GEORGE F. WILL

Subverting the electoral college

 $R_{\rm constitution, but in its birth-place, Pennsylvania, they are contemplating a subversion of the Framers' institutional architecture. Their ploy – partisanship masquerading as altruism about making presidential elections more "democratic" – will weaken resistance to an even worse change being suggested.$

Pennsylvania's Republican-controlled Legislature may pass, and the Republican governor promises to sign, legislation ending the state's practice shared by 47 other states — of allocating all of its electoral votes to the candidate who wins the statewide popular vote. Pennsylvania would join Maine and Nebraska in allocating one vote to the winner in each congressional district, with the two remaining votes going to the statewide popular vote winner.

The 2012 Republican candidate might lose the statewide vote but carry, say, nine of the 18 congressional districts, cutting President Obama's yield to 11 electoral votes. But if the Republican candidate carries nine of Pennsylvania's 18 districts and the statewide vote — Obama's Pennsylvania poll numbers are poor — Republicans will have cost themselves nine electoral votes, which would be condign punishment.

Not since 1988 has a Republican

carried Pennsylvania, a state described as Philadelphia in the east, Pittsburgh in the west and Alabama in between. Incongruous political cultures coexist in many states, so the temptation to which Pennsylvania Republicans may succumb could become a national contagion. Many big blue states (e.g., New York, Illinois, California) have many red enclaves: Democrats, particularly minorities and government employees, are disproportionately concentrated in urban areas. And many reliably red states (e.g. Texas, Georgia) have solidly blue congressional districts.

In 1960, when Richard Nixon lost the popular vote to John Kennedy by 0.2 percent and the electoral vote 303 to 219, he won 227 districts and 26 states, so under Pennsylvania's plan he would have won the presidency with 279 electoral votes. In 1976, Gerald Ford carried 215 districts and 27 states; Jimmy Carter carried 221 districts and 23 states and Washington, D.C. Under Pennsylvania's plan (and assuming no "faithless electors"), there would have been a 269-to-269 electoral vote tie, and the House of Representatives would have picked the winner.

Pennsylvania's plan would encourage third parties to cherry-pick particular districts, periodically producing "winners" with only national pluralities of electoral votes, leaving the House to pick presidents. The existing system handicaps third parties: In 1992, Ross Perot won 18.9 percent of the popular vote but *no* electoral votes.

Pennsylvania's proposal would raise the stakes of gerrymandering. And a swing state such as Colorado would often be neglected: Its nine electoral votes are a pot worth competing for, but under Pennsylvania's plan, the split might usually be 5-to-4 or 6-to-3.

Winner-take-all allocation of states' electoral votes enhances presidential legitimacy by magnifying narrow popular vote margins. In 1960, Kennedy won 49.7 percent of the popular vote but 56.4 percent of the electoral vote (303 to 219). In 2008, Obama won just 52.9 percent of the popular vote but 67.8 percent of the electoral vote (365 to 173).

Now eight states and the District of Columbia, with 132 electoral votes, are pursuing an even worse idea than Pennsylvania's. They have agreed to a compact requiring their electoral votes to be cast for the national popular vote winner, even if he loses their popular vote contests. This compact would come into effect when the states agreeing to it have a decisive 270 electoral votes.

Deep-blue California supports the compact. But if it had existed in 2004, the state's electoral votes would have gone to George W. Bush, even though 1.2 million more Californians favored John Kerry.

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Supporters of the compact say they favor direct popular election of presidents. But that exists — within each state. The Framers, not being simple, did not subordinate all values to simple majority rule. The electoral vote system shapes the *character* of presidential majorities, making it unlikely they will be geographically or ideologically narrow. The Framers wanted rule by certain kinds of majorities — ones suited to moderate, consensual governance of a heterogeneous, continental nation with myriad regional and other diversities.

Such majorities do not materialize spontaneously. They are built by a two-party system's candidates who are compelled to cater to entire states and to create coalitions of states. Today's electoral vote system provides incentives for parties to alter the attributes that make them uncompetitive in important states. It shapes the nation's regime and hence the national character. The electoral college today functions differently than the Founders envisioned - they did not anticipate political parties – but it does buttress the values encouraged by the federalism the Framers favored, which Pennsylvanians, and others, should respect.

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The cost of financial ignorance

BY HERNANDO DE SOTO

Recently that, given the ongoing credit contraction, "advanced economies like the U.S. would do well to re-learn some of the lessons" that have led to success among emerging market economies. Ironically, those economies in the 1990s accepted 10 points for promoting economic growth that were known as the "Washington Consensus."

Advanced nations seem to have forgotten Point 10 of that consensus: how important documenting assets and transactions is to the creation of credit. Consider that most private credit is made up not of bills and coins, anchored in bank reserves, but in papers that establish rights over the assets, equity and liabilities that guarantee loans. Over the past 15 years, however, as they package, bundle and resell securities, Americans and Europeans have gradually undermined the reliability of the records that guarantee or make credit trustworthy — the deeds, titles, liens and other documentation that establish who owns what and how much, and who holds the risks.

Not having reliable information reduces confidence, which in turn leads to credit contractions, fewer or smaller transactions, and declines in demand. And these cause employment and the value of assets to fall.

The majority of us in emerging markets know this firsthand, having lived in a chronic credit contraction. To understand why there is no credit without truth, you need only walk down certain streets — the businesses that cannot get significant credit are those in the informal economy, where assets and transactions are not legally recorded and are therefore unknowable.

When property is poorly documented, markets don't get the information needed to connect assets to finance, and governments don't obtain the data required to detect which connections have gone awry and how to fix them. This became obvious in 2008, when a relatively small number of subprime homeowners' inability to meet their mortgage payments ultimately triggered a global financial crisis. The world was surprised, and terrified, because no one seemed to see the connection.

The initial reaction three years ago was swift: The U.S. Treasury secretary created the Troubled Assets Relief Program to prevent a run on banks by purchasing the derivatives that financed the subprime mortgages. But officials realized within days that they couldn't locate the assets or find criteria for pricing, buying and then removing them from the market. Given the lack of hard information, they improvised, using the TARP money to bail out the owners of the assets.

But finance wasn't always this way. The connection between knowledge and credit was valued in the United States as far back as Thomas Jefferson's day. During the Panic of 1819, the former president wrote in a letter to Richard Rush of his "despair" that finding the truth about how to stop credit from expanding and suddenly contracting would require "more knowledge of political economy than we possess." He warned that U.S. citizens "had suffered themselves to contract . . . in debt," that the nation was awash with "fictitious capital," and that all this new credit and capital exceeded "the measure of our own wants and surplus productions." Jefferson understood the dangers of overleveraging - and the "toxic assets" of his time - and that the way to get the information he needed was to connect finance and investment to "real capital and the holders of real property." For hundreds of years, the United States and Europe gathered and classified all that paper in publicly accessible records, from deeds and registries to balance sheets. Originally created for recording ownership, these data systems were gradually adapted to serve all legal interests and relationships linked to property. Credit and debt could be measured, risk and potential inferred. Matching capital and finance to property made it easier for liquidity to move in step with the general interest. This knowledge served the West phenomenally well: Since World War II, Western economies not only avoided major contractions but also grew more than in the previous 2,000 years. Until 2008 – when we found that those systems had stopped telling the truth. TARP authorities couldn't locate knowledge about toxic assets fast enough because so many non-standardized types of records were scattered around the world. U.S. property and mortgage transactions records became obscured when companies were permitted to raise large amounts of financing by "bundling" mortgage loans into marketable liquid securities and recording these "derivatives" not with the traditional public registries but with the Mortgage Electronic Registration Systems, a private company whose registry reportedly holds about half the mortgages in the United States. These derivatives had a notional value of \$600 trillion to \$700 trillion - 10 times the amount of global annual production. They are still outside any property memory system. After hundreds of years of clear, reliable information on balance sheets, newer policies allowed companies to engage in off-balance-sheet accounting, effectively permitting them to appear more profitable than they really are. Information on debts is passed to the ledgers of "special-purpose entities" (SPEs) - think Enron, which had more than 3,000 SPEs – or swept into illegible footnotes. More broadly, national balance-of-payments accounts were supposed to signal facts regarding financial capital and transfers and debt. Yet no one saw the Greek or Italian sovereign debt crises coming because governments made their fiscal status look rosy by using new financial devices to swap their debts in one currency for another. An old debt looked like an inflow of new money. We reformers in emerging economies have struggled for the past two decades, as Bernanke noted, to get our people and their assets onto the books, searching for and - whenever possible - incinerating fictitious capital to bring swarms of citizens living in economic anarchy under the rule of law. We learned this from you, that the main source of credit is not money but the "moneyness" of property documentation. All financial activity must be documented if trust is to be regained in paper and, ultimately, in markets.

POST PARTISAN

Excerpts from The Post's opinion blog, updated daily at washingtonpost.com/blogs/post-partisan

FRED HIATT Peace prizes and solidarity

The best of the Nobel Peace Prize winners tend to stick together in their pursuit of justice and democracy. Last week retired Archbishop Desmond Tutu (awarded the prize in 1984) lashed out at his South African government after it stalled, so as not to offend the Communist government of China, on giving a visa to the Dalai Lama (1989), who had hoped to visit Cape Town to help Tutu celebrate his 80th birthday.

Both Tutu and the Dalai Lama have long stood by Aung San Suu Kyi (1991), the heroine of the democracy movement in Burma who has spent most of the past two decades under house arrest. And she will no doubt welcome Ellen Johnson Sirleaf, one of three African women to be awarded the Peace Prize this year, to the club. Johnson Sirleaf was elected president of Liberia in 2005, when her country was so devastated by civil war that it had almost no electricity or running water. No doubt she will use the publicity from the Nobel to draw attention, again, to why it is in the world's interest to help countries like Liberia help themselves.

But it is likely that Johnson Sirleaf and her co-winners will also use the moment to remind the world of the one living Peace Prize winner we can't hear from today: Liu Xiaobo, an eloquent advocate of peaceful democratization in China, was in prison when he won the award last year and he remains jailed. His wife, Liu Xa, is under house arrest and prohibited from speaking out. He is a worthy member of the band, and his imprisonment says a lot about the fearful dictators of Beijing.



Ambassador Robert Ford, visiting a mass grave in Syria in June.

DAVID IGNATIUS

The envoy leads

An engine we still need How we can save energy with combustion technology

BY ROBERT W. CARLING

Iternative energy sources are clearly still under development. Consequently, whether those technologies are for transportation, heating our homes and buildings, or powering our computers, petroleumbased energy will be with us for a while.

This is particularly true with transportation energy. Amid the national discussion on the future of electric vehicles, biofuels, fuel cells and other advanced technologies, the fact remains that it will take decades before any new engine technology is ubiquitous in the transportation fleet. Consequently, none of the current options has begun to make a dent in U.S. oil consumption in the short term.

So now might be a good time to remember an advanced technology that is often forgotten, the combustion engine, and the promise it still holds for helping the United States meet its short-term objectives regarding oil consumption.

Studies have demonstrated that gains of greater than 45 percent to the thermal efficiency of gasoline engines are achievable in combustion engines, and fuel economy improvements of greater than 50 percent in our automobiles are within our reach when combined with other technical advances. Opportunities abound for combustion scientists and engineers to make even more improvements. The targets can be reached in the near term, not decades from now.

Let me be clear. The United States does need full and long-term commitment to clean, advanced, alternative energy sources for transportation and other needs. Initiatives such as the Energy Department's Joint BioEnergy Institute (JBEI) in the San Francisco Bay Area are having real impact, and the department is also doing its part to support development of the next generation of biofuels, direct solar fuels, hydrogen fuel cells, batteries and electricity-producing renewables.

But with only modest investments, an existing infrastructure, and a laserlike focus by the nation's combustion engineers and scientists, we can continue to hone and refine the combustion technologies that have served us so well over the past 100 years.

By Environmental Protection Agency standards, the new Chevrolet Cruze Eco gets 42 miles to the gallon on highways, with some tests even reaching the 50 mpg mark. That's with a conventional gasoline engine, not a hybrid. With continued investments and research into new technical innovations such as the homogeneous charge compression ignition engine, the potential exists to save more than 4 million barrels of oil per day. That is roughly \$400 million per day in savings.

Because transportation represents such a sizable portion of oil use in the United States, we can achieve a 30 percent reduction in overall oil consumption if we can arrive at a 50 percent reduction in fuel use in automobiles and trucks. That is very doable from a scientific standpoint. The engine giant Cummins has already used advanced laser-based experiments to validate models that enabled an all-computational engine design, progress that saved substantial time and cost while providing a better engine and fewer tests. These advances are expanding.

Furthermore, the infrastructure for a fleet of vehicles based on new, advanced technologies is in its infancy and will take years to fully develop. With liquid fuels, we have the infrastructure in place; a complete culture shift around the way we refuel our vehicles would not be necessary.

It won't be easy for the nation to follow this energy blueprint. Automotive companies are blunt in acknowledging that they can't solve the technical problems on their own. Their research and development budgets are shrinking, not growing.

Fortunately, the automotive industry is, in an unprecedented way, reaching out to universities and national laboratories to collaborate and build consortia. We already have the core resources, including high-tech tools such as powerful lasers, the fastest computing platforms known to man, and optical engines. All of these resources can and should be leveraged.

Those of us engaged in combustion science see it as our responsibility to bring the various sectors together to find collaborative solutions to our collective challenges, particularly those involving advanced liquid fuels and internal combustion engines. Significant improvements are well within our grasp.

We take the call for research into alternative energy solutions very seriously. But don't forget the combustion engine. It remains the most proven and the most cost-effective near-term method for reaching the nation's transportation energy goals.

Robert W. Carling is director of the Transportation Energy Center at Sandia National Laboratories in Livermore, Calif., and oversees the Energy Department's Combustion Research Facility. I f you're wondering what diplomats can do in an era of pulverizing military force and instantaneous communications, consider the case of Robert Ford, the U.S. ambassador to Syria. He has been meeting with the Syrian opposition around the country, risking his neck — and in the process infuriating the regime of President Bashar al-Assad.

Ford is an example of the freeform diplomacy the United States will need as it pulls back its troops from the wars in Iraq and Afghanistan. He's projecting American power quietly — through counseling the protesters and networking — rather than trying to wrap the opposition in the American flag, which would be the kiss of death for them.

I spoke with Ford last week by telephone, which is, at the moment, unfortunately the only way that most U.S. journalists can talk to him. He outlined the basic advice he has offered in meetings with opposition leaders, which is to remain peaceful and resist the slide toward sectarian violence.

Ford summarizes his message this way: "Don't be violent. That's crucial. If you do that, you're playing into the hands of the government."

And yet, as Ford notes, sectarian killing "is certainly on the upswing" in Syria. It's a frightening cycle of attack and retaliation, reminiscent of the Sunni-vs.-Shiite mayhem that enveloped Iraq in 2006. The blood feud here is between Syria's Sunni majority and the Alawite minority that has ruled since Assad's father took power in 1970.

The reports are gruesome, from both sides: Syrian security forces are rounding up dissidents and torturing some of them. Opposition forces have engaged in reprisal killings. Western and Syrian government sources both say that captured soldiers are sometimes decapitated, and even dismembered; a few Alawite captives had their eyes gouged out. Afraid of the spiraling violence, a Syrian "silent majority" - composed of Sunni business leaders, Christians and some Alawites - has stayed on the fence.

The protesters chant "peaceful, peaceful." But Syrian and U.S. officials both confirm a recent report in the New York Times that Homs, a city in central Syria that has been a hotbed of protest, is veering toward civil war, with checkpoints demarcating the zones of conflict. (For a vivid on-scene description, look at the three-part series by American freelance journalist Nir Rosen on al-Jazeera's Web site. He quotes a protester in Homs: "The West thinks we are Islamists because we come out of mosques, but it's the only place people can gather.")

Syrian militants have been claiming they are building a military wing, on the model of the Libyan revolution, and some even want a NATO no-fly zone. There's Western speculation, too, that the Turkish army could create a Benghazi-like sanctuary along the northern border. But for now, such talk of armed struggle is mostly fantasy: Assad can still occupy any area in a day, if he needs to.

Ford's mission has been to encourage the internal opposition to get its act together politically. The two strongest groups of street protesters are known as the "Local Coordination Committees," headed by a human rights lawyer named Razan Zeitouneh, and the "General Organization of the Syrian Revolution," led by Suhair al-Atassi, the daughter of a prominent political family. The significant role of these women should help lessen Western worries that this movement is simply a creature of the Muslim Brotherhood.

What the Syrian opposition needs is political space in which to mature — and to develop a unified, nonviolent resistance to Assad. A U.N. Security Council resolution that might have provided monitors inside the country unfortunately was vetoed last week by Russia and China.

To meet the protesters, Ford has taken considerable personal risks. When he defied the government and bravely traveled to the embattled city of Hama in July, his vehicle was showered with roses by grateful protesters. But he was pelted with eggs and tomatoes by a progovernment mob when he visited an opposition leader in Damascus last month. And the U.S. Embassy itself was attacked by pro-government thugs in July.

Wherever he goes, Ford asks practical questions — pressing the activists about incentives for Syrian business or about reforming the government budget. He counsels the embattled protesters against military action — which would only bring on a vicious civil war. He thinks time works against Assad, if protesters can avoid the trap of sectarian conflict.

It's a narrow ledge that Ford is walking. But it's good to see an American diplomat in the lead for a change, instead of the U.S. military. *davidignatius@washpost.com*

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