

December 27, 2013

Ron Christie has ideas of how, after a lousy year, the president can turn his record around. It is good Ron highlighted Susan Rice's comments about Benghazi being a "false controversy." It was a disaster for the country and the administration has never stopped lying about it.

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The president needs to send a message to his inner circle as well as the American people that he is singularly focused on bringing in the best and the brightest—those with Chicago political connections should be on notice. The White House is insular to begin with; surrounding yourself with people seeking to curry favor are doing the country a disservice. Incompetence has been tolerated by this president for far too long. Better to bring out the broom and start sweeping some folks out.

When I was sworn in as special assistant to President Bush, White House Chief of Staff Andy Card reminded me that I served at the pleasure of the president for the time being—both the pleasure and the time being could end before I wanted them to. Service in the White House is meant to be temporary and focused on the business of the American people. I found knowing that you could be fired at any moment for any reason keeps one's mind strongly on the task at hand. Dear White House Staff: You serve the American people first. You should know when it is time for you to go and allow someone with a fresh perspective to take your place.

A brief aside: National Security Adviser Susan Rice telling CBS News's Lesley Stahl on 60 Minutes this week that the death of four Americans in Benghazi, Libya, was a "false controversy" is revealing. Does this reflect the president's view or does he have an atmosphere in the White House where this line of thinking is encouraged? Whatever one's thoughts on Benghazi, the death of innocent Americans murdered while serving their country is hardly a false controversy, Mr. President....

Paul Mirengoff of Power Line posts on how new federal regs designed to right the mortgage market will only make it worse. Of course! The government always screws it up!

The almost non-stop stream of Obamacare twists and turns should not divert our attention from radical new regulation of mortgage financing that will take effect, pursuant to Dodd-Frank, on January 10, 2014. Diane Katz of the Heritage Foundation has the details.

As Katz points out, Washington's response to the financial crisis of 2008 rests on the premise that the housing bubble and subsequent crash were the fault of unscrupulous mortgage lenders who took advantage of naive, uninformed consumers. In reality, she says, "lenders and borrowers were responding rationally to incentives created by an array of deeply flawed government policies."

What were these policies? Primarily, (1) artificially low interest rates set by the Federal Reserve, (2) the massive subsidy of risky loans by Fannie Mae and Freddie Mac, (3) and the low-income lending quotas set by the Department of Housing and Urban Development.

In the all-too-familiar pattern, Washington now seizes on the problems caused by its own poor policies as the basis for grabbing more power with which it can craft new bad policies that will lead to more problems. Indeed, as noted below, the new mortgage financing rules actually double-down on “diversity” policies similar to those that helped produce the financial crisis. ...

Mirengoff also provides diversion as Mark Steyn and his editor at National Review have a kerfuffle.

John has mentioned the controversy between Mark Steyn and his National Review editor, Jason Lee Steorts. The matter centered around Steyn’s column of last Friday called “The Age of Intolerance.” Citing the experience of Duck Dynasty’s Phil Robertson, who came under attack from gay rights activists for expressing his view of homosexuality, Steyn argued that the forces of “tolerance” are so intolerant that they threaten to make ours a decidedly illiberal society.

Steyn led off his column with two old jokes about gays. The first, from Bob Hope, was, as Steyn said, “oddly profound” because it somehow foresaw the intolerance that Steyn attacks.

The second joke, from Frank Sinatra and Dean Martin, was stupid and unfunny. Steyn, though, wasn’t holding it out as an example of clever humor, but rather as an example of something one can no longer say on television. And, as usual, Steyn put the gag to clever use in his piece.

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Here's **Jason the Editor**.

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By way of criticizing speech, I’ll say that I found the derogatory language in this column, and especially the slur in its borrowed concluding joke, both puerile in its own right and disappointing coming from a writer of such talent.

And **Mark’s retort** to Steorts.

Having leaned on A&E to suspend their biggest star, GLAAD has now moved on to Stage Two:

’ “We believe the next step is to use this as an opportunity for Phil to sit down with gay families in Louisiana and learn about their lives and the values they share,” the spokesman said. ’

Actually, "the next step" is for you thugs to push off and stop targeting, threatening and making demands of those who happen to disagree with you. Personally, I think this would be a wonderful opportunity for the GLAAD executive board to sit down with half-a-dozen firebreathing imams and learn about their values, but, unlike the Commissars of the Bureau of Conformity Enforcement, I accord even condescending little ticks like the one above the freedom to arrange his own social calendar. Unfortunately, GLAAD has had some success with this strategy, prevailing upon, for example, the Hollywood director Brett Ratner to submit to GLAAD re-education camp until he had eaten sufficient gay crow to be formally rehabilitated with a GLAAD "Ally" award.

It is a matter of some regret to me that my own editor at this publication does not regard this sort of thing as creepy and repellent rather than part of the vibrant tapestry of what he calls an "awakening to a greater civility". I'm not inclined to euphemize intimidation and bullying as a lively exchange of ideas – "the use of speech to criticize other speech", as Mr Steorts absurdly dignifies it. ...

Charles Krauthammer says the government is "treating insurance companies like errand boys."

This is at least the 15th unilateral change in Obamacare that the administration has made without changing the actual law. That's unconstitutional; that's lawless. That's banana republic stuff. As George indicated, the last change was made by a letter from the HHS secretary. That is the what you do it in a banana republic. If you want to know what the law is on a Wednesday, you check the correspondence of El Presidente instead of looking at law. There is no law.

It's as if the whole 2,000 pages of Obamacare -- which nobody has read anyway -- are completely irrelevant. It's simply an authorization for the president and the HHS secretary to do anything required. And today, it wasn't even announced. It wasn't even -- it was leaked. And the people in the administration who leaked it refused to give a name. It was anonymous. It was like Watergate; it was like Woodward and Bernstein.

And the insurers, the people who have to sign up the people who sign up tomorrow, were not even informed, it was a simple change in the software. The insurers are upset because they only have eight days to register anybody who signed up today, and now it is seven days. They have no time. But again, this is the administration's running the insurance companies like errand boys. They are extensions, they are instruments, they are essentially an arm of the government and we're seeing it every day.

In the end, if this fails, this arm of the government, the insurers, are going to have only one recourse and that is going to be a bailout. A huge government bailout with your tax money and with mine.

Daily Beast

[After a Lousy Year, How Obama Can Turn His Presidency Around](#)

The president needs to start by making some big changes at the White House, by showing Valerie Jarrett and Kathleen Sebelius the door. Then he's got to take a hard look in the mirror.

by Ron Christie

As we reflect on 2013 and look forward to resolutions for the new year, I can't help but think about the important steps President Obama needs to take upon his return to Washington, D.C. Critics will say I have the Republican Party's best interests in mind—I have the best interests of our country in mind.

As we begin the sixth year of the Obama era, the White House press corps remains more interested in how events affect the president—approval ratings, political strength, etc.—rather than how his actions affect the citizens he was elected to serve. This is an important distinction and one that has been ignored, in favor of portraying the man in a positive light. It is long overdue for the media to examine the president's policies for their effect on Americans and those around the world, rather than just Obama personally.

Since the White House press corps is either unable or unwilling to do its job, I can offer the following guidance to President Obama on how best he can turn around his presidency while putting the best interests of America first:

Fire Valerie Jarrett and Reshuffle the White House Staff

Similar to his predecessor in office, Obama appears loath to fire his White House staff. This is wrong, particularly since those who are closest to the president are in the best position to present news the occupant of the Oval Office wants to hear the least. Is anyone doing this for Obama?

Valerie Jarrett is the president's [closest political adviser](#) as well as a close friend of first lady Michelle Obama. Reports persist that White House staff are afraid of presenting information to the president that might upset Jarrett—information that might enable Obama to receive a more accurate picture of a dilemma before making a decision.

The president needs to send a message to his inner circle as well as the American people that he is singularly focused on bringing in the best and the brightest—those with Chicago political connections should be on notice. The White House is insular to begin with; surrounding yourself with people seeking to curry favor are doing the country a disservice. Incompetence has been tolerated by this president for far too long. Better to bring out the broom and start sweeping some folks out.

When I was sworn in as special assistant to President Bush, White House Chief of Staff Andy Card reminded me that I served at the pleasure of the president for the time being—both the pleasure and the time being could end before I wanted them to. Service in the White House is meant to be temporary and focused on the business of the American people. I found knowing that you could be fired at any moment for any reason keeps one's mind strongly on the task at hand. Dear White House Staff: You serve the American people first. You should know when it is time for you to go and allow someone with a fresh perspective to take your place.

A brief aside: National Security Adviser Susan Rice telling CBS News's Lesley Stahl on *60 Minutes* this week that the death of four Americans in Benghazi, Libya, was a "false controversy" is revealing. Does this reflect the president's view or does he have an atmosphere in the White House where this line of thinking is encouraged? Whatever one's thoughts on Benghazi, the death of innocent Americans murdered while serving their country is hardly a false controversy, Mr. President.

Fire Kathleen Sebelius and Anyone Not Up to the Task in the Cabinet

The Affordable Care Act was to be President Obama's signature achievement. It has since turned into his singular political albatross. We'll leave the prevarications the president told for a different time. Here, it is inconceivable that the Health and Human Services secretary had three and a half years to be ready for Americans to reliably review and enroll in health plans of their choosing. Sebelius either knew the website was ready for prime-time or she didn't. Neither choice is comforting and she needs to tender her resignation.

If the secretary was aware there would be significant trouble with the website prior to the Oct. 1 deadline, it was her obligation to warn the president of the ramifications for the American people. There is no public indication Sebelius did so—in fact, there is only one meeting on record between the president and the one Cabinet official charged with the implementation of Obamacare. This is frightening in and of itself.

On the other hand, if Sebelius was unaware that the HHS Web portal couldn't reliably process sensitive consumer information, she needs to be sacked. What [has she been doing](#) all of these years? A new leader is required in the new year to dig out from the rubble of the Obamacare disaster.

Accept You're Part of the Problem

For his entire career, Obama has been in a hurry—in a rush to get elected to the Illinois state senate, then the U.S. Senate, then president of the United States. There is no indication he has reflected on any of his experiences in office to address the challenges and opportunities presented by his current occupation.

This would require the president to admit that he has made mistakes—we all do.

I found it revealing that Obama offered the following last week [when asked to describe his biggest mistake of the year](#): "I think that, hopefully, folks have learned their lesson in terms of brinkmanship, coming out of the government shutdown." So the president's biggest error had nothing to do with the president himself? Not the bungled Obamacare rollout, the wavering red line in Syria, NSA surveillance scandal, or IRS controversy?

The president has a narrow window to turn his presidency around before people conclude he is a lame duck and no longer relevant. Mr. Obama, it is in America's best interest for you to drastically change your approach to governance, to provide confidence to your constituents at home as well as those watching around the world that you are up to the task of governing.

Are you?

Power Line

[The new Dodd-Frank rules — modern liberalism in a nutshell](#)

by Paul Mirengoff

The almost non-stop stream of Obamacare twists and turns should not divert our attention from radical new regulation of mortgage financing that will take effect, pursuant to Dodd-Frank, on January 10, 2014. [Diane Katz](#) of the Heritage Foundation has the details.

As Katz points out, Washington's response to the financial crisis of 2008 rests on the premise that the housing bubble and subsequent crash were the fault of unscrupulous mortgage lenders who took advantage of naive, uninformed consumers. In reality, she says, "lenders and borrowers were responding rationally to incentives created by an array of deeply flawed government policies."

What were these policies? Primarily, (1) artificially low interest rates set by the Federal Reserve, (2) the massive subsidy of risky loans by Fannie Mae and Freddie Mac, (3) and the low-income lending quotas set by the Department of Housing and Urban Development.

In the [all-too-familiar pattern](#), Washington now seizes on the problems caused by its own poor policies as the basis for grabbing more power with which it can craft new bad policies that will lead to more problems. Indeed, as noted below, the new mortgage financing rules actually double-down on "diversity" policies similar to those that helped produce the financial crisis.

At the heart of the new regulation is a requirement that lenders ensure that borrowers have the "ability to repay" a mortgage. Borrowers will now have the right to sue lenders for misjudging their financial fitness. Borrowers may also assert a violation of the ability-to-repay requirement as a defense against foreclosure, even if the original lender has sold the mortgage or assigned it to a servicing firm.

The impact of this new scheme is obvious. As Katz says, it "will raise the costs and risks of mortgage lending" and thereby result in less credit availability.

Dodd-Frank Act does offer a "safe harbor" that reduces (but does not eliminate) the prospect of litigation for lenders who meet certain mortgage criteria, such as loan limits, fee caps, and prescribed payment calculations. The existence of the safe harbor for protected classes of loans might well mean the virtual demise of other types of loans.

Yet, as Katz explains, these non-protected loans — balloon mortgages, interest-only mortgages, and negative amortization loans — are all beneficial to certain home buyers. It follows that eliminating or reducing such loans "means fewer options for would-be homebuyers, and a new barrier to the wealth creation associated with property investment." This "is not consumer protection, but consumer control."

Perhaps the most perverse element of the new rules, given the history of the financial crisis that precipitated them, is their diversity requirements under which lenders could face stiff penalties if their pool of borrowers is, by government standards, insufficiently "diverse." The fact that the

pool of borrowers results from neutral underwriting policies designed to comply with the new regs will not be a defense.

The government will expect lenders to do what may well be impossible — make sure (1) that borrowers have the ability to repay mortgages and (2) that minority borrowers receive a proportionate share of loans even though, as a class, they are less affluent than others and thus less likely to meet the stricter mortgage requirements being imposed.

As Katz reminds us:

Ironically, [diversity] requirements were a factor in the housing crash. The Housing and Community Development Act of 1992 required that 30 percent of all loans acquired by Fannie Mae and Freddie Mac be made to low-income and moderate-income borrowers. By 2007, the quota had reached a whopping 55 percent, which required a considerable loosening of underwriting standards to achieve.

The bottom line is this:

The 3,500 pages of new mortgage regulation will not guarantee that a housing bubble and collapse will not happen again. Nor can such inflexible standards possibly keep pace with the constant changes in market conditions. But it will constrain the availability of credit and increase the costs. Such a regime eviscerates the fundamental principles of a mortgage “market,” thereby punishing consumers more than protecting them.

This is modern liberalism in a nutshell.

Power Line **Ducks, Gays, and Steyn** by Paul Mirengoff

John has [mentioned](#) the controversy between Mark Steyn and his National Review editor, Jason Lee Steorts. The matter centered around [Steyn's column](#) of last Friday called “The Age of Intolerance.” Citing the experience of Duck Dynasty's Phil Robertson, who came under attack from gay rights activists for expressing his view of homosexuality, Steyn argued that the forces of “tolerance” are so intolerant that they threaten to make ours a decidedly illiberal society.

Steyn led off his column with two old jokes about gays. The first, from Bob Hope, was, as Steyn said, “oddly profound” because it somehow foresaw the intolerance that Steyn attacks.

The second joke, from Frank Sinatra and Dean Martin, was stupid and unfunny. Steyn, though, wasn't holding it out as an example of clever humor, but rather as an example of something one can no longer say on television. And, as usual, Steyn put the gag to clever use in his piece.

[Steorts](#) found Steyn's piece “less than illuminating” and characterized it as “200 percent felt and half thought.” Steyn fired off a [pointed response](#) to which [Steorts replied](#).

Steorts made two points in his criticism of Steyn's piece. Presumably referring to the attack by gay activists on the Duck Dynasty guy, Steorts "argued that in principle the people have every right to make pariahs of whom they will, and to slug it out among themselves, so to speak, when they disagree." He also complained that "the derogatory language in [Steyn's] column, and especially the slur in [the Rat Pack] joke, [is] both puerile in its own right and disappointing coming from a writer of such talent."

Steorts' first point, asserting the right to make pariahs of those one disagrees with, is beside the point. Gay activists may have the right to try to make a pariah out of the Duck Dynasty guy, but their efforts to do so are nauseating nonetheless. They should be deplored in the strongest terms, as Steorts seemed ultimately to agree.

As to the terms Steyn used, I understand Steorts' point. I too would have liked the column better without the unfunny Rat Pack joke. And I agree with Steorts that courteous disagreement, devoid of insults, is usually preferable to lack of courtesy, even when one is disagreeing with the dangerous and the uncivil.

But Steyn doesn't do "courteous" disagreement; he does wickedly funny, edgy disagreement to the enjoyment of a great many, including me. The column that offended Steorts was entirely in line with Steyn's idiom. If we like Steyn's work, we should not want him to pull his punches simply because this time his wrath is directed at gay activists.

Indeed, I would go one step further. Gay activists, once perhaps sympathetic civil rights advocates, are now a nasty, destructive force that aggressively threatens freedom of speech and religion. Accordingly, they are among the last groups we should want Steyn to treat more gently than is his custom.

Steyn is therefore correct to say that Steorts "does not grasp the stakes" in the Duck Dynasty dispute. The stakes consist of preserving a liberal society, in the classical sense. For, as Steyn grasps, "a society where lives are ruined over an aside because some identity-group don decides it must be so is ugly and profoundly illiberal."

The Corner

[Steyn on Speech](#)

by Jason Lee Steorts

I admire Mark Steyn's gallantry in defending freedom of speech and thought, but his weekend column is less than illuminating. It seems to have been 200 percent felt and half thought. Sorting through and categorizing the jumble of quite different examples that provoked Mark's dudgeon was nonetheless a useful exercise. Here are my undoubtedly boring conclusions.

When it comes to the legal restriction of speech, or the legal coercion of dissenters, I'll storm the barricade with Mark. It amazes me that any soi-disant free people tolerate that sort of thing.

The use of speech to criticize other speech is something else, and the distinction between state coercion and cultural coercion is one that Mark typically doesn't acknowledge, to the detriment of his arguments. That distinction can get pretty blurry in our present legal arrangements, but in

principle the people have every right to make pariahs of whom they will, and to slug it out among themselves, so to speak, when they disagree.

Still, Mark has a point, and we should ask ourselves what sort of culture we'd like to live in. The readiness to ostracize those who offend our sensibilities is stifling and unhealthy. Except in very extreme cases, we should *criticize speech* rather than *condemn speakers*. This is also prudent. Martyrs are popular; better to make an argument.

On the other hand, I can't agree with Mark that anything of value is lost when derogatory epithets go out of bounds in polite society. They tend to be bad even for humor, substituting stereotype and cliché for originality. People who used them in different times need not be regarded as monstrous, nor must the canon be censored; we could instead feel good about having awoken to a greater civility and make generous allowances for human fallibility.

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The Corner Re-Education Camp

By Mark Steyn

Having leaned on A&E to suspend their biggest star, GLAAD has now moved on to Stage Two:

"We believe the next step is to use this as an opportunity for Phil to sit down with gay families in Louisiana and learn about their lives and the values they share," the spokesman said.

Actually, "the next step" is for you thugs to push off and stop targeting, threatening and making demands of those who happen to disagree with you. Personally, I think this would be a wonderful opportunity for the GLAAD executive board to sit down with half-a-dozen firebreathing imams and learn about their values, but, unlike the Commissars of the Bureau of Conformity Enforcement, I accord even condescending little ticks like the one above the freedom to arrange his own social calendar. Unfortunately, GLAAD has had some success with this strategy, prevailing upon, for example, the Hollywood director Brett Ratner to submit to GLAAD re-education camp until he had eaten sufficient gay crow to be formally rehabilitated with a GLAAD "Ally" award.

It is a matter of some regret to me that my own editor at this publication does not regard this sort of thing as creepy and repellent rather than part of the vibrant tapestry of what he calls an "awakening to a greater civility". I'm not inclined to euphemize intimidation and bullying as a lively exchange of ideas – "the use of speech to criticize other speech", as Mr Steorts absurdly dignifies it. So do excuse me if I skip to the men's room during his patronizing disquisition on the distinction between "state coercion" and "cultural coercion". I'm well aware of that, thank you. In the early days of my free-speech battles in Canada, my friend Ezra Levant used a particular word to me: "de-normalize". Our enemies didn't particularly care whether they won in court. Whatever the verdict, they'd succeed in "de-normalizing" us — that's to say, putting us beyond

the pale of polite society and mainstream culture. “De-normalizing” is the business GLAAD and the other enforcers are in. You’ll recall Paula Deen’s accuser eventually lost in court — but the verdict came too late for Ms Deen’s book deal, and TV show, and endorsement contracts.

Up north, Ezra and I decided that, if they were going to “de-normalize” us, we’d “de-normalize” them. So we pushed back, and got the entire racket discredited and, eventually, the law repealed. It’s rough stuff, and exhausting, but the alternative is to let the control-freaks shrivel the bounds of public discourse remorselessly so that soon enough you lack even the words to mount an opposing argument. As [this commenter](#) to Mr Steorts noted, the point about unearthing two “derogatory” “puerile” yet weirdly prescient gags is that, pace Marx, these days comedy repeats as tragedy.

I am sorry my editor at NR does not grasp the stakes. Indeed, he seems inclined to “normalize” what GLAAD is doing. But, if he truly finds my “derogatory language” offensive, I’d rather he just indefinitely suspend me than twist himself into a soggy pretzel of ambivalent inertia trying to avoid the central point — that a society where lives are ruined over an aside because some identity-group don decides it must be so is ugly and profoundly illiberal. As to his kind but belated and conditional pledge to join me on the barricades, I had enough of that level of passionate support up in Canada to know that, when the call to arms comes, there will always be some “derogatory” or “puerile” expression that it will be more important to tut over. So thanks for the offer, but I don’t think you’d be much use, would you?

The Corner

[Re: Re-Education Camp](#)

by Jason Lee Steorts

The point is basic courtesy, [Mark](#). It’s that you could mount your opposing argument without insulting people. Sure, you have the *right* to insult people, but I can’t sympathize much with someone who exercises that right just to prove it exists, which seems to have been part of your rhetorical strategy. What I would like to de-normalize is boorishness, whatever its content. I would do that by criticizing your manners, not by “indefinitely suspend[ing]” you, which would not be my decision anyway. When people are indefinitely suspended from this or that for being boors, I find it “stifling and unhealthy,” as you may recall that [I said](#). I’ll upgrade that to “creepy and repellent,” if it’ll calm you down. But it’s also part of the rough-and-tumble of free expression, which protects equally the right of people to be boors, and the right of people to call for suspensions, and the right of organizations to capitulate, and the right of you and me to criticize them for it, with or without courtesy.

Real Clear Politics

[Krauthammer: Obama Administration "Running The Insurance Companies Like Errand Boys"](#)

CHARLES KRAUTHAMMER: This is at least the 15th unilateral change in Obamacare that the administration has made without changing the actual law. That’s unconstitutional; that’s lawless. That’s banana republic stuff. As George indicated, the last change was made by a letter from

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