, the brightest kids find many fields open to their talents, but few aspire to become senior government bureaucrats.

The result in France is an administrative state that is quite competent at, for example, identifying the best practices in nuclear power and building a safe, effective system that has significantly reduced dependency on oil imports. Once the decision was made to create such a system, the plan was executed with a minimum of delays and obstruction. America's experience with nuclear power has been much bumpier because Americans simply do not possess a French-style centralized administrative state or have the trust in bureaucratic decision-making that permitted the French outcome.

This is only one example that shows that it is not realistic to cherry-pick the desirable aspects of other cultures, transplant them to the U.S., and expect equal results. Americans should not look to Western Europe as a model, as they are so frequently asked to do.

To the extent that we do look abroad, it's most useful to look at other English-speaking countries for both good and bad examples—but even there, it's important to be mindful of the whole context. For example, advocates of government health provision often point to Britain and Canada as models, but they rarely discuss the much less pro-plaintiff civil-law systems in those countries, which do much to limit malpractice costs.

The differences between America and other English-speaking countries are real, but often exaggerated. This is partly because of what anthropologists call "ethnographic dazzle"—the obsession with obvious surface-level differences. It is also an artifact of journalistic incentives: Reportage on, say, Anglo-American differences is news, whereas an account of the similarities is the ultimate dog-bites-man story.

From a global perspective, the politics of the English-speaking world are more similar than different, exactly because of the underlying cultural commonalities. This is both good news and bad. It is highly unlikely that America will ever become as dysfunctional as East Germany; however, it is quite possible that we could become as dysfunctional as 1979 Britain.

The U.S. has created a particularly robust form of Anglosphere culture that has been remarkably successful at assimilating millions of immigrants. The idea that anyone can become an American has proven to be true most of the time. (It has also proved to be a warning to continue encouraging immigrants and their children to adopt American culture.) Openness to immigration, with the requirement of robust assimilation, has worked for us, and it can continue to work. So, with some caveats, we can say that it is generally true that "anyone can become an American." But the outward-looking variety of universalism in U.S. foreign policy, the idea that anyplace can become America, has been a mixed bag.

It is not realistic to cherry-pick the desirable aspects of other cultures, transplant them to the U.S., and expect equal results.

After the Second World War, this attitude helped create the open, accessible, and effective structures that rebuilt Western Europe, Japan, Taiwan, and South Korea. It was similarly effective in helping much of Eastern Europe shake off the remnants of Communism after 1989, and to a lesser extent in establishing liberal democracy in Latin America. It has been much less successful in trying to promote liberal democracy elsewhere, particularly in Africa, the Middle East, and parts of Asia.

America really is exceptional, which means that not everyone can be like us and we should not expect them to be. The flip side is also true. Some things that other countries do well would not work well for us—Western European–style socialism, for example. This is not an argument for isolationism; American action may be justified to remove threats, to liberate societies from tyrants, or to move societies in a better direction. In debating such actions, though, we should refrain from believing that other societies will change quickly or easily, or that the result could or should look exactly like the United States.

Americans appreciate their exceptionalism at gut level. This is where the American Right is in touch with the nation, and the Left is not; John F. Kennedy was probably the last Democratic president with an instinctive feeling for it. But we must understand our exceptionalism accurately, as it were choosing clothing—our arts and literature, our politics, our diplomacy—in a way that suits the underlying structure of bone and flesh. Success, both politically and in the cause of freedom, requires that we keep our enduring values in mind. **NR**

The Long View

BY ROB LONG

Presidential Daily Briefing

June 1, 2010

All Hail the Great and Powerful, Merciful and Magnificent!

Blessings on He Who Commands the Earth and the Seas and the Heavens!

1. "Deep Horizon" Oil Platform Leak

Obviously, sir, the people still love and admire you. You are, in many ways, the Father of the Nation, and it goes without saying that your magnificent and generous leadership is recognized by all—including our despised enemies on the right. Even they tremble at your exalted greatness, at the piercing beauty of your eyes.

Please don't be angry. The situation continues to worsen. Nightly tracking polls suggest a serious decline in voter confidence in a hypothetical president's leadership ability. The people naturally don't blame you—how could they?—but there is a growing sense in the counties and townships that perhaps you are not well served by your assistants and advisers. "If only he knew," the voters seem to say, "he'd surely fix this terrible disaster."

We continue to press BP, sir, for more progress. We have conveyed to them your extreme displeasure. And we have commanded them in your name to seal the leak.

What we have not done, sir—and here we risk eliciting more of your wrath—justified, of course—but what we have not done, yet, is take your suggestion that we address the hole itself, convene a meeting with it, and command it in your name to seal and cease its leakage.

Couple of problems with that approach, sir, if you'll permit us. Depth, for one. That far under the surface of the sea, the normal human body (not yours, of course, sir, but the ordinary one) would be crushed by the weight of so much water. Special contraptions must be designed and built to adequately protect your messenger as he descends the depths in order to issue your no-compromises directive to the broken oil hole.

Also: There's a lot of media around, and your communications team is concerned that this kind of solution—though perfectly understandable to us, in the White House—might just lend credence to our disloyal and seditious enemies in the far-right media monolith who complain about an "imperial presidency" and the "ego-in-chief."

2. Israel

The global uproar following the Israeli commando raid on an aid vessel running the Gaza blockade continues to grow. People around the world, sir, continue to look to your good self for leadership and guidance.

As you rightly point out, sir, it would be inappropriate for you to return to Jerusalem in the near future. That would set off a whole chain of events, as described in the Book of Revelation.

We know—all of us, sir, who are privileged to serve you humbly—how hard you've been concentrating on this problem. We've seen you sitting at your desk, eyes shut, sending out powerful, almost supernatural brainwaves in the direction of the Middle East. And yet, as of this morning, Israeli leader Benjamin Netanyahu has been unresponsive to both your attempts at telepathic control and your magical abilities to shapeshift.

Suggestion: Ignore the raid.

3. Opinion Polls

In your wisdom, you ignore the trumped-up and clearly biased quote-unquote surveys taken by companies in the pocket of the dangerous radical domestic terrorists of the far-right media, the better to concentrate on more accurate and scientific measurements of exactly how beloved you are. So, how are the polls?

In a word, sir, they are soaring. You hover at a 128 percent approval rating, which is all the more impressive because it is statistically impossible. Among Democrats and independents, you continue to rank in a high cluster of figures, among such luminaries as Batman, Louis Pasteur, the Buddha, and Paul Bunyan. Among Republicans not deranged and driven mad by the insidious forces of the hated right-wing media behemoth, you maintain a scientifically unassailable 100 percent approval rating.

4. North Korea

The recent events in the region have once again stirred up this trouble spot in your Wider Kingdom. A multinational group of investigators has conclusively proved that the recent sinking of a South Korean ship was the work of North Korea. Tensions are rising. Our Chinese cousins are sending mixed signals. The South Koreans are demanding action.

What is or is not going on inside the Hermit Kingdom is hard to say. As you know, sir, North Korean leader Kim Jong Il maintains an almost mesmerizing grip on the public there, and what pass as the "news media" in that country are nothing more than an echo chamber of praise, celebrations, and, frankly, fantasy-spinning about the powers and accomplishments of their egomaniacal, out-of-touch leader. In addition, it's unclear what, if anything, Kim knows. He has surrounded himself with sycophants and toadies—exactly what you, in your brilliance and shrewdness, refused to do, sir, when you took office! All America loves you, sir!—and that makes him all the more strange and hard to figure out. How can anyone deal with a guy like that?

This concludes the Daily Briefing. We abjectly apologize for its shabbiness and its awkward lack of grace, and we pray that you'll forgive us for our ignorance and stupidity and lack of insight. You remain, sir, the light that guides us, the word that heals us, the mind that thinks for us.

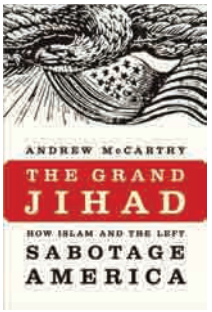
Yours in Truth,
Your Humble, Unworthy
Presidential Daily Briefing Staff

All Hail the Great and Powerful, Merciful and Magnificent!

Blessings on He Who Commands the Earth and the Seas and the Heavens!

Islamism Resurgent

DAVID PRYCE-JONES



The Grand Jihad: How Islam and the Left Sabotage America, by Andrew C. McCarthy (Encounter, 455 pp., $27.95)

THE very notion of a Muslim America might seem preposterous, downright laughable, but there are people and forces identifiably working towards that end. "Islamism" is the term that describes the growing global movement of Muslims for whom the supremacy of their faith justifies every kind of deception and violence. Islamism as we experience it today began in Egypt between the world wars, with the movement known as the Muslim Brotherhood. Over the years, the Brothers have been phenomenally successful, establishing themselves in one form or another in at least 60 countries. In 1991, the Brotherhood's top leader in America wrote a memorandum for the Brothers to make them understand their present purposes—and, in so doing, provided the title of this book. They were engaged, he explained, on "a kind of grand jihad in eliminating and destroying the Western civilization from within and 'sabotaging' its miserable house by their hands and the hands of believers so that it is eliminated and God's religion is made victorious over all other religions." Had he known that the FBI would obtain this document, he might have been more guarded. Yet today's foremost spokesman for the Muslim Brotherhood, Sheikh Yusuf al-Qaradawi, boasts in much the same manner: "We will conquer Europe, we will conquer America, not through the sword but through *dawa* [the Arabic for proselytizing, or outreach]."

People in public positions—George W. Bush, for instance, Tony Blair, and pretty well all other European politicians—like to maintain that Islam is a religion of peace, and consequently it has become politically correct, indeed mandatory, to say that Islamism is a deformity, nothing whatever to do with the faith. Andrew C. McCarthy has the independence of mind and the courage to put the opposite point of view, that Islamism is the practical derivative of Islam itself. The doctrines of the faith and the savagery of Muslims are directly related or, as McCarthy defines it, they form a "nexus." Plentiful incitements to violence and war against non-Muslims are to be found in the Koran to substantiate the point.

Islamism means jihad, and jihad means the imposition of sharia, or Islamic law as laid down in a doctrinal and theological form that cannot be challenged, and that means a Muslim society and Muslim supremacy for ever and ever, amen. Sharia, as McCarthy puts it, "establishes a state religion, rejects the freedom of citizens to govern themselves irrespective of a religious code, proscribes freedom of conscience, nullifies economic freedom, destroys the principle of equality under the law, subjugates non-Muslims in the humiliation of dhimmitude [officially recognized second-class status], and calls for the execution of homosexuals and apostates"—all of which is "antithetical to bedrock American principles."

McCarthy has a serious case to make, even if the material has its sensational side. He was plunged into the study of Islamism as the federal prosecutor in the case of the Blind Sheikh responsible for the 1993 terror attack on the World Trade Center. That outrage was widely dismissed as an aberration, an isolated phenomenon, the act of a few deranged criminals. That was both ignorant and condescending. 9/11 and subsequent attacks provide the contrary evidence of a sustained international campaign planned and waged by purposeful and capable men. It is their belief that Muslims everywhere are suffering from injustices inflicted upon them through no fault of their own. Bad Muslims and wicked non-Muslims are held responsible for everything that has gone wrong in the Islamic world, and good Muslims are obligated to resort to jihad to put this right, sacrificing their lives if they have to.

A plethora of organizations is at work in the United States implanting Islamism with all the overt and covert means at their disposal. The first step has been to arrange for some sort of social separation from the native non-Muslims, or what McCarthy calls "voluntary apartheid." He duly unpacks the complicated genealogy of the organizations set up for this purpose: the World Assembly of Muslim Youth, the Muslim Students Association, the Islamic Assembly of North America, the North American Islamic Trust, the Muslim American Society, the Council on American-Islamic Relations, and others besides, all more or less derivatives of the original model of the Muslim Brotherhood. In opposition to American law, bogus charities surreptitiously funnel money to such causes as al-Qaeda and the Palestinian Islamists of Hamas. CAIR is an especially subversive organization, masquerading as a civil-rights lobby but prominently and consistently defending indicted terrorists, including Osama bin Laden. One of its officials called the 1998 bombings of the U.S. embassies in Kenya and Tanzania the unfortunate result of "misunderstandings on both sides." Other CAIR figures have been convicted of federal felonies, including terrorism, illegal financial transactions, and recruiting jihadists; and some have been deported for their offenses.

The diversity of these bodies reflects the careerist capabilities of those coming to the top of them, and it is more apparent than real because, in general terms, they are front organizations for Saudi Arabia, whose foreign and domestic policies they exist to promote. According to McCarthy, Saudi Arabia has spent in the United States alone $100 billion and probably more on its policy of "sabotaging," which includes funding mosques like the Dar al-Hijrah in northern Virginia, where the Islamist preacher Anwar al-Awlaki prepared Maj. Nidal Malik Hasan to kill and wound his army colleagues at Fort Hood.

(Awlaki fled to Yemen to avoid investigation, but remained in touch by e-mail.) The one genuine dispute between these bodies and their representatives concerns the implementation of terror. Some believe that terror is an indispensable weapon that must so undermine the will of Americans that they will collapse, sue for peace, and convert to Islam. The more cold-blooded argue that terror is certainly a vital tool in the long term, but 9/11 proves that it risks provoking Americans to defend themselves with superior violence, as in Afghanistan and Iraq, and therefore for the time being its use is premature.

Granted their view of the irremediable malice of infidels and Westerners, Islamists are behaving predictably, you might even say naturally. They want a clash of civilizations, and they shall have it. Much more extraordinary, much more damaging, is the support given by the Left to Islamism. In McCarthy's judgment, these partners may look improbable but actually they are two of a kind: "The essentials of their visions coalesce: They are totalitarian, collectivist, and antithetical to . . . individual liberty." Elsewhere he rephrases this analysis: "With their collectivist philosophy, transnational outlook, totalitarian demands, and revolutionary designs, Islamists are natural allies of the radical Left. That doesn't mean the alliance is naturally enduring," but only that free-market capitalism and the liberty of the individual are enemies they have in common.

What is apparent here is an intellectual failure current throughout the West. Due to some inferiority complex or other psychological disorders, many Westerners have internalized the negative view that Islamists have of them, and feel themselves to be guilty as charged, capitalists, exploiters, racists, and what have you. Third World sadism perpetuates First World masochism in a vicious cycle. Ranks of professors and Islamist apologists line up with the likes of Noam Chomsky, Edward Said, Rashid Khalidi, John Esposito, and Juan Cole. A chapter or two about these persistent, homegrown saboteurs would have helped to nail down the argument McCarthy is making.

One representative and very exposed leftist is Barack Obama, and McCarthy builds much of his case about today's fellow-traveling with Islamism around him. He identifies him with "a Leftism of the most insidious kind: secular and uncompromising in its rejection of bourgeois values, but feverishly spiritual in its zeal to tear down the existing order." Such was indeed the aim of those once exercising intellectual influence on Obama—for instance, Saul Alinsky, the community organizer who politicized him; the Communist-party member Frank Marshall Davis, at whose feet he sat; and the race-obsessed and anti-American Jeremiah Wright, in whose Chicago church Obama worshipped for some 20 years.

His accusations against Obama as president are comprehensive. Obama is suffocating freedom, encouraging voluntary apartheid; and he and his Islamist allies consider capitalist democracy an abject failure. His speech in Cairo in the summer of 2009 was to mark a new beginning in the relationship of the United States to the Muslim world. That speech was cohosted by Al-Azhar University, at which the Blind Sheikh and Sheikh Qaradawi had studied, and selected members of the Muslim Brotherhood were in the audience. They may have been as surprised as everyone else to hear in that speech that Islam had always been a part of America's history.

All around him McCarthy sees evidence of appeasement and surrender in response to the example set at the top. The Department of Homeland Security is a monstrosity, more harmful than helpful to national security. Muslim officials and imams deliberately provoke the public with Islamist behavior but then demand, and receive, groveling apologies from those whom they have offended. An Orwellian order comes that language has to be controlled, and terms like "jihad" and "Islamofascism" purged. The expression "War on Terror" is now bowdlerized to "Overseas Contingency Operation against Man-Caused Disasters," and officials have to keep a straight face when they utter this complete travesty of reality. Maj. Stephen Coughlin, an expert in Islamic jurisprudence, was ousted from the Pentagon—at the behest of someone of Egyptian origins and dubious credentials—for a scholarly brief he had written. The incident when Obama bowed low to the Islamist bigot-in-chief, the king of Saudi Arabia, seems to McCarthy the perfect symbol of national abasement and a promise of worse to come.

Everyone must hope that Muslims will assimilate wherever they have immigrated, and that the Grand Jihad will fade away as fantasies do. In that event, this polemic will seem a curiosity, a state-of-the-nation pessimism at a time when things were in flux and Obama's contribution still in the balance. But should the opposite occur, and the Grand Jihad make further inroads, then this will prove to have been a furious and prescient warning. **NR**

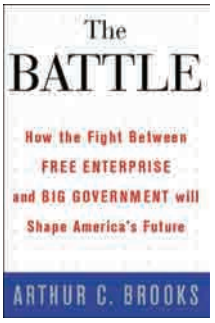
GRANDFATHER'S SPECTACLES

He was not a brawler, or vain,
But came up in a time and class
Where a youth of exceptional beauty
Had to prove himself—man to man—
Time and again. Nearsightedness
Made him half-blind; so at fourteen
He went stumbling to the optician
Who ground him his first pair of spectacles.
Amazed by the view, he walked the streets
'Til dark, taken by leaves, pebbles, and stars,
Then the grin of a bully who demanded:
Drop the "frog-eyes" or he'd die laughing!
And in that fight, the first thing broken
Was the miraculous invention
Of wire and glass that let him see
The world and the cost of clear vision—
Ground to dust in the streets of the old city.

—DANIEL MARK EPSTEIN

The Happiness Of Pursuit

MATTHEW CONTINETTI



The Battle: How the Fight Between Free Enterprise and Big Government Will Shape America's Future, by Arthur C. Brooks (Basic, 174 pp., $23.95)

When he was 19 years old, Arthur C. Brooks dropped out of college to play the French horn. He and his friends formed a quintet and toured the country playing chamber music. The work was demanding and not at all lucrative. But Brooks loved every minute. Music was his vocation. After six years, he left the quintet and joined a symphony orchestra in Spain. The opportunity was exciting. Here was Brooks's chance for a well-paying job in a beautiful country.

It turned out to be a bust. Brooks hated the experience. It took him a couple of decades, and a Ph.D. from the RAND graduate school, to figure out why. "The answer was control," he writes in this slim and provocative book. The quintet gave him the freedom to choose which music he wanted to play and where he wanted to play it. In the orchestra, however, he had to obey the conductor. "The more control you have over your life," Brooks writes, "the more responsible you feel for your own success (or failure). And as we've seen, the more you feel you've *earned* your success, the happier your life will be."

Mr. Continetti is the associate editor of The Weekly Standard *and author, most recently, of* The Persecution of Sarah Palin.

Happiness is of more than personal interest to Brooks, whose day job is president of the American Enterprise Institute in Washington, D.C. Not only is this his second book on happiness (the first was *Gross National Happiness*, published in 2008), it's his most political book. His purpose is to defend American free enterprise against its critics. What is free enterprise? Brooks writes that it is "the system of values and laws that respects private property, encourages industry, celebrates liberty, limits government, and creates individual opportunity." The system enjoys the support of about 70 percent of the people. But it is under attack.

About 30 percent of the public, Brooks writes, believes that free enterprise is unfair and the government ought to do more to ensure equal outcomes. Brooks calls this group the "30 percent coalition." What the 30 percent coalition lacks in numbers, it makes up in political power. President Obama is a member of this coalition, as are Nancy Pelosi, Harry Reid, and practically every college professor and journalist in the country.

The 30 percent coalition is obsessed with a measure of income inequality known as the Gini coefficient. Coalition members find it intolerable that America's Gini is about where it was prior to the Great Depression. The way to make America a just society, they say, is for the government to put the Gini back in the bottle by redistributing income. Hence the health-care bill, high taxes, Social Security, and subsidies for everything from housing to education to food.

The typical conservative response is that redistribution is inefficient, or unfair to those from whom the money is taken, or a recipe for unlimited government. But Brooks goes in a different direction. He says the 30 percent coalition is wrong because its policies cause unhappiness. It is not inequality, Brooks writes, that makes people unhappy. It is a lack of self-worth. It is the feeling that success is unearned. And "if money without earned success does not bring happiness," Brooks writes, "then redistributing money won't make for a happier America."

"The little-bitty door is a nice touch."

Brooks defines earned success as "the ability to create value honestly." He writes that it fosters optimism, meaning, and a sense of control. He wants all people to enjoy their own equivalent of playing French horn in a chamber quintet, rather than having to play in a government-funded orchestra conducted by Barack Obama.

Consider labor markets. "In free markets" such as ours, Brooks writes, "we can change jobs, work longer or shorter hours within reason, and take more or less vacation than other people." The freedom to choose, and to succeed or fail based on individual initiative, is an incentive to improve one's condition—and this incentive is conducive to happiness. The data show that Americans like to work. We are more satisfied with our jobs than the Spanish, Germans, French, and British, who live in heavily unionized and regulated labor markets that suffer from chronically high unemployment.

What distinguishes *The Battle* from other conservative manifestos is its abundance of empirical data. Liberals love to mock the conservative tendency to argue from principle, as though principle were a bad thing. Brooks is not only open about his principles, he has the polling numbers and social science to back them up. He cites economic research that explains why high taxes discourage work, saving, investment, and growth. He compares the Heritage Foundation's 2010 Index of Economic Freedom with various indices of national happiness, and discovers that "a one-point increase in economic freedom is associated with a two-point rise in the percentage of the population saying they are completely happy or very happy."

Human beings are more than variables in a government economist's formula. They have needs and feelings that do not show up in the Congressional Budget Office's income-distribution charts. They do not bend so easily to the wishes of intellectuals. It's important for them to feel that they've earned their keep. For example, Brooks cites a 1978 study in which lottery winners were interviewed

NATIONAL REVIEW'S 2010

Sailing November 14–21 on

Post-Election Cruise

Join KARL ROVE, BERNARD LEWIS, VICTOR DAVIS HANSON, ANDREW BREITBART, PHYLLIS SCHLAFLY, BERNIE GOLDBERG, TONY BLANKLEY, SCOTT RASMUSSEN, JONAH GOLDBERG, ANDREW McCARTHY, ALAN REYNOLDS, JIM GERAGHTY, DANIEL HANNAN, CAL THOMAS, KATHRYN LOPEZ, ROGER KIMBALL, VIN WEBER, JAY NORDLINGER, KATE O'BEIRNE, GREG GUTFELD, RAMESH PONNURU, JOHN O'SULLIVAN, ROMAN GENN, ROB LONG, MICHAEL NOVAK, ROBERT COSTA, and PETER SCHRAMM

as we visit the beautiful ports of Grand Turk, Grand Cayman, Cozumel, Half Moon Cay, and Ft. Lauderdale

This is your special opportunity to participate in one of the most exciting seafaring adventures you will ever experience: the *National Review* 2010 "Post-Election" Caribbean Cruise. Featuring a cast of all-star conservative speakers (that will expand in coming weeks), this *affordable* trip—***prices start at only $1,899 a person!***—will take place November 14–21, 2010, aboard Holland America Line's MS *Nieuw Amsterdam*, the beautiful new ship of one of the world's most highly regarded cruise lines.

Fast forward to November 3—the morning after the elections. Whether you find yourself bemoaning another two years of Democrat control of Capitol Hill, or whether you're flabbergasted by massive GOP pick-ups in the House and Senate (and in statehouses), or whether the results are as mixed as a tossed salad, make sure you're packing your luggage and preparing for the *Nieuw Amsterdam*, your floating luxury getaway for scintillating discussion of the elections and their consequences—and on all other major current events and trends.

You *could* spend the week of November 14 raking leaves and cleaning gutters. Instead, opt for seven sunny days and cool nights sailing the balmy tropics, mixing and mingling with the crew of exemplary speakers we've assembled to make sense of electoral matters and the day's top issues. Confirmed speakers for *NR*'s **"Post-Election" Cruise** include former top Bush-43 White House aide **Karl Rove**, historian **Victor Davis Hanson**, Islam scholar **Bernard Lewis**, conservative icon **Phyllis Schlafly**, conservative web guru **Andrew Breitbart**, liberal-media critic **Bernie Goldberg**, leading columnists **Tony Blankley** and **Cal Thomas**, *Red Eye* host **Greg Gutfeld**, terrorism expert **Andrew McCarthy**, GOP strategist **Vin Weber**, scholar **Michael Novak**, conservative economist **Alan Reynolds**, *New Criterion* editor **Roger Kimball**, acclaimed pollster **Scott Rasmussen**, European Parliament Tory star **Daniel Hannan**, conservative scholar **Peter Schramm**; and from *NR*: *Liberal Fascism* author **Jonah Goldberg**, *"The Long View"* columnist **Rob Long**, *NRO* editor-at-large **Kathryn Lopez**, NR Institute president **Kate O'Beirne**, senior editors **Jay Nordlinger** and **Ramesh Ponnuru**, Campaign Spot blogger **Jim Geraghty**, former editor **John O'Sullivan**, reporter **Bob Costa**, and acclaimed *NR* artist **Roman Genn**.

NR trips are marked by riveting political shoptalk, wonderful socializing, intimate dining with our editors and speakers, making new friends, rekindling old friendships, and, of course, grand cruising. That's what's in store for you on the **National Review 2010 "Post-Election" Caribbean Cruise.**

There are countless reasons to come, but none are better than the luminaries who will be aboard this luxury trip. This truly extraordinary gathering is one of the best ensembles we've ever had on an *NR* cruise, which guarantees that our seminar sessions (featuring ample audience "Q & A") will be fascinating.

✔ Watch **Karl Rove**, ex-congressman **Vin Weber**, and ace columnist **Tony Blankley** provide expert analyses of the elections, their consequences, and the state of the Republican party.

✔ Some of our *primo* past cruise experiences have been the informed interchanges between **Bernard Lewis** and **Victor Davis Hanson** on the brutal revival of the age-old struggle between Islam and the West. These academic giants, and terrorism expert **Andy McCarthy**, will provide their razor-sharp insights on America's dealings in the Middle East and the Muslim world.

✔ Can you find more insightful social commentary than from the likes of **Phyllis Schlafly**, *New Criterion* editor **Roger Kimball**, columnist **Cal Thomas**, and scholars **Michael Novak** and **Peter Schramm** (or from esteemed artist **Roman Genn**)? A more perceptive dissection of the liberal media than from **Bernie Goldberg**, **Greg Gutfeld**, **Rob Long**, and **Andrew Breitbart**, or a

JOIN US FOR SEVEN BALMY DAYS AND COOL CONSERVATIVE NIGHTS

DAY/DATE	PORT	ARRIVE	DEPART	SPECIAL EVENT
SUN/Nov. 14	Ft. Lauderdale, FL		5:00PM	evening cocktail reception
MON/Nov. 15	Half Moon Cay	8:00AM	4:00PM	afternoon seminar "Night Owl" session
TUE/Nov. 16	Grand Turk	12:00PM	6:00PM	morning seminar late-night smoker
WED/Nov. 17	AT SEA			morning/afternoon seminars evening cocktail reception
THU/Nov. 18	Grand Cayman	8:00AM	4:00PM	afternoon seminar
FRI/Nov. 19	Cozumel	10:00AM	11:00PM	afternoon seminar "Night Owl" session
SAT/Nov. 20	AT SEA			morning/afternoon seminars evening cocktail reception
SUN/Nov. 21	Ft. Lauderdale, FL	7:00AM		

OVER 200 CABINS BOOKED! PRICES START AT JUST $1,899!

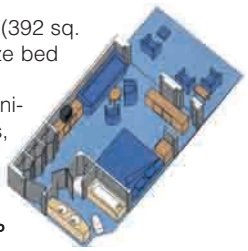
Superior service, gourmet cuisine, elegant accommodations, and great entertainment await you on the beautiful new MS *Nieuw Amsterdam*. Prices are per-person, based on double occupancy, and include port fees, taxes, gratuities, transfers (for those booking airfare through Holland America), all meals, entertainment, and admittance to and participation in all *NR* functions. Per-person rates for third/fourth person in cabin:

Ages 6 months to 2: $482 **Ages 2 to 17: $582**
Ages 18 and over: $1,139

DELUXE SUITE Magnificent luxury quarters (528 sq. ft.) feature use of exclusive Neptune Lounge and personal concierge, as well as complimentary laundry, pressing, and dry-cleaning service. Large private verandah, king-size bed (convertible to 2 twins), whirlpool bath/shower, dressing room, large sitting area, DVD, mini-bar, and refrigerator.

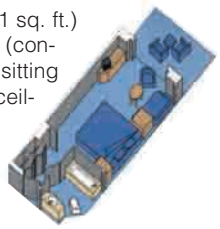
Category SA
DOUBLE OCCUPANCY RATE: $ 4,499 P/P
SINGLE OCCUPANCY RATE: $ 6,999

SUPERIOR SUITE Grand stateroom (392 sq. ft.) features private verandah, queen-size bed (convertible to 2 twin beds), whirlpool bath/shower, large sitting area, DVD, mini-bar, refrigerator, floor-to-ceiling windows, and much more.



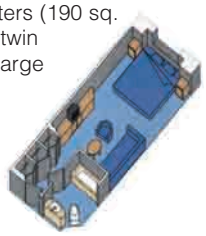
Category SS
DOUBLE OCCUPANCY RATE: $ 3,499 P/P
SINGLE OCCUPANCY RATE: $ 5,799

DELUXE OUTSIDE Spacious cabin (241 sq. ft.) features private verandah, queen-size bed (convertible to 2 twin beds), bath with shower, sitting area, mini-bar, tv, refrigerator, and floor-to-ceiling windows.



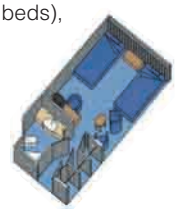
Categories VA / VB / VC
DOUBLE OCCUPANCY RATE: $ 2,899 P/P
SINGLE OCCUPANCY RATE: $ 4,399

LARGE OCEAN VIEW Comfortable quarters (190 sq. ft.) feature queen-size bed (convertible to 2 twin beds), bathtub with shower, sitting area, tv, large ocean-view windows.



Category D
DOUBLE OCCUPANCY RATE: $ 2,399 P/P
SINGLE OCCUPANCY RATE: $ 2,999

LARGE INSIDE Cozy but ample cabin quarters (185 sq. ft.) feature queen-size bed (convertible to 2 twin beds), bathtub with shower, sitting area, tv.



Category K
DOUBLE OCCUPANCY RATE: $ 1,899 P/P
SINGLE OCCUPANCY RATE: $ 2,499

clearer take on the national economy than from **Alan Reynolds**? Picture **Daniel Hannan** and **John O'Sullivan** discussing the fate of the U.K.–U.S. and Euro-American relations).

✔ And they'll be joined in all the elucidating and analyzing of the 2010 elections by *NR*'s editorial heavyweights, including **Jonah Goldberg**, **Jay Nordlinger**, **Ramesh Ponnuru**, **Kathryn Jean Lopez**, **Jim Geraghty**, **Bob Costa**, and **Kate O'Beirne**.

Then there's the ship: The just-launched *Nieuw Amsterdam* offers spacious staterooms and countless amenities, all at a very affordable rate—prices start as low as $1,899 a person. Indeed, no matter what cabin meets your individual tastes and circumstances, you can be assured that the *Nieuw Amsterdam* and its stellar staff will offer you unsurpassed service, sumptuous cuisine, roomy accommodations, and luxury.

And don't forget the fantastic itinerary: Grand Cayman, Grand Turk, Cozumel, and Holland America's private island, Half Moon Cay (with a must-see-it-to-believe-it blue lagoon!).

The ***National Review* 2010 "Post-Election" Caribbean Cruise** will be remarkable—but then every *NR* sojourn is. Our winning program of seminars (we'll have eight), cocktail parties (three are scheduled—they're *great* opportunities to chat and have photos taken with your favorite conservatives), a late-night poolside smoker (featuring world-class **H. Upmann** cigars and cognac), and dining with our editors and speakers (on two nights)—it's all something you really *must* experience.

Sign up now at our dedicated websites, **www.nrcruise.com**, or **www.postelectioncruise.com**. Or call the travel experts at The Cruise Authority at 1-800-707-1634.

Take the trip of a lifetime with some of America's preeminent intellectuals, policy analysts, and political experts—**Karl Rove**, **Victor Davis Hanson**, **Bernard Lewis**, **Phyllis Schlafly**, **Andrew Breitbart**, **Scott Rasmussen**, **Andrew McCarthy**, **Bernie Goldberg**, **Greg Gutfeld**, **Daniel Hannan**, **Cal Thomas**, **Tony Blankley**, **Vin Weber**, **Alan Reynolds**, **Roger Kimball**, **Jonah Goldberg**, **Kathryn Jean Lopez**, **Jim Geraghty**, **Kate O'Beirne**, **Jay Nordlinger**, **Ramesh Ponnuru**, **John O'Sullivan**, **Michael Novak**, **Rob Long**, **Bob Costa**, **Roman Genn**, and **Peter Schramm**—on the ***National Review* 2010 "Post-Election" Caribbean Cruise**.

REGISTER NOW AT *WWW.NRCRUISE.COM.* OR *WWW.POSTELECTIONCRUISE.COM.*
CALL 800-707-1634 FOR MORE INFORMATION.
NEED A CABIN 'SHARE'? WE'LL FIND YOU ONE!

years after they had cashed in. The study found that winning the lottery is good for a short-term dopamine boost, but not much else. Within months, the winners felt the same as they did before.

Or consider welfare. In 2001, the University of Michigan's Panel Study of Income Dynamics noticed a correlation between welfare dependency and sadness. The panel found that going on the dole increased the chances of feeling "inconsolably sad" by 16 percent. "Welfare recipients," Brooks writes, "are far unhappier than equally poor people who do not get welfare checks." And while Brooks is quick to point out that correlation is not causation, the data certainly suggest that welfare doesn't make you any happier. The anecdotal evidence suggests the same thing: Look at the turbulent and dysfunctional lives of the underclass.

The idea that earned success creates a happy society raises an interesting question: What would a happiness-based government look like? Brooks is more analytical than prescriptive, but that won't stop me from pretending I'm king for a day. So: A happiness-based government would means-test benefits. It would tax consumption and things we want less of (pollution, congestion) rather than payrolls and incomes. And since the focus would be on *earned* wealth, it would be open to taxing forms of unearned wealth such as inheritances, gifts, interest, and dividends (at flat, equivalent rates). Right now, after all, the top capital-gains tax rate is lower than the top rate for income, and the estate tax is dead until 2011. If Brooks is right, then these incentives will not promote happiness—especially the one that involves dying before New Year's.

Happiness-based governance would produce a free, prosperous, and pleasant society. But it would also tolerate inequalities. Not everyone would enjoy the same standard of living. Some people's health care, education, work, and retirement would be better than others'.

For this reason, Brooks might be talking past the members of the 30 percent coalition. For them, the mark of a just society is the equal distribution of public goods. Notice that the word "happiness" does not appear in the previous sentence.

All the empirical data in the world might not be enough to convince liberals they are wrong. Why? Because liberals, like everyone else, base their politics on a theory of justice. In their case, the theory says that no society should tolerate inequalities that do not benefit the least fortunate of its members. Now, in my opinion, some of the inequalities associated with free enterprise do benefit the least fortunate of society's members, because free enterprise enriches society in the aggregate and protects individual liberty. Furthermore, the Gini coefficient is not the most important test of a just society. You can easily imagine countries where everyone possesses the same material goods but the government does not protect the rights of its citizens. In fact, it isn't even necessary to imagine such places. The history books are full of them.

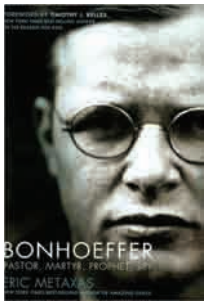
The positive consequences of liberty are many and wonderful. But ultimately, it is hard to defend liberty against the utopian ideal of equality unless liberty is also seen as an end in itself. Arthur C. Brooks describes the players, outlines the stakes, and marshals the evidence that free enterprise produces richer, happier polities. It's quite an achievement. But to win the battle, conservatives also will require a theory of justice and the good society as compelling and attractive as the liberal vision that motivates the president and intelligentsia.

Where to find it? Google "Declaration of Independence," "U.S. Constitution," and "The Federalist," and you will be well on your way. NR

Arthur C. Brooks describes the players, outlines the stakes, and marshals the evidence that free enterprise produces richer, happier polities.

Will and Grace

S. T. KARNICK



Bonhoeffer: Pastor, Martyr, Prophet, Spy, by Eric Metaxas (Thomas Nelson, 608 pp., $29.99)

THE too-brief life of the German pastor and theologian Dietrich Bonhoeffer has been the subject of much film and literary interest in recent years, and Eric Metaxas's insightful biography of this heroic figure helps us understand why. Bonhoeffer's life vividly demonstrated the natural and indeed inevitable tensions between the individual and the modern state, and it pointed toward a response based firmly in Christian thought.

There are two powerful presences throughout the book: Bonhoeffer himself and Adolf Hitler, as the two head for the great confrontation in which the theologian engaged in an ambitious conspiracy to kill the Führer and topple his regime. Metaxas's book makes the reader acutely aware that the same nation that produced Hitler engendered this heroic opponent and many others of similar integrity.

His family's unusual religious life was a huge formative influence on Bonhoeffer. The Bonhoeffers seldom attended church, Metaxas writes, but their "daily life was filled with Bible reading and hymn singing, all of it led by Frau Bonhoeffer." In addition, the children learned that a real love of God must be manifested in one's actions. "Exhibiting selflessness, expressing generosity, and helping others were central to the family culture."

Bonhoeffer went on to study theology

Mr. Karnick is editor of The American Culture, *culture.stkarnick.com.*

at Berlin University, earning his doctorate in 1927, at age 21. The theological faculty was then dominated by proponents of the "historical-critical method." They had concluded "that the miracles [the Bible] described never happened, and that the Gospel of John never happened," Metaxas notes. Bonhoeffer courageously refused to accept their thinking, arguing against them politely but confidently, "on positive theological grounds," as a fellow student described it.

Bonhoeffer was a brilliant student, and he wrote his doctoral dissertation on the subject "What is the church?" His answer was that the church was, as Metaxas puts it, "neither a historical entity nor an institution, but . . . 'Christ existing as church-community.'" Metaxas describes this as "a stunning debut," and one can see in this notion the influence of Bonhoeffer's religious and moral upbringing. "There was no place for false piety or any kind of bogus religiosity in our home," Metaxas quotes Bonhoeffer's twin sister, Sabine, as saying. Bonhoeffer elaborated on this idea in his book *The Cost of Discipleship* (1937), "in which anything short of obedience to God smacked of 'cheap grace,'" Metaxas writes.

In 1930 and 1931, Bonhoeffer studied in New York City at Union Theological Seminary, America's bastion of theological liberalism. In New York, he wrote at the time, "they preach about virtually everything," except one subject: "the gospel of Jesus Christ, the cross, sin and forgiveness, death and life." Only in the South and in black churches did Bonhoeffer find real Christianity in the United States. He began attending the Abyssinian Baptist Church in Harlem, where he found both sound doctrine and true Chris - tian conduct. He also witnessed racial segregation firsthand and found it fascinating and appalling.

It was then, Metaxas argues, that Bonhoeffer developed his premise that the church was "called by God to stand with those who suffer." Upon returning to Germany and accepting a teaching position at Berlin University and in teaching confirmation classes for adolescent males in a Berlin slum, he developed his then-radical thought that Christianity must be modeled, not just professed. A true Christian, Bonhoeffer taught and wrote, would strive to live a Christlike life in every endeavor.

That sort of thinking had huge political implications in the burgeoning statist regime of Nazi Germany. Only two days after Hitler was elected chancellor, Bonhoeffer, just 26 years old, delivered a radio address criticizing the nation's "Führer Principle," an authoritarian leadership concept that Hitler would soon exploit to his advantage. A true and good leader, Bonhoeffer argued, recognizes that his authority comes from God. That protects him from self-aggrandizement and tyranny by putting the emphasis on his discipleship.

Obviously Hitler took the opposite approach, and to stand against the Nazis required increasingly great courage. When the Nazis began contemplating strictures against the Jews, in 1933, Bonhoeffer spoke out with his essay and speech "The Church and the Jewish Question," in which he stated that the church must defend those abused by the state, even to the point of taking direct action against the government if necessary. As usual, in making this argument he carefully used Scripture to support each point.

Bonhoeffer wrote books and essays exploring theology, morality, and politics, but there was little one could accomplish through words as the decade progressed, and the Nazis terminated civil liberties and engineered a takeover of institutions throughout Germany. Thus, in 1940, he officially joined the conspiracy to assassinate Hitler and carry out a military coup. He had decided to act on his theological conclusion that to fail to resist evil made one complicit in it. He became a double agent, joining the Abwehr, the German military-intelligence organization, while working for the conspiracy and writing his magnum opus, *Ethics*.

Bonhoeffer's part in the conspiracy was to work with the Allied authorities, specifically the British, to obtain their assurance that they would negotiate a peace with the post-Hitler government. Unfortunately, British prime minister Winston Churchill had decided that for propaganda purposes his nation's enemy had to be not just the Nazis but all Germans, and he refused to cooperate with the conspirators or even acknowledge them. Pres. Franklin Roosevelt did the same. That decision delayed the end of the Nazi regime and ultimately doomed the anti-Hitler forces within Germany. There were at least three major conspiracies working against Hitler at the time, and the membership of these groups was overwhelmingly Christian.

While involved in one of these conspiracies, Bonhoeffer wrote an extraordinary essay, "After Ten Years: A Reckoning Made at New Year 1943," in which he summarized his thinking about Christian duty and reiterated his views on the real source of good works: "Who stands fast? Only the man whose final standard is not his reason, his principles, his conscience, his freedom, or his virtue, but who is ready to sacrifice all this when he is called to obedient and responsible action in faith and in exclusive allegiance to God—the responsible man, who tries to make his whole life an answer to the question and call of God."

Bonhoeffer and the other conspirators lived out these words by offering up their lives to save others from Nazism. Metaxas writes:

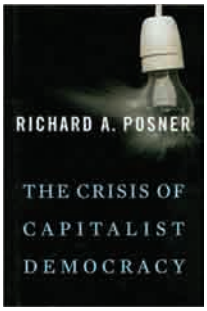
> He had theologically redefined the Christian life as something active, not reactive. It had nothing to do with avoiding sin or with merely talking or teaching or believing theological notions or principles or rules or tenets. . . . It was God's call to be fully human, to live as human beings obedient to the one who had made us, which was the fulfillment of our destiny. It was not a cramped, compromised, circumspect life, but a life lived in a kind of wild, joyful, full-throated freedom—that was what it was to obey God.

After two failed assassination attempts against Hitler, Bonhoeffer and his fellow conspirators were arrested by the Gestapo in April 1943. Bonhoeffer was executed two years later, at age 39—just three weeks before the end of the war. He never got to marry the woman to whom he had become engaged in early 1943.

Even in prison, however, he impressed others with his continual Christlike behavior. A British prisoner of war who was with Bonhoeffer in the last days before his execution wrote, "He was, without exception, the finest and most lovable man I have ever met." Bonhoeffer went to his death with great composure, impressing even the concentration camp's doctor. This man who "thought of death as the last station on the road to freedom," as Metaxas puts it, ended up turning even the direst of situations into a memorable theological lesson. Such was the life of Dietrich Bonhoeffer, Christian. **NR**

Sources of The Crisis

JOHN STEELE GORDON



The Crisis of Capitalist Democracy, by Richard A. Posner (Harvard, 408 pp., $25.95)

RICHARD POSNER is an American phenomenon, like the Grand Canyon or Silicon Valley. Now 71, he graduated summa cum laude from Yale at age 20 and magna cum laude three years later from Harvard Law School, where he was first in his class and editor of the *Harvard Law Review*. He has written almost 40 books as well as innumerable law-review articles and articles in other periodicals. *The Journal of Legal Studies* (of which he was the founding editor) has called Posner the most cited legal scholar of all time. Since 2004, he has co-authored (with the Nobel economist Gary Becker) a blog, where he posts frequently on a wide variety of subjects.

This prodigious output would be quite an astonishing career all by itself. But, in addition, Posner not only has a day job, he has two of them. He has been a professor at the University of Chicago Law School since 1969 and now holds the title of senior lecturer there. And, since 1981, he has sat on the federal Seventh Circuit Court of Appeals, where he served as chief judge from 1993 to 2000. Unlike many judges, he writes his own opinions rather than leaving most of the work to his clerks.

Just listing Judge Posner's varied accomplishments makes me want to lie down and take a nap. Indeed, the only person I can think of to compare him to is Theodore Roosevelt, who wrote 38 books in the odd moments when he was not engaged as a cowboy, police commissioner, assistant secretary of the Navy, military hero, governor, vice president, president, or explorer.

Posner's work has been extraordinarily wide-ranging, covering such diverse topics as—to quote a few of his book titles—"Cardozo: A Study in Reputation," "Law and Literature," "How Judges Think," "Breaking the Deadlock: The 2000 Election, the Constitution, and the Courts," and "Preventing Surprise Attacks: Intelligence Reform in the Wake of 9/11." He is perhaps best known for his work in the law-and-economics movement, which looks at the economic consequences of law and uses economic theory to predict the law's effects.

His latest book, *The Crisis of Capitalist Democracy*, is not a work of legal theory, however, but rather one of economic history and analysis. My advice is: Read it. While his book is not exactly beach reading, Posner is a fine writer with a real talent for making complex economic and financial matters clear to the average reader. If you're a little vague on exactly what a credit-default swap is or why deflation can be a bigger problem than inflation, *The Crisis of Capitalist Democracy* is just the ticket.

The last three years have been a remarkable period of economic turmoil. For a few weeks in 2008, it looked as if the entire, deeply interconnected global financial system would collapse. Fannie Mae and Freddie Mac, which between them held about half of this country's $12 trillion mortgage debt, had to be placed in receivership and bailed out by the federal government; General Motors and Chrysler went bankrupt and are currently controlled by the government as well. Over 200 American commercial banks were seized by the FDIC. Of the five great investment banks that bestrode Wall Street in recent years, not a single one survives unchanged. Bear Stearns and Merrill Lynch were taken over by JPMorgan Chase and Bank of America respectively. Lehman Brothers went bankrupt, and Goldman Sachs and Morgan Stanley took commercial-bank charters, which subjected them to much stricter regulation. There was a deep recession, with unemployment reaching heights not seen in 30 years. The world economy is now climbing back up out of the hole, but it will quite likely be years before the effects of the greatest financial crisis since

Mr. Gordon, a historian, is the author of, among other books, An Empire of Wealth: The Epic History of American Economic Power.

the early 1930s are entirely worked through.

Posner spends over the half the book telling the story of this remarkable period in world financial history, giving any number of cogent mini-lessons in economics along the way. For instance, he explains why one-shot tax rebates don't work to stimulate the economy but permanent tax cuts do:

> Windfalls are to a large extent saved rather than spent. . . . Windfalls are what economists call "transitory" income, as distinct from "permanent" income. If taxes are cut in circumstances that lead people to believe the cut will be permanent, they infer that their permanent income has risen and that they can adjust their standard of living upward—which means spending more. But if the increase in income is transitory, they will have to retrench when the money runs out—a painful adjustment.

He makes no bones about who he thinks is to blame for the crisis. Indeed, the very first sentence of the book is: "Low interest rates in the early 2000s set the stage for the economic collapse from which we are now gradually recovering." Interest rates, of course, are largely set by the Federal Reserve.

Further, the gradual deregulation of banking that began in 1980 made banks unsafe. The repeal of Glass-Steagall in 1999 "was succeeded by a brief, disastrous era of lax regulation, regulatory complacency, regulatory inattention, and regulatory ineptitude. The combination of low interest rates and inadequate banking regulation proved lethal."

He lays the primary blame for the housing bubble at the doorstep of Fannie and Freddie: "I have no truck with the GSE's [government-sponsored enterprises]. Harbingers of the crony capitalism that one finds in countries like Russia and China, they illustrate the dangers of trying to hybridize business and government."

He also has no truck whatever with the idea—very popular in Washington—that the heart of the problem lay in Wall Street: "Calling bankers greedy for taking advantage of profit opportunities created by unsound government policies is like calling rich people greedy for allowing Medicare to reimburse their medical bills."

By no means the least of this book's many virtues is the willingness of Judge Posner to take clear stands: no on-the-one-hand-but-on-the-other-hand wishy-washiness for him. Altogether, *The Crisis of Capitalist Democracy* is the best thing I've read on the origins and development of the "Great Recession."

The second part of the book deals with the lessons to be learned. Posner points out that all sides have, not surprisingly, rounded up the usual suspects. The Left blames greedy and overpaid bankers, the Right blames government for pushing home-ownership on people who could not afford it, investors blame the credit-rating agencies for not understanding the instruments they were evaluating, and the Federal Reserve blames fragmented banking regulation and limits on its power to control events.

They all have a point, but they are all self-interested as well. Posner holds out little hope that the current Financial Crisis Inquiry Commission will produce much that is useful. As he notes, the commission is bipartisan, not nonpartisan: It has six Democrats and four Republicans, each of whom has his or her own agenda to pursue.

The main problem, as Posner sees it, is "that banking . . . is both risky and critical to economic stability." Banking is not like other major segments of the economy, for it functions analogously to the circulatory system of the body. If a man breaks his arm, it is a debilitating and uncomfortable situation for as long as that arm is nonfunctional; but after a little competent doctoring and a few months of healing, he's as good as new. If, however, his heart becomes nonfunctional for even a few minutes, he is dead. So is an economy if the banking system collapses. It came very close to doing so in 1932–33, and Judge Posner would like to see the restoration of some of the banking regulation put in place in that decade that kept the system stable for 50 years.

Perhaps the most surprising aspect of this part is Posner's high praise for John Maynard Keynes. Keynes was, of course, the most influential economist of the 20th century, and his 1936 masterpiece, *The General Theory of Employment, Interest, and Money*, caused a revolution in economic thinking. By 1971, even Richard Nixon was declaring himself a Keynesian.

But Keynes fell out of favor in the 1970s, when high inflation and a sluggish economy—an impossible combination in Keynesian economic theory, but a reality that came to be called stagflation—plagued the country. Posner regards Keynesian economics as still very relevant, if hardly the panacea it was thought to be in the mid-20th century.

The final part of the book is devoted to ten recommendations for reform, including restoring the separation of commercial and investment banking that had been mandated by the Glass-Steagall Act of 1933. Other recommendations include reorganizing and consolidating the more than 100 financial regulatory agencies in this country, and rotating personnel among the remaining agencies so that the bureaucrats get a broader picture and exchange information more willingly.

Posner writes that he himself is not entirely happy with these recommendations, which leads to his most important one: "These doubts underscore the need for a serious, neutral, patient, well-funded inquiry into the causes of the crisis and the optimal directions for reform, conducted by an elite presidential commission." He wonders if we, as a country, are up to the task. Does the United States have "an institutional structure and political culture equal to the economic challenges facing it"? The country deals well enough with emergencies, such as that of September 2008, he thinks, but when there are major challenges but no immediate crisis, "our political system tends to be ineffectual."

It's a pessimistic note on which to end a very enlightening book. But in an age when politicians rarely look beyond the next election and hugely funded interest groups influence a complex, decentralized government structure that naturally tends to stay with the status quo, it is easier to push major reforms into the future. As Judge Posner makes clear, if we don't move forcefully, and soon, to enact serious financial reform, the consequences could be disastrous indeed. **NR**

Posner makes no bones about who he thinks is to blame for the financial crisis.

Film

The Culture Monster

ROSS DOUTHAT

THE franchise is on its last legs. Once a transgressive cultural phenomenon, it's aged ungracefully into a cash cow that a greedy studio just won't let die. The one-liners are stale, the supporting characters are going through the motions, and the protagonists are showing their age. They used to be chasing romance and adventure; now they're facing down mid-life crises. The thrill vanished years ago, and all that's left is coarseness, camp, and occasional bursts of sloppy sentimentality.

No, I'm not talking about *Sex and the City 2*. (What—you expected me to sit through that two-and-a-half-hour turkey?) I'm talking about its green-skinned doppelgänger, *Shrek Forever After*. Billed as the final Shrek installment (and let's hope they're telling the truth), *Forever After* rings down the curtain on a saga that's probably done as much to corrupt the youth of America as all of Carrie Bradshaw's label-worshiping and Samantha Jones's bed-hopping put together. What *Sex and the City* did for the love story, *Shrek* has done for the fairy tale: It's taken a classic genre and purged it of any trace of innocence, substituting raunch, cynicism, and a self-congratulatory knowingness instead, and then tying up the jaded narrative with a happily-ever-after bow.

The original *Shrek* was conceived as a Hollywood in-joke, a feature-length middle finger from Jeffrey Katzenberg of DreamWorks to Michael Eisner, his former Disney boss. Its villain, Lord Farquaad, was an Eisner manqué, and the script took obvious pleasure in tarting up Disney's fairy-tale universe with potty humor for the kids, wink-wink innuendo for the grownups, and a constant stream of pop-culture shout-outs that were dated two months after the movie came out.

By that point, though, it had already made a killing at the box office, and so the inevitable sequels simply repeated the formula, taking the titular ogre and his princess bride, Fiona, beyond happily-ever-after to marriage, parenthood, and finally middle-aged ennui.

This is the jumping-off point for *Forever After*, which finds Shrek juggling three kids, fending off worshipful human fans, and pining for the days when he was a hated swamp creature rather than a pillar of the community. At a chaotic birthday party for one of his mini-ogre offspring, he finally snaps, channeling his suburban angst into a *Revolutionary Road*–style fight with Fiona and then storming off into the woods to clear his head.

Enter the villain, Rumpelstiltskin—a tiny, sharp-faced, insinuating little leprechaun, and the best thing *Forever After* has going for it. The Shrek franchise has produced some entertaining-enough sidekicks (Eddie Murphy's motormouthed Donkey and Antonio Banderas's louchely Latin Puss in Boots), but its villains have been distinctly lame. The Eisner-esque Lord Farquaad was entertaining only if you were a former Disney employee, and the vain and villainous Prince Charming from the last two installments just ripped off the oh-so-good-looking Gaston from Disney's *Beauty and the Beast*, who was at once funnier and more frightening than anything in the Shrek universe.

It's hard to generate much genuine menace, perhaps, when your franchise is a long exercise in winking debunkmanship. But this time around, they've found the perfect bad guy for an essentially sleazy story. Rumpelstiltskin is the used-car salesman of the forest perilous, all preening self-love and persuasive patter, hawking limited-time offers where the magic is real, but the fine print is brutal. (He's also voiced, in a nice departure from the Shrek franchise's usual style, by his animator rather than a big-name celebrity.)

To Shrek, he promises a single day of freedom: no wife and kids, no responsibilities of any sort, and the chance to play the fearsome monster once again. All he needs in return is a single day from the ogre's past. A day from early childhood, in fact, so long-gone that Shrek doesn't even remember it . . .

That day, of course, turns out to be the day of Shrek's birth, and once he's signed on the dotted line the luckless ogre finds himself trapped, à la *It's a Wonderful Life*'s George Bailey, in a version of reality where he's never been born. It's Stiltskinville instead of Pottersville: The red-headed leprechaun wears the crown (and a number of sky-high wigs), Oz-style wicked witches guard his castle and do his bidding, ogres are enslaved and persecuted, and none of Shrek's old friends recognize him.

The only way out of this nightmare, the "exit clause" in Rumpelstiltskin's contract, requires Shrek to achieve true love's kiss with the alterna-universe version of Fiona. The good news is that she's alive and leading the ogre resistance. The bad news is that she doesn't know Shrek from Jeffrey Katzenberg, and he has only the one day to lock lips with her before the contract expires and he pops out of existence entirely.

Everything that follows is predictable: some action sequences, some schmaltz, and a whole lot of self-congratulatory parody. (I have a horrible feeling that the Shrek franchise offers millions of kids their first exposure—and worse, their last—to the Brothers Grimm and Charles Perrault.) When Rumpelstiltskin was capering about on-screen, I did manage to enjoy myself a little. And when he wasn't, I busied myself imagining a world where this misbegotten series had never even been conceived. **NR**

DREAMWORKS

The Straggler

Follow the Fleet

JOHN DERBYSHIRE

FLEET WEEK! For a few days, the rather distinctly unmilitary inhabitants of New York City find that in hurrying from one commercial deal to another, one fashion show to another, one dinner party to another, one charity fundraiser, poetry slam, book-launch party, gallery show, clubbing excursion, kaffeeklatsch, or private debauch to another, they are sharing the streets of the metropolis with young (mostly) men (mostly) in spotless, well-pressed uniforms of a style vaguely familiar from old movie musicals, and practicing manners that would have done credit to the courtiers of an oriental potentate. Fleet Week!

My own Fleet Week began on Wednesday morning, when the ships steamed up the Hudson River to their berths on the west side of Manhattan. I had the great good fortune to have been invited, along with my son and daughter—high-school freshman and junior, respectively—to a Fleet Week breakfast at the New York Mercantile Exchange, whose downtown offices overlook the river.

It is one of the great strengths of American civilization that our different components—military, commercial, literary-artistic, scientific—are on friendly terms. In another time and place—mid-19th-century Paris, perhaps, or imperial China (where the cant phrase was: "You don't use good iron to make nails, a good son does not become a soldier")—a louche bohemian specimen like the Straggler would have been condemned to a life of sipping absinthe and debating metaphysics in seedy cafés with poets, actresses, and similar ne'er-do-wells. Instead I have friends who trade stocks and bonds for a living, who in turn have friends who command ships, fly fighter jets, and lead troops into battle. So there we were in blessed comity on the tenth-floor veranda at NYMEX, watching the ships.

As a naval ignoramus, I found my viewing pleasure much enhanced by the presence of historian, strategist, and friend Norm Friedman, who describes himself as "a defender of oppressed navies everywhere," and whose column in the monthly *Proceedings* of the U.S. Naval Institute qualifies him as a fellow member of the back-of-the-magazine columnists' club. As the USS *Iwo Jima* hove into view, Norm gave me an informative rundown on every armament, pod, dome, nacelle, and davit visible to us, garnished with caustic observations on the political travails of the programs that had brought them forth. He was scathing, too, about naval aesthetics: "I've seen three generations of the U.S. Navy, each one uglier than the last." I thought to myself, but was too tactful to say aloud, that this is not likely a topic that much exercises the Joint Chiefs of Staff.

My son, who I am quietly hoping will take up a military career, was sufficiently impressed: He confessed himself somewhat overpowered by the smartness, confidence, and demeanor of the military men present. That was the reaction I had hoped for. I taught him Doctor Johnson's remark that "every man thinks meanly of himself for not having been a soldier, or not having been at sea." The only protections against repetitions of this particular discomfort, I pointed out, would be to avoid military people, which would be uncivil and unpatriotic, or to get some military cred oneself. I think he got it, but with 15-year-olds it's hard to tell. Ms. Straggler had nothing of much consequence to say, but I am pretty sure I caught her ogling the uniformed guys.

Later in the week I took my lad on a tour of the *Iwo Jima*, by this time moored at one of the Manhattan piers. *Iwo Jima* is classed as an amphibious-assault ship, smaller than a full-scale carrier and with only a third the complement, divided between Navy and Marines. You can take that "divided" a couple of ways. As has always been the case, Navy personnel, busy running their ship, can never completely shake off the notion that the Marines are just passengers being taken somewhere, with nothing much in the way of activity to occupy their shipboard time. It's grossly unfair, of course—no Marine officer lets his troops sit around idle—but still the occasion of much good-natured inter-service humor.

Even if not a carrier on the floating-city scale, *Iwo Jima* is a mighty impressive piece of construction. (She was launched in 2000.) Some areas were off-limits to us—this was Memorial Day weekend and a shipboard ceremony was in preparation—but we saw enough to leave us in awe of the range and coordination of skills needed to run a vessel of this size: from navigation and gunnery to dentistry and laundry. What a thing it must be, to command a ship like *Iwo Jima*!

The Navy is unlike the other services in this way. In the Army an officer may of course advance from command of a platoon, to a company, to a battalion, with increasing authority and satisfaction at each step. An Air Force officer might similarly advance in charge of a flight, a squadron, a wing. These are mere numerical increments, though—degrees of the same thing. A ship is an unmistakably large solid object, requiring dozens or hundreds of people to keep it afloat. No wonder every naval officer is haunted by the dream of *getting a command*. I sat in the captain's chair on the bridge of the *Iwo Jima*, lamenting my own miserable lack of military ambition.

Iwo Jima got my boy's attention, I know. It was one thing to mingle with a scattering of Navy and Marine officers among the NYMEX suits; it was quite another to see them going about their business aboard ship, saluting each other as they passed; to have them demonstrate their equipment with all the pride of having mastered a complex and dangerous task (the Marine crew who showed us their M252 mortar, when I asked them how they move the darn thing around—it weighs 90 pounds, not including ammunition—replied cheerfully: "We carry it, sir"); to spend three hours experiencing the exquisite manners the military infallibly display toward the civilians they are sworn to protect. If this doesn't stir a young man's patriotism, he had better start considering a career as community organizer. **NR**

Happy Warrior

BY MARK STEYN

Judenhass in the Med

It was one of those stories people followed at airports and railway stations—not exactly 9/11 or the death of the Princess of Wales, but not a routine story of faraway disaster, either. Small knots stood around looking up at the screens and shaking their heads as new facts—actually, make that new "facts"—emerged. "Massacre in the Med" screamed the headline on London's *Daily Mirror*, as if Mossad hit men had stormed a topless beach at St. Tropez. Only two weeks ago, I wrote about the near-total delegitimization of Israel in Europe. And, even as National Review hit the stands, along comes a Turkish "humanitarian" "aid" flotilla to make the point for me. I was in Britain, France, and Italy as the story developed, and it was fascinating just to study the vocal tone of the news anchors—the inflections of both outrage and contempt: You won't believe what those Jews have done now! The rage was as "disproportionate" as Israel's actions are always said to be: Nobody gives a hoot what North Korea does to South Korean ships. Muslim gunmen open fire on two mosques in Lahore after Friday prayers, killing 93, and it barely makes the papers.

There are no good options for Israel. These days, Europeans pay even less lip service to the "two-state solution" than Hamas does. The default position is that the creation of the Zionist Entity was an error and an historical injustice, and thus it has to be corrected one way or the other. If—when—the mullahs drop the big one on Tel Aviv, the BBC wallahs will momentarily drop the sneers for a more-in-sorrow-than-in-anger shtick about how, tragic as it is, it brings to a close an unfortunate chapter in Middle Eastern history.

Once upon a time, Israel had allies. But Turkey, formerly its best friend in the Muslim world, now pledges to send the next "aid" convoy under naval escort. Is post-Kemalist Ankara's antipathy to the Jewish state merely a reflection of demographic re-Islamization? Or is it a canny bid to shore up its application for European Union membership? No matter. I get a lot of mail these days arguing that Europeans are finally waking up to the dangers posed by their ever-more-assertive Muslim populations. Yet, whatever their differences on, say, alcohol consumption, gay rights, or female circumcision, ethnic Europeans and their Muslim immigrants are in more or less total harmony when it comes to the iniquity of the Zionist Entity. A famous poll a few years back found that 59 percent of Europeans regard Israel as the greatest threat to world peace—in Germany, it was 65 percent; Austria, 69 percent; the Netherlands, 74 percent. A similar poll reported that in Egypt and Saudi Arabia it was 79 percent. It would be interesting to re-test the question in the light of the "massacre in the Med" and see whether Israel now scores as a greater threat in Belgium than in Yemen.

There is a kind of logic about this. As paradoxical as it sounds, Muslims have been far greater beneficiaries of Holocaust guilt than the Jews. In a nutshell, the Holocaust enabled the Islamization of Europe. Without post-war guilt, and the revulsion against nationalism, and the embrace of multiculturalism and mass immigration, the Continent would never have entertained for a moment the construction of mosques from Dublin to Dusseldorf and the accommodation of Muslim sensitivities on everything from British nursing uniforms to Brussels police doughnut consumption during Ramadan. Holocaust guilt is a cornerstone of the Muslim Europe arising before our eyes. The only minority that can't leverage the Shoah these days is the actual target. It is disheartening to see Elie Wiesel, in Toronto the other day, calling for Holocaust denial to be made a crime throughout the world (as it already is in many European countries). He so doesn't get it. The greater risk to Jews is not that the world will "forget" the murder of 6 million people but that it has appropriated the crime for its own purposes. In Europe, the ever more extravagant Holocaust Memorial Day observances have taken on the character of America's gay-pride parades with their endlessly proliferating subcategories of celebrants. As Anthony Lipmann, the son of an Auschwitz survivor, wrote in *The Spectator* five years ago: "When on 27 January I take my mother's arm—tattoo number A-25466—I will think not just of the crematoria and the cattle trucks but of Darfur, Rwanda, Zimbabwe, Jenin, Fallujah."

Jenin? Ah, well, that was the "massacre" before the "massacre in the Med." According to the official Israeli figures, the death toll of Palestinians at Jenin in 2002 was 52. According to the official Palestinian figures, the death toll was 56. According to the British newspaper the *Independent*, it was "as many as 500" slaughtered in Israeli "atrocities" throughout the "killing fields" of Jenin. According to the *Guardian*, the mass murder was "every bit as repellent" as 9/11. According to the *Evening Standard*, it was "genocide."

Eight years later, when the flotilla hit the fan, a couple of readers wrote to me to ask why the British and European media were always so eager to be led up the garden path. Because, when it comes to Israeli "atrocities," they want to believe. Because, even in an age of sentimental one-worldism, the Jews remain "the other." If old-school Euro-*Judenhass* derived from racism and nationalism, the new *Judenhass* has advanced under the cover of anti-racism and multiculturalism. The oldest hatred didn't get that way without an ability to adapt. **NR**

DAVID BUIMOVITCH/TOPSHOTS/AFP

Save 62%

All this for ONLY $29.95

($79 combined retail value)

Don't Forget Father's Day June 20th

It's the complete package for the smoker: twenty Thompson handmade, imported Dominican cigars, a dependable windproof lighter, and a solidly constructed cedar-lined divided humidor whose quadrant hinges, humidification system and hygrometer make it a veritable vault to protect your puros. This exquisitely fashioned humidor is handsome enough to grace any smoker's desk.

At the low, low price of $29.95 for a regular $79 value, this really is quite an offer. I'm making it to introduce new customers to Thompson & Co., America's oldest mail-order cigar company. Since 1915 our customers have enjoyed a rich variety of cigars and smokers' articles. Cigar sizes may vary.

Promo Code **T8954**

1-888-234-8725

www.thompsonspecials.com Use promo code **T8954** for special pricing

Get your Classic Combo 20 now! 20 top-notch handmade cigars, cedar-lined humidor and windproof lighter for ONLY $29.95 + $4.95 shipping (#926859). (All shipments to AK, HI, Guam, Virgin Islands and Puerto Rico must go priority mail - add an additional $10.00. *Florida residents add 6% sales tax + appropriate county tax).* Remittance of any taxes on orders shipped to a location outside of Florida is the responsibility of the purchaser. *In the event we are out of a Premium brand, Thompson reserves the right to substitute another premium brand cigar or size, of equal or greater value. Lighter style may vary due to availability. All written orders MUST include your signature and date of birth. Limit one per customer.*

OFFER GOOD FOR 30 DAYS • NOT AVAILABLE TO MINORS AND GOOD ONLY IN THE USA

AUCTION – BID on Your Favorite Cigars? Start *as low as $1*

Go to: **www.thompsoncigarauctions.com** updated daily!

We now carry these highly popular brands: • Swisher Sweets • Phillies • Black & Mild • Dutch Master • Garcia Vega and more... Go to: www.popularsmokes.com

1915 THOMPSON & CO., INC.

America's Oldest Mail Order Cigar Company, Est 1915

P.O. Box 31274

Tampa, FL 33631-3274

Fax: 813-882-4605

COMMON SENSE SAYS, YOU CAN'T HAVE RELIABLE ECONOMIC GROWTH WITHOUT RELIABLE, AFFORDABLE ENERGY.

SOUTHERN COMPANY IS BOLSTERING THE SOUTHEAST'S ECONOMY BY INVESTING $6 BILLION IN CLEAN, RELIABLE, AFFORDABLE ENERGY.

You can't have reliable economic growth without reliable, affordable energy. Our two new nuclear units at Plant Vogtle in Georgia will create not only emissions-free energy but also 3,500 construction jobs and 800 permanent jobs. Nuclear power plants account for 72 percent of all emissions-free energy in the United States. In fact, these plants have operated safely and securely in the U.S. for decades. At Southern Company, we believe that if you can help the environment and the economy at the same time, then doing so is just common sense. Learn more at SouthernCompany.com.

POWERED BY COMMON SENSE.®

SOUTHERN COMPANY

Plant Vogtle is owned by Southern Company subsidiary Georgia Power, as well as Oglethorpe Power, Municipal Electric Authority of Georgia, and Dalton Utilities, and is operated by Southern Nuclear Operating Company.