

May 5, 2014

A foreign policy overview from **Major Garrett**. He calls it our "Punch and Judy" policy. *MANILA — For President Obama, caution in the defense of liberty is no vice, and militarism in the pursuit of justice is no virtue.*

Obama didn't come to Asia to paraphrase Barry Goldwater's acceptance speech at the 1964 Republican National Convention. But he did after growing frustrated with recent editorial criticism portraying his foreign policy as weak and naive. ...

... Obama, in other words, knows precisely what he doesn't want to do. No errors. No big, embarrassing strikeouts. Singles and doubles. In baseball, that's called a Punch and Judy, station-to-station offense. Move the runners along gradually; keep momentum going.

But if your global rivals know you best by your self-imposed limits, how capably can you project power? Is it canny to concede more than necessary? This is the central question for Obama's foreign policy. He argued forcefully here that the greater danger is picking reckless fights or pretending a war-exhausted American public will support war in Syria, Ukraine, or anywhere in Asia.

The problem for Obama is the perception here and elsewhere that the most forceful thing he's done on this trip or since Benghazi has been to explain what he can't do—not what he can.

John Kerry is just one of the fools picked for the foreign policy team. **Gerald Seib** reports on an interview that shows how the SecState gets Russia policy exactly wrong. Kerry thinks present policy is uniquely Putin, when in fact it is exactly what Russians want and exactly what Russia has always done whether Czars, Communists, or the new Putintate.

Secretary of State John Kerry has been thinking about, talking through and wrestling with the Ukraine crisis for weeks, but he still grasps for words to describe the motivations of the man at its center: Russian President Vladimir Putin.

"You almost feel that he's creating his own reality, and his own sort of world, divorced from a lot of what's real on the ground for all those people, including people in his own country," Mr. Kerry said in an interview late Monday. ...

... while sanctions may be pinching Kremlin cronies, the conversation with Mr. Kerry leaves no doubt that he sees Russia's actions as the product not of any collective Russian view of the world, but of the determination of an individual: Vladimir Putin.

The Ukraine crisis, Mr. Kerry said, is "obviously very personally driven in ways that I think are uniquely inappropriate to 21st century leadership." He added: "It's an amazing display of a kind of personal reaction to something that just doesn't fit into the lessons learned for the last 60 years or 70 years. It's so divorced that it leaves you feeling badly for the consequences. I think the Russian people are going to pay a price for this. It's unfortunate for the Russian people, who clearly don't fit

into the costs that are being attached to this, because it appears to be so personal to President Putin."

Mr. Kerry said he finds the Russian leader's appeals to nationalism in particular "dangerous in this time and place." ...

Here's something written by [Pickerhead](#) in March 11th's Pickings. It explains how Kerry gets fooled when he thinks the Russians he hears represent the rest of the country. ... *We get fooled by a very thin veneer of Russians who have a Western point of view. And more confusion comes from their excellence in Western idioms of music and literature. This leads us to believe they are just like us. They are not. Scratch below the surface and you will find a xenophobic peasant; notable only for a capacity for suffering we cannot even imagine. Smart though. Because everyone of them can speak Russian like a native.*

This xenophobia, the fear of the foreign, is something Russians come by honestly and we would too if geography had dealt us their poor hand. It is a huge flat country with no natural barriers to entry, or invasion, for a thousand miles. Don't think of the Urals, they are like the Blue Ridge Mountains in Virginia. The Volga provides an example of Russia's flat geography. It rises in the Valdai Hills near Moscow and wanders for almost 2,400 miles before arriving at the Caspian Sea. A drop of less than 750 feet, or three and a half inches every mile. As a consequence, the country was constantly tested from every direction and Russians came to value a strong government that would protect them.

Our political ancestors were on an island and learned to fear tyranny from inside the country. That's why we got the Magna Carta, and a government constrained by a constitution and the rule of law. Those things did not happen because we were wrapped in virtue at birth. Our peoples solved a different set of problems. ...

To put a coda on this section, we learn from [Breitbart News](#) Russians are the happiest they have been in 25 years. And why not? Regardless of what Kerry thinks, they have exactly the government they want.

Even though their country is preparing for military conflict and its economy is in recession, Russians, a survey released Thursday said, are the happiest they have been in 25 years.

In its annual "Happiness Index," the VTsIOM public opinion research center said 78 percent of Russians declared themselves content with their lives, a one percent increase over last year's statistics. Those in the 18 to 25 age group were the happiest, with 92 percent of respondents saying they were happy.

One in three respondents noted happiness, for them, was linked to family life, their children and grandchildren, and an interesting work life. The number of those simply thankful to be alive has doubled, the survey said.

Those unhappy complained of bad health and a low standard of living.

The survey was conducted among 1,600 respondents across 45 Russian regions.

Of course, it is not only Kerry. The president has found kindred fools for more of his foreign policy apparatus. [American Thinker](#) has a long post about the Tommy Vietor interview with Bret Baier last week. It is a long post, but here's some bio material on others.

Now, on to the real news: the grave affairs of state in the Obama administration are in the hands of incompetent, inexperienced people who are not up to the responsibilities they wield. If you are wondering how someone so callow came to such a position, [read this](#) and weep. He started as a van driver. Jonathan Karl, Richard Coolidge, and Jordyn Phelps wrote over a year ago:

"Tommy Vietor started working for Barack Obama when he was still Senator Obama--well before he became a presidential candidate--and until Friday, the 32-year-old Vietor hadn't stopped. His first job for Obama was as the driver of a press van, and he rose up the ranks through the 2008 campaign, and then the White House press office, to become the National Security Council spokesman."

Now leaving the White House to open a political communications firm with the president's departing speechwriter Jon Favreau, Vietor says it's been the privilege of a lifetime to work for the president. ...

... In 2010, [Ed Lasky](#) examined the appalling lack of qualifications of Ben Rhodes, now at the center of the storm:

Who is Ben Rhodes and what qualifies him to be the Deputy National Security Adviser?

He was Barack Obama's [speechwriter](#) (albeit, on foreign policy topics) during the campaign. He also played a role in the Cairo speech that presented a highly fictionalized history of both Islam (praised it for accomplishments that were not Islam's) and Israel (a legacy of the Holocaust guilt).

Maybe he has a certain talent for fiction. After all, it was only a few years ago that "he was an aspiring fiction writer working on a novel called "The Oasis of Love" about a megachurch in Houston, a dog track and a failed romance.

Rhodes has enjoyed a rapid rise -- because why?

Granted he is quite the wordsmith. That must qualify him for one of the top jobs involving our national security. It must have been a symbiotic relationship -- a talented speechwriter with a talented speech reader. ...

... Then there is Valerie Jarrett, who appears to be running the country while Obama plays golf, shoots hoops, parties, and has "downtime," as Michelle Obama recently called it, with his family, watching TV.

Even among foreign policy appointees with actual credentials, such as UN Ambassador Samantha Power who has a PhD, it is all theory and no actual experience and an inability to follow through on all the fine words she has written.

As Glenn Reynolds of Instapundit so often sarcastically remarks, "The country is in the best of hands."

Craig Pirrong with a welcome post on Warren Buffett.

... The recent spate of accidents has led Warren Buffett to call for stronger regulation, most notably, a requirement for safer rail cars. Buffett's Berkshire Hathaway of course owns the nation's second largest rail carrier, BNSF.

That Warren, always looking out for the public interest, and willing to sacrifice the interests of one of his major holdings to benefit us hoi polloi.

Not.

First, it's long been known that some firms in an industry can benefit from the imposition of more stringent safety regulations. Yes, these regulations raise everybody's costs, but some firms' costs rise more than others. The less-impacted firms have an incentive to press for the regulations in order to raise their rivals' costs. This raises market price. The effect on price more than offsets the effect on cost for the less cost-impacted firms.

Which means: always look askance at people like Buffett who are calling for regulation of their industry.

And this goes double for Buffett. For in addition to BNSF, Berkshire Hathaway owns the Union Tank Car Company, one of the largest manufacturers of oil tanker railcars. Meaning that some of the costs from requiring the purchase of more robust railcars goes from Buffett's BNSF pocket into his UTLX pocket. He is, effectively, hedged against the rise in BNSF's costs that would result from regulations requiring the use of safer cars. What's more, his UTLX also pockets some of the costs incurred by his rivals. That's a double win for Buffett. His rivals' costs go up, raising prices for rail freight which benefits BNSF, and Buffett also books as profit (at UTLX) some of the higher costs his rivals incur.

Great work if you can get it.

So yeah, Buffett's call for more stringent regulation of oil carrying railcars is totally altruistic. Totally.

It never ceases to amaze me how Buffett's kindly grandfather shtick fools the world. He is utterly cynical in his actions and public statements. He demonizes derivatives, but engages in some huge exotic options trades. He claims he supports the estate tax out of interest of fairness and equity, not mentioning that his insurance businesses profit immensely from the estate tax (and that he can of course largely circumvent the tax). He has manipulated the silver market. And he poses as a defender of public safety, not mentioning his very strong economic interests in such regulation. ...

National Journal

Obama's Punch and Judy Foreign Policy

by Major Garrett

MANILA — For President Obama, caution in the defense of liberty is no vice, and militarism in the pursuit of justice is no virtue.

Obama didn't come to Asia to paraphrase Barry Goldwater's acceptance [speech](#) at the 1964 Republican National Convention. But he did after growing frustrated with recent editorial criticism portraying his foreign policy as [weak and naive](#).

It started in Seoul, where Obama faced a second day of questions from reporters in [Japan](#) and South Korea about his commitment to defend these allies in the face of Chinese and North Korean military muscle-flexing.

"We seem to have gotten in the habit of thinking that when there are hard foreign policy problems that there may actually be a definitive answer; typically, those who offer that definitive answer come up with the use of force as the definitive answer," [Obama said](#). "You would think, given that we've just gone through a decade of war, that that assumption would be subject to some questioning."

Obama then said as a student of history and as commander in chief he understood the limits of military power. "Very rarely have I seen the exercise of military power providing a definitive answer."

If military power isn't the answer, what is? Risk avoidance.

"If there are occasions where targeted, clear actions can be taken that would make a difference, then we should take them," [Obama said](#) here during a press conference with Philippine President Benigno Aquino. "We don't do them because somebody sitting in an office in Washington or New York think it would look strong. That's not how we make foreign policy. It may not always be sexy. But it avoids errors. You hit singles, you hit doubles; every once in a while we may be able to hit a home run."

That's [Punch and Judy](#) foreign policy, the elevation of small, incremental success over swinging for the fences, embracing grand visions or—most important—making big mistakes. In Syria, Ukraine, and here in Asia, Obama's first priority is to avoid a foreign policy face-plant.

- He won't fight a war to topple Bashar al-Assad.
- He won't send troops to defend a transitional government in Kiev only mildly less disorganized and corrupt than its predecessor.
- He has no stomach (neither does South Korea, by the way) for a conventional war with North Korea and has been [startled](#) by the unpredictable thuggery of young dictator Kim Jong-un, making him all the more dependent on the good offices of Beijing.

- For this reason, Obama doesn't want to overpromise in Japan's territorial dispute with China over the [Senkaku Islands](#) or the dispute with China over the Second Thomas Shoal and the marooned U.S. rust bucket *Sierra Madre*.

All of this makes sense if risk avoidance is your top priority. I would argue this is among the most important legacies of Benghazi, a lethal foreign policy disaster that grew out of Obama's decision, one that [evolved slowly](#), to back what he thought would be low-risk, multinational military action in Libya. Toppling Muammar el-Qaddafi and preventing a feared civilian slaughter proved to be just that. But the aftermath blew up in Obama's face when presumably allied local militia became terrorist [collaborators](#) and U.S. Ambassador Chris Stevens and three other Americans were [murdered](#).

Ever since, the inherent risks of dealing with unknown actors—rebels in Syria or the hollowed-out military in Ukraine—have led Obama to prioritize caution over armed confrontation. The military stakes with China are even bigger; hence, Obama's studious avoidance here of any language that could be regarded as critical or confrontational in relation to the long-simmering but suddenly hot island disputes with Japan and the Philippines.

"Our goal is not to counter China. Our goal is not to contain China," Obama said. "Our goal is to make sure that international rules and norms are respected, and that includes in the area of maritime disputes. And we don't even take a specific position on the disputes between nations."

As if to put the hands-off policy on a billboard visible from Manila to Beijing, Obama added this: "I suspect that there are some islands and rocks in and around Canada and the United States where there are probably still some arguments dating back to the 1800s." Obama isn't going to send the [Seventh Fleet](#) to defend "some islands and rocks" in the South China or East Philippine Sea.

Obama, in other words, knows precisely what he doesn't want to do. No errors. No big, embarrassing strikeouts. Singles and doubles. In baseball, that's called a Punch and Judy, station-to-station offense. Move the runners along gradually; keep momentum going.

But if your global rivals know you best by your self-imposed limits, how capably can you project power? Is it canny to concede more than necessary? This is the central question for Obama's foreign policy. He argued forcefully here that the greater danger is picking reckless fights or pretending a war-exhausted American public will support war in Syria, Ukraine, or anywhere in Asia.

The problem for Obama is the perception here and elsewhere that the most forceful thing he's done on this trip or since Benghazi has been to explain what he can't do—not what he can.

The author is National Journal correspondent-at-large and chief White House correspondent for CBS News.

WSJ

Kerry Sees Ukraine Crisis as Uniquely Putin's

Secretary of State Says More Sanctions May Be Needed Unless Russia Leader Stops Intimidations

by Gerald F. Seib

Secretary of State [John Kerry](#) has been thinking about, talking through and wrestling with the Ukraine crisis for weeks, but he still grasps for words to describe the motivations of the man at its center: Russian President [Vladimir Putin](#).

"You almost feel that he's creating his own reality, and his own sort of world, divorced from a lot of what's real on the ground for all those people, including people in his own country," Mr. Kerry said in an interview late Monday.

Mr. Kerry spoke just hours after President [Barack Obama](#)'s administration announced another round of economic sanctions on Russian individuals and companies, and just hours before Europeans were to announce full details of their own new sanctions, all taken in hopes of somehow stopping Mr. Putin's intimidation of neighboring Ukraine. But the secretary didn't sound as if he thinks his work on the sanctions front is done with this latest round, the fourth so far.

Asked why the administration continues to punish individual Russians or single Russian companies rather than impose broader penalties on whole sectors of the Russian economy—the energy, financial or defense sectors, for instance—Mr. Kerry replied: "We're inches away from that now. And if they continue on this path, that's where it's heading."

He also argued strongly—and there is some evidence to support the argument—that the sanctions are biting at the top end of the Russian economic and political power structure. The best argument that the economic threat is making a difference is simple: Whatever else Mr. Putin has or hasn't done, he hasn't taken the fateful step of sending his troops across the border directly into eastern Ukraine.

But while sanctions may be pinching Kremlin cronies, the conversation with Mr. Kerry leaves no doubt that he sees Russia's actions as the product not of any collective Russian view of the world, but of the determination of an individual: Vladimir Putin.

The Ukraine crisis, Mr. Kerry said, is "obviously very personally driven in ways that I think are uniquely inappropriate to 21st century leadership." He added: "It's an amazing display of a kind of personal reaction to something that just doesn't fit into the lessons learned for the last 60 years or 70 years. It's so divorced that it leaves you feeling badly for the consequences. I think the Russian people are going to pay a price for this. It's unfortunate for the Russian people, who clearly don't fit into the costs that are being attached to this, because it appears to be so personal to President Putin."

Mr. Kerry said he finds the Russian leader's appeals to nationalism in particular "dangerous in this time and place."

And he discounted the idea that the Russia's actions are unfolding spontaneously. "There's no question that plans were executed in a thoughtful way in Crimea" when Russia annexed that

Ukrainian peninsula, Mr. Kerry said. More broadly, he added: "Obviously there's a plan. And it's being carried out with a sort of singular resolve, I guess is the way to put it."

Less clear is whether the West has found any way to stop the plan from unfolding further. Aside from his strong belief that economic sanctions are the best and most promising tool for getting Russia's attention, Mr. Kerry also said the U.S. has and will provide help to the Ukrainian armed forces. But he dismissed as unrealistic those who argue providing lethal military aid quickly would produce a substantial change.

"Any sound military thinking understands that equipment of a defensive nature, that would actually make a difference, would take a significant amount of time to train up on, let alone get there," he said. "Building capacity in an army the size of Ukraine's to stand up to an army with the capacity and the size of Russia's, that's not an overnight task."

Mr. Kerry also has been devoting hours of time and thousands of miles of travel to diplomatic efforts. The results, he acknowledged, are "disappointing"—a result he ascribes as "an example of bad faith and absence of legitimacy."

Nor does he sound like someone holding great hope for diplomatic fruits in the near term: "Look, that's what this building does. That's what I'm supposed to do. You're supposed to try to find a diplomatic solution to things. If you can't do that then you have to take the steps necessary to enforce your policy."

His greatest fear now? "I think it could deteriorate into hot confrontation," even without Russian troops crossing into Ukraine, Mr. Kerry said. "And there are provocateurs who are perfectly capable, who are trying to instigate that kind of flare-up."

The fact it hasn't happened so far, he said, is a tribute to the discipline and restraint of the fledgling Ukrainian government. "But obviously," he added, "you could have a flash point here."

Pickings from the Webvine

[March 11, 2014](#)

To help understand Russian attitudes it is worth repeating a story in a book about the history of their conquest of Siberia. In 1905 the first leg of the Trans-Siberian Railway was completed to Irkutsk, the town at the bottom of Lake Baikal 3,200 miles from Moscow. Because the Czar's government was seriously in debt, (25% of the budget was going for interest payments. Was Obama the czar?) there was not enough in the budget to do a proper job. As a result, the grades were too steep, the curves were too sharp, and good hardwoods were not used for ties. Speeds were so slow, the trip to Irkutsk took two weeks. At the time, someone pointed out to a Russian man that trains in Western Europe were able to travel three times as fast. To which the Russian responded, "Well, if you need to get someplace sooner, you can just take an earlier train."

That confounding obliviousness is, to Pickerhead's experience, typical for the country. We get fooled by a very thin veneer of Russians who have a Western point of view. And more confusion comes from their excellence in Western idioms of music and literature. This leads us to believe they are just like us. They are not. Scratch below the surface and you will find a xenophobic

peasant; notable only for a capacity for suffering we cannot even imagine. Smart though. Because everyone of them can speak Russian like a native.

This xenophobia, the fear of the foreign, is something Russians come by honestly and we would too if geography had dealt us their poor hand. It is a huge flat country with no natural barriers to entry, or invasion, for a thousand miles. Don't think of the Urals, they are like the Blue Ridge Mountains in Virginia. The Volga river provides an example. It rises in the Valdai Hills near Moscow and wanders for almost 2,400 miles before arriving at the Caspian Sea. A drop of less than 750 feet, or three and a half inches every mile. As a consequence, the country was constantly tested from every direction and Russians came to value a strong government that would protect them.

Our political ancestors were on an island and learned to fear tyranny from inside the country. That's why we got the Magna Carta, and a government constrained by a constitution and the rule of law. Those things did not happen because we were wrapped in virtue at birth. Our peoples solved a different set of problems.

There is another Western, particularly American, conceit that annoys Russians. It happens at the beginning of every June as we celebrate the anniversary of the D-Day invasion when we landed in Europe and subsequently, supposedly, won the war. Dmitri Volkogonov, a Red Army General who served on the staffs of both Gorbachev and Yeltsin, was an historian with unique access to archives of both the Red Army and the Communist Party. His best estimate of the number of Soviets killed in WWII is 27,000,000. The United States lost 300,000. Hitler had lost the war long before June 1944. We were there for the mopping up. Not to say our contribution in national treasure was not immense. But it was Russia that paid the butcher's bill.

Breitbart News

[Survey: Russian 'Happiness Index' Highest in 25 Years](#)

MOSCOW, May 1 (UPI) -- Even though their country is preparing for military conflict and its economy is in recession, Russians, a survey released Thursday said, are the happiest they have been in 25 years.

In its annual "Happiness Index," the VTsIOM public opinion research center said 78 percent of Russians declared themselves content with their lives, a one percent increase over last year's statistics. Those in the 18 to 25 age group were the happiest, with 92 percent of respondents saying they were happy.

One in three respondents noted happiness, for them, was linked to family life, their children and grandchildren, and an interesting work life. The number of those simply thankful to be alive has doubled, the survey said.

Those unhappy complained of bad health and a low standard of living.

The survey was conducted among 1,600 respondents across 45 Russian regions.

American Thinker

The appalling Obama foreign policy team: The case of Tommy Vietor

by Thomas Lifson

Former National Security Council spokesman Tommy Vietor appeared last (**week**) on Bret Baier's Fox News Channel program Special Report, in an attempt at damage control, but only made things worse for the Obama Benghazi cover-up. Two pieces of actual news were generated, but perhaps the greatest damage was done by Vietor's immature self-presentation, revealing the low level of qualifications necessary for high responsibility in the Obama White House.

First, the two pieces of actual news:

1. President Obama wasn't in the Situation Room the night of September 11, 2012, as our ambassador to Libya and three other men were being attacked, captured, and eventually killed after being dragged through the streets of Benghazi and tortured in hideous fashion.

Transcript:

BRET BAIER: People on the ground testified that they knew where the ambassador was, that they were military in their precision. It was not guys coming to protest. They had mortars and heavy weapons.

TOMMY VIETOR: Bret, a couple of things. I was in the Situation Room that night, okay. We didn't know where the ambassador was definitively.

BAIER: Was the president in the Situation Room?

VIETOR: No. And the fact that your network at one time reported that he watched video feed of the attack as it was ongoing is part of what I think is a pattern of inaccurate --

BAIER: Where was the president?

VIETOR: In the White House. Let me finish my initial statement. The notion that we could, you know, divine motives from a drone feed I think is wrong. And I also think this idea that the military had the capability to rescue those individuals but chose not to is I think extremely unfair to the military. And Admiral Mullen said basically the opposite.

BAIER: In the ARB report.

VIETOR: Right.

BAIER: Where was the president?

VIETOR: In the White House.

BAIER: He wasn't in the Situation Room?

VIETOR: At what point in the evening?

BAIER: Any point in the evening.

VIETOR: It's well known that when the attack was first briefed to him it was in the Oval Office and he was updated constantly. And during that briefing he told Tom Donilon and his Joint Chiefs and Sec Def to begin moving all military [assets](#) into the region.

BAIER: So when Hillary Clinton talks to him at 10:00 p.m., he's where?

VIETOR: I don't know. I don't have a tracking device on him in the residence.

BAIER: But you were in the Situation Room and he wasn't there.

VIETOR: Yes, I was in the White House.

BAIER: And the president wasn't in the Situation Room?

VIETOR: Not in the room I was in. Let's just be clear. You don't have to be in the Situation Room to monitor an intelligence situation. The PDB is in the Oval Office.

The key word here is "monitor." Do we expect the Commander in Chief to monitor or to lead? This is no mere verbal distinction. We now know, thanks to sworn [testimony](#) yesterday by "Retired Air Force Brigadier General Robert Lovell that the State Department 'didn't come forward with stronger requests for action' in Benghazi while he served in the U.S. Africa Command's headquarters in Germany." Then Secretary of State Clinton, like her boss, was not leading, and may have also been in the passive "monitoring" mode (at best).

2. Vietor *may* have been the person who changed "attacks" to "demonstrations" in the talking points, in other words, going from a planned attack to a spontaneous demonstration-orientation in the story fed by the White House, ultimately to Susan Rice's now legendary 5 [show](#) Sunday deception. He doesn't remember, and expressed himself in way that makes some kind of history, a former [senior](#) official employing the word "Dude."

[Transcript:](#)

BRET BAIER, HOST: You're a communications expert. If you're prepping an official for a Sunday show, you're probably going to prep on the biggest question of the Sunday show.

TOMMY VIETOR: Yes.

BAIER: Which probably, maybe, would have been the U.S. ambassador and three others who died.

VIETOR: That's fair. And I was among people who prepped Susan Rice. And we talked about, you know -- the protests were front and center in Ben [Rhodes]'s e-mail because there was still concern about additional violence in the region.

BAIER: Let's go to the talking points.

VIETOR: It was and there were Friday prayers in a number of countries like Pakistan and we were

extremely worried.

BAIER: The 14th is the day you're talking about.

VIETOR: Yes.

BRET BAIER: According to the e-mails and the time line, the CIA circulates new talking points after they've removed the mention of al Qaeda and then at 6:21 the White House, you, add a line about the administration warning on September 10th of social media reports calling for demonstrations. True?

TOMMY VIETOR: I believe so.

BAIER: Did you also change attacks to demonstrations in the talking points?

VIETOR: Maybe. I don't really remember.

BAIER: You don't remember?

VIETOR: Dude, this was [like – omitted in the transcript but audible nonetheless] two years ago. We're still talking about the most mundane thing.

BAIER: Dude, it's what everybody is talking about.

VIETOR: We're talking about the process of editing talking points. That's what bureaucrats do all day long. Your producers edit scripts multiple times.

Now, on to the real news: the grave affairs of state in the Obama administration are in the hands of incompetent, inexperienced people who are not up to the responsibilities they wield. If you are wondering how someone so callow came to such a position, [read this](#) and weep. He started as a van driver. Jonathan Karl, Richard Coolidge, and Jordyn Phelps wrote over a year ago:

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Now leaving the White House to open a political communications firm with the president's departing speechwriter Jon Favreau, Vietor says it's been the privilege of a lifetime to work for the president.

"It's been kind of a front seat at some historic [events](#)--killing bin Laden, ending the Iraq war, a whole bunch of things--so it's been extraordinary," Vietor says.

In 2010, [Ed Lasky](#) examined the appalling lack of qualifications of Ben Rhodes, now at the center of the storm:

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He was Barack Obama's [speechwriter](#) (albeit, on foreign policy topics) during the campaign. He also played a role in the Cairo speech that presented a highly fictionalized history of both Islam (praised it for accomplishments that were not Islam's) and Israel (a legacy of the Holocaust guilt).

Maybe he has a certain talent for fiction. After all, it was only a few years ago that "he was an aspiring fiction writer working on a novel called "The Oasis of Love" about a megachurch in Houston, a dog track and a failed romance.

Rhodes has enjoyed a rapid rise -- because why?

Granted he is quite the wordsmith. That must qualify him for one of the top jobs involving our national security. It must have been a symbiotic relationship -- a talented speechwriter with a talented speech reader.

Does Rhodes have any educational experience or military experience or, for that matter, international experience? No... on all three counts.

His [bio](#), such as it is:

Rhodes had just earned a master's degree in fiction writing from New York University when he was offered a job as a writer for Hamilton in 2002. A Manhattan native, Rhodes went on to write the Iraq Study Group Report and help draft policy recommendations for the 9/11 Commission, which Hamilton co-chaired.

Rhodes keeps in regular contact with Hamilton, who said Obama has thanked him "for making Ben available."

Rhodes said Hamilton still reviews Obama's major foreign policy addresses.

"We run most of the big foreign policy speeches by him," he said. "Just kind of like, 'What do you think of this?'"

So far Obama's Iraq speech has been the most meaningful for Rhodes. Aides credit him with the part where Obama spoke directly to the Iraqi people. Rhodes is also behind Obama's telling the story of two Marines who died trying to stop a suicide bomber from entering an American military compound in Iraq.

Then there is Valerie Jarrett, who appears to be running the country while Obama plays golf, shoots hoops, parties, and has "downtime," as Michelle Obama recently called it, with his family, watching TV.

Even among foreign policy appointees with actual credentials, such as UN Ambassador Samantha Power who has a PhD, it is all theory and no actual experience and an inability to follow through on all the fine words she has written.

As Glenn Reynolds of Instapundit so often sarcastically remarks, "The country is in the best of hands."

Streetwise Professor

[Don't Get Conned By Buffett's Kindly Grandfather Shtick. He'll Profit From the Increased Regulation He's Advocating.](#)

by Craig Pirrong

There was another fiery derailment of a train carrying crude oil, [this one in Lynchburg, Virginia](#). Some of the cars plunged into the James River, spilling oil into the stream that runs through Virginia via Richmond to the Chesapeake.

This is just the latest of a spate of such accidents. This is, to some extent, the inevitable consequence of the oil boom in the Bakken and Texas. The boom means that more oil has to move, and rail can adjust most rapidly to accommodate that need. Pipelines are cheaper and safer, but they take a while to build. Unfortunately, regulatory obstacles had impeded the more rapid buildout of pipelines.

To give an idea of how unexpected the oil-by-rail movement is, note that the US government (namely the Energy Information Agency) does not collect data on the volume of rail shipments. It tracks shipments by barge and pipeline, but not rail. Because oil by rail volumes were basically rounding error until the shale oil boom.

[The recent spate of accidents has led Warren Buffett to call for stronger regulation, most notably, a requirement for safer rail cars.](#) Buffett's Berkshire Hathaway of course owns the nation's second largest rail carrier, BNSF.

That Warren, always looking out for the public interest, and willing to sacrifice the interests of one of his major holdings to benefit us *hoi polloi*.

Not.

First, it's long been known that some firms in an industry can benefit from the imposition of more stringent safety regulations. Yes, these regulations raise everybody's costs, but some firms' costs rise more than others. The less-impacted firms have an incentive to press for the regulations in order to raise their rivals' costs. This raises market price. The effect on price more than offsets the effect on cost for the less cost-impacted firms.

Which means: always look askance at people like Buffett who are calling for regulation of their industry.

And this goes double for Buffett. For in addition to BNSF, Berkshire Hathaway owns the Union Tank Car Company, one of the largest manufacturers of oil tanker railcars. Meaning that some of the costs from requiring the purchase of more robust railcars goes from Buffett's BNSF pocket into his UTLX pocket. He is, effectively, hedged against the rise in BNSF's costs that would result from regulations requiring the use of safer cars. What's more, his UTLX also pockets some of the costs incurred by his rivals. That's a double win for Buffett. His rivals' costs go up, raising prices for rail freight which benefits BNSF, and Buffett also books as profit (at UTLX) some of the higher costs his rivals incur.

Great work if you can get it.

So yeah, Buffett's call for more stringent regulation of oil carrying railcars is totally altruistic. Totally.

It never ceases to amaze me how Buffett's kindly grandfather shtick fools the world. He is utterly cynical in his actions and public statements. He demonizes derivatives, but engages in some huge exotic options trades. He claims he supports the estate tax out of interest of fairness and equity, not mentioning that his insurance businesses profit immensely from the estate tax (and that he can of course largely circumvent the tax). He has manipulated the silver market. And he poses as a defender of public safety, not mentioning his very strong economic interests in such regulation.

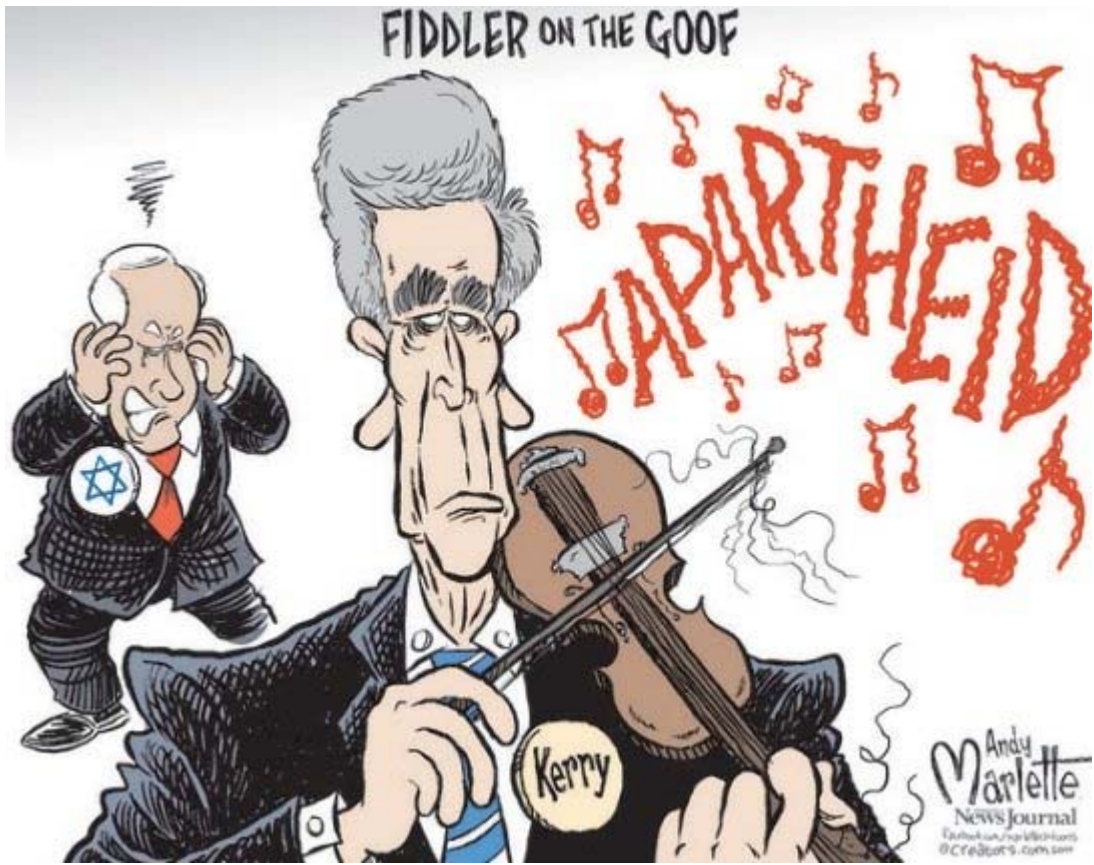
It's not surprising that Buffett conceals his interests. What's more surprising, and more discouraging, is that none of the media stories on his calls for tougher regulation that I have seen mention his economic interest. Reporters are either intimidated, gulled by his shtick, or shockingly ignorant of how Buffett would benefit from rules requiring railroads to upgrade their car fleets.

Just because reporters are credulous dupes doesn't mean you have to be. Don't fall for the Buffett shtick. Don't pay attention to what he says. Evaluate the costs and benefits of increased safety standards on oil-by-rail shipments on the merits.

And don't limit your analysis to rail shipments alone. Consider too the effects of expediting the approval and building of oil pipelines. Pipelines aren't perfect, but they have a much better safety record than rail. Not that Grandpa Warren will tell you that.



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*Happy
"I'm a bigger
loser than
Michael Dukakis"
Day!*

November 3, 2004

I Still Don't
Know How Someone's
Reproductive System
Can Simultaneously be
0% My Business
AND 100% My
Financial
Responsibility

