

that keep Oregon's budget in the red.

Kitzhaber is running on a grab-bag of issues. He suggests seeking a federal waiver from the standards imposed by the No Child Left Behind Act. He stresses environmental "sustainability." He has floated the idea of giving up Oregon's status as one of only five states without a sales tax, though voters have rejected this resoundingly in multiple referendums, most recently in 1993 by a three-to-one margin. This is catnip to Dudley, who relishes pointing out that as a legislator and governor, Kitzhaber supported raising taxes on income, gasoline, and cigarettes.

Dudley stands to benefit from national political trends favoring the GOP. President Obama's approval rating here is below 50 percent, and heretofore safe Democratic seats, like that of congressman David Wu of Portland's western suburbs, look ripe for Republican takeover. But voters in Oregon have their own reasons for being particularly receptive to Republicans this year. More than a decade of Democratic governance has left the state's economy in shambles. Unemployment is stuck at 10.8 percent, well above the national average. Environmental regulations have decimated the logging industry. High corporate taxes have seen companies like Louisiana-Pacific, a major building materials manufacturer, leave the state in search of a more business-friendly climate. As a result, Oregon Democrats are running away from their record.

The formula for statewide Republican victory in Oregon is simple. Roughly 30 of the state's 36 counties are sparsely populated and usually vote Republican. Dudley should carry them easily. He'll also have to take a significant share of the vote in the state's populous liberal enclaves, like Lane County, home of Eugene, and Multnomah County, home of Portland. If Dudley can capture 35 or 40 percent of the vote in these areas, he should be the next governor. The most recent statewide poll has him leading Kitzhaber 47 percent to 40 percent.

Dudley Do-Right may be set to defy Oregon's image as just another Left Coast state. ♦

# The Obama Formula

Impotence abroad, omnipotence at home.

BY IRWIN M. STELZER

There is something strange going on in American politics. Call it the belated triumph of George McGovern's "Come home, America" campaign.

While the secretary of defense works on plans to reduce spending on the military, his boss concocts plan after plan to increase spending on social programs. Even overseas interventions deemed important to national security are grudging, time-limited affairs—we might drop in for a while, but we are soon homeward bound. The American government's power to influence foreign events is assumed to be extraordinarily limited. While increasingly threatening and intransigent enemies strut across the world stage in defiance of sanctions and pleadings of international institutions, America has cast its lot with those multilateral institutions, eschewing unilateralism even when vital overseas interests are involved, pursuing the approval of adversaries from the Arab Middle East to Russia, Asia, and Africa.

Fast forward to domestic policy. Here government power is considered almost without limit. Fossil fuels create environmental and security problems, so government will order the invention of alternatives. The health care system is flawed, but rather than repair it we will transform it into one run largely by government. If Americans cannot be wooed to support these transformations, they are

to be ignored by an administration and Congress that is far to their left, deploying a variety of parliamentary tricks. No wooing of support from Americans, from whom approval for domestic interventions is seen as less necessary than is the approval of the "international community" for our foreign policy.

Indeed, when it comes to domestic policy, so strong is the administration's sense of rectitude that the approval of the international community, so sought after in overseas affairs, matters not. If attacking a leading British company helps make the case for preventing offshore drilling, attack it the president will. If the European nations decide that austerity is necessary to get their finances in order, lecture them on the need to continue their stimulus programs. If Germany's trade policies don't suit the administration, go after Angela Merkel in advance of a G20 meeting. Those, of course, are traditional allies.

An exception to the policy of disregarding the views of other nations on U.S. domestic policy can always be made for a less friendly nation. If China manipulates its currency, rather than publicly identifying that practice, as the law requires, postpone the mandated report, even though currency manipulation by the Chinese regime undercuts the president's goal of doubling exports in the next five years. China, after all, is a potential adversary, to be wooed, while Britain, its pension funds heavily dependent on dividends from BP, is to be lacerated, never mind that we rely on its troops to support our efforts in Afghanistan.

The contrast between our policy postures at home and abroad is also

*Irwin M. Stelzer is a contributing editor to THE WEEKLY STANDARD, director of economic policy studies at the Hudson Institute, and a columnist for the Sunday Times (London).*

obvious when it comes to the personal relationships struck by the president in those two different contexts. Foreign leaders are treated with a deference bordering on subservience. Apologies for perceived past misbehavior are accompanied with bowing and a tolerance of insults. Never mind that Hugo Chávez has heaped scorn upon American presidents, past and present, from a podium at the United Nations. His offer of a handshake and a book of anti-American rants is eagerly accepted by the president, providing our enemies in Latin America with a photo-op they dared not hope for in their wildest dreams.

Contrast this attitude with the posture taken at home. The president feels that the reach of the government extends into the boardrooms of the world, and demands and gets the firing of the CEO of General Motors, before turning on BP and forcing that company to recall to Britain its CEO, a man with whom he refused to meet during the long months of the Gulf oil leak. Bankers are denounced, insurance companies named and shamed for adjusting premiums to cost levels inflated by his health care reform. Government, seen as powerless to project American power abroad, is seen as so powerful at home that it has no need to extend any courtesies to the leaders of its private sector, trade unions excepted. So powerful that it is in a position to transform huge swaths of the economy, to impose “reforms” far more radical than any contemplated by Franklin Roosevelt, scuppering democratic processes when necessary in favor of executive orders to get the job done, publicly humiliating the Supreme Court when it read the right of free speech to include speech by those Obama believes distort the political process by making their views known.

Transformation on this scale costs money. The theory of the administration is that deficits now are necessary to finance changes that it deems to be in the public interest. So, huge bills to finance the changes await payment by a later generation, either in

the form of higher taxes or a debased currency. Costs are serially underestimated, the value of vaguely described benefits overstated. The fact is that no such determination of the value of massive expenditures is necessary when change is driven by a vision of an America transformed into one very different from the America that exists today. That is why the likes of Nancy Pelosi do not feel in any way embarrassed by telling us that we won’t

**Government, seen as powerless to project American power abroad, is seen as so powerful at home that it has no need to extend any courtesies to the leaders of its private sector, trade unions excepted.**

understand what is in the health care bill until after it is passed: This is an exercise in ideology, not in prudent investment now for benefits later. As such, it needs no detailed justification, especially since the wishes of those most affected by it are deemed largely irrelevant.

Underlying this disparity between foreign and domestic policies, between catering to foreign audiences while ignoring the wishes of American voters, is an ideology that is profoundly anticapitalist. As the *Economist*, an Obama supporter, puts it, Obama has “all too often given the impression that capitalism is something unpleasant he found on the sole of his sneaker.” He does not believe that private entrepreneurs create wealth: Somehow, most likely by means illegal or at minimum immoral, using methods designed further to disadvantage the already disadvantaged, these private-sector players have got their hands on wealth, which it is the role of a powerful government to snatch for

its own, superior purposes. The same government that is powerless to stem the flow of gasoline to the nuclear-weapons-building mullahs feels it can allocate a larger part of America’s resources than any peacetime government has ever attempted to do. The same government that is so unwilling to affect events that it stands silent while its enemies abroad savage, assassinate, and hang dissidents, eagerly denounces businesses that behave in a way inconsistent with the wishes of the administration.

It is almost as if collective schizophrenia dominates policymakers. Impotence abroad, omnipotence at home; shrinkage of the reach of government abroad, expansion at home; frugality in foreign and military affairs, profligacy at home; appeals for public approval of foreign citizens, deafness to the desires of voters at home.

It is, of course, possible that all this is a considered goal, what Tony Blair once called “joined-up government”—policies that are indeed accurate reflections of the goal of this government, which sees its foreign and domestic policies as consistent one with the other, rational trade-offs that allow government to advance its reach at home *because* it is retreating abroad. Never mind that this is just when nations that do not like us, that see us as the enemy, are using their domestic resources to increase their power relative to ours—China its booming economy to fund control of resources and a military capable of projecting power around the world; Iran its oil wealth to gain the nuclear weapons that will allow it to replace us and our allies as powers to be reckoned with in the Middle East; Russia its vast natural resources to revive its military and regain control of what it calls its near-abroad; Venezuela its oil revenues to pay for replacing American influence with its Bolivarian revolution. They have indeed joined their economies to their foreign policy goals, while we view domestic and foreign policy as separate things, the one to be strengthened while weakening the other. They’ve got it right. ♦