

December 24, 2014

**Heather Mac Donald** lets it all hang out in a piece in City Journal titled "The Big Lie of the Anti-Cop Left Turns Lethal."

*Since last summer, a lie has overtaken significant parts of the country, resulting in growing mass hysteria. That lie holds that the police pose a mortal threat to black Americans—indeed that the police are the greatest threat facing black Americans today. Several subsidiary untruths buttress that central myth: that the criminal-justice system is biased against blacks; that the black underclass doesn't exist; and that crime rates are comparable between blacks and whites—leaving disproportionate police action in minority neighborhoods unexplained without reference to racism. The poisonous effect of those lies has now manifested itself in the cold-blooded assassination of two NYPD officers.*

*The highest reaches of American society promulgated these untruths and participated in the mass hysteria. Following a grand jury's decision not to indict a Ferguson, Missouri, police officer for fatally shooting 18-year-old Michael Brown in August (Brown had attacked the officer and tried to grab his gun), President Barack Obama announced that blacks were right to believe that the criminal-justice system was often stacked against them. Obama has travelled around the country since then buttressing that message. Eric Holder escalated a long running theme of his tenure as U.S. Attorney General—that the police routinely engaged in racial profiling and needed federal intervention to police properly.*

*University presidents rushed to show their fealty to the lie. ...*

*... The only good that can come out of this wrenching attack on civilization would be the delegitimation of the lie-based protest movement. Whether that will happen is uncertain. The New York Times has denounced as "inflammatory" the statement from the head of the officer's union that there is "blood on the hands that starts on the steps of City Hall"—this from a paper that promotes the idea that police officers routinely kill blacks. The elites' [investment in black victimology](#) is probably too great to hope for an injection of truth into the dangerously counterfactual discourse about race, crime, and policing.*

**Paul Mirengoff** has a book recommendation germane to events in New York and the country.

*To Scott's lists of recommended books for the Christmas season, I would like to add Yuval Levin's The Great Debate: Edmund Burke, Thomas Paine, and the Birth of Right and Left. Levin, probably my favorite current analyst of politics and policy, describes the philosophical clash between Burke and Paine and explains how it forms the root of the current political divide in America.*

*Levin's discussion of Burke also has relevance, I think, to recent events in Ferguson and New York City. Virulent anti-police, anti-order sentiment has reared its head in ways not seen since the early 1970s, when society seemed to be unraveling. And unlike in the 1970s, top level public officials — President Obama, Attorney General Holder, and Mayor de Blasio — have contributed to this sentiment through irresponsible public proclamations. ...*

Turning back to DC, **Matthew Continetti** writes on the president who is a friend to tyrants, dictators, and enemies of our country.

*... If there was a theme to 2014, it was Obama's persistence in bailing out dictators and theocrats from political scrapes and economic hardships, his tenacity in pursuit of engagement with America's adversaries no matter the cost to our strength, principles, credibility, or alliances.*

*In this president the thugs in Havana and Caracas, Damascus and Tehran, Moscow and Naypyidaw and Beijing have no better friend. For these bullies, these evildoers, these millenarians and sectarians, Barack Obama is more than a dupe. He is an insurance policy.*

*Cuba is but the latest example of this president's failing to exercise leverage in the pursuit of American strength and security and prestige. Here are the Castro brothers, decrepit and spent, their revolution a joke, their economy in peril thanks to the collapse in oil prices brought on by a strong dollar and increased U.S. supply.*

*The China option—foreign direct investment from America—is Raul and Fidel's only play to sustain power over the society they have impoverished. And Obama says yes, yes to everything: an embassy, an ambassador, diplomatic relations, travel and exchange, status among nations, removal from the list of state sponsors of terror, and a serious opportunity to lessen the embargo that has kept the dictators caged for decades.*

*In return, the Castro brothers give up ... well, what? Alan Gross, a political prisoner and persecuted religious minority who shouldn't have been imprisoned in the first place? A second man who has been in captivity for decades? Thin gruel.*

*No promise of elections, no declaration of religious freedom, no demilitarization, no opening up of Cuban prisons to international inspection. Not even a pledge that salaries from U.S. companies operating in Cuba at indentured-servitude rates—the minimum wage is \$19 a month—will be paid directly to employees rather than passed through the bloated, corrupt, suffocating state. ...*

Regarding the North Korean cyber attack on Sony, **Max Boot** despairs of any chance forceful actions will come from our government.

*... I know it's probably expecting too much from this president, but it would be nice if just once he would act decisively instead of talking a good game and setting red lines that can be crossed with impunity. What would constitute decisive action in this case? The obvious proportional response—attack North Korea's computer networks—isn't very satisfying for a couple of reasons. First North Korea simply doesn't have a lot of computer networks; it is one of the most disconnected countries on earth. Second, as someone in the government has (unwisely) leaked to the Wall Street Journal, what few networks it has are monitored for intelligence by the US. ...*

**John Fund** reminds us there is something important going on in Vermont - the affordable care act is collapsing.

*The one state that not only embraced Obamacare but insisted on going beyond it to a full single-payer system was Vermont, the haven of hippies and expatriate New Yorkers, which has become one of the most liberal states in the nation. In 2011, it adopted a form of neighboring Canada's government-financed health care and promised to implement it by 2017. (And Jonathan Gruber was a key architect of this plan as well as of Obamacare.) This week, however, Governor Peter Shumlin, a Democrat, admitted the state couldn't afford the plan's \$2 billion price tag and consequent sky-high taxes, and pulled the plug. The lessons for Obamacare are obvious and profound. ...*

And, let's not forget about cratering oil prices. The [Wall Street Journal](#) reports on why the Saudis decided to let the price drop.

*In early October, Saudi Arabia's representative to OPEC surprised attendees at a New York seminar by revealing his government was content to let global energy prices slide.*

*Nasser al-Dossary's message broke from decades of Saudi orthodoxy that sought to keep prices high by limiting global oil production, said people familiar with the session. That set the stage for Saudi Arabia's oil mandarins to send crude prices tumbling late last month after persuading other members of the Organization of the Petroleum Exporting Countries to keep production steady.*

*Hard-hit countries like Iran, Russia and Venezuela suspected the move was a coordinated effort between the oil kingdom and its longtime ally, the U.S., to weaken their foes' economies and geopolitical standing.*

*But the story of Saudi Arabia's new oil strategy, pieced together through interviews with senior Middle Eastern, American and European officials, isn't one of an old alliance. It is a story of a budding rivalry, driven by what Saudi Arabia views as a threat posed by American energy firms, these officials said.*

*Mr. Dossary's October message signaled a direct challenge to North American energy firms that the Arab monarchy believes have fueled a supply glut by using new shale-oil technologies, said the people familiar with the session. ...*

*... Still, some oil-industry executives said, Riyadh and Mr. Naimi may underestimate how technology and the shale-oil boom have fundamentally altered energy markets. Many U.S. companies, they said, can make money or break even with oil below \$40.*

*The move has also exposed cracks inside the Saudi ruling circle. In October, as the oil-price slide accelerated, billionaire [Prince al-Waleed bin Talal, a nephew to King Abdullah, castigated Mr. Naimi](#) in an open letter for appearing to shrug off price declines. Belittling the impact, he wrote, "is a catastrophe that cannot go unmentioned."*

*At about that time, Mr. Naimi's deputy, Prince Abdulaziz bin Salman, another nephew of the king, worried to colleagues that the kingdom's budget couldn't bear lower prices long, said people familiar with the matter. The offices of Prince Abdulaziz and Prince al-Waleed didn't respond to inquiries. ...*

---

---

---

## City Journal

### [The Big Lie of the Anti-Cop Left Turns Lethal](#)

*The real story behind the murder of two NYPD officers*

by Heather Mac Donald

Since last summer, a lie has overtaken significant parts of the country, resulting in growing mass hysteria. That lie holds that the police pose a mortal threat to black Americans—indeed that the

police are the greatest threat facing black Americans today. Several subsidiary untruths buttress that central myth: that the criminal-justice system is biased against blacks; that the black underclass doesn't exist; and that crime rates are comparable between blacks and whites—leaving disproportionate police action in minority neighborhoods unexplained without reference to racism. The poisonous effect of those lies has now manifested itself in the cold-blooded assassination of two NYPD officers.

The highest reaches of American society promulgated these untruths and participated in the mass hysteria. Following a grand jury's decision not to indict a Ferguson, Missouri, police officer for fatally shooting 18-year-old Michael Brown in August (Brown had attacked the officer and tried to grab his gun), President Barack Obama [announced](#) that blacks were right to believe that the criminal-justice system was often stacked against them. Obama has travelled around the country since then buttressing that message. Eric Holder escalated a long running theme of his tenure as U.S. Attorney General—that the police routinely engaged in racial profiling and needed federal intervention to police properly.

University presidents rushed to show their fealty to the lie. Harvard's Drew Gilpin Faust [announced](#) that "injustice [toward black lives] still thrives so many years after we hoped we could at last overcome the troubled legacy of race in America. . . . Harvard and . . . the nation have embraced [an] imperative to refuse silence, to reject injustice." Smith College's president [abjectly flagellated herself](#) for saying that "all lives matter," instead of the current mantra, "black lives matter." Her ignorant mistake, she confessed, draws attention away from "institutional violence against Black people."

The *New York Times* [ratcheted up](#) its already stratospheric level of anti-cop polemics. In an editorial justifying the Ferguson riots, the *Times* [claimed](#) that "the killing of young black men by police is a common feature of African-American life and a source of dread for black parents from coast to coast." Some facts: Police killings of blacks are an extremely rare feature of black life and are a minute fraction of black homicide deaths. The police could end all killings of civilians tomorrow and it would have no effect on the black homicide risk, which comes overwhelmingly from other blacks. In 2013, there were [6,261 black homicide victims](#) in the U.S.—almost all killed by black civilians—resulting in a death risk in inner cities that is ten times higher for blacks than for whites. None of those killings triggered mass protests; they are deemed normal and beneath notice. The police, by contrast, according to published reports, kill roughly 200 blacks a year, most of them armed and dangerous, out of about 40 million police-civilian contacts a year. Blacks are in fact killed by police at a lower rate than their threat to officers would predict. In 2013, blacks made up [42 percent of all cop killers](#) whose race was known, even though blacks are only 13 percent of the nation's population. The percentage of black suspects killed by the police nationally is 29 percent lower than the percentage of blacks mortally threatening them.

There is huge unacknowledged support for the police in the inner city: "They're due respect because they put their lives every day on the line to protect and serve. I hope they don't back off from policing," a woman told me on Thursday night, two nights before the assassination, on the street in Staten Island where Eric Garner was killed.

But among all the posturers, none was so preening as New York's Mayor Bill de Blasio. In advance of a trip to Washington for a White House summit on policing, he [told the press](#) that a "scourge" of killings by police is "based not just on decades, but centuries of racism." De Blasio embroidered on that theme several days later, after a Staten Island grand jury declined to indict an officer for homicide in Garner's death. (The 350-pound asthmatic Garner had resisted arrest for the crime of selling loose cigarettes; officers brought him to the ground, provoking a fatal heart attack.) "People are saying: 'Black lives matter,'" de Blasio [announced after the grand jury concluded](#). "It should be

self-evident, but our history requires us to say ‘black lives matter.’ It was not years of racism that brought us to this day, or decades of racism, but centuries of racism.” De Blasio added that he worries “every night” about the “dangers [his biracial son Dante] may face” from “officers who are paid to protect him.”

The mayor’s irresponsible rhetoric was a violation of his role as the city’s leader and as its main exponent of the law. If he really believes that his son faces a significant risk from the police, he is ignorant of the realities of crime and policing in the city he was elected to lead. There is no New York City institution more dedicated to the proposition that “black lives matter” than the New York Police Department; thousands of black men are alive today who would have been killed years ago had data-driven policing not brought down the homicide levels of the early 1990s. The Garner death was a tragic aberration in a record of unparalleled restraint. The NYPD fatally shot eight individuals last year, six of them black, all posing a risk to the police, compared with scores of blacks killed by black civilians. But facts do not matter when crusading to bring justice to a city beset by “centuries of racism.”

New York police officers were rightly outraged at de Blasio’s calumny. The head of the officers union, Patrick Lynch, circulated a form allowing officers to request that the mayor not attend their funeral if they were killed in the line of duty—an understandable reaction to de Blasio’s insult. De Blasio [responded primly](#) on *The View*: “It’s divisive. It’s inappropriate,” he said. The city’s elites, from Cardinal Timothy Dolan on down, reprimanded the union. The New York Police Commissioner called the union letter “a step too far.”

Meanwhile, protests and riots against the police were gathering force across the country, all of them steeped in anti-cop vitriol and the ubiquitous lie that “black lives” don’t “matter.” “What do we want? Dead cops,” [chanted](#) participants in a New York anti-cop protest. Two public defenders from the Bronx participated in a [rap video](#) extolling cop killings. Few people in positions of authority objected to this dangerous hatred. The desire to show allegiance with allegedly oppressed blacks was too great. The thrill of righteousness was palpable among the media as it lovingly chronicled every protest and on the part of politicians and thought leaders who expressed solidarity with the cause. At another march across New York’s Brooklyn Bridge, a group of people tried to throw trash cans onto the heads of officers on the level below them; police attempts to arrest the assailants were fought off by other marchers.

The elite’s desperation to participate in what they hopefully viewed as their own modern-day civil rights crusade was patent in the sanctification of Michael Brown, the would-be cop killer. He was turned into a civil rights martyr. His violence toward Wilson, and the convenience store owner he had strong-armed, was wiped from the record. Protesters across the country chanted “hands up, don’t shoot” at anti-cop rallies, allegedly Brown’s final words before Wilson shot him. Never mind that the source of that alleged final utterance, Brown’s companion Dorian Johnson, was a proven liar. There is [no reason to believe his claim](#) regarding Brown’s final words.

Protesters’ willingness to overlook anti-cop homicidal intent surfaced again in St. Louis in November. A teen criminal [who had shot at the police](#) was killed by an officer in self-defense; he, too, [joined the roster of heroic black victims](#) of police racism. This sanctification of would-be black cop-killers would prove prophetic. The elites were playing with fire. It’s profoundly irresponsible to stoke hatred of the police, especially when the fuel used for doing so is a set of lies. Hatred of the police among blacks stems in part from police brutality during this country’s shameful era of Jim Crow-laws and widespread discrimination. But it is naïve not to recognize that criminal members of the black underclass despise the police because law enforcement interferes with their way of life. The elites are oblivious both to the extent of lawlessness in the black inner city and to its effect on

attitudes toward the cops. Any expression of contempt for the police, in their view, must be a sincere expression of a wrong.

Cop-killer Ismaaiyl Brinsley, who assassinated NYPD officers Wenjian Liu and Rafael Ramos on Saturday, exemplified everything the elites have refused to recognize: he was a gun-toting criminal who was an eager consumer of the current frenzy of cop hatred. (Not that he paid close enough attention to the actual details of alleged cop malfeasance to spell Eric Garner's name correctly.) His homicidal postings on Instagram—"I'm Putting Wings on Pigs Today. They Take 1 of Ours . . . . Let's Take 2 of Theirs"—were indistinguishable from the hatred bouncing around the Internet and the protests and that few bothered to condemn. That vitriol continues after the assassination. Social media is filled with gloating at the officers' deaths and praise for Brinsley: "That nigga that shot the cops is a legend," [reads a typical message](#). A student leader and a representative of the African and Afro-American studies department at Brandeis University [tweeted](#) that she has "no sympathy for the NYPD officers who were murdered today."

The only good that can come out of this wrenching attack on civilization would be the delegitimation of the lie-based protest movement. Whether that will happen is uncertain. The *New York Times* has denounced as "inflammatory" the statement from the head of the officer's union that there is "blood on the hands that starts on the steps of City Hall"—this from a paper that promotes the idea that police officers routinely kill blacks. The elites' [investment in black victimology](#) is probably too great to hope for an injection of truth into the dangerously counterfactual discourse about race, crime, and policing.

## Power Line

### [Edmund Burke, Barack Obama, and cop-killing](#)

by Paul Mirengoff

To Scott's [lists of recommended books](#) for the Christmas season, I would like to add Yuval Levin's *The Great Debate: Edmund Burke, Thomas Paine, and the Birth of Right and Left*. Levin, probably my favorite current analyst of politics and policy, describes the philosophical clash between Burke and Paine and explains how it forms the root of the current political divide in America.

Levin's discussion of Burke also has relevance, I think, to recent events in Ferguson and New York City. Virulent anti-police, anti-order sentiment has reared its head in ways not seen since the early 1970s, when society seemed to be unraveling. And unlike in the 1970s, top level public officials — President Obama, Attorney General Holder, and Mayor de Blasio — have contributed to this sentiment through irresponsible public proclamations.

The French Revolution confirmed for Burke the fragility of public order and the danger that natural passions can release. As he put it, "Leave a man to his passions and you leave a wild beast to a savage and capricious nature."

Unlike Paine, and indeed most political philosophers of his time (and a great many since), Burke did not believe that pure reason can mitigate our dark sides. Levin describes Burke's view this way:

We cannot be simply argued out of our vices, but we can be deterred from indulging in them by the trust and love that develops among neighbors, by deeply established habits of order and peace,

and by pride in our community or country. And part of the statesman's difficult charge is keeping this balance together, acting rationally on this understanding of the limits of reason.

During the past 40 years, our leading public figures have mostly managed "to keep this balance together." Trust and love may not reign and current habits in many precincts are not especially conducive to order and peace.

But pride in country and community is widespread. To cite two small examples, people no longer sit on their hands when the National Anthem is played at sporting events and our troops are not abused in public. We are one country, whatever John Edwards claimed to have believed. The demons unleashed in the late 1960s and early 1970s have been kept largely in check, in part because until recently they were repellent to politicians across the political spectrum.

But this no longer seems to be the case. Obama and Holder look for occasions to pontificate in ways that undermine mutual trust and trust in institutions that maintain order. They seized, for example, on the unfortunate but justified killing of a thug who attacked a police officer in Missouri as the pretext for claims that law enforcement in this country is systematically unjust to African-Americans.

Shortly after this, they seized on what appears to have been an unjustified, but non-rationally motivated, killing in Staten Island as the basis for pressing their divisive theme. And the mayor of New York chimed in by announcing that he warns his bi-racial son, in effect, that the police may be out to get him because of his color.

Did these kinds of statements incite the New York mob that chanted its desire for "dead cops now?" Probably not. Did they inspire the assassin of two of New York's finest? I doubt it.

But the statements were irresponsible nonetheless because of their inherent tendency to destroy the balance that Burke described — the one that keeps the demons from overrunning our society.

To be fair, balance means balance. It's not the proper task of our leaders to defend indefensible policing practices or systemic injustices, if any, in the grand jury system; quite the contrary. But neither is it their job to infer the widespread existence of injustice in our policing and our courts from particular incidents, especially ones that, on analysis, don't really illustrate the alleged injustices.

If Eric Holder has a case against officer Wilson, make it court. Don't talk in inflammatory terms about the matter before you have thoroughly investigated it. Don't grandstand for the political base.

Clearly shaken by the slaying of the New York police officers, Mayor de Blasio may be having a Burkean moment. He has called for a temporary cessation of the anti-police protests and has asked citizens to report any and all threatening statements against the police.

Unlike Obama, de Blasio has a city to govern on a day-to-day basis. And committed leftist though he is, the mayor does not now strike me as one who cares only about "the masses," not about actual people.

Unfortunately, President Obama, every bit as left-wing as de Blasio, seems to see people as pure abstractions. And like Thomas Paine, he puts all of his stock in reason — his own, naturally — and has little use for tradition, habits of order and peace, or love of country.

Thus far our president has not roused himself to speak publicly about the assassination of the two police officers. Eventually, I suspect, he will. But even if his speechwriters find the right words, there will be no Burkean moment.

Obama wants to uproot our habits of order and peace which stand in the way of the radical transformation he would like to bring about. He doesn't fear the demons of the late 1960s and early 1970s, he would like to enlist them.

This weekend in New York, we saw a terrible preview of what this would mean in practice.

## Free Beacon

### A Dictator's Best Friend

#### *Obama rescues tyrants from Havana to Damascus*

by Matthew Continetti



"It's a sad day for freedom," Marco Rubio told Bret Baier after President Obama announced he would normalize relations with Cuba. Not a sad day, senator: a sad year.

If there was a theme to 2014, it was Obama's persistence in bailing out dictators and theocrats from political scrapes and economic hardships, his tenacity in pursuit of engagement with America's adversaries no matter the cost to our strength, principles, credibility, or alliances.



In this president the thugs in Havana and Caracas, Damascus and Tehran, Moscow and Naypyidaw and Beijing have no better friend. For these bullies, these evildoers, these millenarians and sectarians, Barack Obama is more than a dupe. He is an insurance policy.

Cuba is but the latest example of this president's failing to exercise leverage in the pursuit of American strength and security and prestige. Here are the Castro brothers, decrepit and spent, their revolution a joke, their economy in peril thanks to the collapse in oil prices brought on by a strong dollar and increased U.S. supply.

The China option—foreign direct investment from America—is Raul and Fidel's only play to sustain power over the society they have impoverished. And Obama says yes, yes to everything: an embassy, an ambassador, diplomatic relations, travel and exchange, status among nations, removal from the list of state sponsors of terror, and a serious opportunity to lessen the embargo that has kept the dictators caged for decades.

In return, the Castro brothers give up ... well, what? Alan Gross, a political prisoner and persecuted religious minority who shouldn't have been imprisoned in the first place? A second man who has been in captivity for decades? Thin gruel.

No promise of elections, no declaration of religious freedom, no demilitarization, no opening up of Cuban prisons to international inspection. Not even a pledge that salaries from U.S. companies operating in Cuba at indentured-servitude rates—the minimum wage is \$19 *a month*—will be paid directly to employees rather than passed through the bloated, corrupt, suffocating state.

This isn't giving away the store. This is giving away the shopping mall, town center, enterprise zone. And it is entirely in character with President Obama's foreign policy.

In the late summer of 2013 Bashar Assad was caught using chemical weapons against his own people. The president and his secretary of state decried this violation of international norms and pledged, in televised addresses, to punish the Syrian tyrant for wanton slaughter and the proliferation of weapons of mass destruction. The application of deadly force against Assad's air force and military installations would cripple the regime and hasten the end of a civil war that has taken the lives of some 200,000 Syrians. But suddenly Obama reversed course. He signed on to a Russian proposal to prevent a military strike in exchange for Assad's "giving up" his barbaric tools.

Today Bashar Assad remains in power, his opposition is divided, he has entered into an alliance of convenience with the medieval Islamic State that governs from Raqqa to Mosul. The weapons? Earlier this month the U.S. government—Barack Obama's government—accused Syria of [ongoing "systematic use" of chemical arms](#). I repeat: *ongoing*.

Not only has Obama failed to achieve his stated aims of removing Assad and ending the WMD threat. The situation is more dangerous than it was a year ago because the Islamic State's menagerie of Saddam loyalists and itinerant holy warriors is securing ground from which to launch attacks on targets throughout the world. Baathist dictators, chemical agents, refugees, Islamic armies are the consequence of this president's curious mixture of false promises and aggrieved passivity.

Barack Obama threw the Castros a lifeline, rescued Assad. But these monsters are not even the most dangerous of the despots he has enabled. An Iranian nuke would change the strategic equation of the Middle East and thus the world. Not only would Israel be threatened, so would America because of Iran's past use of terrorist proxies and increasingly sophisticated missile tech.

And the threat would increase as Sunni and Turkic nations developed or bought WMD to deter the Persian hegemon.

By the end of last year the economic sanctions passed by Congress over the Obama administration's objections, as well as the shale energy revolution, had brought the Iranian economy to the brink of collapse. The moment had arrived to rally the West. Demonstrate a credible threat of force—perhaps by crippling Assad's air defenses—and force the Iranians into a defensive posture.

What did Obama do? He agreed to lift sanctions on Iran, infusing the theocratic economy with billions of dollars, in exchange for entering direct negotiations and a few paltry concessions. The centrifuges kept spinning, Iran cheated on the terms of this incredibly generous interim agreement, Iranian missile development, international terrorism, support for radical Islam, and human rights abuses went on.

Obama said U.S. advocates of sanctions were warmongers. His underlings called Israel's prime minister a chickenshit. And when the interim deal reached its expiration date, when Iran's undeterred commitment to achieving nuclear status was obvious to all, when the ayatollah was tweeting his plan to eliminate Israel from the earth, Obama extended the deal and economic relief just so he would not be exposed as a failure.

Not even Iran, however, has invaded its neighbors as unabashedly and aggressively as Vladimir Putin's Russia, which in less than eight years has annexed parts of Georgia and a critical region of Ukraine. [Some 4,300 people have been killed since Putin's undeclared invasion of eastern Ukraine last spring](#), not counting the hundreds who died when a pro-Russian missile battery destroyed a civilian airliner.

Obama's response has been limited to sanctions on Putin and his inner circle. He has not provided the heavy arms necessary to roll back Russian advances in the east, nor has he launched a new Marshall Plan to sustain the economy of free Ukraine until Putin's illegal war comes to an end. Obama's idea of military aid is [to send MREs](#).

This week Putin reached an impasse. Changes in the global economy—a strengthening America, plunging commodity prices, spooked foreign investors—have provoked the worst crisis in Russia since the late 1990s. The sanctions Obama has already agreed to will worsen the pain.

This is a point of maximum leverage. A public and generous commitment of financial and military aid to Ukraine, an assertion of U.S. military and ideological might, could expel the Russians from the east and inspire the democratic opposition in Moscow. What will Obama do?

Two words: Blow it. The president has agreed to sign a tough sanctions bill passed unanimously by Congress only because it contains loopholes that will allow him to shirk its harshest and most effective provisions. I do not hear him calling for increased hydraulic fracturing and horizontal drilling, including on federal lands, I have missed his pledge to restore America's military and rebuild a force to deter the bear, I am betting he won't expand natural gas exports, or increase the number of military advisers in Kiev, or expel Russia from the G8. Opportunity missed.

Like the Castros, Assad, and the mullahs, Putin is in danger, his grip tenuous, his options narrowing. Lucky for him, lucky for the other bad guys, Putin can count on the American president to bail him out. Forget about standing up for a U.S.-led international order: Obama won't even respond to North Korea's act of war against the United States, its cyber-attack on a U.S. film studio

that succeeded in limiting free speech from thousands of miles away. And Obama says he's against bullying!

"Think where man's glory most begins and ends," [wrote Yeats](#), "And say my glory was I had such friends." Dictators don't have many friends. But they have Barack Obama.

## Contentions

### [Can Obama Learn to Punish Tyrants Instead of Rewarding Them?](#)

by Max Boot

By publicly fingering North Korea as the culprit behind the Sony hack attack, the FBI has put President Obama in a quandary: What to do about this cyber-attack which has caused grave damage to the American subsidiary of a prominent Japanese company?

Leaks out of the White House are that the "principals committee" composed of senior Cabinet-level officials has been meeting to formulate a response. Given the track record of this administration, that means a decision could be forthcoming in a few months, or maybe not at all. All that we've seen so far is President Obama's bland statement today that Sony made a "mistake" in pulling "The Interview" from theaters, which is hardly a suitable response to a humiliating retreat in the face of North Korean aggression.

I know it's probably expecting too much from this president, but it would be nice if just once he would act decisively instead of talking a good game and setting red lines that can be crossed with impunity. What would constitute decisive action in this case? The obvious proportional response—attack North Korea's computer networks—isn't very satisfying for a couple of reasons. First North Korea simply doesn't have a lot of computer networks; it is one of the most disconnected countries on earth. Second, as someone in the government has (unwisely) [leaked to the Wall Street Journal](#), what few networks it has are monitored for intelligence by the US.

So what does that leave? More sanctions. In 2007, recall, the North Korean regime went bonkers when the Treasury Department issued sanctions against the Banco Delta Asia, a small bank in Macao where some \$25 million in North Korean assets was held. Pyongyang demanded that those sanctions be lifted and that North Korea be taken off the list of State Sponsors of Terrorism before it would continue talks over its nuclear program. Under the unwise guidance of Secretary of State Condoleezza Rice and her chief North Korean negotiator, Chris Hill, President George W. Bush lifted the sanctions on Bando Delta Asia and took North Korea off the list of state sponsors of terrorism.

With its attack on Sony, North Korea has shown for the umpteenth time why it deserves to be placed on the list of State Sponsors of Terrorism, a unilateral move that President Obama could take right now. Congress should also pass and Obama vow to sign legislation introduced by Rep. Ed Royce that would tighten general financial sanctions on the North Korean regime. There is a general perception that there isn't much more to be done on the sanctions front, but that's not true—North Korea still has money in foreign banks and it still relies on some dealings with the international financial system to stay afloat. Those lifelines need to be snipped pronto.

North Korea needs to understand there will be a cost for its cyber-aggression, just as Russia needs to understand there will be a cost for its physical aggression in Ukraine. That is not something this administration has been very good at—it is better at outreach to despotic regimes such as Iran and Cuba than it is to punishing them for misbehavior—but that's a failing that Obama

still has time to change if he wants to correct the general perception of foreign policy weakness that dogs his administration.

## National Review

### [As Vermont Goes . . .](#)

#### ***The Green Mountain State's liberal governor has pulled the plug on single-payer.***

By John Fund

The one state that not only embraced Obamacare but insisted on going beyond it to a full single-payer system was Vermont, the haven of hippies and expatriate New Yorkers, which has become one of the most liberal states in the nation. In 2011, it adopted a form of neighboring Canada's government-financed health care and promised to implement it by 2017. (And Jonathan Gruber was a key architect of this plan as well as of Obamacare.) This week, however, Governor Peter Shumlin, a Democrat, admitted the state couldn't afford the plan's \$2 billion price tag and consequent sky-high taxes, and pulled the plug. The lessons for Obamacare are obvious and profound.

Scott Milne, the little-known Republican who opposed Shumlin in last month's election and came within 1 percentage point of winning the most votes, isn't surprised. "During the campaign I said that single-payer is dead — I'm telling you that now, and Peter Shumlin's going to wait until after the election," Milne told the *Burlington Free Press*. Milne is still running for governor, since Shumlin won only 46 percent of the vote, and Vermont requires the state legislature to elect the governor in January if no candidate wins the majority. Despite his prescience, however, Milne is highly unlikely to persuade the Democratic legislature to substitute him for Shumlin.

But Milne certainly has won a moral victory. Lieutenant Governor Phil Scott, a Republican, called the cancellation of single-payer a victory for "overtaxed Vermonters." Noting that the state's fiscal plan for implementing single-payer was now almost two years late, he said in a statement: "We've already spent far too much money exploring this idea, and the discussion has paralyzed our business community."

Business realities weighed heavily in Shumlin's retreat. His experts calculated the state would need an 11.5 percent payroll tax and an additional income tax of up to 9.5 percent. That's California-style taxation. "My health-care costs would have gone up by 61 percent if that plan had gone through," Win Smith, the owner of the Sugarbush ski resort, told reporters. "If there were that 9 percent [income tax] on employees, many would have been paying more than they're paying now. It would have been a lose-lose." Shumlin admitted it would be irresponsible for him to be "pushing prematurely for single-payer" when "the risk of economic shock is too high at this time."

But like any good liberal, Shumlin insisted on painting a rosy fantasy that he would bring back a single-payer plan. "[Medicare] took 31 years to become law. Medicaid took 50 years to pass; Social Security took 25 years," he said in a statement. "Our time will come." James Haslam of the Vermont Workers' Center wasn't buying it, calling Governor Shumlin's retreat "a slap in the face" of single-payer backers.

Health-care experts from outside Vermont point out some of the implications. "It's a very liberal state, and its leaders spent years trying to design a system that would work," Grace-Marie Turner of the Galen Institute observes. "If Vermont can't make it work, single-payer can't work anywhere in the country where the economy has free and competitive markets. It's more evidence that centralized government health care is simply not workable in America."

Vermont's decision should embolden Republicans in Congress and state governments to fight harder against Obamacare. While President Obama insists he will tolerate no changes in his program that he doesn't unilaterally declare through personal whim, his stubbornness may be more difficult to sustain in coming months. The Supreme Court is set to hand down a ruling in June that could declare unconstitutional the subsidies for low-income people in 37 federally run insurance exchanges. The heart of Obamacare would be cut out should the Supreme Court rule that the exchanges are invalid.

Transition rules and discretionary budget accounts could delay the loss of insurance by policyholders for a while in those states, but a more permanent fix will be needed.

Republicans in Congress would be right to insist that the price of their passing such a legislative fix should involve massive reforms in Obamacare. Republicans in the 24 state governments where they completely control lawmaking would be foolish not to demand complete freedom from Washington's rules dictating how they run their out-of-control Medicaid programs as the price for stabilizing the exchange markets in their states.

Nancy Pelosi famously said of Obamacare that "we have to pass the bill so that you can find out what is in it." The reality is that Obamacare had to pass before it became clear just how unworkable it is. Vermont's decision is a canary in the coal mine for liberal health-care-reform zealots. It represents a warning signal that in order to avoid further economic and health-care dislocations they will have to, like liberals in Vermont, give in to reality. The alternative is to face even more punishing political consequences in 2016 than they did this November.

**WSJ**

### **Why Saudis Decided Not to Prop Up Oil**

***In American Shale Oil, A Perceived Threat to OPEC Market Share***

by Jay Solomon in Washington and Summer Said in Dubai



*Saudi Oil Minister Ali al-Naimi, center, at the opening session of the 10th Arab Energy Conference in Abu Dhabi Sunday.*

In early October, Saudi Arabia's representative to OPEC surprised attendees at a New York seminar by revealing his government was content to let global energy prices slide.

Nasser al-Dossary's message broke from decades of Saudi orthodoxy that sought to keep prices high by limiting global oil production, said people familiar with the session. That set the stage for Saudi Arabia's oil mandarins to send crude prices tumbling late last month after persuading other members of the Organization of the Petroleum Exporting Countries to [keep production steady](#).

Hard-hit countries like Iran, Russia and Venezuela suspected the move was a coordinated effort between the oil kingdom and its longtime ally, the U.S., to weaken their foes' economies and geopolitical standing.

But the story of Saudi Arabia's new oil strategy, pieced together through interviews with senior Middle Eastern, American and European officials, isn't one of an old alliance. It is a story of a budding rivalry, driven by what Saudi Arabia views as a threat posed by American energy firms, these officials said.

Mr. Dossary's October message signaled a direct challenge to North American energy firms that the Arab monarchy believes have fueled a supply glut by using new shale-oil technologies, said the people familiar with the session.

Saudi officials became convinced they couldn't bolster prices alone amid the new-crude flood. They also concluded many other OPEC members would balk at meaningful cuts, as would big non-OPEC producers like Russia and Mexico. If Riyadh cut production alone, Saudi officials feared, other producers would swoop in and steal market share.

Saudi oil minister Ali al-Naimi tested that conclusion just 48 hours before the Nov. 27 OPEC decision, meeting in Vienna with oil heads of several big producer nations to suggest a coordinated output cut. As he suspected going in, he couldn't get an agreement, said people familiar with the meeting.

The option left: Let prices slide to test how long, and at what levels, American shale producers can keep pumping.

Mr. Naimi on Thursday said Saudi Arabia and OPEC had no choice but to keep production at current levels amid the price weakness.

"In a situation like this, it is difficult, if not impossible for the kingdom or OPEC, to take any action that may result in lower market share and higher quotas from others, at a time when it is difficult to control prices," the official Saudi press agency quoted him as saying. Mr. Naimi didn't respond to inquiries. Saudi oil-ministry representatives wouldn't comment for this article.

The Saudi approach is part of a significant evolution in Riyadh's relationship with Washington over the past decade. Close allies since World War II, the countries prospered on the kingdom's providing a steady oil flow in exchange for America's securing its borders.

But the U.S.'s emergence as an energy rival is testing this foundation in ways not yet widely appreciated, said U.S. and Saudi officials, as have major differences over American Middle East policies.

Saudi Arabia is taking a risk by letting oil prices plunge, said Arab, American and European officials. Saudi officials have said their economy can survive at least two years with low prices,

thanks partly to the kingdom's \$750 billion foreign-exchange reserves. Arab officials believe many less-efficient producers will be driven out of the market.

Still, some oil-industry executives said, Riyadh and Mr. Naimi may underestimate how technology and the shale-oil boom have fundamentally altered energy markets. Many U.S. companies, they said, can make money or break even with oil below \$40.

The move has also exposed cracks inside the Saudi ruling circle. In October, as the oil-price slide accelerated, billionaire [Prince al-Waleed bin Talal, a nephew to King Abdullah, castigated Mr. Naimi](#) in an open letter for appearing to shrug off price declines. Belittling the impact, he wrote, "is a catastrophe that cannot go unmentioned."

At about that time, Mr. Naimi's deputy, Prince Abdulaziz bin Salman, another nephew of the king, worried to colleagues that the kingdom's budget couldn't bear lower prices long, said people familiar with the matter. The offices of Prince Abdulaziz and Prince al-Waleed didn't respond to inquiries.

Saudi Arabia and its massive energy reserves have played a major role in shaping world affairs for 50 years. During the 1980s, the Reagan administration credited the Saudis with maintaining high oil production to drive down prices and weaken the Soviet Union's finances. The price drop also fueled an economic recovery in the U.S.

A spokesman for the National Security Council on Sunday said Washington's alliance with Saudi Arabia remains strong and focused on cooperation on numerous economic and security issues. "Our bilateral relationship is built on over 70 years of close cooperation whether it is counterterrorism, military to military training, educational exchanges, energy security, or bolstering trade and investment," said NSC spokesman Alistair Baskey.

President [Barack Obama](#)'s administration has worked closely with Saudi Arabia to try using energy markets to pressure Iran into constraining its nuclear program, according to U.S. and Saudi officials.

Beginning in 2009, U.S. officials coordinated with Saudi Arabia, the United Arab Emirates and Kuwait to assure major buyers of Iranian oil would have alternatives if they weaned themselves off Tehran.

The strategy helped the West cut by half Iran's energy exports over the past three years, said Robert Einhorn, who coordinated U.S. sanctions on Iran in the Obama administration. "What made this possible was that the Saudis and others were able to produce more."

But Washington's relations with Riyadh have soured in recent years due to differences over the Obama administration's handling of Middle East political instability. King Abdullah was incensed last year when Mr. Obama reneged on his pledge to launch military strikes against Syrian President Bashar al-Assad's regime following its alleged poison-gas use against civilians. Saudi officials also felt deceived after the Obama administration launched secret nuclear negotiations in 2012 with Iran, Riyadh's regional rival.

"Saudi Arabia's reliance on U.S. protection is a thing of the past," said Nawaf Obaid, a visiting scholar at Harvard University's Belfer Center who has advised the Saudi government on foreign policy. "The Saudis will remain America's most important strategic partner in the Middle East, but not its closest."

Washington is entering a new era in its Saudi Arabia relationship, although the alliance remains crucial to the global economy, said Amos Hochstein, the U.S. State Department's special envoy and coordinator for international energy affairs.

"Our relationship with Saudi Arabia was never dependent on energy. Our relationship is evolving," he said. "We will never be energy independent because it's a global commodity. But we can be more efficient and self-sufficient."

The American energy boom has further complicated relations, said U.S. and Saudi officials. [Senior Saudi officials have appeared perplexed in recent months in gauging the impact of the American boom.](#)

In late September, Ibrahim al-Muhanna, a top adviser to Mr. Naimi, said publicly in Bahrain he didn't foresee oil prices falling much below \$90 a barrel due to what he said was the high cost of extracting North American shale oil. He didn't respond to inquiries.

The Saudis largely kept silent as prices kept falling. Then Mr. Naimi went on vacation in late September, removing himself from a public debate over whether OPEC should rein in production at its November meeting.

Mr. Naimi tended sheep before starting as an errand boy at Saudi Aramco, the national oil company. He worked his way to chief executive before becoming minister in 1995. He won a reputation for data-driven decision making. In the late 1990s, he focused on U.S. Midwest commercial crude-oil inventories—if levels got too high, OPEC needed to cut.

Mr. Naimi's comments can rattle or soothe oil markets. So his vacation's timing puzzled many of his colleagues, said people familiar with the matter, and during his absence there was bickering inside the government about how to arrest the price decline. The question: whether to focus on stopping the short-term revenue impact of the price decline or to exploit the medium-term potential of its reducing competition from North American shale producers.

Meanwhile, OPEC members were slashing prices, often undercutting one another. In early November, Saudi Aramco cut prices to U.S. customers, a move aimed at locking in customers as shale output swelled, industry officials said.

Returning from his holiday, Mr. Naimi met with Venezuela's foreign minister and its chief OPEC representative, Rafael Ramirez, on a Venezuelan resort island. Privately, the Saudi told his hosts he would support a production cut only if the Venezuelans could persuade producers inside and outside OPEC to participate, people briefed on the meeting said. A Venezuelan foreign ministry spokeswoman declined to comment.

Mr. Ramirez traveled to Russia, Algeria, Iran and Qatar to woo production-cut support. Two days before OPEC's Nov. 27 meeting, he gathered senior energy officials from Russia, Mexico and Saudi Arabia—including Mr. Naimi—at Vienna's Hyatt Hotel.

On the table was a proposal to take two million barrels a day off the market, officials familiar with the talks said. OPEC would shoulder the bulk of the cut, but Russia and Mexico were expected to trim a combined 500,000 daily barrels.

Mr. Naimi had expected Russia to balk, these people said. Indeed, the Russian delegates said they couldn't cut production for technical reasons and because they might lose pumping capacity



by shutting wells. An official at OAO Rosneft, the Russian state oil company, confirmed the meeting took place but denied there were discussions about an output cut.

The discussions never made it as far as what Mexico might be willing to do. "From the start, Russia made it clear that it wasn't going to cut production, and the meeting ended there," said a person familiar with the discussion. A Mexican energy-ministry spokesman didn't respond to inquiries.

Mr. Naimi argued it was in everyone's interest to take collective action and that the market would eventually force the Russians to cut. Russia, he said, couldn't keep producing roughly 10 million barrels a day unless oil prices were over at least \$100.

Mr. Naimi headed to the Nov. 27 OPEC meeting with King Abdullah's support to align OPEC's Arab states behind a policy of no production cuts and of defending market share, said people familiar with his mandate. The U.A.E., Kuwait and Qatar gave their support ahead of the meeting.

At the meeting, Mr. Naimi addressed other OPEC ministers, who were asked to leave aides outside the room. He conceded falling prices would be painful but said losing customers to U.S. shale would be worse, people briefed on his comments said.

Mr. Naimi wasn't advocating forcing down prices to hurt U.S. shale producers, these people said, but was warning that if OPEC cut output, non-cartel crude would likely replace it. OPEC ministers agreed to keep their production ceiling unchanged.

Sell orders flooded oil markets. Shares in big producers tumbled, along with currencies of petro-states like Russia and Nigeria.

U.S. and Arab officials have privately gushed that the decline could undercut the ability of Tehran, Moscow and Caracas to play destabilizing roles globally, and have voiced optimism that Iran's financial woes could force it into more nuclear concessions.

"If in the process, you have 30% off Iran's income, fine," said a senior Arab official involved in the oil deliberations. "If in the process, you shave 30% off Russia's income, fine."

There remains a risk prices don't quickly recover. Some in the Saudi media have criticized Mr. Naimi for a policy they say could be disastrous for the kingdom's economy. Riyadh depends on oil for 90% of its budget.

"All OPEC and non-OPEC officials are in a state of shock," said Muhammad al-Sabban, a former adviser to Mr. Naimi, adding that a " 'wait and see' is their only option."

Gary Varvel  
BY APPOINTMENT ONLY  
©2014 garyvarvel.com



garyvarvel.com



GARY  
©2014 GARYVARVEL.COM  
GARY@GARYVARVEL.COM  
GARYVARVEL.COM

