



FRIENDS OF THE MIDDLE NEWSLETTER #10 — NOV. 4, 2011

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Grover Norquist

(posted by Steven W. Baker / SteveB, Nov. 4, 2011)

I say Grover Norquist should come out of the closet and run for President. Needed: Some scrutiny here, please!
This nerd is running our country!

"Boehner: Norquist Just Some 'Random Person'" by Luke Russert, NBC

Nov. 3, 2011, (<http://firstread.msnbc.msn.com/news/2011/11/03/8617359-boehner-norquist-just-some-random-person>)

House Speaker John Boehner dismissed Grover Norquist as a "random" person on Thursday despite a week's worth of frequent references to the antitax activist on Capitol Hill.

The name of Norquist, the Americans for Tax Reform president, has been on the lips of just about every political figure who's expressed frustration at his influence over Republicans, and their unflinching resistance to tax hikes in any form.

The reason is Norquist's "Taxpayer Protection Pledge," the manifesto Norquist first drafted in 1986 which opposes increases in taxes. Boehner and another 235 House members have signed the pledge, as have 41 senators. The vast majority of signatories are Republicans, and only six Republicans in each chamber haven't signed the pledge. (All of the GOP's presidential candidates but Jon Huntsman have also signed.)

But today, when asked by NBC News about Norquist's sway over the GOP conference, Boehner downplayed the relationship.

"We are doing everything we are doing to get our economy back to work. It's not often I'm asked about some random person in America," the Speaker said of Norquist.

NBC News: Random person?

Our focus is about creating jobs, not talking about somebody's personality.

NBC News: What he stands for, is that a positive influence in your conference?

What he stands for???

NBC News: Yes, his no tax hikes under any circumstances pledge, is that positive for your conference?

Listen, our conference is opposed to tax hikes because we believe tax hikes will hurt our economy and put Americans out of work.

Boehner's reference to Norquist as a "random person" struck many on Capitol Hill as odd; privately, GOP aides will often discuss Norquist's influence on GOP politics and admit its significance.

The test of Norquist's sway, though, will come in the next few weeks, when the bipartisan, bicameral supercommittee is set to make its recommendations as to how to achieve as much as \$1.5 trillion in deficit reduction. Republican members of the panel are under pressure to agree to new revenues through tax reform, a prospect which Norquist has already decried.

Democrats and even some Republicans feel he has undue influence on deficit discussions because Republicans worry if they support any type of tax increase, Norquist's group will attack them come election season.

Already, proponents of those kinds of reforms have begun to test the fealty of the GOP to Norquist.

Alan Simpson, the former Republican Senator from Wyoming and former co-chairman of the president's fiscal commission said, "If Grover Norquist is now the most powerful man in America, he should run for president. There's no question about his power. And let me tell you, he has people enthralled. That's a terrible phrase. Lincoln used it. It means your mind has been captured. You're in bondage with a soul."

Yesterday on the floor of the U.S. Senate, Majority Leader Harry Reid (D-NV) said of Norquist's influence on Republicans: "They are in a thrall — they're in submission to a man whose singular focus keeping taxes low for wealthy, they fear his political retribution."

That was the second shot Reid had taken at Norquist. Earlier in the week, he said: "My Republican friends, these poor folks, are being led like puppets by Grover Norquist ... They're giving speeches that we should compromise on our deficit, but never do they compromise on Grover Norquist. He is their leader."

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20111103-01	09:34	Jim	"How Banks Take a Big Bite Out of Government Benefits"
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Many, many people seem concerned about the cost of welfare of various kinds.

Then we read the article below and find that by arranging welfare benefits to be paid through prepaid debit cards the big banks are raking off a lot of the money that we think is going to the needy.

And even when we revert to food stamps (the old-fashioned way), the big banks still get paid like the \$50 million Florida paid a bank to administer it.

I guess one way governments have cut their own payrolls is by outsourcing the role to banks and big businesses who not only pay people to do the job but make a profit doing it. Surely hiring people directly and not paying the overhead of the banks would save us money and get the benefits to the right people.

The same argument should hold for for-profit prisons looking for more Americans to incarcerate.

"How Banks Take a Big Bite Out of Government Benefits" by Bryce Covert, *The National Memo*

Nov. 2, 2011, (<http://www.nationalmemo.com/article/how-banks-take-big-bite-out-government-benefits>)

Consumers witnessed a victory this week when Bank of America backed off its threat to institute a \$5 fee for using a debit card, following a public outcry that led most of the other big banks to foreswear similar moves. But not everyone has been spared debit card fees. As Janell Ross pointed out at The Huffington Post yesterday, banks are making nice profits from doling out government benefits through prepaid debit cards.

It's obvious that in a sour economy like ours, usage of programs like unemployment benefits, food stamps, and cash assistance will skyrocket. It used to be that most of these programs distributed actual money to beneficiaries. Food stamps were quite literally stamps. These days, however, things have been 'modernized' so that many benefits come through prepaid debit cards administered by banks like JP Morgan, Bank of America, and other behemoths.

Read more at [The National Memo...](#)

20111103-02	10:02	SteveG	Fw: No Kid Hungry Quiz
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From Share Our Strength:

You've probably heard the stats — like the fact that 1 in 5 U.S. kids faced hunger in 2010 — but do you really know about childhood hunger in America? We want to make sure that you do. Or at least arm you with the knowledge you need to be a strong advocate for No Kid Hungry.

<http://nokidhungry.org/>

The sad truth is that childhood hunger continues to impact communities across the country — including yours. Because families and children are often silent about their struggles with hunger, it remains a misunderstood crisis that gets less attention than it deserves.

See what you know about childhood hunger by taking—and sharing—the No Kid Hungry quiz:

[http://join.strength.org/site/Survey?ACTION_REQUIRED=URI ACTION_USER_REQUESTS&SURVEY_ID=5080](http://join.strength.org/site/Survey?ACTION_REQUIRED=URI_ACTION_USER_REQUESTS&SURVEY_ID=5080).

Fortunately, some of our biggest supporters are teachers. Share Our Strength's annual survey of American teachers provides a unique and important perspective on childhood hunger, and, this year, the numbers tell a sobering story about kids struggling — sometimes unsuccessfully — to gain access to the healthy meals they need to grow and thrive.

To make sure we can carry our message far and wide, we created the No Kid Hungry quiz. In less than five minutes, you can test your knowledge of childhood hunger in America and challenge your friends and family to take the quiz as well.

A quiz might seem trivial to you, but we'll never win this fight if people don't understand the devastating impact of hunger on children in America. Bringing more supporters to the No Kid Hungry Campaign is critical. Thank you.

Sincerely, Clay Dunn, Online Community Director, Share Our Strength

20111103-05	10:35	Pam	Re: No Kid Hungry Quiz (reply to SteveG, above)
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My grandson's elementary school collects food and clothes for needy kids who attend, and there are quite a few. On Fridays, teachers fill backpacks with food, so the children will have something to eat over the weekend. It is absolutely unacceptable for any child to go hungry in this country, but there will be more and more hungry kids, sick kids, cold and shivery kids, when the budget cuts the Republicans insist on take effect.

Yakima County is one of the poorest counties in Washington. Large Native American and Latino population, mostly agriculture (apples, grapes, hops, peaches, nectarines, pears, potatoes – 55 vineyards – plus illegal pot farms). Because it is poor the state has considered merging it with another county. Currently to rectify the state budget there is talk of reducing educational spending by 50% to poor counties. Hunger is a constant battle, especially in outlying communities.

Good article in the *Post* Business section today (attached) on companies that pay little or no taxes. Kind of makes a sham out of that argument about how our poor corporations are so over-taxed compared to everyone else in the world.

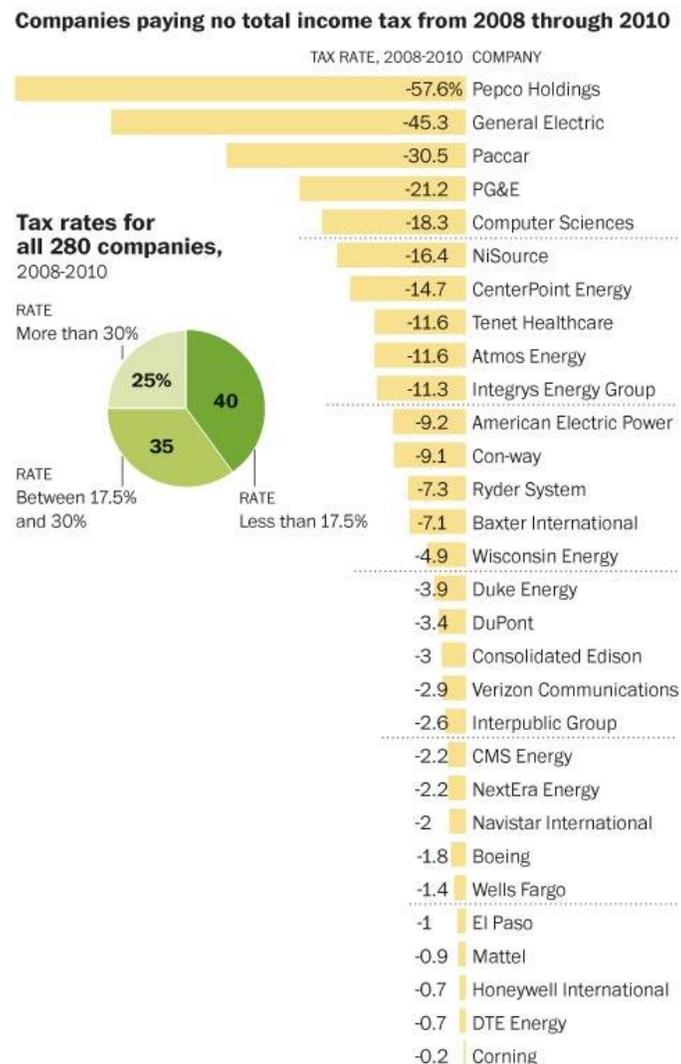
"Study: Big Corporations Use Loopholes, Dodge Taxes" by Jia Lynn Yang, *The Washington Post*

Nov. 3, 2011, (http://www.washingtonpost.com/business/economy/big-corporations-use-loopholes-dodge-taxes-study/2011/11/02/gIQAAlngM_story.html)

Many of this country's biggest companies paid no federal taxes — or even made money through credits and refunds from the government — over the past three years by using an array of loopholes and tax breaks, according to a report released Thursday.

The authors examined the finances of 280 corporations from 2008 through 2010 and found that 30 paid zero taxes or used loopholes to wind up with negative tax rates. Local utility Pepco Holdings paid the lowest rate of all the firms investigated, clocking in at nearly minus 58 percent.

According to the 2011 Fortune 500 list, these firms are the nation's biggest, not paying corporate taxes:



Under the federal tax code, corporations are supposed to pay 35 percent of their profits in taxes. But the study found many of the companies used legal tax breaks that allowed them to pay lower rates than ordinary Americans.

The report, compiled by the nonprofit groups Citizens for Tax Justice and the Institute on Taxation and Economic Policy, was published as corporations and White House officials have pushed for a reform of the corporate tax code. Powerful business lobbying groups, including the Business Roundtable, have said they want lawmakers to lower the overall 35 percent tax rate in exchange for closing some loopholes. These lobbyists frequently cite this rate when arguing that U.S. firms pay more than their foreign competitors.

Some corporations pushed back at the report, saying it relied on fuzzy accounting.

The "findings in this and other recent reports have been more politically motivated than truthful," said Robert Varettoni, a spokesman for Verizon, which was cited in the report for having a negative 3 percent rate from 2008 through 2010. "The fact is, Verizon fully complies with all tax laws and pays its fair share of taxes."

The report said that 71 of the companies paid an effective rate of more than 30 percent over the three years. But roughly an equal number paid less than 10 percent.

The range between industries is wide. Retail and health-care companies, in particular, tend to pay more in taxes. These firms usually have less intellectual property that can be shifted overseas to take advantage of other countries' lower tax rates. The report found they paid an effective rate of 30 percent over the three years.

By contrast, tech companies and manufacturers, including General Electric, paid far less. GE, for instance, paid a rate of minus 45 percent, the report said.

"The report is inaccurate and distorted," the company said in a statement. "GE paid billions of dollars in taxes in the United States over the last decade, and we expect our overall tax rate will be approximately 30 percent in 2011. We believe the U.S. tax system needs to be reformed to close all loopholes, to lower the corporate rate and to provide a territorial system like every other major country in the world."

The report also noted that defense contractors paid notably low rates, averaging about 15 percent.

Gas and electric utilities also tend to pay less. Last year, Pepco Holdings made \$229 million in pretax profits, the study said, and claimed \$270 million in federal tax credits, making the company's tax rate about minus 118 percent.

Bob McIntyre, a co-author of the study and director of the Center for Tax Justice, said it was hard to tell from Pepco's annual financial filings exactly how it managed to lower its taxes by so much. But it appeared that much of the savings came from "accelerated depreciation," a tax rule that allows companies to write off their capital investments faster than they wear out. Companies then deduct from their taxable income the falling value of these investments.

Pepco, which has raised the ire of local residents over sustained power outages, did not quibble with any of the specific numbers from the report. But the company said in a statement that it "pays all its required taxes . . . in all the taxing jurisdictions within which it operates. . . . [Pepco] takes seriously its responsibility to adhere to legal tax requirements and its fiduciary responsibility to its customers and shareholders to minimize costs where possible."

The report said that many other companies took advantage of tax breaks that favor certain industries, including drilling for oil and gas, making video games, building NASCAR racetracks, producing ethanol, and making movies.

Combined, the companies examined earned almost \$1.4 trillion in pretax profits, according to the study. As a group, however, the firms claimed \$223 billion in subsidies, with Wells Fargo, AT&T and Verizon topping the list.

"Wells Fargo is a responsible corporate citizen," said a company spokesperson, "and we believe we have fulfilled all tax obligations to federal, state and local communities where we serve our customers."

AT&T did not respond to requests for comment.

"We were way overdue for corporate tax reform a decade ago at the least, and nothing has happened in Congress," McIntyre said. He said the report "shows how the power of these companies has grown over time."

[Added July 22, 2012. –SteveB]

"Pepco Paid the Federal Taxes It Owed" Letter to the Editor of the *The Washington Post* from Anthony Kamerick, CFO of Pepco Holdings

Nov. 7, 2011, (http://www.washingtonpost.com/opinions/pepco-paid-the-federal-taxes-it-owed/2011/11/05/gIOA8YnbwM_story.html)

Regarding the Nov. 3 news story "Study: Big Corporations Use Loopholes, Dodge Taxes":

Those who have filed an individual tax return know one thing: The U.S. tax code is complicated. It is more complicated when a corporate tax return is filed.

Changes to the tax code are often driven by policy objectives. The mortgage interest deduction reduces taxes a homeowner pays and is designed to encourage homeownership.

During this economic downturn, policy objectives were developed to encourage economic investment and create jobs. One action was to allow greater accelerated depreciation on new capital investments. Policymakers wanted to give companies incentives to invest and create jobs. In support of this objective, a company could deduct 50 percent of an investment in year one, lowering its federal taxable income and reducing the amount of taxes owed. These policy objectives are economic incentives, not "loopholes."

Over the three years noted in the article, Pepco Holdings made approximately \$2 billion worth of capital investments in infrastructure, which improved reliability. More than 50 percent was allowable as a current deduction against taxable income. By contrast, the company reported financial pre-tax earnings of approximately \$690 million over this period. The accelerated depreciation of Pepco Holdings' capital investments and significant contributions the company made to the employee pension plan are the primary reasons for the negative tax rate computed in the study.

While accelerated depreciation reduced Pepco's federal income taxes, the company paid many other taxes. Between 2008 and 2010, it paid approximately \$1.2 billion in real estate taxes, payroll taxes, personal property taxes, delivery taxes, use taxes and gross receipts tax. We are committed to supporting and investing in the communities we serve, and that includes paying the taxes we owe in accordance with all rules and regulations.

20111103-04	10:30	Pam	Re: "Top 8 Most Overpaid CEOs of Public Companies" (reply to Dale, FotM Newsletter #9)
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You know we won't shoot the messenger for this one. Thanks for some specifics to shore up "those liberals" and their grievances. This is why people are in the streets. I don't know if we're there yet; we may be close; but pretty soon it's going to be very uncool to be against OWS. Just as it's very uncool to be racist today. Sure, some people are, but they keep it to themselves pretty much. When I was growing up, the barber shops in my small town were segregated, that is, no barber (black or white) would cut an African-American's hair. Black students from DePauw had to go to Terre Haute to get a haircut, even though there was a black barber in the student union. When some "hotheads" tried to integrate the barber shops, there was an awful hue and cry. My own parents were split on the issue. Our church had a petition to integrate, and one Sunday my dad signed for both him and my mother. She was furious. She would never have been unkind to an African-American, but when my sorority rushed an African-American girl, she begged me not to ask to room with her. That made me furious. My own dear grandmother thought slavery was a good idea; she also thought Lincoln was highly over-rated. My point is, it was OK to be racist 50 years ago. It wasn't nice to be mean, but it was more than OK to support segregation.

I think the same thing is going to happen with wealth. Soon it will be uncool to be too rich, certainly to be ostentatious about it. Donald Trump is today's George Wallace. These overpaid CEOs are yesterday's southern sheriffs. The growing gap between rich and poor is unsustainable. Gated communities, ID cards, jerrymandering: they won't be enough to prevail against something that is so patently unfair. For years I've been asking why people weren't taking to the streets. Now they are, and it's a sign of just how bad things are. Even the Oakland police won't stop it. Stop what, you ask? The lopsided distribution of wealth in this country, that's what. Fifty years ago, it was, "Blacks and whites shouldn't marry. It's not fair to the children." Now we have a mixed-race President. The economic structure in this country has simply got to change. The rich will still get rich, just not disgustingly so. We could begin by starting at the top and, instead of firing workers, reduce the salaries and perks of the highest executives.

This used to be the land of opportunity. People from all over the world wanted to come here. Now young people talk about moving to New Zealand or Scandinavia. Teachers get jobs in Yemen, and opera singers sign on with Chinese opera companies. Better to feed your kids in the desert than stand in a picket line in Wisconsin. We weep and wail about illegal immigration, but what really bugs Americans is that so many of those illegals are "lower class," not to put too fine a point on it. If you're a doctor or an engineer, we'll find a place for you. I don't want to expel all the talent that has come here. I am very grateful to my Indian doctor. But let's find a way to deal with illegal immigration in a humane way. Mexican migrants really do take the jobs Americans won't. That says more about us than it does about them. We call them law-breakers. If I were a poor Mexican with no education and a family to support, I'd be a lawbreaker too. I suppose Jews were "law-breakers" when they tried to come to America in 1940 (or thereabouts) and were turned away. Whose side are you on now on that issue?

Historically, people have always migrated. When drought hits, it's only natural to move on to where the water is. Now, with artificially imposed borders, in Africa, say, this natural migration is halted, and people begin starving. This is the African "solution." When we hit a desert, we pipe in water to make it fertile. Easy peasy. Who was it—Steve?—who said water would be the next scarce resource? I agree. Global warming will only make things worse.

Well, there, I've managed to touch on three separate issues without drawing breath. You may now have at it.

(Was this enough of a rant, or should I fulminate a bit more?)

20111103-06	10:56	Art	Re: CREDO Action Petition: Don't Cut Medicare, Medicaid or Social Security! (reply to Dale, FotM Newsletter #7)
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Good thoughtful review, in my opinion. As we all know, it is a very complex subject and hard to capture with any degree of accuracy in any short summary. Just a couple of points:

You have alluded previously to the results of the 2010 elections as perhaps some mandate of the American people. In 2008 the Democrats won both the House and Senate as well as the Presidency. That too was a sort of mandate, but as we see, 'mandates' don't often last very long. I read somewhere that the actual number of voters who voted for the conservative republicans in 2010 was less than (1 million??). That seems low but, even if it was less than 10 million, that is still hardly any mandate for a nation of 350 million.

So, we will await the 2012 elections and see how far this "republican mandate" actually goes but in the meantime we need to start getting something done. I did see today that the House has passed a hard fought bill on keeping "In God we Trust" on coins or something and I understand they are also deeply embroiled over the approval of a baseball commemorative coin, but that's about it for the republican House to date. Not many jobs will be created by either of those bills me thinks.

Secondly, soldiers are government employees. However, and I know none of this is easy, Our DoD is far and away the biggest in the world so maybe your general thesis is on track. Two good articles in the Washington Post today on how much in taxes some corporations really do pay and a second on defense spending over the past few years. Very interesting.

Lastly, lost in all the Cain brouhaha on his maybe little sexual adventures, did I read that he thinks China is trying to acquire nuclear weapons and that he has never heard of the neo conservative movement?

20111103-14	13:25	SteveG	Re: CREDO Action Petition: Don't Cut Medicare, Medicaid or Social Security! (reply to Art, above)
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<http://view.exacttarget.com/?j=fe6115737667067a771d&m=fe6b15707660057f7010&ls>

20111103-08	11:08	Art	Re: Candidate Problems (reply to SteveB, FotM Newsletter #8)
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Like your options trail. While it seems inconceivable to me that someone like Perry or Bachman could become president of the United States, you only have to look at the fall of the Roman Republic or Empire or Athens to just name a few, to see how a State can drive itself into the ground. Even though a country like ours has enormous inertia, I am not sure we could survive 4 years of such stupidity.

20111103-09	11:30	SteveG	Re: Candidate Problems (reply to Art, above)
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Yes, Herm said China was thinking about getting nuclear weapons and that he had never heard of neo-conservatism. He also said he did not know anything about illegal contributions to his campaign. He later clarified his comments about China and nuclear weapons.

Good old boys certainly do get a lot of publicity. Look at the clips of Rick Perry from last Friday.

20111103-10	11:38	Pam	Re: Candidate Problems (reply to Art, above)
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I just tried to send you all Nation of Change, a compendium of op-ed pieces that comes out every day. If you don't want it, you know what to do. I know it gets my juices flowing and I'm guessing it will do the same for you.

<http://www.nationofchange.org/>

I also love how Herm answered the question about sexual harassment: Outside of the Restaurant Assoc., no. Inside jobs apparently are OK. Did he or didn't he? You know, I really don't care, except for the fact that I'm glad he's on the hot seat. Sexual crimes are no joke, but up to a point a woman ought to be able to deal with a certain amount of innuendo. The difficulty is knowing where that point is; it would be different for different women. I have very mixed feelings on this issue. Of course, it's true that some men are just dolts. (Present company excepted.) :-)

20111103-11	12:02	Art	Re: Candidate Problems (reply to Pam, above)
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Like I said he's thought he was really just on a book selling tour. He is totally unprepared and not in any way capable of governing the country. What should worry us is why so many people currently think he is the savior.

20111103-13	12:47	SteveG	Re: Candidate Problems (reply to all, above)
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Who of the current GOP applicants are really ready to run a country? Huntsman, Romney, Perry, Cain, Michele, Paul etc. To me, Huntsman makes the most sense, but he has little chance at this point.

20111103-15	15:35	Dale	Re: Candidate Problems (reply to all, above)
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To my blog friends and especially Pam, thanks for taking my comments seriously and for the great exchange we are having. I owe a response on previous topics and hopefully this weekend I'll have the time to do a responsible job of reply.

The election is a long ways off, but for our economy it can't come fast enough. I fear that not much will get done until we know who is leading/resisting the charge next.

As it relates to candidates, the only thing we are sure of is that the current President was totally unprepared and has proved it. He survived a primary season with spin, lots of money and a free pass from the press. Actually that is not quite fair. He is a good entertainer and no one has dug up any dirt on him. Had he gone into a private career of motivational speech giving, he and America would be better off. Instead, he stuck with motivational speech giving as a President and we aren't better off.

It hasn't served the public that his lack of experience got a free ride. He has no idea how to create jobs, he has no understanding of private enterprise except as an intellectual exercise, his priorities were wrong until he was slapped aside the head in the last elections, his foreign policy approach of "apologize and everyone will come to love you" has resulted in ridicule around the globe and now he is back doing what he does best...trying to get elected. The speech-giver-in-chief has been exposed, but I suppose there will be those who vote for him again. I don't think it will be the Independents whose hopes he stirred and then let down.

I've been waiting to see how long it would take for the group think about Herman Cain to step up. How many of you voted for Bill Clinton? Now there is a model of morality to be proud of. Cain has unproven allegations and some 'splainin' to do ... Clinton flat out lied. There is no need to go over the mockery he made of himself and the office. Let me ask, would you vote for Clinton again, if he could run? If so, please don't be a hypocrite and bash Cain about the sexual harassment feeding frenzy now running in the press.

I don't know enough about Cain to make an informed decision about whether he would make a good President or not, but he has at least done something with his life that Obama never did before finding himself in office. Cain has managed others, had direct responsibility for achieving results within a defined time, done it in an open and competitive arena and done it well. He showed courage in making tough decisions, the ability to appoint other good managers/counselors and leadership in rallying his employees. Obama had ZERO experience and ZERO accountability before he ran for public office. Even when elected to the Senate, what did he produce of significance? I get it, if you don't agree with Cain's positions, but please, don't be hypocritical when it comes to who has or doesn't have experience and demonstrated leadership capability.

20111103-16 16:08 SteveB Re: Candidate Problems (reply to Dale, above)
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I know exactly what you mean about "can't come fast enough". Deliberation, debate, and deep thinking are great, but whether leading a country or a company, sometimes decisive leadership is enough to win the day. A lot of us have seen that happen.

Sometimes I wish we had a parliamentary system like Greece where, like, in this terrible time for them, a change and consensus can happen more quickly. But I worry about the lack of stability there, and wish the PM could have just been strong, though I can understand him wanting to cover his ass and to get all sides to buy into the tough solutions.

This certainly seems to be where we're headed if we don't act quickly. Though it must be remembered that the fed can always, and will, print money in a pinch. That's what Greece hasn't been able to do.

But when this happens, and it seems inevitable, there are many people who will be hurt. Everyone needs to be thinking about how they might best position themselves in times of high inflation. But the financial guys, Dale and SteveBA and others of you know more about that.

I know I'm a little off the point...and I'll have more to say later too...

20111103-17 16:18 Pam Re: Candidate Problems (reply to Dale, above)

To be clear, as politicians like to say, I do not not support Herman Cain because of his alleged awkward flirting. Is there a man alive who hasn't committed a faux pas that could come back to bite him? If so, then I'm sorry for the blandness of your life. Non-consensual flirting? Is there a woman alive who hasn't had to parry some unwelcome comments or suggestions? It goes with the territory of being human. Gross indecency, assault, stalking—that's what should get you in trouble. I can't stand Clarence Thomas, but I think the feminist lobby did a job on him.

The reasons I don't support Cain are many: he's vehemently against abortion, he thinks homosexuality is a sin, everything he sort of knows about foreign policy he's had to study up on in the past few months. Yes, and he lies. Didn't remember a settlement? Oh yeah, maybe there WAS an agreement. Give me a break. I give him props for being a good businessman, but that doesn't qualify him to be President. At least Romney has been a governor. Cain's 9-9-9 is ridiculous on its face, and he can't, apparently, see that adding a federal sales tax to the state sales tax adds up to a huge tax increase for the poor. (Nowadays, when I say "poor" I include the middle class.)

I am a lifelong Democrat who was thrilled when Obama was elected. I rejoiced with the rest of the country when it looked as if racism had suffered a mortal blow. It saddens me that I have to agree, at least partially, with Dale that his performance has been less than stellar. I think his problem may be that he's too nice, too thoughtful, perhaps even too intelligent. He seems to lack the killer instinct—desirable in a husband or a friend, maybe not so desirable in a head of state. I do think he's done a decent job in foreign affairs, and he should get credit for doing what Bush promised to do but never did. Foreign policy may be more like a chess game, and my guess is that Obama is pretty good at it. The economy would have sunk any President's ship. When you think how long it took to bring us down, why do we expect a miraculous turn-around in a mere couple of years? Obama has tried mightily to introduce legislation to ease joblessness, improve health care, and create jobs, but Republicans have thwarted him at every turn. Maybe his leadership has been spongy, but look at what he has had to put up with.

The polarization of our country is, as Tom Brokaw points out, worse than it's been in living memory. It's one thing to have a loyal opposition to point out mistakes and errors; it's quite another to cross your arms, stick your lip out, and refuse to budge. I would like to see a lot more information on each member of Congress so I could sort out the good guys, if there are any, from the intransigents who would rather be elected or re-elected than win the lottery. What a lust for power there is at the top! The Democrats have made concessions about spending cuts. Why can't the Republicans make some concessions about taxes and regulations? I don't know where the Independents will go, but I do know that a lot of people who used to call themselves Democrats or Republicans now think of themselves as Independents. I'm one of them. I see Obama as the lesser of two evils. At least he wants the same things I do, whether he can deliver or not. All, and I mean all, the Republican candidates frighten the bejeebers out of me. Huntsman seems kind of nice, and he has a good sense of humor, but he's one of them just the same.

I love this conversation too, Dale. And I'm grateful for strong arguments from the "other side." I've said it before, and I'll say it again, dogma is dangerous. My Party, right or wrong, is an abrogation of responsibility. I'm beginning to understand, I think, where you're coming from, Dale. You're obviously no fool. But there is no way I could vote for any of the candidates on the Right for President. I hold out hope for 2016. It's a little scary to think what the world might be like then. Oh, yes, I wholeheartedly support OWS. (See my earlier posts.)

20111103-18 18:15 Art Re: Candidate Problems (reply to Dale & Pam, above)

Just like to add, President Obama has one thing that with the possible exception of Huntsman none of the current republican presidential candidates has any discernible measure of, and that is, he is really intelligent. Dale obviously sees him condemned to failure from the start, but I don't see it that way. His handling of foreign policy has been exceptional and Libya in particular brilliant. Didn't cost us a single life and just pennies compared to Iraq and Afghanistan. I have a lot of pretty senior foreign contacts and the statement "he is ridiculed across the world" could not be further from the truth. Of course, after Bush, who was widely ridiculed for the phony cowboy he was by every foreign individual I know, President Obama had an easy mark to improve upon. Also remember it is President Obama who got the real villain, Bin Laden. We're doing just fine on the foreign policy side.

As for domestic policy and the economy, I'm not sure McCain/Palin would have done any better. Look at the republican's so called jobs plans now - allow more pollution and lower workers safety standards and I guess pray?? Near as I can tell that is all they have to offer. They are in intense negotiations about a commemorative baseball coin I believe, so perhaps there is still hope.

The fact is the nation is caught in a world-wide economic crises, some of our own making and much caused because we have been economically asleep at the switch for many, many years, and we are ill positioned to accommodate what is happening. Until we make some major adjustments we are not going to dig ourselves out of this hole.

Finally, and this may be the worst part, the Republicans took the position since the President was elected to sabotage everything he tries to do. They admit it and have demonstrated it over and over again. It is the absolute worst example of politics taking precedence over everything. Where he may have been slow is recognizing this and going after them immediately, instead of naively trying to work with them. He recognizes it now. The real danger here is now the Democrats see a way to operate if you are the minority and who can blame them from taking the same approach if the republicans win the next election.

By the way agree with Dale about Clinton. He lied and should have resigned, so should Cain. I don't think Cain really wants it in any case and was probably looking for a way out. This will give it to him. He'll spin it as noble for the good of the party etc.

20111103-12 12:45 SteveG "Biggest Public Firms Paid Little U.S. Tax, Study Says"
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"Biggest Public Firms Paid Little U.S. Tax, Study Says" by David Kocieniewski, *New York Times*

Nov. 3, 2011, (<http://www.nytimes.com/2011/11/03/business/280-big-public-firms-paid-little-us-tax-study-finds.html>)

Warren E. Buffett, take note. It is not just a few wealthy individuals paying unusually low taxes to the federal government. Corporate America is not far behind.

A comprehensive study released on Thursday found that 280 of the biggest publicly traded American companies faced federal income tax bills equal to 18.5 percent of their profits during the last three years — little more than half the official corporate rate of 35 percent and lower than their competitors in many industrialized countries.

A study said Boeing was among American firms that had no federal tax liability for three years.

Mr. Buffett, the billionaire investor, has said that the tax code is unfair, allowing him to pay just 17 percent in federal taxes last year, about half the percentage his secretary paid.

The corporate study, prepared by the left-leaning advocacy group Citizens for Tax Justice, examined the regulatory filings of the companies to compute each year's current federal taxes. Some of the companies disputed the findings, saying that the study understated their tax payments by omitting deferred taxes that they may pay in future years.

Using information from the companies' own corporate filings, however, the study concluded that a quarter of the 280 corporations owed less than 10 percent of profits in federal income taxes and 30 companies had no federal tax liability for the entire three-year period.

The report is being released as corporations are pushing for a cut in their official tax rate, saying the current system puts American companies at a disadvantage with competitors abroad and encourages them to shift jobs and investments overseas.

The Congressional supercommittee charged with cutting the budget deficit is also considering proposals to revamp the tax system, simplifying the corporate structure and possibly lowering corporate rates.

The study said that the shelters and loopholes in the current tax system rewarded companies that aggressively avoided taxes at the expense of those that did not. A quarter of the companies in the study had a federal tax bill of 35 percent of their profits, while a similar number had an effective rate of less than 10 percent.

"Companies that are paying their fair share ought to demand that the tax-dodging companies pay their fair share too," said Robert S. McIntyre, the author of study. "So should the public, which is subsidizing them in terms of increased federal debt."

The report is based on data gleaned from the companies' regulatory filings, which can be different from their corporate tax returns. Even in a year when a company claims an overall tax benefit, it may pay some cash taxes while accumulating credits that can be redeemed in future years. But because most corporations do not release their tax returns, these corporate regulatory filings offer the best publicly available gauge of what companies pay and what strategies they use to reduce their tax bills.

Among the companies that the study said escaped a liability for all three years were Boeing and Ryder System, whose chief financial officer, Art A. Garcia, said the company had benefited from the additional depreciation intended to stimulate the economy.

Boeing officials said they, too, had paid some federal taxes, but would not say how much. They said they had lowered their rate by taking advantage of tax breaks intended to encourage hiring. Chaz Bickers, a company spokesman, said Boeing hired 9,000 American workers this year.

Also on the list was General Electric, which has come under close scrutiny since The New York Times reported earlier this year that the company had recorded \$5.1 billion in American profits in 2010, but claimed a federal income tax benefit of \$3.2 billion in its regulatory filing.

"The report is inaccurate and distorted," said Kenneth Juarez, a G.E. spokesman. He said G.E. paid "billions of dollars in taxes in the United States over the last decade," but would not say what part was federal income taxes.

The company that recorded the biggest reduction in taxes was Wells Fargo Bank, which is a large holding of Mr. Buffett's company, Berkshire Hathaway. The banking company reported a total of \$49 billion in profits in 2008 through 2010, yet received a tax benefit of \$651 million. Ancel Martinez, a spokesman for Wells Fargo, said much of the tax savings came from write-offs obtained after its 2008 purchase of Wachovia, which incurred big losses during the financial crisis.

American corporations are paying a smaller share of taxes than in previous decades. They paid a total of \$191 billion in federal income taxes in 2010, the Internal Revenue Service said, representing about 1.3 percent of the nation's gross domestic product. That is down from about 6 percent during the 1950s (although some of the decline is because a smaller percentage of businesses now file as corporations).

Despite the decline in corporate tax rates since then, business advocates say the nation needs to lower its top rate further to encourage hiring and investment. Grover Norquist, head of Americans for Tax Reform, said that the United States system was not competitive because it taxed income earned around the world, instead of just in this country.

"There are still Bolsheviks who recognize that we need to bring the rates down," he said.

But the Citizens for Tax Justice study found that two-thirds of the American companies with significant profits overseas actually paid more in taxes to foreign governments than they did in the United States. Rather than lowering the corporate rate more, the study said, the federal government should end the subsidies and shelters that favor companies that game the system.

"Closing the loopholes will have real benefits, including a fairer tax system, reduced federal budget deficits and more resources to improve our roads, bridges and school — things that are really important for economic development here in the United States," the report said.

[20111103-19](#) 19:20 SteveG Fw: Chinese Astrology

An interesting piece of information...

[Source of original email unknown. –SteveB]

Chinese numerology and Feng Shui for 2011

This year we are going to experience four unusual dates: 1/1/11, 1/11/11, 11/1/11, 11/11/11, and that's not all; Take the last two digits of the year you were born and the age you will be this year and the result will add up to 111 for everyone!!!! This is the year of MONEY. Also, this year, October will have 5 Sundays, 5 Mondays & 5 Saturdays.

This happens only once every 823 years. These particular years are known as Moneybag years. The proverb goes that if you send this to eight good friends, money will appear in the next four days, as is explained in the Chinese feng shui.

Those who don't continue the chain, won't receive. It's a mystery, but it's worth a try. Good luck to you. This only happens once in 823 years.

[20111103-20](#) 19:25 SteveB Re: Chinese Astrology (reply to SteveG, above)

I'm a rooster. My wife's a pig and is really into the Chinese horoscope, sort of...

[20111103-21](#) 22:27 Dale Video: "Old on Purpose: A Positive Aging Revolution"

My friends, I want to step away from the sparring for moment and share a very interesting video clip. This is the first part, a trailer if you will, of a video project in the making. It's about the power in aging, if we are able to recognize and exploit it. It is only about 5 minutes and well worth the look. I hope you enjoy it!

http://www.linkedin.com/news?viewArticle=&articleID=744310967&gid=707477&type=member&item=68849810&articleURL=http%3A%2F%2Fagingfilms%2Eorg%2F&urlhash=HsA8&goback=%2Egde_707477_member_68849810

[20111103-22](#) 23:45 Dale 'The Obstructionist Democratic Party'

OK, back to partisan politics. Here are the bills passed by the (Republican controlled) Congress which the (Democratic controlled) Senate has refused to take up. The obstructionist Democratic Party is keeping jobs from being created by blocking these bills from consideration. They won't even allow them to be brought to the floor for discussion. Has the press reported on these? Nope.

They are too busy promoting the idea that (only) Republicans are obstructionist, covering OWS, which is shutting down the shipping docks of Oakland (that's really constructive), and knocking Republican presidential candidates.

I'm sure that some of you will want to respond that you disagree with all of these bills, that they don't meet your test of usefulness, etc. Does the fact that you disagree with them justify keeping them from coming up for debate/vote? If your answer is yes, then you shouldn't complain when the Democratically sponsored measures get the same treatment.

There is no monopoly on obstruction in Washington.

<http://majorityleader.gov/Jobs/>

<http://majorityleader.gov/JobsTracker/>

—Friends of the Middle,
Steven W. Baker (SteveB), Editor/Moderator

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