

May 8, 2014

The decision by Toyota U.S. to leave California and move its headquarters to Texas is the subject of [Joel Kotkin's](#) column this week.

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Common Core education standards have created a lot of heat. [Jennifer Rubin](#) tries to cool it down.

If you didn't think there could be a debate more irrational and misleading than the one over immigration reform (and the knee-jerk insistence on the misleading term "amnesty" by opponents) think again. Take a look at the arguments these days about Common Core.

Opponents falsely call the Common Core a federal mandate (states developed it) and/or a curriculum (that is left entirely to the states and local school districts). It is, rather, one attempt, or one part of an attempt, to respond to the reality that U.S. kids wind up in remedial classes in college and do a lot worse than a lot of international competitors, especially when it comes to the reasoning skills and proficiencies needed to compete in a global economy. (If nothing else, read Amanda Ripley's "[The Smartest Kids in the World](#)," but be prepared to be very upset about the state of U.S. education.) There are lots of reasons for this, but many of the excuses (e.g. stratified American society, not enough money, teachers' unions) miss the mark. And while admirable, school choice is not a cure-all and sidesteps the question of what skills American kids must master. ...

[Jonathan Tobin](#) wonders why Rand Paul is helping out a vulnerable Democrat in North Carolina.

Over the weekend, [as the New York Times reported](#), Senator Rand Paul hosted Rupert Murdoch at the Kentucky Derby. While we don't know whether this interesting attempt by the 2016 presidential hopeful to ingratiate himself with the influential media mogul paid off, apparently neither of the two made any money at the track while betting on the ponies. The horse Paul was backing in the big race "died" in the last hundred yards, while Murdoch left Louisville saying that he had "contributed enough to Kentucky." But Paul's not done betting on horses that are probably not fated to win.

Yesterday he was in North Carolina campaigning for Greg Brannon, one of the candidates in the Republican senatorial primary. Paul has been fairly cautious in the past few years about trying to exercise influence in this manner but by showing up on the eve of today's primary, rather than just mailing in an endorsement, he was gambling his reputation on the fortunes of a fellow libertarian who has been trailing frontrunner Tom Tillis by double digits throughout the race.

While there is little doubt about who will finish first tonight in North Carolina, Brannon is hoping to keep Tillis's vote under the 40 percent mark. That would force a runoff to be held on July 15. As it happens, embattled Democratic incumbent Kay Hagan is hoping for the same outcome. ...

More on Rand's foolishness from Allysia Finley. Mike Huckabee is being stupid in NC too.

North Carolina House Speaker Thom Tillis, along with GOP Gov. Pat McCrory, has led nothing short of a Copernican revolution in government reform this past year. Strange then that Rand Paul should be allying with liberal groups and rallying tea party groups against Mr. Tillis in Tuesday's GOP Senate primary.

Few Republican primaries are as significant and hotly contested as North Carolina's. A new Public Policy Polling survey shows Mr. Tillis leading obstetrician Greg Brannon by 12 points and Baptist pastor Mark Harris by 25. But here's the rub: Mr. Tillis is sitting right on the 40% cusp necessary to avoid a runoff, and as the poll notes the momentum is "on the anti-establishment candidates' side." A week ago Mr. Tillis was leading the doctor by 26 points and preacher by 35.

However, Mr. Paul and his second fiddle, Utah Senator Mike Lee, have been urging local tea party groups to back Mr. Brannon. And Mike Huckabee —who, recall, was Todd Akin's biggest supporter—has anointed Mr. Harris as the choice for Christian conservatives. Liberal groups have also poured \$4 million into ads against Mr. Tillis, whom they perceive as the most viable candidate to take on Kay Hagan in the fall. ...

The good news is that Thom Tillis was able to fight off the interference from Rand Paul and Mike Huck. Eliana Johnson on The Tillis win.

... State-house speaker Thom Tillis emerged victorious Tuesday evening, capturing over 45 percent of the vote and easily clearing the 40 percent threshold that would have sent him into a July run-off with the second-place finisher. Obstetrician Greg Brannon and Mark Harris, a Baptist pastor, who ran to Tillis's right, divided the tea-party vote and finished with 27 and 17 percent respectively.

Tillis will face Kay Hagan, one of the Senate's most vulnerable incumbents — her approval rating dropped to an all-time low of 33 percent in March — in November's midterm election. Among Republicans, the seat is considered among their most promising pick-up opportunities, and one that the party must win if it is to retake the Senate majority.

Tillis and his establishment backers, who include John Boehner, Mitch McConnell, and Mitt Romney, succeeded on Tuesday in avoiding a real showdown with the Tea Party in a July run-off, where he would have faced second-place finisher Brannon one-on-one.

Outside groups like Karl Rove's American Crossroads and the business-friendly Chamber of Commerce poured over \$2 million into the race on Tillis's behalf to avoid that scenario. ...

Now, important investing advice from [Dilbert's Blog](#).

... I started testing an investment strategy a few years ago that is producing positive results. Yes, I am aware that my small sample is meaningless. And the numbers I present aren't annualized or compared to their same-industry cousins that did even better. But I want you to hear the strategy just so you can keep an eye on it going forward.

The investment idea is that the news always exaggerates risks. This is an extension of the Adams Law of Slow Moving Disasters that says humans generally figure out how to avoid big disasters when they see them coming.

So, for example, when BP stock was in the toilet, and the news media kept telling us the Gulf would be ruined for decades, I loaded up on BP stock because I predicted the opposite: a better-than-expected clean-up. That prediction turned out right. So far, that investment has paid about a 5% dividend in recent years and the stock itself is up 19%. (You should interpret that as just "up" because I haven't compared the performance to the market in general that is also up.)

When the news was reporting that Iranian leaders were on a suicide mission to develop a nuclear bomb to destroy Israel and their own country, I assumed it would all work out peacefully and I invested heavily in a beaten-down EFT of Israeli stocks. It's the biggest single investment I've ever made. That's up 26% ...

From [Nautilus Blog](#) we learn more elephants are needed in the New England forests. *Elephant dung perfumes the air, a fresh, sweet smell, with undertones of sour vegetation. These balls of waste, scattered across the Kenyan landscape, carry the aroma of the bush, an open sea of acacia trees, aloe vera, Sansevieria, and drapes of elephant pudding, a succulent vine that tastes like salty snap beans but smells like bread dough.*

Without elephants, Kenya would look and smell different than it does today. It would not support the Samburu warriors herding cattle or the fleet packs of ungulates bounding past them. Without large herbivores, the wilderness would look much more like sparsely inhabited parts of the Americas, Europe, and Siberia—forests dominated by large trees, with mainly small animals darting about in the shadows. This may seem like a healthy ecosystem, but some researchers say it is far from natural—or ideal. Giant herbivores have shaped Earth's ecosystems for millennia. Today, only Africa retains a hint of epochs past, when large animals, or "megafauna," dictated the shape of the landscape on every habitable continent. A world without large herbivores—much of the world today—means a loss of grassland, scrub forest, biodiversity. Hello trees, good-bye wilderness.

Matthew Mhlbachler, a paleontologist, sits at a table on the 8th floor of the American Museum of Natural History in New York City. We're surrounded by fossilized Jumbos, giants in varying shades of white and ivory, animal remains from the order Proboscidea that evolved about 55 million years ago and includes elephants, mammoths, and mastodons.

“Proboscidea moved through the landscape knocking down trees and pushing them over,” Muhlbachler says. “They are deforesters basically.” The scientist teaches anatomy at the New York Institute of Technology, College of Osteopathic Medicine. His research focus, however, is paleoecology and large herbivores. ...

And to top off the week, [Andrew Malcolm](#) with late night humor.

Fallon: A new study says that many dog owners are giving anti-anxiety medicines to their pets to reduce stress. Then dogs said, “Or you could just sell the vacuum.”

Conan: Michelle Obama’s brother has been fired as Oregon States basketball coach. Like most Americans who lost their job, he blames Obama.

Conan: A new report says being optimistic or pessimistic may be largely genetic. So, in the words of my father, we’re all screwed.

Orange County Resister

[Taking a back seat to Texas](#)

Toyota’s plans to shift its U.S. headquarters from L.A. County to the Dallas area should alarm California’s political leadership.

by Joel Kotkin

The most important news to hit Southern California last week did not involve the heinous Donald Sterling, but Toyota’s decision to pull its U.S. headquarters out of the Los Angeles region in favor of greater Dallas. This is part of an ongoing process of disinvestment in the L.A. region, particularly among industrially related companies, that could presage a further weakening of the state’s middle class economy.

The Toyota decision also reflects the continued erosion of California’s historic economic diversity, which provided both stability and a wide variety of jobs to the state’s workers. We have seen this in the collapse of our once-burgeoning fossil-fuel energy industry, capped this year by the announced [departure from Los Angeles](#) of the headquarters of Occidental Petroleum. Blessed with huge fossil fuel reserves, California once stood as one of the global centers of the energy industry. Now, with the exception of Chevron, which is shifting more operations out of state, all the major oil companies are gone, converting California from a state of energy producers to energy consumers, and, [in the process](#), sending billions of dollars to Texas, Canada and elsewhere for natural gas and oil that could have been produced here.

As did the oil industry, the auto industry, and, particularly, its Asian contingent, came to Southern California for good reasons. Some had to do with proximity to the largest port complex in North America, as well as the cultural comfort associated with the large Asian communities here. Back in the 1980s, the expansion of firms like Honda, Toyota and Nissan seemed to epitomize the unique appeal of the L.A. region – and California – to Asian companies. Today, only Honda retains its

headquarters in Los Angeles (Nissan left in 2005), while Korean carmakers Hyundai and [Kia](#) make their U.S. homes in Orange County.

Retaining these last outposts will be critical, as Southern California struggles to retain its once-promising role as a true global city. With the exception of the entertainment industry – itself [shifting more production out of town](#) – our region is devolving toward marginality, largely as a tourist and celebrity haven.

Still, I'm concerned less about the region's reputation than about the economic trajectory of its middle and working classes. The Toyota relocation from Torrance will eliminate 3,000 or more generally high-wage jobs, something that usually accompanies the presence of headquarters operations. It will cost the region, most particularly, the South Bay, an important corporate citizen, as, over time, the carmaker will likely shift its philanthropic emphasis toward Texas and its various manufacturing sectors.

Perhaps more disturbing are the fundamental reasons behind the Toyota move. According to Toyota's U.S. chief, James Lentz, [they weren't even courted by Texas](#), which has fattened itself on California's less-competitive business climate.

Some of Toyota's reasoning is geographical. The port link is less essential now since close to three-quarters of [Toyota's vehicles](#) sold in the U.S. are built here, up from [58 percent](#) in 2008. At the same time, the growth of the ["Third Coast" ports](#) – Houston, Mobile, Ala., New Orleans and Tampa, Fla. – buoyed by the widening of the Panama Canal, makes it increasingly easy to ship components or cars in and out of the central U.S.

More troubling still is the logic, both on the part of [Nissan](#) and Toyota, linking headquarters operations – with their marketing, design and tech-oriented jobs – closer to their industrial facilities in the south and Midwest. Toyota, for example, has a large truck plant in San Antonio as well as auto assembly plants throughout the mid-South. Honda, now the last major Japanese carmaker with a Southern California headquarters, last year also moved a number of executives from Torrance to Columbus, Ohio, closer to the company's prime Marysville, Ohio, production hub.

This pattern contradicts the notion, popular in both the Jerry Brown and Arnold Schwarzenegger administrations, that California's massive loss of industrial jobs over the past decade can be offset by the creative industries, notably Hollywood and Silicon Valley. Since 2010, [California](#) has managed to miss out on a considerable industrial boom that has boosted economies from the Rust Belt states to the Great Plains and the Southeast. Los Angeles and Orange counties, the epicenter of the state's industrial economy, have actually lost jobs. Since 2000, one-third of the state's industrial employment base, 600,000 jobs, has disappeared, a rate of loss 13 percent worse than the rest of the country.

But, the prevailing notion in California's ruling circles seems to be, if you have Google and Facebook, who needs dirty, energy-consuming factories or corporate operations filled with middle managers? Silicon Valley crony capitalists and urban developers who support our political class, and are willing participants in various subsidized [green energy](#) schemes, have little interest in traditional manufacturing, regardless the [damage inflicted](#) on blue-collar workers, whom progressives are happy to subsidize (and thus gain their unending support) outside the labor force or keep severely underemployed.

The deindustrialization of California was one reason behind the withdrawal of both Nissan and Toyota. Each automaker has established strong manufacturing operations in the mid-South and wanted to integrate technology, production, sales, marketing and design as a way to keep an edge in the competitive global industry. An area that seems determined to let its industrial base wither is not likely to attract companies whose basic business is building things.

What is too rarely understood is the link between production skills and high-end jobs. The Toyota jobs that are leaving L.A. County are largely white-collar and skilled. Toyota engineers will be headed to Texas, and many also to Michigan, where, despite the travails of the past few decades, the engineering base is already very deep – roughly twice as strong per capita as formerly engineer-rich Los Angeles.

This link between manufacturing and higher-end technical jobs is rarely appreciated among our political class. As President Clinton's Board of Economic Advisors Chairman Laura D'Andrea Tyson [points out](#), manufacturing is only about 11 percent of gross domestic product, but it employs the majority of the nation's scientists and engineers, and accounts for 68 percent of business research and development spending, which, in turn, accounts for about 70 percent of total R&D spending.

Of course, neither Jerry Brown nor any other reigning political figure would cavalierly dismiss manufacturing jobs, or even those at a major port. Yet, as we move toward ever-higher energy prices – likely aggravated by California's "cap and trade" regime against global warming – industrial firms seem increasingly reluctant, at least without massive subsidies, to move to or expand in California. And, contrary to arguments offered in Sacramento, and reflected in much of the media, there are never going to be enough "green" jobs to make up the difference.

Indeed, even Elon Musk, head of electric-car maker Tesla, though a primary beneficiary of California crony capitalism, is not considering the state for a proposed \$5 billion battery plant, which would employ upward of 6,500.

In its nonresponse to the Toyota move, the Governor's Office [stressed the state's role](#) as the epicenter of the "new electric, zero-emission and self-driving" vehicle industry. Nevertheless, even as devout a "green" company as Tesla will likely locate its battery factory in Nevada, Arizona, New Mexico or Texas. California, reports [greentechmedia.com](#) "didn't make the short list because of the potential for regulatory and environmental delays."

For a state that has built its future vision on "green" industry, this is both ironic and tragic. It may not bother the Legislature, whose welfare state is now being propped up by windfall tech profits, but it leaves many localities outside the Silicon Valley exposed to more job and company losses. Think of [Torrance Mayor Frank Scotto](#), who concedes the struggle to keep companies around is becoming ever more difficult. "A company can easily see where it would benefit by relocating someplace else," Scotto said.

Even so, it is unlikely that Toyota's leaving will impact the state's leftward political trajectory. After all, if the New York Times regularly describes the California economy – fattened by stock market and real estate gains [of the very rich](#) – as "booming," why should Gov. Brown, about to run for re-election, say otherwise, proclaiming to anyone who will listen that "[California is back](#)."

True, California may not be in a Depression, as some conservatives contend, but it's hardly accurate to proclaim the [Golden State](#) as back from the brink. But, if having among the country's highest unemployment rates, the worst poverty levels, based on living costs, and being home to one-third of all U.S. welfare recipients can't persuade the gentry about California's true condition, Toyota's move certainly won't.

Joel Kotkin is R.C. Hobbs Professor of Urban Studies at Chapman University. He is the executive editor of www.newgeography.com.

Right Turn

Common Core, uncommon opposition to standards

by Jennifer Rubin

If you didn't think there could be a debate more irrational and misleading than the one over immigration reform (and the knee-jerk insistence on the misleading term "amnesty" by opponents) think again. Take a look at the arguments these days about Common Core.

Opponents falsely call the Common Core a federal mandate (states developed it) and/or a curriculum (that is left entirely to the states and local school districts). It is, rather, one attempt, or one part of an attempt, to respond to the reality that U.S. kids wind up in remedial classes in college and do a lot worse than a lot of international competitors, especially when it comes to the reasoning skills and proficiencies needed to compete in a global economy. (If nothing else, read Amanda Ripley's "[The Smartest Kids in the World](#)," but be prepared to be very upset about the state of U.S. education.) There are lots of reasons for this, but many of the excuses (e.g. stratified American society, not enough money, teachers' unions) miss the mark. And while admirable, school choice is not a cure-all and sidesteps the question of what skills American kids must master.

Those who oppose the Common Core should consider whether their own state or local standards — which might produce results equivalent to those in places like Slovenia or Turkey or worse — are going to prepare their kids for the real world. In short, if we have not been demanding enough of students and teachers — in effect fooling our kids into thinking they are getting a decent education — what do they propose to do about it?

I don't say this in defense of the Common Core as the end-all and be-all of education reform. But it is a good-faith effort to inject, as the experts like to say, "rigor" in K-12 education so that teachers, administrators and kids are focused on the right things and set their goals at an appropriately high level. (Yes, you still need, for example, teachers who can teach and parents who will not insist on social promotion, but it's hard to improve when "success" is defined as getting a worthless diploma.) The critics should be asked for their alternative and held accountable for the results. (We'll have a chance to do that with states that are opting out of the Common Core.) They may have better ideas, but simply opposing the Common Core isn't going to fly with a lot of voters. (I'll put aside for now legitimate concerns about the rollout of the Common Core and teacher preparedness.)

Common Core opponents have also overstated the popularity of their position, as Republican pollster [John McLaughlin finds](#):

We surveyed 1,000 voters at large, but then over-sampled an additional 500 likely conservative Republican primary voters, as well as 500 more “swing” voters who are undecided or lean in their choice of state legislators. From what we can tell, this is the largest public survey conducted about Common Core attitudes.

The first interesting point is that almost half of the swing voters we asked had never heard, read, or seen anything about Common Core. Nada. The same held true for one-third of Republican primary voters. They had never heard a peep.

Initially, the reaction to Common Core among Republicans was mixed – 33 percent support the standards, and only 41 percent oppose them. However, if you believe that Common Core will be a polarizing issue for Republican voters, you are wrong.

After we read a neutral description of what Common Core Standards are – “a set of standards in Math and English which state what a child should know in both subjects by the end of each grade of school they complete” – support among all voters soared to 64 percent versus only 29 percent who were opposed. Among conservative Republican primary voters the numbers were 59 percent in favor, 35 percent opposed – a very solid majority.

That leads McLaughlin to some conclusions reminiscent of the ones we’ve drawn about anti-immigration reform and pro-government shutdown advocates: *They talk a good game, but even Republicans don’t agree with them*:

First, the power of standards is very strong. Americans want their kids to be smart, and they’re not afraid of holding both teachers and students accountable for what is taught in the classroom.

Second, there is a huge gulf between what some conservative groups are saying and what regular GOP primary voters are thinking. The activists may be noisy, but the regular primary voters are far more numerous, much less hostile to Common Core and very supportive of state standards. . . . Obamacare may be toxic, but Common Core is not.

Third, if you’re running for office and you’re in a competitive general election, anti-Common Core rhetoric could become a real problem for you. Regular voters don’t buy into the anti-Common Core rhetoric, and you may be setting yourself up for trouble if you’re not careful.

In short, instead of parroting the anti-Common Core rhetoric, politicians should consider: 1) If they really want to defend the status quo; 2) whether they think de-certifying unions and expanding school choice are sufficient remedies; and 3) how they propose to prepare kids for the 21st-century workplace. If they don’t admit there is a problem and/or don’t have a concrete idea about how schools will improve, voters might look upon them as being just as obstructionist as teachers’ unions. And their opposition to the Common Core will sound like paranoid know-nothingism.

Right Turn

[Why are Kay Hagan and Rand Paul Backing the Same Dead Horse?](#)

by Jonathan S. Tobin

Over the weekend, [as the New York Times reported](#), Senator Rand Paul hosted Rupert Murdoch at the Kentucky Derby. While we don't know whether this interesting attempt by the 2016 presidential hopeful to ingratiate himself with the influential media mogul paid off, apparently neither of the two made any money at the track while betting on the ponies. The horse Paul was backing in the big race "died" in the last hundred yards, while Murdoch left Louisville saying that he had "contributed enough to Kentucky." But Paul's not done betting on horses that are probably not fated to win.

Yesterday [he was in North Carolina campaigning for Greg Brannon](#), one of the candidates in the Republican senatorial primary. Paul has been fairly cautious in the past few years about trying to exercise influence in this manner but by showing up on the eve of today's primary, rather than just mailing in an endorsement, he was gambling his reputation on the fortunes of a fellow libertarian [who has been trailing frontrunner Tom Tillis by double digits](#) throughout the race.

While there is little doubt about who will finish first tonight in North Carolina, Brannon is hoping to keep Tillis's vote under the 40 percent mark. That would force a runoff to be held on July 15. As it happens, embattled Democratic incumbent Kay Hagan is hoping for the same outcome. A delay in selecting the GOP nominee would give her an important boost heading into the fall general-election campaign. That is why Hagan [has been paying for ads trashing Tillis](#) as a weak conservative who is soft on ObamaCare, a not-so-subtle effort to try and help Brannon, a candidate that is likely to be a much easier opponent for the Democrat. Thus, while Paul may be seeking to enhance his reputation as a conservative kingmaker who can help the Tea Party knock off a candidate who is identified with the Republican establishment, the net effect of his efforts may be to boost the chances of the Democrats holding onto the Senate in November.

If all this sounds familiar, it should.

By using her campaign treasury to undermine the most electable Republican, Hagan is taking a page out of Missouri Senator Claire McCaskill's underhanded but very successful push to persuade her state's Republican primary voters to nominate Rep. Todd Akin. That investment paid huge dividends when Akin became her opponent and wound up sinking his own candidacy as well as damaging Republicans around the country with his stupid comments about rape and pregnancy.

As for Paul's push for Brannon, a victory for the GOP underdog in North Carolina would not only enhance his prestige within the party but also herald a comeback for a Tea Party movement that the national media has been trying to bury for the last year.

But Paul's clear affinity for his fellow doctor and libertarian shouldn't deceive conservatives who may be hoping that Brannon is another Ted Cruz who can topple a party favorite and then go on to easily win a Senate seat. Brannon has general-election disaster written all over him. While Hagan's use of an out-of-context quote to make it appear that Tillis was for ObamaCare is deceptive, there's no getting around the fact that, like Akin, Brannon is a liberal dream. His controversial comments about food stamps and, in particular, [his unwillingness to disagree with a](#)

[9/11 truther](#) brand him as an extremist who has no shot at beating a competitive, if vulnerable Democrat like Hagan.

While the key to Paul's 2016 strategy is clearly to rally the Tea Party behind him, his decision to go all in on Brannon is a mistake. Unwittingly aiding Hagan won't endear him to most North Carolina Republicans. If his candidate does force a runoff or even somehow wins the nomination that might be a victory that he, and fellow Republicans, would come to regret.

WSJ - Political Diary

Rand Paul's Odd Choice

by Allysia Finley

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However, Mr. Paul and his second fiddle, Utah Senator Mike Lee, have been urging local tea party groups to back Mr. Brannon. And [Mike Huckabee](#) —who, recall, was Todd Akin's biggest supporter—has anointed Mr. Harris as the choice for Christian conservatives. Liberal groups have also poured \$4 million into ads against Mr. Tillis, whom they perceive as the most viable candidate to take on Kay Hagan in the fall.

Their common goal is to force Mr. Tillis into a runoff with the hopes of unifying his opponents and eroding his financial advantage. A runoff would also give them an additional two months to campaign and build their momentum. The PPP survey showed the speaker leading Mr. Brannon by just six points in a run-off with non-Tillis primary voters breaking 47-29 for the tea party candidate.

Mr. Paul and his tea-party phalanx appear to oppose Mr. Tillis for no other reason than he's the choice of the "establishment," including Mr. McCrory, Mitt Romney, the U.S. Chamber of Commerce and dozens of Republican legislators. The irony is that the "establishment" is backing Mr. Tillis because as speaker he's quarterbacked government reforms championed by tea party groups.

Last year, he helped pass a tax reform that cut the state's income tax, ranging from 6.0% to 7.75%, to a flat 5.8%; slashed the corporate rate to 5% from 6.9%; and killed the state's death tax. He also rounded up votes for education reforms that eliminated teacher tenure; created vouchers for low-income and special-needs students; and lifted the state's 100-school cap on charters. Don't forget the national ruckus that the North Carolina legislature sparked last summer by scaling back weekly unemployment benefits, which cut off federally funded extended payments.

Behold the results: In just the last six months, North Carolina has added 56,000 jobs after averaging 60,000 annually between 2010 and 2012. Since January 2013, its unemployment rate has dropped to 6.3% from 8.8%, the largest percentage-point decline of any state.

Mr. Paul ought to be singing the speaker's praises, not stumping for Mr. Brannon—a candidate with no distinguishing political qualifications other than an apparent subservience to the Kentucky senator.

National Review

Tillis Triumphant

What the results of the North Carolina primary really mean.

by Eliana Johnson

One Republican strategist's take on what happened in Tuesday's Senate primary in North Carolina: "The Tea Party got screwed."

That's because, although the primary was cast as the first major battle of the election season between the party's establishment wing and the tea-party rebels it is trying to quash, it was hardly a sustained, well-conceived effort by the insurgents. "If I was the Tea Party," the strategist says, "I would not want to make this my test case."

State-house speaker Thom Tillis emerged victorious Tuesday evening, capturing over 45 percent of the vote and easily clearing the 40 percent threshold that would have sent him into a July run-off with the second-place finisher. Obstetrician Greg Brannon and Mark Harris, a Baptist pastor, who ran to Tillis's right, divided the tea-party vote and finished with 27 and 17 percent respectively.

Tillis will face Kay Hagan, one of the Senate's most vulnerable incumbents — her approval rating dropped to an all-time low of 33 percent in March — in November's midterm election. Among Republicans, the seat is considered among their most promising pick-up opportunities, and one that the party must win if it is to retake the Senate majority.

Tillis and his establishment backers, who include John Boehner, Mitch McConnell, and Mitt Romney, succeeded on Tuesday in avoiding a real showdown with the Tea Party in a July run-off, where he would have faced second-place finisher Brannon one-on-one.

Outside groups like Karl Rove's American Crossroads and the business-friendly Chamber of Commerce poured over \$2 million into the race on Tillis's behalf to avoid that scenario.

Had Tillis failed to surpass the 40 percent mark on Tuesday, it would have been a greater reflection of the establishment's failure than of the Tea Party's might. With its supporters divided between Brannon, who was endorsed by senators Rand Paul and Mike Lee as well as the tea-party group FreedomWorks, and Harris, who was endorsed by former Arkansas governor Mike Huckabee and who early on won the support of social conservatives, some of the Tea Party's major financial forces stayed out of the race altogether. Tea-party groups spent less than \$200,000 on Brannon's behalf and made no independent expenditures at all to support Harris. The Senate Conservatives Fund, which has endorsed nearly every insurgent Senate candidate, did not endorse a candidate in North Carolina. The Club for Growth, which has made endorsements in the

Nebraska and Mississippi primaries, stayed out too. One result: Tillis outraised each of Brannon and Harris by a factor of three.

The Tea Party faced other obstacles, too. Though supporters touted Brannon as a candidate who could talk about constitutional issues with the verve and fluency of Ted Cruz, he did not prove to be a particularly effective campaigner or fundraiser. According to John Hood, president of the John Locke Foundation, a free-market think tank in North Carolina, Brannon “punched below his weight class.”

There were other troubles, in the form of a court ruling that Brannon had misled investors in a failed start-up company, resulting in a six-figure settlement, and a slew of controversial statements made in radio appearances over the years. In them, Brannon said, among other things, that he doesn’t believe in public schools, that President Obama believes in a “socialist government,” and that the current political system is a precursor to the collectivism of Nazi Germany.

Tillis himself proved to be another obstacle. Though backed by establishment forces and, as a former management consultant, easily portrayed as a process-oriented tool of the party’s business interests, Tillis has some conservative bona fides.

Over the past two years, he’s been a key figure in a Republican revolution that has dragged North Carolina about 20 yards to the right, and he is not easily portrayed as somebody who is hostile to conservative ideas.

Tillis became state-house speaker in 2010 after helping Republicans reclaim a majority in the state house and senate for the first time in more than a century. Then, in 2012, North Carolina elected Republican Pat McCrory to the governorship; it had been nearly three decades since a Republican held that post.

Together, over the past two years, Tillis and McCrory have enacted a broad conservative agenda and pushed through some of the most ambitious legislative changes that any state has adopted in such a short period of time. The tax code got a rewrite, school vouchers were introduced, and an expansion of Medicaid was blocked. Tort reform, restrictions on abortion, and a voter-identification law were enacted. The moves so rankled Democrats that they began a weekly protest known as “Moral Mondays.” They garnered national attention as protesters were arrested week after week, prompting the editorial writers at the *New York Times* to declare the slew of legislative changes a “demolition derby.”

“Fundamentally,” says the Locke Foundation’s Hood, “arguing that Thom Tillis wasn’t conservative enough was a doomed effort.”

Tillis is viewed with suspicion by some conservatives, and by his tea-party opponents, for initially supporting the establishment of a state-based Obamacare exchange in North Carolina. (He now says he supports a full repeal of the law.) That’s something that Hagan’s campaign, which considered Tillis the toughest Republican candidate and sought to force him into a run-off, has already seized upon, sending flyers broadcasting the fact to Republican primary voters ahead of Tuesday’s vote.

Hagan cruised to victory in 2008 with 53 percent of the vote over then-senator Elizabeth Dole. She was boosted by Obama’s presence at the top of the ticket and by the Democrats’ strength up and

down the ballot. As she seeks a second term this year, she won't have the same advantages, and the GOP's establishment forces are pleased with their success in ensuring that, in their eyes as well as in hers, she has a more formidable opponent.

Dilbert's Blog

Profiting from the News

by Scott Adams

It's never a good idea to get investment ideas from cartoonists. Nothing you hear from me should be construed as advice. And more generally, it's a bad idea for small investors to buy individual stocks or to attempt timing the market.

You have been warned.

I started testing an investment strategy a few years ago that is producing positive results. Yes, I am aware that my small sample is meaningless. And the numbers I present aren't annualized or compared to their same-industry cousins that did even better. But I want you to hear the strategy just so you can keep an eye on it going forward.

The investment idea is that the news always exaggerates risks. This is an extension of the Adams Law of Slow Moving Disasters that says humans generally figure out how to avoid big disasters when they see them coming.

So, for example, when BP stock was in the toilet, and the news media kept telling us the Gulf would be ruined for decades, I loaded up on BP stock because I predicted the opposite: a better-than-expected clean-up. That prediction turned out right. So far, that investment has paid about a 5% dividend in recent years and the stock itself is up 19%. (You should interpret that as just "up" because I haven't compared the performance to the market in general that is also up.)

When the news was reporting that Iranian leaders were on a suicide mission to develop a nuclear bomb to destroy Israel and their own country, I assumed it would all work out peacefully and I invested heavily in a beaten-down EFT of Israeli stocks. It's the biggest single investment I've ever made. That's up 26%.

When the news indicated that the government of Turkey was circling the drain and disaster was near, Turkish stocks crashed. I predicted that Turkey would work things out and get back to business in due time. So I loaded up on the biggest cell phone company in Turkey. As bad luck would have it, that company also has a big position in Ukraine, so it took a hit after I bought it, but now it's up 10%.

To reiterate, I'm not annualizing the gains or comparing them to anything relevant that would tell you how those investments did compared to other investments over the same period. The market in general is up over this same period so it makes almost any strategy look like a winner.

And one must compare investments that have similar risks. Some of you will say I got a meager return betting on high risk stocks. An economist would call that losing. But no one can accurately assign risks for the stocks I mentioned. My investments looked high-risk to the world and low-risk to me. So when I look at the returns for the three investments I mentioned, I compare them to low-

risk alternatives and they look fairly good. I would expect most of you to compare them to high-risk alternatives and conclude that they underperformed that class. That difference in risk-assessment is what makes my investment strategy a strategy.

I don't recommend that you invest your own money this way. History is littered with crackpot investment ideas of this type. And my best investment gains over that period were in a diversified ETF. But keep an eye on the strategy just for fun.

I wonder if anyone has ever lost money betting against the news industry's predictions of doom.

Nautilus

[The Natural World Is an Elephant World](#)

by Jude Isabella



*The dominant landscaper in much of Africa, *Loxodonta africana**

Elephant dung perfumes the air, a fresh, sweet smell, with undertones of sour vegetation. These balls of waste, scattered across the Kenyan landscape, carry the aroma of the bush, an open sea of acacia trees, aloe vera, *Sansevieria*, and drapes of elephant pudding, a succulent vine that tastes like salty snap beans but smells like bread dough.

Without elephants, Kenya would look and smell different than it does today. It would not support the Samburu warriors herding cattle or the fleet packs of ungulates bounding past them. Without large herbivores, the wilderness would look much more like sparsely inhabited parts of the Americas, Europe, and Siberia—forests dominated by large trees, with mainly small animals darting about in the shadows. This may seem like a healthy ecosystem, but some researchers say it is far from natural—or ideal. Giant herbivores have shaped Earth’s ecosystems for millennia. Today, only Africa retains a hint of epochs past, when large animals, or “megafauna,” dictated the shape of the landscape on every habitable continent. A world without large herbivores—much of the world today—means a loss of grassland, scrub forest, biodiversity. Hello trees, good-bye wilderness.

Matthew Muhlbachler, a paleontologist, sits at a table on the 8th floor of the American Museum of Natural History in New York City. We’re surrounded by fossilized Jumbos, giants in varying shades of white and ivory, animal remains from the order Proboscidea that evolved about 55 million years ago and includes elephants, mammoths, and mastodons.

“Proboscidea moved through the landscape knocking down trees and pushing them over,” Muhlbachler says. “They are deforesters basically.” The scientist teaches anatomy at the New York Institute of Technology, College of Osteopathic Medicine. His research focus, however, is paleoecology and large herbivores.



We talk and then walk between rows of metal cupboards, opening them and sliding out drawers full of bones, running fingers over ridged molars, some roughly football-sized, and a couple pounds heavier. Large herbivores like elephants can eat practically an entire landscape, the only limiting factor (aside from human hunters) being the swiftness of plant regeneration.

“It’s profound. When you go to Africa, to an ecosystem that contains elephants and lots of other large animals—you know, the entire world used to be like that,” says Muhlbachler.



Only 15,000 to 20,000 years ago, North America supported at least three Proboscidea species. That grassy, shrubby world was the natural order reaching back to about 24 million years ago, when Proboscidea really hit their stride, leaving their African homeland to lumber forth, conquer, and redesign much of the world. Around that time, the Miocene epoch, the climate changed. The world cooled. Grasses, once rare, spread, and various large herbivores evolved elongated “high-crowned” molars to compensate for getting word down by chomping grasses, tree bark, and poky plant bits. Grass, in particular, ravages teeth—it’s gritty and grainy, characteristics that likely evolved as a defense against herbivores. This evolutionary feedback probably helped both grassy habitats and Proboscidea spread.



Miocene fossil sites reveal a world awash in giant to less-giant-but-still-big plant-eaters with the ability to eat tough plants: multiple species of Proboscidea, rhinos, horses, camels, and tapirs. By this point, mammal forms were essentially modern. By the end of the Miocene, roughly 1.8 million years ago, huge ecosystems around the planet were created and maintained by megafauna, particularly Proboscidea.

If the modern humans who emerged in East Africa about 200,000 years ago leapt into the present but stayed rooted in place, they would recognize the current, elephant-influenced landscape. (Let's assume, for a moment, an absence of roads, cars, and other trappings of 21st-century living.) They would spot familiar animal tracks. They would know well the fibrous balls of poop, almost as big as a bowling ball, strewn across the ground, living treasure chests for beetles, birds and maybe even amphibians. They would recognize the biological signatures of *Loxodonta africana africana* (bush elephants) and *Loxodonta africana cyclotis* (forest elephants), signatures as ubiquitous as urban graffiti in the 80s, made by creatures sometimes as elusive as Banksy.



Balls of elephant dung are useful resources to many other species

Signs of the invisible giants loiter everywhere: A watering hole where a baboon sits and drinks, the hole created when a thirsty elephant digs its trunk into a dry riverbed. The straw bird houses swinging in the acacias; weaverbirds pluck the fibers from elephant dung to build nests in the thorny trees with umbrella canopies that speckle the landscape. Hulking vegetarians dine on acacias, pruning them and denying them any chance at dominating the country, creating space for the grasses grazed by zebras and other ungulates. The spiny succulent *Sansevieria*—elephants' chewing gum—pokes out of the earth, spread around by the elephants lumbering through patches, breaking off bits as they chomp the fat, rounded leaves for moisture, spitting out a tangled fibrous ball. The Samburu use the leaves for ready-made bandages or pound them to a pulp to liberate the fiber for rope making.



What does a landscape without Proboscidea look like? Mihlbachler walks over to his computer. He searches for two side-by-side images: one of a dense forest, the other a shrubby savannah.

“What Americans view as a pristine habitat is probably a sort of a distortion, where the vegetation is far denser and more overgrown than what those places have been like for millions of years,” Mihlbachler says. “This honestly has a cascading effects on other organisms.” He points to one landscape. “Different kinds of species are going to be able to live there,” he says, and then points to the other landscape, “as opposed to there, plain and simple.”

One landscape is closed, dense, with more uniform vegetation—a paucity of plant species that affects biological diversity and biomass in unseen ways. Beetles, for example, declined in species diversity and number in European forests when the giant herbivores went extinct in the early Holocene, about 10,000 years ago.

The other, browsed, landscape is mosaic of grasses, shrubs, and trees, a biological mish-mash of vegetation that supports a richer, more diverse ecosystem. Big herbivores have big effects on plants, tearing into their communities, creating gaps, dispersing seeds and nutrients in big deposits of dung and urine. That is why some ecologists have led “rewilding” campaigns that include re-introducing key megafauna to various habitats.

Re-establishing wilderness in our world may require bringing back Proboscidea to help recreate healthy and diverse ecosystems like the one humans evolved in, and like Kenya today.

Jude Isabella is a science writer based in Victoria, British Columbia. Her new book, Salmon, A Scientific Memoir, will be released next year.

IBD

Late Night Humor

by Andrew Malcolm

Fallon: A new study says that many dog owners are giving anti-anxiety medicines to their pets to reduce stress. Then dogs said, “Or you could just sell the vacuum.”

Conan: Michelle Obama’s brother has been fired as Oregon States basketball coach. Like most Americans who lost their job, he blames Obama.

Conan: A new report says being optimistic or pessimistic may be largely genetic. So, in the words of my father, we’re all screwed.

Fallon: I think we just found another way to punish Donald Sterling. Have him replace Barbara Walters on ‘The View.’

Conan: This weekend, “Spiderman 2” earned \$92 million at the box office. That makes it the fourth most successful “Spiderman 2.

Seth Meyers: Dutch designers have created a baby’s onesie that comes with built-in wi-fi. That way, your child can search the web for better parents.

Conan: Bill Clinton calls himself a “vegan.” But he reportedly cheats on his diet. He also calls himself “married.”

SethMeyers: Toronto Mayor Rob Ford takes a campaign leave to seek help for substance abuse. Though they didn't say whether the substance in question was crack or gravy.

Fallon: Obama took a week-long trip to Japan, South Korea, Malaysia and the Philippines. They all share one wonderful quality: He doesn't owe any of them money.

Conan: North Korea held its annual marathon. So congratulations to 1st, 2nd, and 3rd place winner— Kim Jong Un.

Conan: Some experts are claiming that watching porn is bad for your sex life. Those experts are called “wives.”

SethMeyers: At the Boston Marathon finish line a guy proposed to his girlfriend. Then, and only then, did she give him the water bottle.

Conan: Domino's debuts a new pizza. Instead of dough, they use fried chicken. It's called “Domino's Deep Dish You're All Going To Die.”

SethMeyers: A Kansas man on trial for first-degree murder wants to remove a tattoo across his neck reading “murder” because he's worried it might prejudice the jury. Though he might be able to create reasonable doubt by just adding a question mark ?

SethMeyers: ‘Take Your Child To Work Day.’ Or as kids refer to it, ‘Play With An iPad In A Corner Day.’

SethMeyers: Chicago Mayor Rahm Emanuel plans to build the Barack Obama College Preparatory High School to open in 2017. The Obama school is expected to be very popular. At first.

Fallon: Chicago will name a new \$60 million high school after President Obama. While Wilmington, Delaware announced plans to name a \$300 million gym after Joe Biden.

SethMeyers: Facebook has a new mobile app that allows users to track their exercise and measure calories burned. So if you love Facebook, and you love exercise, you're lying about one of those.

Conan: Spanish scientists say they've discovered the oldest reproduction of Jesus Christ. It's a selfie taken with Larry King.

Conan: A new Chicago high school will be named after President Obama. It's called “Obama High,” which was also the president's high school nickname.

Conan: A new report said that a record number of middle-aged Californians are moving back in with their parents. My mother told me about this story last night while she was tucking me in.

Fallon: Some people actually defend Clippers owner Donald Sterling, saying he has a very good record of hiring minorities. For instance, he always has at least one white guy on the team.

Letterman: The Tony Award nominations were announced this week. "Les Miserables" was nominated for 'Best Miz.'

SethMeyers: Heisman QB Jameis Winston was arrested for stealing crab legs from a Florida supermarket. Police became suspicious when he was spotted running out the door sideways.

Fallon: Heisman Trophy winner Jameis Winston of Florida is in trouble for shoplifting \$32-worth of crab legs from a grocery store. Experts say if he doesn't clean up his act and straighten out, he could end up in the NFL.

Conan: Matt Lauer admits he's never seen "Star Wars." It was in a new 'Today Show' segment, "Where In The World Has Matt Lauer Been For The Past 37 Years?"

Conan: Kim Kardashian and Kanye West held a private wedding ceremony. The private wedding ceremony was simulcast on "E", "TLC" and "Bravo."

Conan: Some LA celebs are interested in buying the Clippers. Meanwhile, the Kardashian sisters said they just want to rent them for the night.

SethMeyers: Saudi Arabia has launched a website to accept complaints against the government and send them directly to the King. You can even submit a second complaint if you want, using your remaining hand.

Fallon: A new study says Neanderthals were actually just as smart as modern humans. So, not that smart.

SethMeyers: Did you know Saturday was World Naked Gardening Day? Well, it was. At least according to a man being dragged away in handcuffs.

SethMeyers: Adele cryptic tweeted today hinting at a new album in the coming months. In anticipation, women everywhere have already started crying.

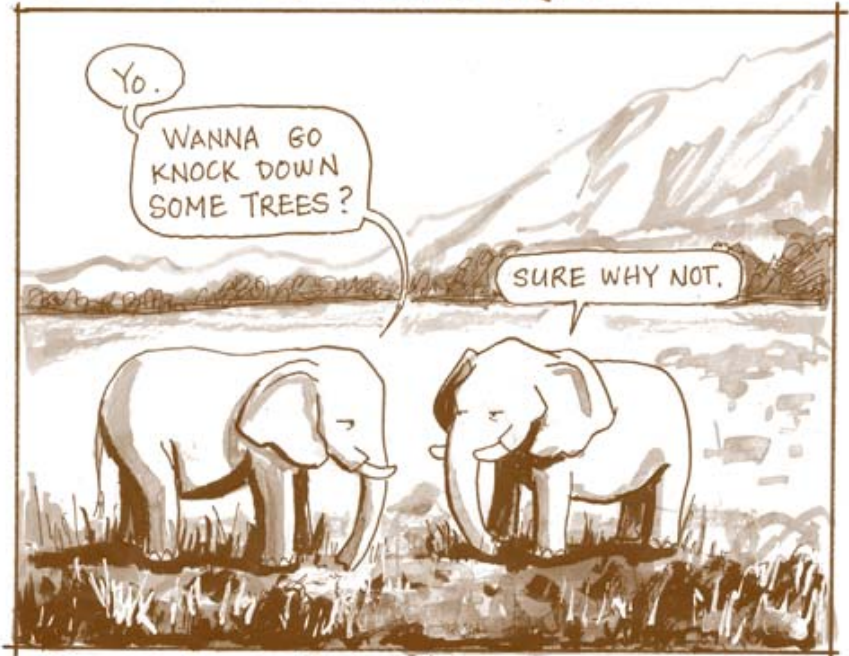
Conan: The Supreme Court has ruled that city council meetings may open with a prayer. Especially if the city in question is Detroit.

Conan: A massive Antarctic ice shelf is melting. In a few centuries, it will have Florida underwater. But don't worry— scientists are working hard to make that happen a lot sooner.

SNL: Rhode Island police arrested a man who during a robbery allegedly used a potato disguised as a gun. Worse, it was loaded.

SNL: President Obama's approval rating this week fell to an all-time low of 41 percent. Though his jeans are still at an all-time high.

ELEPHANT FRIDAYS



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