



## **FRIENDS OF THE MIDDLE** **NEWSLETTER #27 — NOV. 29, 2011**

*Welcome to always lively political discussion and whatever else comes up.*  
<http://www.FriendsOfTheMiddle.org> [FriendsOfTheMiddle@hotmail.com](mailto:FriendsOfTheMiddle@hotmail.com)

**INDEX: Click here.**

### **Rights, Religion, and Republican Politics**

(posted by Steven W. Baker / SteveB, Nov. 29, 2011)

I wonder if our group will drift toward the extremes, as the country has, or if it will be able to overcome the tendency and become a tool for compromise? The latter is what we seek, the former is what we shun. The propaganda, half-truths, and deceptions lie like a fog all around us. We rise above it and, still, sometimes all we can see is the fog. But, rest assured, when a glimmer of truth rears its lovely face, we will be there to bring that truth back to you before it, too, is lost in the fog.

"And God Said to Pat Robertson, 'Do Not Let My Children Have a Slow News Day'" by David Weigel, Slate

Nov. 23, 2011,

([http://www.slate.com/blogs/weigel/2011/11/23/and\\_god\\_said\\_to\\_pat\\_robertson\\_do\\_not\\_let\\_my\\_children\\_have\\_a\\_slow\\_news\\_day\\_.html](http://www.slate.com/blogs/weigel/2011/11/23/and_god_said_to_pat_robertson_do_not_let_my_children_have_a_slow_news_day_.html))

Video: [http://www.youtube.com/watch?feature=player\\_embedded&v=eyF8\\_fr8PQ](http://www.youtube.com/watch?feature=player_embedded&v=eyF8_fr8PQ).

Comment posted by Winston Blake:

You people all believe the same thing...

You all believe your weenies come from heaven and that this gives you some sanctified right to pass your collection plate at gunpoint and play "god" with everyone else's lives.

Your morals, your code, it's a bad joke, dropped at the first sign of trouble.

You're only as good as the world allows you to be.

They'll show you, when the chips are down these civilized people, they'll eat each other.

You see, I'm not a monster, I'm just ahead of the curve...

You have all these rules and you think they'll save you.

I'm not here to "save" anybody, the only sensible way to live in this world is without rules.

If I were to tell the press millions of Americans would be blown up by an Iranian nut job or that your entire life savings has been stolen by the Democrats with bailouts or Obamacare, nobody panics because it is all part of the plan...

But if I say a few homosexuals in San Francisco are upset over their little wee wees, why, everyone just loses their minds!

Morality and all of those associated ideals are rooted entirely in the presupposition some higher power defines what is correct for human behavior.

Plato's Euthyphro is a great illustration. Socrates advances the argument to Euthyphro that piety to the gods, who all want conflicting devotions and/or actions from humans, is impossible. (Socrates exposed the pagan esoteric sophistry.)

Likewise, morals are such a construction of idols used by the Left as a rationale for them to demand compliance to their wishes in politics, which most often are a skewed mess of fallacies in logic. "Morals" are a deceptive replacement for the "avoidance of sin."

But, since we are all properly obeying the \*MODERN INTERPRETATION\* of the First Amendment in the USA, good & evil isn't the question... Good, bad, right, wrong, etc., etc., ad nauseam; are all inherently religious ideals.

The modern interpretation of the First Amendment (according to the liberal-tarians) says government must exorcise all traces of religion and theism from itself. Therefore, government must never consider issues of morality and right and wrong.

So, it becomes a question of benefits versus costs. Fetus killing has its benefits to society, especially if you like to sleep late on Saturdays. But it also has its costs as well. Society (by which I mean, whoever manages to seize power) needs to evaluate these costs and decide accordingly.

The mythical rights of men and women are also meaningless. The very concept of rights is also founded in religion.

Since the enlightened person is freed from any superstitions about some "God" they are free from having to worry about "rights."

**FotM NEWSLETTER #27 (Nov. 29, 2011)—HYPERTEXT INDEX**

<b><u>DATE-ID</u></b>	<b><u>TIME</u></b>	<b><u>FROM</u></b>	<b><u>SUBJECT/TITLE</u></b>
<a href="#"><u>20111129-00</u></a>		SteveB	<b>Rights, Religion &amp; Republican Politics</b> by Steven W. Baker / SteveB ("And God Said to Pat Robertson, 'Do Not Let My Children Have a Slow News Day'")
<a href="#"><u>20111128-01</u></a>	09:10	Pam	Re: The Three Who Brought Down Wall Street (reply to Dale, FotM Newsletter #26)
<a href="#"><u>20111128-02</u></a>	09:27	Pam	Re: The Three Who Brought Down Wall Street (reply to Dale, FotM Newsletter #26)
<a href="#"><u>20111128-03</u></a>	09:46	SteveB	Re: The Three Who Brought Down Wall Street (reply to Pam, above & all, FotM Newsletter #26)
<a href="#"><u>20111128-07</u></a>	13:46	Art	Re: The Three Who Brought Down Wall Street (reply to Dale, FotM Newsletter #26)
<a href="#"><u>20111128-11</u></a>	14:13	SteveB	Re: The Three Who Brought Down Wall Street (reply to Art, above)
<a href="#"><u>20111128-15</u></a>	14:59	Art	Re: "The Three Who Brought Down Wall Street" (reply to all, above) & "A Grim Diagnosis for Our Ailing Health Care System"
<a href="#"><u>20111128-29</u></a>	23:46	Dale	Re: The Three Who Brought Down Wall Street (reply to SteveB, above)
<a href="#"><u>20111128-30</u></a>	23:59	SteveB	Re: The Three Who Brought Down Wall Street (reply to Dale, above)
<a href="#"><u>20111128-08</u></a>	14:00	Art	Re: Slam on Obama & Obama's Report Card (reply to all, FotM Newsletter #26)
<a href="#"><u>20111128-09</u></a>	14:05	SteveB	Friends of the Middle — Adversaries
<a href="#"><u>20111128-05</u></a>	12:13	Pam	Re: Friends of the Middle — Adversaries (reply to SteveB, above)
<a href="#"><u>20111128-04</u></a>	12:06	SteveG	"Barney Frank Won't Seek Reelection in 2012"
<a href="#"><u>20111128-06</u></a>	13:23	Pam	Re: "Barney Frank Won't Seek Reelection in 2012" (reply to SteveG, above)
<a href="#"><u>20111128-13</u></a>	14:18	SteveB	Re: "Barney Frank Won't Seek Reelection in 2012" (reply to Pam, above)
<a href="#"><u>20111128-17</u></a>	15:12	SteveG	Re: "Barney Frank Won't Seek Reelection in 2012" (reply to Pam, above)
<a href="#"><u>20111128-24</u></a>	18:34	SteveB	Re: "Barney Frank Won't Seek Reelection in 2012" (reply to SteveG, above)
<a href="#"><u>20111128-10</u></a>	14:05	SteveB	"Spread It Around"
<a href="#"><u>20111128-12</u></a>	14:15	Dennis	"Bill Clinton's Unreality: Tinkering with Unpassable Ideas, When Transformation Is What We Need"
<a href="#"><u>20111128-14</u></a>	14:47	SteveB	Re: "Bill Clinton's Unreality: Tinkering with Unpassable Ideas, When Transformation Is What We Need" (reply to Dennis, above)
<a href="#"><u>20111128-25</u></a>	19:04	Dennis	Re: "Bill Clinton's Unreality: Tinkering with Unpassable Ideas, When Transformation Is What We Need" (reply to SteveB, above)
<a href="#"><u>20111128-16</u></a>	15:04	Art	Re: "Bill Clinton's Unreality: Tinkering with Unpassable Ideas, When Transformation Is What We Need" (reply to all, above)
<a href="#"><u>20111128-20</u></a>	16:05	Pam	Re: "Bill Clinton's Unreality: Tinkering with Unpassable Ideas, When Transformation Is What We Need" (reply to all, above)
<a href="#"><u>20111128-21</u></a>	16:16	SteveB	Re: "Bill Clinton's Unreality: Tinkering with Unpassable Ideas, When Transformation Is What We Need" (reply to Pam, above)
<a href="#"><u>20111128-22</u></a>	18:27	SteveG	Re: "Bill Clinton's Unreality: Tinkering with Unpassable Ideas, When Transformation Is What We Need" (reply to SteveB, above)
<a href="#"><u>20111128-18</u></a>	15:23	SteveG	"How the GOP Became the Party of the Rich"
<a href="#"><u>20111128-19</u></a>	15:26	SteveG	"Woman Gets Jail for Food-Stamp Fraud; Wall Street Fraudsters Get Bailouts"
<a href="#"><u>20111128-23</u></a>	18:28	SteveG	Alan Grayson
<a href="#"><u>20111128-26</u></a>	19:40	SteveG	"Feds Deny Indiana's Request to Adjust New Insurance Rules"
<a href="#"><u>20111128-27</u></a>	20:16	Pam	Re: "Feds Deny Indiana's Request to Adjust New Insurance Rules" (reply to SteveG, above)
<a href="#"><u>20111128-28</u></a>	23:45	SteveG	"The Girl Who Dared to Tweet About Gov. Brownback"

[20111128-01](#) 09:10 Pam Re: The Three Who Brought Down Wall Street (reply to Dale, FotM Newsletter #26)

Yikes. This doesn't look good.

[20111128-02](#) 09:27 Pam Re: The Three Who Brought Down Wall Street (reply to Dale, FotM Newsletter #26)

I don't mind attacks on politicians, even ad hominem ones. They're fair game. But let's argue the issues, not each others' intentions or personalities. I'm going to vote for Obama because I'm a Democrat and because everyone but Huntsman on the other side makes me break out in a cold sweat. I wouldn't vote for Huntsman either, but at least he lives in the real world. Pretty much. HOWEVER, this does not mean I in any way defend the chicanery and corruption that infect all our politics, from the top down. Politics makes strange bedfellows, and when power comes into play the game is never clean. It's all a question of the lesser of two evils and at least heading in the right direction, even if you never quite get there. I'm disgusted by Newt's hypocrisy—taking the same kind of money he gives others grief for. But I'm troubled by Obama's choice of advisers too. Money rules. I will be very surprised if that changes. The only way I see that happening is if Congress does a complete turn-around and makes some strict new laws regarding corporate finance. We need an old-time trust-buster to rattle some cages and throw the bums out. I think Alan Grayson and Elizabeth Warren could give it a good shot. What we need most of all is honesty, and I don't see much of that at this point.

[20111128-03](#) 09:46 SteveB Re: The Three Who Brought Down Wall Street (reply to Pam, above & all, FotM Newsletter #26)

Don't worry, Pam. Just more lies.

Read today's FotM Newsletter. The email Dale forwarded yesterday is all just more of the Republican lie machine. In fact, unfortunately, the FotM Newsletter today is full of Republican lies I had to debunk (not a very difficult task!). Like Art, I sure wish the level of stuff from the Right would improve. Most of this stuff would even make the candidates look bad. It does not elevate the level of debate or make the Republican case look anything but weak and highly suspect. Dennis never sends me unintelligent, lying cr\*p from the Left.

I'm sorry if I insult, but after three years of this lying, often blatantly racist, cr\*p (wait till you read the archive full of debunked Republican lying emails!)...I GROW WEARY OF IT.

And your excuse, Dale, for all the Republican evils is always to point your finger at Democrats. Read Pam's comments and replies from the last couple of days and reply to them instead of running away from them. We aren't naïve about Democrats as most of the right apparently is about Republicans. We have no illusions. Do you doubt that? Changing the subject away from the real issues at hand provides no answers or solutions for anything.

[20111128-07](#) 13:46 Art Re: The Three Who Brought Down Wall Street (reply to Dale, FotM Newsletter #26)

Hmmm, all "advised" by Newt.

[20111128-11](#) 14:13 SteveB Re: The Three Who Brought Down Wall Street (reply to Art, above)

That Franklin Raines one is completely (or almost) debunked in today's FotM Newsletter via Snopes (there are many others, it's an old bunch of lies).

<http://www.snopes.com/politics/obama/fanniemaie.asp>

A ton of right-wing stuff we have been sent, and that the Archives are full of, has been totally debunked as falsehood, deception, and delusion.

And even intelligent people apparently believe most of this stuff because it fits the dogma. If it fits the dogma it must be true, right?

[20111128-15](#)

14:59

Art

Re: "The Three Who Brought Down Wall Street" (reply to all, above) & "A Grim Diagnosis for Our Ailing Health Care System"

Good discussion and to the heart of the matter. As I think I have previously stated I was a lifelong combat arms officer (this is to many of us in my field an important distinction - combat arms officers don't sit in the rear in some comfy job (no offense to others) but are out on the line in the way of harm - to me it made a difference in how I looked at myself) and still think of myself that way. I admit to probably being a little idealistic but I always thought of my calling as a noble one defending the American people, good people who were on the side of "right", against the forces of evil. I even served through the Vietnam era when that was a tough position to maintain.

As I look at thing now, I don't think I could comfortably keep doing that under this new tea bag leadership. They are simply wrong. When you support torture (yes water boarding is torture) driving out children who are here through no fault of their own, support lying over and over again about essentially a pretty good man, support protecting the rich and to hell with everyone else, don't stand up for what is right when American soldiers are booed, and take the position that "let'm die" if they can't afford health insurance, think that allowing more pollution is the answer to our jobs problem, and deny science because it conflicts with your concept of God and religion, you are just wrong, period!

There is a new little flap in Kansas where some young girl wrote an unflattering tweet to the governor. He is now pressuring the school principal to force her to write a letter of apology. In Wisconsin the people who are working to recall the governor are being threatened with bodily harm. This is just wrong! These are not the principles I stood up and defended all those years, if anything they represent exactly the evil I was fighting against all those years.

On another note getting back to issues the below pretty good on a big problem, health care. When Speaker Bonehead, representing the republican Party says "We have the best health care system in the world", you cannot realistically expect much progress from that direction.

"A Grim Diagnosis for Our Ailing Health Care System" by Robert J. Samuelson, *The Washington Post*

Nov. 27, 2011, ([http://www.washingtonpost.com/robert-j-samuelson/2011/02/24/ABSZV80\\_page.html](http://www.washingtonpost.com/robert-j-samuelson/2011/02/24/ABSZV80_page.html))

Even had it succeeded, the Super Committee would have failed. Ultimately, the only way to control federal spending and deficits is to suppress the upward spiral of health costs. These are already the budget's largest single expense (27 percent in 2010, compared with 20 percent for defense), and their continued rapid growth, combined with the scheduled introduction of Obamacare, will soon bring them to nearly one-third. The supercommittee didn't have the time or staff to solve a problem as contentious and complex as health care.

It remains urgent. Americans know that expensive medical care is squeezing non-health government programs and, through higher employer insurance costs, take-home pay. But they console themselves that U.S. health care "is the best in the world." Among experts, this view has long been debated, but a new study from the Organization for Economic Cooperation and Development (OECD) in Paris suggests that the debate is over: It's not true.

On billionaires, secretaries and taxes

As societies grow wealthier, people want — and can afford — more health care. Still, U.S. health spending (about \$7,960 per person in 2009) is in a league of its own. It's 50 percent higher than Norway's (\$5,352), the next costliest. U.S. spending is more than double Britain's (\$3,487), France's (\$3,978) and the OECD average (\$3,233).

Despite this, Americans aren't notably healthier than people in other advanced countries, the study reports. Life expectancy in the United States (78.2 years) lags behind Japan's (83 years) and the OECD average (79.5 years). It roughly equals Chile's and the Czech Republic's, says Mark Pearson of the OECD. Americans don't have much to show for their system's enormous cost, even if the gaps in life expectancy partly reflect differences in lifestyle and diet.

There are some bright spots. Cancer care is one area of superior performance; the five-year survival rate for breast cancer in the United States is 89.3 percent, while the OECD average is 83.5 percent. But the treatment of chronic illnesses such as diabetes and asthma may be worse. The U.S. rate of emergency hospitalization for asthma is three times that in France and six times that in Germany or Italy.

Indeed, by some indicators, Americans get less medical care than do people in other advanced countries. The number of practicing U.S. doctors (2.4 per 1,000 population) is less than the OECD average (3.1 per 1,000), as is the number of annual doctor consultations (3.9 per capita in the United States versus 6.5 for the OECD average).

What propels U.S. health spending upward? The OECD's answer comes in two parts: steep prices and abundant provision of some expensive services. In 2007, an appendectomy cost \$7,962 in the United States, \$5,004 in Canada and \$2,943 in Germany. A coronary angioplasty cost \$14,378 in the United States, compared with \$9,296 in Sweden and \$7,027 in France. A knee replacement was \$14,946 in the United States, \$12,424 in France and \$9,910 in Canada. Knee replacements in the United States were almost twice as common per 100,000 population, as in the rest of the OECD. So were MRI exams and angioplasties.

This is a devastating portrait. At times, the U.S. health care system delivers the worst of both worlds: pay more, get less. Unfortunately, the message isn't new. America's fragmented and overspecialized health system maximizes returns to providers — doctors, hospitals, drug companies — but not to society. Fee-for-service reimbursement allows providers to reconcile their ethical duty (more care for patients) and economic self-interest (higher incomes). The more they do, the more they earn. Restraints are few, because patients and providers both resist limits on their choices. Government regulators and private insurers are too weak to control costs.

Countless thousands of conscientious doctors provide most Americans with good care and some with superb care. But the system needs a fundamental overhaul to deliver more value for money. There are essentially two ways to do this.

One is a voucher system that, through tax credits and fixed Medicare premium subsidies, would allow patients to shop for the best health plan. Competition, the theory goes, would force hospitals and doctors to restructure the delivery system; health plans would compete on the basis of price and quality.

The other way is a government-run, single-payer system that would — somehow — include strict budget limits on doctors, hospitals and other providers. Lower administrative costs alone wouldn't provide enough savings to control overall spending. If open-ended reimbursement survived, so would the existing system.

What's involved is transforming almost one-fifth of the U.S. economy. The supercommittee couldn't do that. But it could have proposed legislation to create two teams of experts to design rival plans that would be ready for the next president. [I like this idea too, Art. —SteveB] One way or another, if we don't act, we're surrendering our future to runaway health spending.

20111128-29	23:46	Dale	Re: The Three Who Brought Down Wall Street (reply to SteveB, above)
-------------	-------	------	---

I appreciate the nice comments and the olive branch. I truly wish I had more time to participate in greater depth, but believe, me it isn't out of fear of the challenge or lack of commitment to the values and philosophies I deem important. I'm trying to make a living myself. It's sometimes tough to pass up responding to your off-the-wall BS rants about lying, thieving, cheating Republicans, but I feel like I have to save myself for more substantive replies.

## plu•tocr•acy

([http://dictionary.reference.com/help/luna/IPA\\_pron\\_key.html](http://dictionary.reference.com/help/luna/IPA_pron_key.html))

([http://dictionary.reference.com/help/luna/Spell\\_pron\\_key.html](http://dictionary.reference.com/help/luna/Spell_pron_key.html))

1. The rule or power of wealth or of the wealthy.
2. A government or state in which the wealthy class rules. (<http://dictionary.reference.com/browse/which>)
3. A class or group ruling, or exercising power or influence, by virtue of its wealth.

My understanding of Plutocracy would include the manipulative actions of Liberal wealthy as well as Conservatives. Soros has been masterful at behind the scenes and overt financial transactions to facilitate HIS vision of what is right for America. Of course it also has happened to line his pockets nicely. I notice that when the noose is tightened around regulation and closer monitoring of hedge funds, which he held off as long as he needed, he closed his PUBLIC hedge fund and "retired" to managing friends and family money....billions, but unregulated with this tricky move.

Michael Moore and the Hollywood/Broadway crowd who don't know squat about economics and show up for staged photo-shoots with "downtrodden poor folks," are as Plutocratic as any group. In my opinion, there is no more underhanded, dirty trick artist than Moore, who admits he manipulates the truth to fit his ends. Then he markets his venom as valid to fools who believe it. Moore is an avowed anti-capitalist, yet he accepts all the benefits of Capitalism when it works for him.

The channeling of money to Democratic causes through non-profits may seem OK to people who think the end justifies the methods, but groups like ACORN continue to receive Federal funding, despite illegal activities and smoke and mirrors accounting. [This is simply not true. Check it out, everyone. –SteveB]

(All lies right? That's what I am expecting will be said. If it doesn't fit your world view, it must be lies.)

The similarity in Plutocracy is that the lives of these rich and famous are fundamentally untouched, unaffected by anything happening with the economy or even society. The cruel hypocrisy is that this is all a game for them...a game of acting like they care. They get off on pretending they are piously helping the needy, while they soak up the publicity. It's a power thing, not a money thing with them.

Here is a different subject for conversation and I apologize in advance for the many generalizations.

It is my feeling that most Conservatives just want to be left alone. They want to live their lives, earn their incomes, keep what they earn, keep the others from snooping on their private lives, not wear helmets if they don't want to, etc. They dislike other people telling them how to lead their lives and taking away their right to make their own decisions. They have more faith in their capability to make good decisions as individuals than turning over decisions to a group, like the government. With the exception of abortion and gay marriage, even most religious fundamentalists are in favor of enabling individual freedoms and not dictating to others how they should live, e.g. they are tolerant of homosexuals, et al., living together, they just don't want it to be called "marriage." (I am not going to try to defend any of those religious positions, but I understand them.)

Liberals, on the other hand, seem to think they know better than anyone else what is right. They want to change the world to fit THEIR vision of "the way things should be." With an elitist attitude that "we are smarter than everyone else," they act like they must "fix" the situation, but forces out of their control are always thwarting them. They are constantly victims. Obama is the poster child for this one...he is NEVER to blame. He is always a victim. (Full Disclosure: I first put poster boy, but I knew that wasn't PC, so I changed it. I meant some disrespect, but not that kind.) BTW, Conservatives know Liberals are not any smarter, better looking, etc.; however, despite being somewhat insulted by the attitude, as long as Liberals don't get into a position of wrecking anything, their attitude is harmless.

An example of "wrecking" came about when local, state and federal workers' pensions, benefits, hiring/firing rules, etc. got so far out of balance with the rest of the economy and society that corrections/re balances were needed.

"Lack of vigilance to creeping liberalism," is how Conservatives would characterize the situation, but notice that they didn't whine around about being victims. They just went out and got it changed.

It's too late tonight for many comments on the obnoxious process we, both parties, have for selecting a Presidential nominee. IMO, most Republicans are on the sidelines watching the circus, just like the Democrats. The most motivated wing, the TEA party devotees are more active, just like the more progressive side of the Democratic party are making the most noise now. It plays into Dem's hands that it is a one-sided series of bloodletting events, but that's the way it goes. The process is brutal and hasn't seemed to produce the "best" Presidents for a while. The media loves it...not because it's good for America, but because it gives them a constant source of material. It also plays right into their love of bating front runners, whether it's politicians, sports figures, entertainers, business people...anyone they can bring down...they are all over it like a pack of dogs. It's an ugly business, but Republicans are holding their noses until it's further along and then they are likely to rally around one person. I don't blame the Democrats for building a war chest of character assassination materials...getting ready for whoever lasts out the cage matches. What else can they do....run on their performance? That's a joke.

[20111128-30](#) 23:59 SteveB Re: The Three Who Brought Down Wall Street (reply to Dale, above)

Thank you for the reply. Just a small point, as I'm sure your other points will be taken-up later. You say,

The channeling of money to Democratic causes through non-profits may seem OK to people who think the end justifies the methods, but groups like ACORN continue to receive Federal funding, despite illegal activities and smoke and mirrors accounting. [This is simply not true. Check it out, everyone. -SteveB]

(All lies right? That's what I am expecting will be said. If it doesn't fit your world view, it must be lies.)

But ACORN does not exist:

([http://en.wikipedia.org/wiki/Association\\_of\\_Community\\_Organizations\\_for\\_Reform\\_Now](http://en.wikipedia.org/wiki/Association_of_Community_Organizations_for_Reform_Now)).

Lies are lies. Let me be clear here: I do not mean to imply you are lying. I am speaking of the Republican lie machine that we see evidence of every day. Lies have nothing to do with world view. Only rationality. Let me ask you this? Does ACORN exist or not? To say it goes by another name is another lie. To say some chapters may have reorganized might be accurate, but that does not mean ACORN exists and "continues to receive Federal Funding" as you repeat from the Lie Machine, above.

Compared to Republican campaign finance excesses and corruption, Democrats are bush league and you know it. The big money boys in the Republican Party and their rich buddies just happen to know something about money. Amazing. I guess a mere community organizer would never be smart enough to figure that stuff out, right?

Also, here you are in exactly the same position you always find yourself in: shielding Republicans and their philosophy by attacking Democrats as if they feel the same way as you do about Republicans. They don't. They think Democrats are bad too. I think Democrats are bad too, just not, as Pam says, quite as bad. That's why they are rarely the subject here. We try to focus. How many times do we have to say Democrats are bad too, before we can move on?

Do you honestly think Republicans can't be called down for their crimes because Democrats might also commit them? Do you believe Democrats shouldn't be called down for their crimes because Republicans also commit them? I didn't think so!

You merely change the subject—all the time. You don't prove your side is right by claiming that your side may be wrong but so is ours. We know both sides to contain some wrong. That's why we are the Friends of the Middle.

[20111128-08](#) 14:00 Art Re: Slam on Obama & Obama's Report Card (reply to all, FotM Newsletter #26)

Think that incorrect items list that President Obama allegedly did is incredible. Did anyone actually believe that?

I think we also need to check on the current jobs of the former FREDDI MAC folks.

20111128-09 14:05 SteveB Friends of the Middle — Adversaries

Let's be serious for a moment.

I see us embarked on a great adventure here, a very great adventure for it being rather late in our lives. This medium hasn't existed long. We are bending it to our purpose of searching for the truth and trying to disseminate the truth **in the midst of a multitudes of lies**. In our serious quest, often ridiculed by our adversaries, we have learned that it is extremely difficult in today's world for any of us to truly learn and know the truth. But that is our holy grail.

And since we all must surely know how difficult the truth is to find, how is it possible to believe in political positions as if they are religious doctrine, not to be questioned or discussed?

Before, when we asked Dale to prove his contention that the Bush years were great for the economy and the country, even economically, he produced a chart showing how much business profits have increased. Very nicely helping to prove our case. I have seen no other evidence that contradicts anything that most of us have been saying about how bad things are and that changes must be made that do not include getting rid of Mr. Obama and putting a chimpanzee in the White House.

What a golden opportunity we all have here. This incredible electronic media. This wonderful, I think, circle of friends. Why don't we take advantage of this opportunity to try to advance somehow? You people maybe have no idea what an incredibly intelligent group you are! You are selected. Mensa would be jealous. I mean that.

I've been knocking our dear adversary, Dale. And we haven't, unfortunately, heard from GaryC for too long. I really miss those guys when I don't hear from them, no matter how right or wrong I may find them. The three of us go back to PKA fraternity at Purdue. I don't know what has happened to my buddies politically, but I am not surprised that they are successful. In college, they were suns among suns. In the most difficult classes or projects, they made it look easy, and helped many others to understand what Purdue tried to make as obtuse and difficult as possible. These are truly two of the smartest people I've ever known. They are just a little misguided. :-)

I guess I just want to say that I intend always to be completely honest and completely loving, but I fail more often with the latter, and I don't mean to. I value all of you and thank you for giving me this opportunity to grow just a little more while there is still time. I love the light of the sun!

20111128-05 12:13 Pam Re: Friends of the Middle — Adversaries (reply to SteveB, above)

Very nicely said. I agree, this is a great adventure in a new kind of communication. I know there are other "chat groups," but I think ours is special. It is indeed a pleasure to match wits with so many smart people. And I agree with you about Dale, Gary, and the rest. I want to hear from the other side. I just want to hear objective (for the most part; we are all subjective to some extent) arguments based on evidence or common sense. I don't claim to have all the evidence, so I rely a lot on my common sense, and it tells me that the eight years under Bush got us into two wars and damn near ruined our economy. Republicans may say, "More tax cuts, please!" Democrats say, "More stimulus." Bush's tax cuts didn't juice the economy, and deregulation did not protect us from Wall Street greed and corruption. Maybe more stimulus spending would be throwing good money after bad, but my common sense tells me that if the private sector can't or won't create jobs, then government needs to step in and do it, at least temporarily. Cutting spending means firing people. How does that help? Yes, we have lived beyond our means for far too long. My common sense told me that years ago. We cannot expect to live high off the hog while millions, whose lives are just as precious as ours (you agree, right?), watch their children starve or degenerate into criminals. That is unsustainable. The world views us like a schoolyard bully. We want all the lunch money for ourselves. I want to help, but I don't want to be impoverished to do it. I'm no saint. But if the necessary austerity

were spread around and not just dumped on those who are already struggling, doesn't common sense tell you that would be the right thing to do? I don't see selfishness as a particularly attractive political stance. When I see the super-rich whining about taxes, what I see is pure selfishness.

20111128-04	12:06	SteveG	"Barney Frank Won't Seek Reelection in 2012"
-------------	-------	--------	--

"Barney Frank Won't Seek Reelection in 2012" by Glen Johnson, Noah Bierman, and Donovan Slack, *Boston Globe*

Nov. 28, 2011, (<http://www.boston.com/2011/11/28/barney/mu5wqlSc74sb0USka9ctxK/story.html>)

U.S. Representative Barney Frank, the state's highest-profile congressman and one of the nation's leading liberal voices after being among its first openly gay elected officials, has decided not to seek reelection next year.

A close adviser told the *Globe* today that the new district in which Frank would have had to run next year was a major factor in his decision. While it retained his Newton stronghold, it was revised to encompass more conservative towns while losing New Bedford, a blue-collar city where the Democrat had invested a lot of time and become a leading figure in the region's fisheries debate.

"He was brilliant, funny, acerbic, strategic, and unashamedly liberal. And they're in short supply these days," Philip W. Johnston, a former chairman of the Massachusetts Democratic Party, said of Frank.

The congressman scheduled a 1 p.m. press conference at Newton City Hall "to formally announce and answer questions about his decision not to run for re-election in 2012," according to a statement.

Frank, 71, was raised in New Jersey but schooled at Harvard University and Harvard Law School, endowing him with a street-fighter's mouth and an academic's wit.

He was elected to the Massachusetts House of Representatives in 1972 and the U.S. House eight years later.

In 1987, he became the first member of the chamber to voluntarily acknowledge he was gay after a scandal in which a live-in boyfriend operated a gay prostitute service from his home. The House ended up reprimanding Frank for the incident.

More recently, he has been one of President Obama's most important allies but also a target of Republicans. They accuse him of helping create the country's housing collapse by pushing the government and banks into approving loans to unqualified buyers.

Frank faced a stern reelection challenge last year from Republican Sean Bieat, prevailing 53 percent to 43 percent but only after a blistering campaign.

He also shifted from chairman of the House Financial Services Committee to its top-ranking minority member when Republican regained control of the House of Representatives in last year's midterm elections.

Nonetheless, he insisted earlier this year he would seek another term in November, 2012.

The announcement comes a week after Governor Deval Patrick signed a law creating the new state congressional districts. Another Democrat in the delegation, U.S. Representative John Olver, announced in October that he would not seek reelection next year amid the specter of being forced into a showdown with US Representative Richard E. Neal of Springfield.

Frank has depended on his hometown of Newton, as well as Brookline and the Democratic strongholds of Fall River and New Bedford to keep his seat the last three decades. But he lost New Bedford and picked up additional conservative voting towns west and south of Boston and in Bristol and Norfolk counties.

Frank, who co-authored the law overhauling financial regulation and spearheaded its passage as chair of the Financial Services Committee last year, said in February that he had contemplated retirement after last year's race.

But he said after GOP lawmakers took over the House and began targeting the financial overhaul he authored, he decided he needed to try to keep his job.

"Some very important programs are at risk," he said.

[20111128-06](#) 13:23 Pam Re: "Barney Frank Won't Seek Reelection in 2012" (reply to SteveG, above)

I know there's been a lot of redistricting going on, but who's behind it and why?

[20111128-13](#) 14:18 SteveB Re: "Barney Frank Won't Seek Reelection in 2012" (reply to Pam, above)

It's just the normal, awful, constitutionally mandated redistricting process after the 2010 census. Everybody's trying to consolidate and perpetuate their power. It seems to be working, except for Barney.

[20111128-17](#) 15:12 SteveG Re: "Barney Frank Won't Seek Reelection in 2012" (reply to Pam, above)

Some states have independent councils/task forces that do the redistricting according to the census and others don't have independent task forces, so the party in charge can redistrict any way that benefits them. Arizona has an independent task force and the governor ousted the leader of the task force so she could do what she wanted – it was taken to court and the independent leader was reinstated. There was talk of Dennis Kucinich's (sp) being redrawn so that he couldn't run, but there was a move by several states to have Dennis move to their state so he could run – Washington was one of those states. Ended up Dennis stayed in Cleveland.

[20111128-24](#) 18:34 SteveB Re: "Barney Frank Won't Seek Reelection in 2012" (reply to SteveG, above)

That "who is allowed to vote" thing is going to be big!

[20111128-10](#) 14:05 SteveB "Spread It Around"

While I'm at it and we're on the subject...

Here's an article from the group archive, Nov. 1, 2008, where John McCain is using exactly the same tactic against Obama in the 2008 campaign that has been used against me and others by the right in this forum—name calling people Marxists, communists, socialists and redistributors of wealth. For being slightly left of them? Claiming progressive taxation is some radical, experimental principle. All lies. All getting old at this point.

It turns out that I'm about exactly as much of a socialist redistributor as John McCain, George Bush, or Ronald Reagan. Good thing for me J. Edgar Hoover and Senator McCarthy aren't still around. I'd be in really big trouble for being f\*cking RED! HOW STUPID!

Changing the subject via derision and name calling does not support a position in any way, shape or form. Why run away from the subject in this way? False information does not help either.

["Spread It Around" by Jacob Weisberg, Slate](#)

Nov. 1, 2008, ([http://www.slate.com/articles/news\\_and\\_politics/the\\_big\\_idea/2008/10/spread\\_it\\_around.html](http://www.slate.com/articles/news_and_politics/the_big_idea/2008/10/spread_it_around.html))

(Barack Obama favors redistributing wealth. So does John McCain.)

In the last lap of his limping campaign, John McCain is claiming that Barack Obama "believes in redistributing wealth." The problem with this charge is not that it's untrue. It's that McCain—and most of his supporters—favor redistribution, too.

Government redistributes wealth to some extent by its very existence, since it's impractical for citizens to pay for or benefit from it in equal proportion, even if that were desirable. So long as you have a system of taxation and a spending on public goods like education and roads, some people will do better in the bargain than others. The real questions are whether public policy consciously tries to affect the distribution of wealth, how much it tries to change it, and in what direction.

Redistribution has a "from" side—taxation—and a "to" side—spending. On the "from" side, the notion that government should use taxation to increase rather than decrease equality is hardly Marxist. In *The Wealth of Nations*, Adam Smith begins his section on taxation with the following maxim: "The subjects of every state ought to contribute towards the support of the government, as nearly as possible, in proportion to their respective abilities." To ask otherwise, Smith writes, would be obviously unfair.

Until the 20th century, the bulk of government revenues came from tariffs, which are regressive, meaning that they redistribute income away from the poor. The progressive principle was enshrined in American practice with the arrival of the federal income and inheritance taxes. The champion of these policies was none other than John McCain's hero, Teddy Roosevelt. We got progressive income taxes with the passage of the 16th Amendment in 1913. The federal estate tax we have today came in 1916.

Even in his current proposals, McCain adheres to his hero's principles. Unlike George W. Bush, John McCain supports the retention of an estate tax (he favors reducing it to 15 percent on estates above \$5 million). McCain opposes the Flat Tax, which would repudiate progressivity (though with a \$46,000 exemption, it would still redistribute income). Some of us still remember the John McCain who opposed Bush's 2001 tax cut on the argument that it was unfairly tilted toward the rich.

On the "to" side of the ledger, large-scale redistributive policies owe their existence to the other President Roosevelt. The biggest and most important of these is Social Security. FDR understood that an income support program that was too explicitly redistributionist would be unlikely to survive politically, which is why everyone who works and pays into the system has a right to benefits. But the Social Security Administration does quietly shift money from relatively richer to relatively poorer—even if recent research indicates that it may do so less than intended, largely because poor people have shorter life expectancies.

Curiously, the most prominent proponents of more-aggressive wealth redistribution have been Robin Hoods of the right. Milton Friedman is considered the father of the negative income tax, a 1960s-era proposal to simply give cash to the poor. Richard Nixon proposed a version of this plan in 1973. The idea was that simply writing checks would be preferable to more bureaucratic programs like welfare.

Our most explicit redistributive program today is probably the Earned Income Tax Credit [EITC], which supplements the incomes of people who work but don't earn enough to escape poverty on their own. Gerald Ford signed this bill into law, and Ronald Reagan greatly expanded it. [And what an incredibly efficient way to distribute help to the people who need it most. I'd like to see private enterprise concoct a more efficient system. –SteveB]

John McCain has long favored the EITC, calling it "a much-needed tax credit for working Americans." McCain doesn't support the repeal of Social Security, or Medicare, or a raft of other wealth-spreading programs like food stamps. McCain also supports new redistributive measures, such as a tax credit to help people with lower incomes purchase health insurance.

McCain might respond by saying it is not the principle of redistribution that makes Obama's policies objectionable but rather the extent of them. Socialistic Sweden, with its generous social benefits and a government consuming around 55 percent of GDP, exists on the same continuum with the mildly distributive United States, where you can't

get by on welfare payments and where total government spending is in the range of 30 percent of GDP. McCain is trying to argue that an Obama presidency would lead us toward the Swedish model.

Perhaps, but there's little in Obama's background or writings to suggest that he favors more-ambitious redistributive policies. His most expensive new social program is an expansion of health care coverage that would not create a universal entitlement (as many Democrats want to do). It has been credibly priced at less, or only slightly more than McCain's plan. There's little reason to think that Obama would depart from the bipartisan consensus that has favored federal spending at approximately the same level for the past 40 years.

What has changed in that period is the way the market has distributed wealth. Since the 1970s, income inequality in the United States has increased dramatically. Obama, like a lot of his fellow liberals, wants to find ways to reverse that trend without diminishing overall economic growth. The old John McCain worried about that problem, too. We may see that guy again after the election.

<a href="#">20111128-12</a>	14:15	Dennis	"Bill Clinton's Unreality: Tinkering with Unpassable Ideas, When Transformation Is What We Need"
-----------------------------	-------	--------	--

Bill Clinton to the rescue?

Bill Clinton's new book demonstrates why the Democrats are largely irrelevant, offering 20th century solutions to 21st century problems.

"Bill Clinton's Unreality: Tinkering with Unpassable Ideas, When Transformation Is What We Need" by Dave Johnson, AlterNet

Nov. 27, 2011, (<http://www.alternet.org/story/153191/>)

(Clinton's prescription offers incremental change, at exactly the time so many are realizing that we need transformational change.)

Former President Bill Clinton's new book, *Back to Work: Why We Need Smart Government for a Strong Economy* (<http://www.powells.com/partner/32513/biblio/9780307959751>), is a book for policy wonks and politics junkies. Progressives will love his defense of government. They will be outraged by his buying in to conservative/Wall Street arguments about Social Security. We will roll our eyes at the long, detailed, brilliant arguments for and against a wide range of policy ideas. We will hate his support of trade agreements without mentioning what they have done to manufacturing jobs. And we will be sad that this book didn't come out *just a month later*, so you could see if the Occupy movement changes the way he sees things.

This book is timely and full of good ideas for helping grow the economy and create jobs. But its timeliness is also disappointing, because our political system is so dysfunctional that none of these ideas will be implemented. And while the ideas are good, they are also incremental just when we are coming to see the need for transformation.

### Right Time, Wrong Time

*Back to Work* arrives right on time with ideas to help the economy just as Washington "pivots to jobs" from a mistimed, destructive obsession with deficits. In fact, the book was completed so recently that it references the Republican debate audience cheering the "let him die" comment. But the book was completed just as the Occupy movement was beginning, and reading it in the prism of that movement makes it seem as if Clinton is just about ready to reach conclusions similar to those of the movement. Just about ... but not quite.

The book is written in two parts. Part I looks at where we are as a country and as a people, our economic problems and our attitudes about government. Clinton responds to the right's anti-government campaign and launches a strong defense of government. He talks about the country's debt and where it came from. Finally he compares this to how things are doing in other countries. Part II offers a list of 46 policy proposals for reviving the economy,

paying off debt and creating jobs, and in true Clinton style, it drills down into quite a bit of detail about how these proposals would work and the reasons they would help improve the economy.

Part I makes a good case for how well the country was doing before it was messed up by anti-government conservative policies. But many people think that part of today's problems was Clinton's own incremental, "centrist" approach as president and his failure to see how this was enabling and empowering those very anti-government forces. By giving ground to those who give no ground, he enabled them to ratchet up their own power and propaganda advantage. This is why it was so easy for conservatives to quickly turn back the clock under Bush and to blame government for the collapse they themselves caused.

### Social Security and Medicare

Clinton acknowledges the huge Social Security surplus, but he calls it "bonds not cash." He sees the problem of paying off this obligation as a cash-flow deficit and treats it like that is Social Security's problem. This is the typical Washington-centric elitist position, ignoring the vast human need.

In other words, if the problem of government finances is cash-flow, how do you reduce cash-flow needs? One way is if retirees weren't getting so much cash. So solve this by forcing them to retire later, and get less per month by fiddling with the COLA. In other words, stiff the retirees.

In fairness to Clinton, he also explains how inequality has made the "cap" too low. As a solution to that, he writes,

"Some experts have suggested that a better, fairer way to raise more money is to impose a surcharge of 1 to 1.5 percent on all earnings above the cap for employers and employees."

But instead of addressing the real causes of the problems, Clinton offers the Erskine-Bowles plan to raise the retirement age to 69 and cut cost-of-living increases as a stealth way of cutting benefits!

On Medicare and healthcare in general Clinton outlines some details for "reform." He points out that countries with a system like this spend so much less per capita, and quotes economist Paul Krugman, writing that "Medicare spending per person has increased 400 percent since 1970, while private insurance has skyrocketed 700 percent." He makes the point that we have to solve the whole healthcare problem, and not just shift costs onto the non-government parts of the economy, as Republicans advocate. But, like so much else in this book, he just doesn't quite get there and say that Medicare-For-All is the obvious answer.

### Spending and Deficits

Clinton says the Bush tax cuts must expire. He says we should stop giving oil and other companies big tax breaks. "That would net about \$3.5 trillion over a decade."

On the Grover Norquist "no tax increases, ever" pledge, he offers good progressive language,

"This makes sense if you think all government activity is harmful and the United States would do better with a philosophy grounded in "you're on your own" rather than "we're all in this together."

To his credit, Clinton brings up and details the Progressive Caucus People's Budget plan, saying it "takes care of older Americans and others who need help" and "invests a lot of our tax money to get America back in the future business." This makes it "worth studying for possible changes and inclusion in a plan with more balance between spending restraint and new taxes."

Clinton's key objection to the People's Budget is that progressives "don't have the votes to pass their plan" – as if any positive suggestion to help the economy and unemployed could pass today. He also criticizes the People's Budget because, "multinationals may be tempted to relocate," and a financial-transactions tax "could either bring in a lot of money or lead to many high-dollar transactions now done in the United States being moved overseas, with a net loss in revenue from the taxable incomes on the people who do the transactions." And he says the budget

“doesn’t deal with the demographic challenges to Social Security and the health-inflation challenges of Medicare, Medicaid, and other government-funded health programs.”

Of course, he acknowledged elsewhere in the book that the real Medicare problem is our overall approach to healthcare not demographics, and that Social Security’s problem is rising inequality not demographics.

## Part II: The Ideas

Clinton offers 46 specific proposals and goes into detail why he thinks they would help the economy and create jobs. The major topics are deficit reduction, including a discussion of “entitlements,” energy initiatives and business incentives.

Clinton offers a three-part economic and jobs growth strategy:

1. “Put as much of the \$4 trillion now held in banks and corporate treasuries back into the economy as fast as we can.
2. Concentrate on the areas most likely to produce good jobs that have a positive ripple effect, jobs in modern infrastructure building, high-end manufacturing, green technologies, and exported goods and services.
3. Do literally dozens of other things that, when combined, can make a real impact now and also increase our long-term economic growth.”

The list is full of smaller policy ideas, like #3, the Federal Reserve has to give banks an incentive to lend. The Fed should charge banks for parking money, maybe .25% and/or require banks to pay their customers a minimum 1% interest on deposits.

Numbers 5 and 6 are controversial: Give corporations an incentive to bring jobs back to US by lowering tax rates to be competitive with other countries, and with Buy America procurement policies. And give companies that are holding cash outside the country a tax break to bring it back, but only if money is used to create jobs.

## Energy

Ideas number 9-24 are all energy ideas offering various tax incentives, expand geothermal, biofuels, energy from garbage and retrofitting buildings to be energy efficient. All of these would provide jobs and make our economy more efficient, while helping wean us off of oil and coal.

THE SUREST WAY TO CREATE JOBS, cut costs, enhance national security, cut the trade deficit by up to 50 percent, and fight global warming is to change the way we produce and consume energy. Even though the climate change deniers seem to have succeeded in making their position a core tenet of antigovernment ideology, there is a case to be made on economics alone.

Examples: Items 9 and 10, launch an aggressive, federal, fifty-state building retrofit initiative, making buildings energy-efficient. (States and localities should have their own retrofit initiatives.) Item 12, “At least paint the roofs white (<http://www.ourfuture.org/blog-entry/2011062630/simple-things-painting-roofs-white>).” Item 24 is interesting: to speed up the process of bringing about energy independence, we should pick one or two U.S. states or territories and work to make them completely energy independent so they serve as learning labs and models for the rest of the country.

## Trade

Clinton writes that “we need a national economic strategy. We have to change the incentives to make companies more willing to invest in making America more productive than in outsourcing more jobs.”

He offers several ideas for increasing exports. Progressive readers are, of course, interested in idea number 27 – trade agreements – and I'll let him defend himself in his own words:

Pass the pending trade agreements with South Korea, Colombia, and Panama. We don't have a trade deficit in goods and services with the countries with which we have trade agreements. That's because the negotiations are tough and thorough, designed to meet both sides' needs, and supported by enforcement mechanisms. Our trade deficit is largely with the countries we buy oil from and the countries we borrow lots of money from, China and Japan.

He follows that up with: Enforce trade laws. "We lost manufacturing jobs in every one of the eight years after I left office. One of the reasons is that enforcement of our trade laws dropped sharply."

### The Book's Flaw: Incrementalist v. Transformational

*Back to Work* is a policy prescription full of ideas that could help the economy, but at its heart it has a flaw: it misunderstands the nature of the conservative movement's decades-long attack on our very system of self-government. This leaves Clinton offering helpful policy ideas at a time when conservatives are blocking everything in the Congress that might do the country some good. And now, finally, the Occupy movement has come along, focusing attention on the real need for transformational rather than incremental change.

Clinton spends much of the book appealing to conservatives to support ideas like these for the good of the country, arguing in great detail how they would help the economy and create jobs. He does this at the very time when the strategy of the Republicans is to sabotage the economy by blocking ideas such as these from being implemented.

What Clinton misses is the extent to which today's conservative movement is about remaking the country for the benefit of the 1% and no one else. They have an Ayn Randian vision of the wealthiest as "producers," while the rest of us – the 99% – are what they call the "losers." To them the 99% are "parasites" who deserve no help and will only become "dependent" from it. They believe that democracy is "collectivism" and is evil because majorities will use the "theft" of taxes on the "job creators" and "spend" it on infrastructure and education for the "leeches."

Clinton SAYS it but he doesn't SEE it. Clinton almost gets there, talking about the anti-government ideologues, saying their arguments are wrong, explaining why we need government, making the case, but never quite seeing that the destruction of government is intentional, not the result of a flaw in their ideology it is the point, that the right don't believe in government because government helps people.

### The CGI Origins

The ideas in the book flow from Clinton's Clinton Global Initiative (CGI) process (<http://www.socialedge.org/blogs/the-clinton-global-initiative/>), which brings business, government and nonprofit leaders together to work on the world's problems. Clinton writes about CGI being composed of "Democrats, Republicans, independents, and concerned citizens the world over" working together. He is trying to bring business, government and nonprofit leaders together to do good within a system that has been reengineered in recent decades to reward only greed.

He has great technocratic faith in these educated meritocrats, and he has reason to – they are where they are because of their success, their hearts are in the right place, they want to help, and their success informs their approach to solving problems. But by nature successful – and mostly wealthy – stakeholders have an interest in preserving rather than transforming the system that brought them the wealth and control they have achieved. Because this system has been so good to his CGI crowd it is difficult for them to see the fundamental evil at its root.

As a result, the ideas of CGI and the book are stuck in technocratic incrementalism. His prescription offers incremental change, at exactly the time so many are finally realizing that we need need transformational, institutional change. The rise of the Occupy movement tells us that it is time to see it, and change it.

(Dave Johnson is a Fellow at Campaign for America's Future and a Senior Fellow at Renew California.)

[20111128-14](#) 14:47 SteveB Re: "Bill Clinton's Unreality: Tinkering with Unpassable Ideas, When Transformation Is What We Need" (reply to Dennis, above)

Still in NZ? I want to read that book. But this sounds to me like the rogue Republican Bill Clinton, the deep spy, the sleeper, the Democrat who balanced the budget when no one else ever could, and who let the Republicans deregulate the financial and other systems. This sounds like the Republicans framing the argument.

To me, the Bush years were nothing but a great failed experiment. It is the Republicans who propose to go forward with more of the same. That's the same horse what brung us.

I want to go back to the 60's, but, we can't, at least not for a long, long time, if ever. Bill is right, I guess, we have to move toward transformation. We need a strong leader. He doesn't seem to be in the room right now.

[20111128-25](#) 19:04 Dennis Re: "Bill Clinton's Unreality: Tinkering with Unpassable Ideas, When Transformation Is What We Need" (reply to SteveB, above)

Somewhat sorry to say I'm back. It was a pleasure to travel in New Zealand, a country that hasn't been spoiled by mindless consumerism, trashing of the environment, and dysfunctional politics (although their red wines — mostly pinot noirs — leave a lot to be desired).

I had a tour group with me in Indonesia prior to going to NZ. It didn't go all that well, partly because I was sick throughout the tour, but mostly because my patience with complaining tourists has been exhausted. China next March will probably be my last photo tour.

[20111128-16](#) 15:04 Art Re: "Bill Clinton's Unreality: Tinkering with Unpassable Ideas, When Transformation Is What We Need" (reply to all, above)

My thought is the Republicans are offering 19th century solutions to 21st century problems.

Maybe too advanced?? 18th century?

[20111128-20](#) 16:05 Pam Re: "Bill Clinton's Unreality: Tinkering with Unpassable Ideas, When Transformation Is What We Need" (reply to all, above)

I agree that something has to change, but so far no one is suggesting what sort of transformation we need. I can't imagine what it could be. But short of a revolution, how are we to change except incrementally? How on earth can we persuade the Right to back off? I truly believe the extremists want to bring the government down so they can institute a theocracy. I can imagine all sorts of horrible scenarios, but for the life of me I can't figure out a good solution. Help!

[20111128-21](#) 16:16 SteveB Re: "Bill Clinton's Unreality: Tinkering with Unpassable Ideas, When Transformation Is What We Need" (reply to Pam, above)

Maybe I'm all wet, but I think the bad guys are going to have a very difficult time getting elected next year. I think the country will have a year to digest the meaning of no tax increases, few spending cuts, a do-nothing Congress, major threats to popular Social Security and Medicare programs, major threats to public education and higher education, and a bunch of people running for President who stand-up about once a week and generally act stupid and incompetent. At the same time, I think the economy will muddle along with just above 0% growth, some jobs

will be generated, not enough, but Obama's butt will be saved. If Europe drops off the edge (could the Germans really be that stupid? I doubt it, somehow), then I don't know what the hell will happen. If we're sucked down a whirlpool, Obama could be a victim, but so will many Republicans.

I know the Republicans will pull all kinds of dirty tricks that will make 2008's racism seem tame. They will break out the big, doublespeak Republican lies, like "Entitlements" and "Socialists" and "Socialized medicine", claim we're not Christians as if that matters, and use every dollar big money can give to spread the dirtiest, most dishonest slander possible across the media of TV and the internet.

But still, don't most people see them as a threat, when it comes down to it? And as much as Republicans want to erase the memory of Bush and pretend that history started when the Democrats took over the Congress in, what?, 2007, people will remember and I intend to help them.

<a href="#">20111128-22</a> 18:27 SteveG	Re: "Bill Clinton's Unreality: Tinkering with Unpassable Ideas, When Transformation Is What We Need" (reply to SteveB, above)
--	---

It will all depend on who and how many go to the polls – oh yeah, and who is allowed to vote, and whose vote is counted.

We did not get in this situation overnight and we won't get out of it overnight. Talking with local officials (city & county or parish), talking with state officials, talking with your representatives and senators as well as the white house. It will take letter writing, emails, phone calls, standing on the street corner, tweets, letters to the editors, talking with companies, boycotting some companies and making certain they know they are being boycotted, talking with friends and relatives to do the same.

<a href="#">20111128-18</a> 15:23 SteveG	"How the GOP Became the Party of the Rich"
--	--

"How the GOP Became the Party of the Rich" by Tim Dickinson, *Rolling Stone*

Nov. 24, 2011, (<http://www.rollingstone.com/politics/news/how-the-gop-became-the-party-of-the-rich-20111109>)

(The inside story of how the Republicans abandoned the poor and the middle class to pursue their relentless agenda of tax cuts for the wealthiest one percent.)

The nation is still recovering from a crushing recession that sent unemployment hovering above nine percent for two straight years. The president, mindful of soaring deficits, is pushing bold action to shore up the nation's balance sheet. Cloaking himself in the language of class warfare, he calls on a hostile Congress to end wasteful tax breaks for the rich. "We're going to close the unproductive tax loopholes that allow some of the truly wealthy to avoid paying their fair share," he thunders to a crowd in Georgia. Such tax loopholes, he adds, "sometimes made it possible for millionaires to pay nothing, while a bus driver was paying 10 percent of his salary – and that's crazy."

Preacher-like, the president draws the crowd into a call-and-response. "Do you think the millionaire ought to pay more in taxes than the bus driver," he demands, "or less?"

The crowd, sounding every bit like the protesters from Occupy Wall Street, roars back: "MORE!"

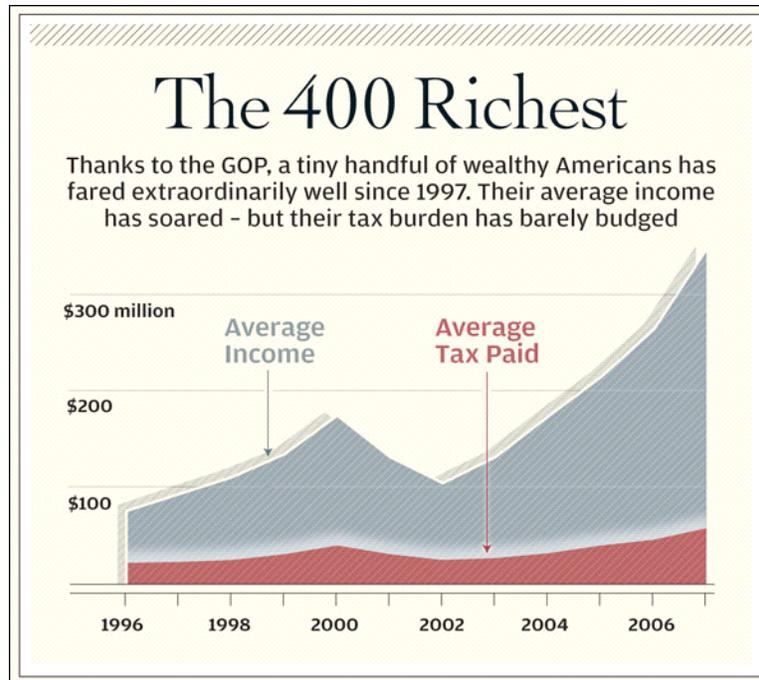
The year was 1985. The president was Ronald Wilson Reagan.

Today's Republican Party may revere Reagan as the patron saint of low taxation. But the party of Reagan – which understood that higher taxes on the rich are sometimes required to cure ruinous deficits – is dead and gone. Instead, the modern GOP has undergone a radical transformation, reorganizing itself around a grotesque proposition: that the wealthy should grow wealthier still, whatever the consequences for the rest of us.

Modern-day Republicans have become, quite simply, the Party of the One Percent – the Party of the Rich.

"The Republican Party has totally abdicated its job in our democracy, which is to act as the guardian of fiscal discipline and responsibility," says David Stockman, who served as budget director under Reagan. "They're on an anti-tax jihad – one that benefits the prosperous classes."

The staggering economic inequality that has led Americans across the country to take to the streets in protest is no accident. It has been fueled to a large extent by the GOP's all-out war on behalf of the rich. Since Republicans rededicated themselves to slashing taxes for the wealthy in 1997, the average annual income of the 400 richest Americans has more than tripled, to \$345 million – while their share of the tax burden has plunged by 40 percent. Today, a billionaire in the top 400 pays less than 17 percent of his income in taxes – five percentage points less than a bus driver earning \$26,000 a year. "Most Americans got none of the growth of the preceding dozen years," says Joseph Stiglitz, the Nobel Prize-winning economist. "All the gains went to the top percentage points."



The GOP campaign to aid the wealthy has left America unable to raise the money needed to pay its bills. "The Republican Party went on a tax-cutting rampage and a spending spree," says Rhode Island governor and former GOP senator Lincoln Chafee, pointing to two deficit-financed wars and an unpaid-for prescription-drug entitlement. "It tanked the economy." Tax receipts as a percent of the total economy have fallen to levels not seen since before the Korean War – nearly 20 percent below the historical average. "Taxes are ridiculously low!" says Bruce Bartlett, an architect of Reagan's 1981 tax cut. "And yet the mantra of the Republican Party is 'Tax cuts raise growth.' So – where's the fucking growth?"

Republicans talk about job creation, about preserving family farms and defending small businesses, and reforming Medicare and Social Security. But almost without exception, every proposal put forth by GOP lawmakers and presidential candidates is intended to preserve or expand tax privileges for the wealthiest Americans. And most of their plans, which are presented as common-sense measures that will aid all Americans, would actually result in higher taxes for middle-class taxpayers and the poor. With 14 million Americans out of work, and with one in seven families turning to food stamps simply to feed their children, Republicans have responded to the worst economic crisis since the Great Depression by slashing inheritance taxes, extending the Bush tax cuts for millionaires and billionaires, and endorsing a tax amnesty for big corporations that have hidden billions in profits in offshore tax havens. They also wrecked the nation's credit rating by rejecting a debt-ceiling deal that would have slashed future deficits by \$4 trillion – simply because one-quarter of the money would have come from closing tax loopholes on the rich.

The intransigence over the debt ceiling enraged Republican stalwarts. George Voinovich, the former GOP senator from Ohio, likens his party's new guard to arsonists whose attitude is: "We're going to get what we want or the

country can go to hell." Even an architect of the Bush tax cuts, economist Glenn Hubbard, tells *Rolling Stone* that there should have been a "revenue contribution" to the debt-ceiling deal, "structured to fall mainly on the well-to-do." Instead, the GOP strong-armed America into sacrificing \$1 trillion in vital government services – including education, health care and defense – all to safeguard tax breaks for oil companies, yacht owners and hedge-fund managers. The party's leaders were triumphant: Senate Minority Leader Mitch McConnell even bragged that America's creditworthiness had been a "hostage that's worth ransoming."

It's the kind of thinking that only money can buy. "It's a vicious circle," says Stiglitz. "The rich are using their money to secure tax provisions to let them get richer still. Rather than investing in new technology or R&D, the rich get a better return by investing in Washington."

It's difficult to imagine today, but taxing the rich wasn't always a major flash point of American political life. From the end of World War II to the eve of the Reagan administration, the parties fought over social spending – Democrats pushing for more, Republicans demanding less. But once the budget was fixed, both parties saw taxes as an otherwise uninteresting mechanism to raise the money required to pay the bills. Eisenhower, Nixon and Ford each fought for *higher* taxes, while the biggest tax cut was secured by John F. Kennedy, whose across-the-board tax reductions were actually opposed by the majority of Republicans in the House. The distribution of the tax burden wasn't really up for debate: Even after the Kennedy cuts, the top tax rate stood at 70 percent – double its current level. Steeply progressive taxation paid for the postwar investments in infrastructure, science and education that enabled the average American family to get ahead.

That only changed in the late 1970s, when high inflation drove up wages and pushed the middle class into higher tax brackets. Harnessing the widespread anger, Reagan put it to work on behalf of the rich. In a move that GOP Majority Leader Howard Baker called a "riverboat gamble," Reagan sold the country on an "across-the-board" tax cut that brought the top rate down to 50 percent. According to supply-side economists, the wealthy would use their tax break to spur investment, and the economy would boom. And if it didn't – well, to Reagan's cadre of small-government conservatives, the resulting red ink could be a win-win. "We started talking about just cutting taxes and saying, 'Screw the deficit,'" Bartlett recalls. "We had this idea that if you lowered revenues, the concern about the deficit would be channeled into spending cuts."

It was the birth of what is now known as "Starve the Beast" – a conscious strategy by conservatives to force cuts in federal spending by bankrupting the country. As conceived by the right-wing intellectual Irving Kristol in 1980, the plan called for Republicans to create a "fiscal problem" by slashing taxes – and then foist the pain of reimposing fiscal discipline onto future Democratic administrations who, in Kristol's words, would be forced to "tidy up afterward."

There was only one problem: The Reagan tax cuts spiked the federal deficit to a dangerous level, even as the country remained mired in a deep recession. Republican leaders in Congress immediately moved to reverse themselves and feed the beast. "It was not a Democrat who led the effort in 1982 to undo about a third of the Reagan tax cuts," recalls Robert Greenstein, president of the nonpartisan Center on Budget and Policy Priorities. "It was *Bob Dole*." Even Reagan embraced the tax hike, Stockman says, "because he believed that, at some point, you have to pay the bills."

For the remainder of his time in office, Reagan repeatedly raised taxes to bring down unwieldy deficits. In 1983, he hiked gas and payroll taxes. In 1984, he raised revenue by closing tax loopholes for businesses. The tax reform of 1986 lowered the top rate for the wealthy to just 28 percent – but that cut for high earners was paid for by closing tax loopholes that resulted in the largest corporate tax hike in history. Reagan also raised revenues by abolishing special favors for the investor class: He boosted taxes on capital gains by 40 percent to align them with the taxes paid on wages. Today, Reagan may be lionized as a tax abolitionist, says Alan Simpson, a former Republican senator and friend of the president, but that's not true to his record. "Reagan raised taxes 11 times in eight years!"

But Reagan wound up sowing the seed of our current gridlock when he gave his blessing to what Simpson calls a "nefarious organization" – Americans for Tax Reform. Headed by Grover Norquist, a man Stockman blasts as a "fiscal terrorist," the group originally set out to prevent Congress from backsliding on the 1986 tax reforms. But Norquist's instrument for enforcement – an anti-tax pledge signed by GOP lawmakers – quickly evolved into a powerful weapon designed to shift the tax burden away from the rich. George H.W. Bush won the GOP presidential

nomination in 1988 in large part because he signed Norquist's "no taxes" pledge. Once in office, however, Bush moved to bring down the soaring federal deficit by hiking the top tax rate to 31 percent and adding surtaxes for yachts, jets and luxury sedans. "He had courage to take action when we needed it," says Paul O'Neill, who served as Treasury secretary under George W. Bush.

The tax hike helped the economy – and many credit it with setting up the great economic expansion of the 1990s. But it cost Bush his job in the 1992 election – a defeat that only served to strengthen Norquist's standing among GOP insurgents. "The story of Bush losing," Norquist says now, "is a reminder to politicians that this is a pledge you don't break." What was once just another campaign promise, rejected by a fiscal conservative like Bob Dole, was transformed into a political blood oath – a litmus test of true Republicanism that few candidates dare refuse.

After taking office, Clinton immediately seized the mantle of fiscal discipline from Republicans. Rather than simply trimming the federal deficit, as his GOP predecessors had done, he set out to balance the budget and begin paying down the national debt. To do so, he hiked the top tax bracket to nearly 40 percent and boosted the corporate tax rate to 35 percent. "It cost him both houses of Congress in the 1994 midterm elections," says Chafee, the former GOP senator. "But taming the deficit led to the best economy America's ever had." Following the tax hikes of 1993, the economy grew at a brisk clip of 3.2 percent, creating more than 11 million jobs. Average wages ticked up, and stocks soared by 78 percent. By the spring of 1997, the federal budget was headed into the black.

But Newt Gingrich and the anti-tax revolutionaries who seized control of Congress in 1994 responded by going for the Full Norquist. In a stunning departure from America's long-standing tax policy, Republicans moved to eliminate taxes on investment income and to abolish the inheritance tax. Under the final plan they enacted, capital gains taxes were sliced to 20 percent. Far from creating an across-the-board benefit, 62 cents of every tax dollar cut went directly to the top one percent of income earners. "The capital gains cut alone gave the top 400 taxpayers a bigger tax cut than all the Bush tax cuts combined," says David Cay Johnston, the Pulitzer Prize-winning author of *Perfectly Legal: The Covert Campaign to Rig Our Tax System to Benefit the Super Rich – and Cheat Everybody Else*.

The cuts also juiced irrational exuberance on Wall Street. Giving a huge tax advantage to investment income inflated the dot-com bubble, observed Stiglitz, "by making speculation more attractive." And by eliminating capital gains taxes on home sales, the cuts fueled the housing bubble: A study by the Federal Reserve estimated that the tax giveaways boosted housing transactions by 17 percent through 2007.

The most revealing aspect of the tax cuts, however, came from a simple mistake. In a major blow to the inheritance tax – America's most progressive form of taxation – the GOP cuts nearly doubled the amount that the rich could pass on to their heirs tax-free. From now on, the first \$1 million would be exempt from federal taxes – unless your estate was worth more than \$17 million. In those rare cases, the superwealthy would have to pay taxes on their entire inheritance.

Then something strange happened. Due to a "drafting error," the final bill failed to include the exception for the superwealthy. Everyone in both parties agreed that it had been a mistake. But instead of fixing the error, Republicans blocked a pro forma correction to the law – meaning that even the wealthiest estates would pay no taxes on the first \$1 million. The move effectively secured an \$880 million tax cut for the rich – one that Congress never intended, and never voted for. Ari Fleischer, the then-spokesman for Rep. Bill Archer of the House Ways and Means Committee, exulted over the undemocratic tax cut for the wealthy. "When a mistake works *against* the government and *for* the taxpayers," he explained, "we're in no rush to correct it."

Republicans, abetted by conservative Democrats, passed the tax cuts with a veto-proof majority, and Clinton signed them into law. But for the remainder of his term, Clinton repeatedly blocked Republican demands for further cuts. "He vetoed one tax cut after another," says Robert McIntyre, director of Citizens for Tax Justice. In 1999, in a triumph for fiscal sanity, Clinton rejected a massive \$792 billion cut to inheritance and investment taxes. The mood during the veto ceremony in the Rose Garden was festive. A five-piece band played "Summertime," and the living was easy. Unemployment stood at 4.2 percent, and stocks were booming. "Our hard-won prosperity gives us the chance to invest our surplus to meet the long-term challenges of America," Clinton declared. The Republican tax cuts, he warned with eerie prescience, would return America to a period of "deficit upon deficit" that culminated in "the worst recession since the Great Depression."

Then came the election of George W. Bush, the first president of the Party of the Rich.

Within months of taking office, Bush delivered a tax break to the rich that trumps anything he accomplished through the actual tax code. "The most important thing the Bush administration did in the whole area of taxes," says Johnston, "was to kill tax harmonization."

"Tax harmonization" was economic jargon for a joint project by the world's developed countries to shut down offshore tax havens in places like the Cayman Islands. At the time, such illicit havens were costing U.S. taxpayers \$70 billion a year. For Republicans, going after big-time tax evaders should have been as American as apple pie. As Reagan once said of such cheats: "When they do not pay their taxes, someone else does – you and me."

But for Bush and other leaders of the Party of the Rich, blocking corporations from hiding their money overseas wasn't an act of patriotism – it was tyranny. Rep. Dick Armey, the GOP majority leader, railed against tax harmonization as an effort to create a "global network of tax police." One of Bush's biggest donors, Enron, was using a network of nearly 900 offshore tax hideaways to pay no corporate taxes – while reporting massive profits that later turned out to be fraudulent. In one of his first acts as president, Bush "basically vetoed the initiative," says Stiglitz.

The veto spurred a cavalcade of corporations – including stalwart American firms like Stanley Works – to pursue phony "headquarters" in Bermuda and other lax-tax nations. The move not only encouraged some of the world's richest companies to avoid paying any U.S. taxes, it let them book overseas-"expenses" that qualified them for lucrative tax *deductions*. In one of the most notorious cases, GE filed for a \$3 billion tax rebate in 2009, despite boasting profits of more than \$14 billion.

But Bush wasn't content to simply make the world safe for corporate tax evaders: He also pushed to deliver \$1.6 trillion in tax cuts for the wealthiest individuals. On paper, at least, the federal government looked like it would soon be rolling in cash. Assuming the economy continued to grow as it had under Clinton, the Congressional Budget Office forecast a federal surplus of \$5.6 *trillion* by 2011. Nearly half that bounty was already spoken for – the government needed some \$3 trillion to shore up Social Security and Medicare – but that still left \$2 trillion to play with.

Still, those numbers were only a projection. "It's certainly not money in the bank," Fed chairman Alan Greenspan warned incoming Treasury Secretary O'Neill over breakfast at the Federal Reserve. Yet there was no such note of caution in the White House. The month after Bush took office, the president's then-budget director, Mitch Daniels, suggested in an internal memo that \$5.6 trillion was likely too small a figure. Daniels concluded that Bush's plan was "so fiscally conservative" that even after cutting \$1.6 trillion in taxes, fixing Social Security and setting aside \$900 billion in a contingency fund, the government would still have enough money left over to retire \$2 trillion in debt.

"Everybody for a good while accepted that the surpluses were real," insists Daniels, now the governor of Indiana. When pressed, however, he also concedes that by the time Bush took office, "the economy was already unraveling." Indeed, a wave of layoffs at the end of 2000 prompted Dick Cheney to warn, "We may well be on the front edge of a recession here."

The conflicting forecasts – one of sunshine and surplus, the other of gloom and contraction – should have set off alarm bells in the White House. But instead of rethinking the prudence of its massive giveaway to the rich, the Bush team dreamed up a new rationale for cutting taxes: to provide a needed jolt to the economy. "It's a fair thing to say that the stimulus argument was added in the spring of '01, when it had not been there before," Daniels says.

The stimulus argument was lousy economics. The previous two decades, after all, had demonstrated that "trickle-down" tax cuts don't juice the economy – they create bubbles and balloon deficits. Proponents pointed to Reagan's original tax cut in 1981, claiming it had spurred economic growth. But that is nothing more than "urban legend," Stockman says. The economy "did recover after 1982," he says, "but mainly because the Federal Reserve defeated inflation."

In fact, Stockman insists, Bush's tax cuts for the rich represent a bastardization of Reaganism. "The Republican Party originally said that prosperity comes from the private sector," he says. "But today's Republicans have become Chamber of Commerce Keynesians – using tax policy as a way of stimulating, boosting, prodding the economy." The Party of the Rich, in essence, was offering up a twisted version of New Deal policies that laissez-faire Republicans like Reagan had long opposed.

Spinning the tax giveaways as a stimulus plan did serve one useful function: It helped obscure the true purpose of the Bush tax plan. In an internal memo written just days after the inauguration, O'Neill advised Bush that he had a "great opportunity" for quick action on his tax cuts if he framed the choice for Congress as *tax cut vs. recession*. "We can get this argument on our ground," O'Neill wrote, "and stop the drumbeat about a tax cut for the rich."

With no patience for the specifics of tax policy, Bush deputized Vice President Dick Cheney to push through his tax cut for the rich. Once a deficit hawk who confessed that he was "not convinced that the Reagan tax cuts worked," Cheney had emerged from his tenure as CEO of Halliburton as a leading advocate for rewarding big corporations and their executives – even as GOP moderates warned that Bush's tax cut would foreclose needed investments in education and infrastructure. "The vice president had no interest in what I had to say," recalls Chafee. "He ran the show right from the beginning, and he suffered no compromise."

As the economy worsened, even the president's Treasury secretary grew concerned about the tax cuts. O'Neill pushed Bush to include a trigger mechanism that would rein in the cuts if the projected surpluses failed to materialize. "The trigger was a good idea – having the foresight that if things turned bad, we wouldn't have to reverse course in a difficult time," O'Neill says now. "But there was never any serious interest in it" from the Bush administration.

To Chafee, the opposition to a trigger mechanism seemed to offer a clue about the real goal of the tax cuts: They were designed not to boost the economy, but to force the kind of spending cuts championed by Grover Norquist and other small-government activists. His suspicion that the starve-the-beast crowd was driving the cuts was confirmed, he says, by a conversation he had while walking the Senate corridors with Trent Lott, then the GOP majority leader.

"What's going on here?" Chafee asked. Why not safeguard the economy by adopting a trigger mechanism?

Lott turned to Chafee. "We're going to strangle the spending," he said. On the stump, Bush hyped the benefits of his plan by emphasizing how much in taxes it would save a single waitress. But the real action was at the top rung of the income ladder. Over 10 years, the bottom fifth of income earners could expect to pocket an extra \$744. That waitress might be left with enough cash to change out the clutch on her Corolla. The top one percent, meanwhile, would receive more than \$340,000 on average – enough to buy his and hers Bentleys.

To mask such glaring inequality, Republicans inaugurated the tax cut with an across-the-board rebate. The waitress would get a \$300 check, along with everyone else from Warren Buffett on down. But in reality, the tax cuts were backloaded with benefits for the wealthy. In the first year of the deal, the top one percent would pocket just seven percent of the tax cuts – but by the time the cuts were set to expire in 2010, the rich would be reaping more than half of the windfall. What's more, the cuts were nefariously designed so that small-business owners and upper-middle-class professionals – primarily those earning between \$200,000 and \$500,000 a year – would see as much as three-quarters of their tax break eroded by the Alternative Minimum Tax, a levy Congress originally intended to keep rich people from cheating on their taxes.

Every year since the Bush tax cuts were approved, Congress has passed a multibillion "patch" to prevent this politically potent group of professionals from being denied their tax breaks. But at the time, Cheney used the money "saved" by the AMT claw-back to finance another favor exclusively for the rich: a series of cuts to the estate tax culminating in a one-year abolition, set to take effect in 2010. Rejecting a less costly bargain proposed by Democrats that would have provided a permanent escape from estate taxes for all but the richest of the rich, Republicans instead demanded a more expensive plan catering to the wealthiest 0.25 percent of all estates.

In May 2001, Republicans in the House voted in lock step to approve the Bush tax cuts, which cleared the Senate with the support of 45 Republicans and 12 conservative Democrats.

But then reality intervened. The bursting of the dot-com bubble, followed by the attacks of September 11th, tipped the economy headlong into recession. Rather than reversing course, however, Republicans rallied around another tax giveaway for the rich. That October, a bill passed by the House – and endorsed by Bush – not only called for eliminating a law requiring that tax-dodging corporations pay at least something in taxes, it ordered rebate checks to be cut to corporate giants for their past taxes. Under the bill, 16 companies of the Fortune 500 would have each received \$100 million or more – including \$1.4 billion for IBM, \$671 million for GE and \$254 million for Enron. Democrats in the Senate ultimately sank the bill, producing a stimulus package that extended unemployment benefits for the middle class and awarded tax incentives to corporations for new investments.

But Republicans kept their eyes on the prize. The following year, after the GOP regained control of the Senate and expanded its majority in the House, Cheney immediately pushed forward with an even deeper tax cut for the wealthy that O'Neill today describes as "an atrocity."

"We won the midterms," the vice president told O'Neill at the time. "This is our due."

By that point, any economic rationale for cutting taxes had vanished. September 11th, the recession and the 2001 tax cuts had plunged the nation \$158 billion into the red. The mirage of the \$5.6 trillion surplus had vanished – replaced with a forecast that America would rack up some \$3 trillion in debt by 2012. But rather than put the brakes on tax cuts, as a trigger mechanism might have done, Cheney was determined to *accelerate* them, so the rich would get their money even sooner. To further reward the wealthiest, Cheney also wanted to slash taxes on capital gains and corporate dividends, with half of the money going to the top one percent.

To secure the new tax cuts, however, Cheney would first have to overcome opposition not only from Alan Greenspan, but from some of Bush's top advisers. The Fed chair had personally presented Cheney with a 20-page econometric analysis showing that soaring deficits caused by the tax cuts would sink long-term growth. Instead of communicating Greenspan's alarm to Bush, Cheney tasked a deputy named Cesar Conda to draft a memo disputing the study. Conda, a former tax lobbyist, blithely dismissed the projections of the Fed's senior economist as "completely wrong."

In November 2002, at a meeting in the White House, the president and his top economic advisers packed tightly around a mahogany table in the Roosevelt Room. With the administration's own forecasts showing that the economy had already regained its footing, one after another of Bush's deputies sounded the alarm about the dangers of a new tax cut. "This burns a big hole in the budget," deputy chief of staff Josh Bolten told the president. "The budget hole is getting deeper," added Daniels, "and we are projecting deficits all the way to the end of your second term." O'Neill warned the president that a "tax cut that benefits mostly wealthy investors" could imperil the budding prosperity. "With the economy already improving, this could cause an unnecessary boost," he said. "That's how you get a bubble." Entertaining the chorus of doubters, Bush himself voiced qualms about more cuts for the rich. "Won't the top-rate people benefit the most?" he asked. "Didn't we already give them a break at the top?"

But Cheney was having none of it. When O'Neill warned Bush that America was headed for a "fiscal crisis," the vice president, sitting at the Treasury secretary's right elbow, dismissed him midsentence by citing the ultimate champion of Republican tax cuts: "Ronald Reagan proved that deficits don't matter, Paul."

A true student of Reagan would have understood that 2002 was the moment for a tax *increase*. When his 1981 tax cut overshot the mark, Reagan had put aside ideology and raised taxes, putting the needs of the country above the desires of the wealthy. Bush's father had also raised taxes to avoid passing massive deficits on to future generations. Moreover, the Bush administration had already committed the country to a costly war in Afghanistan, and was on the brink of invading Iraq.

Historically, Republican and Democratic administrations alike had met the financial burdens of war by raising taxes. But this was a new Republican Party, one determined to aid the rich even as it sent the military budget soaring. As House Majority Leader Tom DeLay would soon declare, "Nothing is more important in the face of a war than cutting taxes."

After the meeting, Cheney set out to remove anyone who stood in the way of the new tax giveaway. He phoned O'Neill and demanded the Treasury secretary's resignation. He also dispensed with economic adviser Larry Lindsey, whose frank assessment of the possible costs of the Iraq War had threatened to derail the tax cut.

Budget-conscious Republicans in Congress who opposed the tax cuts could not be disposed of – but they could be strong-armed. Voinovich and Sen. Olympia Snowe of Maine, who refused to go along with cuts of more than \$350 billion, were summoned to the White House for a meeting with Bush and Cheney. "The president wanted nearly a trillion dollars when he started with us," recalls Voinovich. "They were working on us: We need more, we need more." The senators held out for a smaller bill – though in hindsight, Voinovich says, there shouldn't have been any tax cuts. "Just think where we'd be if we'd gone along with what the president wanted," he says, laughing bitterly. "Where would we be today? Oh, my God."

In the end, Cheney's voice was the only one that mattered. In April 2003, when the bill reached the floor, the Senate deadlocked 50-50. The vice president cast the deciding "aye" that moved the tax cut into law. The benefits were even more tilted to the rich than the first Bush tax cuts. When fully phased in, 53 percent of the new cuts went to the top one percent. Those making \$10 million or more pocketed an average of \$1 million a year – twice the haul they made from the earlier cuts, and every cent of it borrowed. "It was a deficit-financed tax cut," concedes Hubbard, who chaired Bush's Council of Economic Advisers.

The deal privileged gambling on stocks over working for a living: The tax rate the richest pay on their long-term capital gains was slashed by 25 percent, while their rate on dividends fell by almost 60 percent. The move not only fueled speculation of Wall Street, it further widened the considerable gap between rich and poor. "It was a very destructive combination to have a national economic policy that stimulated debt-financed capital gains and then taxed the windfall at the lowest rate imaginable," says Stockman. "That contributed, clearly, to the growing imbalance in household income and wealth."

But Republicans didn't stop there. The following year, they passed the little-noticed American Jobs Creation Act. Named in the same Orwellian fashion as Bush's "Clear Skies" and "Healthy Forests" initiatives, the 2004 law allowed corporations to bring home billions in profits they had stockpiled in offshore tax havens – the very flight of capital that Bush had blessed by torpedoing tax harmonization three years earlier. Under the tax amnesty, corporations repatriated \$300 billion in profits they had stashed offshore. But instead of paying the nominal corporate tax rate of 35 percent, they were taxed at just 5.25 percent.

The title of the bill notwithstanding, corporations invested almost none of their windfall in new factories or other measures to create the 500,000 jobs that Republicans had promised. In fact, many companies that received the biggest tax break actually *slashed* jobs. Hewlett-Packard laid off 14,500 workers – one pink slip for every \$1 million in profits it shipped back home from overseas. All told, according to an analysis by the National Bureau of Economic Research, up to 92 percent of the "jobs creation" money was handed out to top executives and shareholders in a frenzy of dividend payments and stock buybacks. And thanks to the GOP's cut on investment income the previous year, wealthy individuals who pocketed the offshore profits paid the same rate on their bonanza, 15 percent, that a waitress at a diner might pay on her tips.

When Democrats regained control of both the House and Senate in 2006, they temporarily halted the GOP's binge of borrowing from the Treasury to give tax cuts to the wealthy. But that didn't stop Republicans from finding other ways to aid the rich. As the economy collapsed in 2008, the Bush administration used the crisis to provide a stealth handout to the nation's banks – even those at no risk of failing. Under the TARP bailout, overseen by Treasury secretary and former Goldman Sachs CEO Hank Paulson, taxpayers were forced to give banks \$254 billion for assets worth just \$176 billion – a handout of \$78 billion to the financial sector, including \$2.5 billion for Paulson's cronies at Goldman. "Paulson pushed the money into the hands of the banks – no strings attached, no accountability, no transparency," Elizabeth Warren, then-chair of the Congressional Oversight Panel, told *Rolling Stone* last year.

As with the offshore profits, the banks used the money to line the pockets of executives and investors – while doing little to speed the recovery of Main Street. "We gave an enormous subsidy to these financial institutions, and they have not returned it to the American people," said Warren. "The administration could have said, 'All right, take this and multiply it throughout the economy.' But Paulson never made that a condition of taking the money."

Taken together, the Bush years exposed the bankruptcy behind the theory that tax cuts for the rich will spur economic growth. "Let the rich get richer and everybody will benefit?" says Stiglitz. "That, empirically, is wrong. It's a philosophy of trickle-down economics that's belied by the facts." Bush and Cheney proved once and for all that tax cuts for the wealthy produce only two things: "lower growth and greater inequality."

The GOP's frenzied handouts to the rich during the Bush era coincided with the weakest economic expansion since World War II – and the only one in modern American history in which the wages of working families actually fell and poverty increased. And what little expansion there was under Bush culminated in the worst fiscal crisis since the Great Depression. "The wreckage was left by Dick Cheney, Grover Norquist and the gang," says Chafee. "This was their doing."

By driving the economy into the ditch, Republicans left the next president little choice but to drive up deficits in the short term by launching a massive campaign of federal spending to ward off a global depression. But even the \$787 billion stimulus engineered by President Obama was hamstrung by his predecessor's ongoing giveaway to the wealthy: Republicans insisted that nearly 10 percent of every stimulus dollar be devoted to financing the annual "patch" to the Alternative Minimum Tax – the off-budget legacy of Bush's tax cuts for the rich. This was a \$70 billion handout that inflated the cost of the stimulus package without stimulating anything – other than the paychecks of wealthy Americans.

From the outset of the Obama presidency, in fact, Republicans have engaged in a calculated, across-the-board campaign to protect the tax privileges of the wealthiest Americans. Their objective was made explicit by Rep. Eric Cantor during the height of the stimulus debate: "No Tax Increases to Pay for Spending" declared one bullet point on Cantor's website. "House Republicans are insisting that any stimulus package include a provision precluding any tax increases, now or in the future, to pay for this new spending." Having racked up the largest deficits in American history, Republicans suddenly found it expedient to return to their old-school rhetoric of deficit-bashing. "Under Bush, they had a story about deficits not mattering," says Michael Ettlinger, who directs economic policy at the Center for American Progress. "Then, all of a sudden Obama becomes president, and deficits matter again."

The battle reached a fever pitch over health care reform. To truly understand the depth of the GOP's entrenched opposition to Obamacare, it's crucial to understand how the reform is financed: The single largest source of funds comes from increasing Medicare taxes on the wealthy – including new taxes on investment income. According to the Tax Policy Center, Americans who make more than \$1 million a year will pay an extra \$37,381 in annual taxes under the plan. The top 400 taxpayers would contribute even more: an average of \$11 million each.

Rarely in American history has a tax so effectively targeted the top one percent. "It took Republicans about four months to figure out how much they hated it," says McIntyre, president of Citizens for Tax Justice. Republican rage over the president's health care plan has far less to do with the size of government or the merits of the individual mandate than the blow to the investor class. If Obamacare remains in place and the Bush cuts for the wealthy expire as planned, top earners will be paying a tax of 23.8 percent on capital gains – more than they have at any time since Clinton cut the capital gains tax in 1997. Health care reform, griped *The Wall Street Journal*, was nothing but a "sneaky way" for Democrats to wage a "war on 'the rich.'"

A key element of the GOP's war on the poor was cemented by the surprise election of Scott Brown to replace Ted Kennedy in the Senate in January 2010. As a candidate, Brown had made his high-mileage GMC pickup truck the star of his campaign commercials. "I love this old truck," he said. "It's brought me closer to the people." But Brown's real allegiance was to his wealthy donors: the billionaire Koch brothers, who bankrolled the Tea Party, and the financial interests who made a last-minute investment of more than \$450,000 to propel Brown into office.

As soon as he was sworn in, Brown set about hollowing out the so-called Volcker Rule, which was designed to bar big financial institutions from using their own money to make risky, speculative bets on the market. By agreeing to provide Democrats with the crucial 60th vote on finance reform, Brown secured an exemption from the trading ban for mutual funds and insurers – a move directly benefiting Massachusetts-based financial giants like Fidelity and MassMutual. Brown also insisted that the Wall Street giants who caused the financial collapse – banks like Goldman Sachs and JP Morgan Chase – be allowed to continue using taxpayer-subsidized capital to gamble on hedge funds and private-equity deals. Former Fed chair Paul Volcker was furious: "Allowing a bank to invest in a speculative fund," he said, "goes against the very intent of the bill."

But Brown wasn't done. At the 11th hour, he forced Democrats to spike a tax on big banks and hedge funds that was designed to generate \$19 billion to pay for the costs of financial reform. As a result, consumers and small banks had to pick up the tab. Brown, meanwhile, was richly rewarded for his efforts on behalf of Wall Street: During a three-week period at the height of negotiations, he raked in \$140,000 in campaign cash from big financial firms, including Fidelity and MassMutual, Goldman Sachs and JP Morgan.

When Republicans won back control of the House in last year's midterm elections, they followed Brown's lead and moved swiftly to betray their Tea Party backers by running up more deficits on behalf of the rich. Within days of the election, Republicans not only secured a two-year extension of the Bush tax cuts for the wealthy, they also enabled America's richest scions to inherit millions of dollars without paying a dime in taxes. All told, the GOP's two favors for the party's biggest donors were secured in a lame-duck bargain that adds another \$858 billion to the debt – an amount greater than the original stimulus plan the Republicans opposed so bitterly.

First, the GOP filibustered a Democrat-led effort to extend the Bush tax cuts on only the first \$250,000 of income. The party leadership's hard-line stance – supported by barely a third of all voters – turned \$90 billion over to the wealthiest Americans. It also set a precedent for further extensions that would cost nearly \$1 trillion over the next decade. At the same time, the GOP drove through a deal that actually *raised* taxes for couples who make less than \$40,000 a year – and then turned much of the extra cash over to couples who earn more than \$200,000. Obama agreed to this massive transfer of wealth in order to retain the Bush tax cuts for the middle class – but the only other significant thing he got in return was a one-year extension of jobless benefits for the long-term unemployed.

But even the GOP's big payday for the wealthy pales in comparison to the handout that Republicans secured by gutting the estate tax. With the expiration of the Bush tax cuts, the inheritance tax was set to snap back to its Clinton-era standard: exempting the first \$1 million of all estates from taxation, and stepping up the tax rate on the wealthiest estates to 55 percent. Instead, Obama agreed to raise the exemption to \$5 million and lower the top tax rate to 35 percent – an apparent horse trade demanded by the Senate's second-ranking Republican, Jon Kyl of Arizona, who then allowed the president's nuclear-stockpile treaty with Russia to move forward in the Senate.

Shockingly, the deal actually sweetened the bargain the super-rich had received in 2009, enabling the heirs to the richest 0.25 percent of estates to pocket an extra \$23 billion they would have otherwise owed in taxes under Bush. In fact, under the terms Kyl demanded, the federal government will spend more to eliminate or cut taxes for 100,000 rich people than it will to extend unemployment benefits for 7 *million* Americans.

In a little-noticed detail, the two-year deal also created a loophole that allows the wealthiest couples to pass on \$10 million to a child today – while they're still living – without paying a penny of tax. That means the rich can offload their wealth to their children before it increases in value – evading higher estate taxes in the future. "In the next two years," one tax attorney crowed to *The Wall Street Journal*, "wealthy people have an unprecedented opportunity to push a lot of the value of their assets out of the estate-tax system." According to tax historians, the new rules create the most generous tax environment for wealth transfers for the super-rich since 1931.

And that was just the beginning of the budget-busting handouts the GOP demanded for the rich. In April, Republicans in the House passed a budget that would have slashed income taxes on corporations and the wealthiest Americans to just 25 percent – a \$3 trillion giveaway that would have been financed by doubling out-of-pocket expenses for future retirees on Medicare. Top Republicans like Cantor have also pushed for a replay of the American Jobs Creation Act – endorsing a new tax amnesty that would allow corporate giants like Apple and Pfizer to bring home \$1.4 trillion in offshore profits that would be taxed at just 5.25 percent – a favor for the wealthy that would generate another \$79 billion in deficits. "At the same time they're talking about these big deficit problems, running around saying, 'We're broke,' they're contemplating one of the most egregious tax giveaways in recent memory," says Greenstein of the Center on Budget and Policy Priorities. "The potential windfall gains are beyond enormous – and the lion's share would go to shareholders of these big corporations and their executives."

Never mind that the previous tax amnesty in 2004 created virtually no new jobs, as corporate executives eagerly pocketed the windfall for themselves: Republicans are once again claiming that the tax amnesty will enable corporations to spend their repatriated wealth putting Americans back to work. Mitt Romney, the GOP presidential front-runner, promises that the flood of corporate cash will generate "hundreds of thousands if not millions – of

good, permanent, private-sector jobs." That flies in the face of basic economics, given that corporate America is already sitting on hundreds of billions in domestic cash reserves. What the tax amnesty would do, however, is boost stock prices. According to an analysis by JP Morgan, as much as two-thirds of the \$1.4 trillion that would be brought back into the country would go to stock "buybacks and dividends" rather than "new factories, new jobs and new equipment," as Romney claims.

JP Morgan has a big stake in the debate – as do fellow bank-bailout beneficiaries Citigroup, Bank of America and Goldman Sachs. Combined, the four financial giants have \$87 billion in untaxed profits stockpiled offshore. That's similar to the combined offshore profits of drug giants Pfizer and Merck at \$89 billion. Tech giants Cisco and Microsoft have more than \$61 billion they'd like to bring home, while Big Oil companies Exxon and Chevron have \$56 billion. The company with the most to gain, by far – with offshored reserves of \$94 billion – is corporate America's most notorious tax scofflaw, GE.

Romney's rival for the GOP nomination, Rick Perry, has also endorsed the tax amnesty for giant corporations. But for Perry, the proposal doesn't go far enough on behalf of the rich. "Why not talk about how you are going to repatriate those dollars at a substantially lower rate than 35 percent?" Perry said recently, stumping in New Hampshire. "Like *zero*."

In September, Perry went even further, proposing a flat tax that would take a sharp bite out of the paychecks of the poorest Americans – while slashing taxes by more than 40 percent for the wealthiest. When confronted by a reporter over the fact that his plan would give millions to the rich, Perry replied: "I don't care about that." His plan is almost as regressive as Herman Cain's original 9-9-9 plan, which called for *increasing* taxes on 84 percent of Americans – squeezing \$4,400 a year out of every middle-class couple to finance a \$455,000 tax cut for millionaires. What's more, both Perry and Cain want to abolish the estate tax entirely and eliminate all taxes on capital gains. A similar plan by Michele Bachmann would enable 23,000 millionaires to pay no taxes at all – while allowing the top 400 earners to pocket nearly two-thirds of their income tax-free, and then pass those riches on to their heirs without paying a penny. "It's madness," says Stiglitz. "And it is dangerous to the fiscal order. The wealthy know very well how to convert normal income to capital gains income."

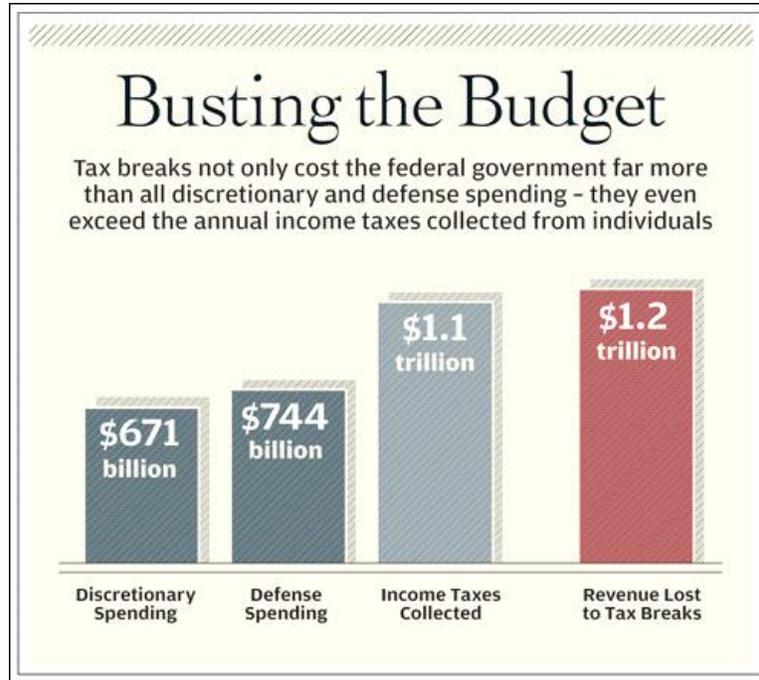
The Republican mania for rewarding the rich with tax cuts has become so warped that the normal rules of budgeting no longer seem to apply. Arguing for an extension of the Bush tax cuts, Sen. Kyl spelled out what could well serve as the Party of the Rich's credo: "You should never have to offset the cost of a deliberate decision to reduce tax rates on Americans." The same rule, of course, doesn't apply to spending for those in need: At the time he called for more borrowing on behalf of the rich, Kyl was also fighting to deny unemployment benefits to 5 million Americans. "Continuing to pay people unemployment compensation," he scoffed, "is a disincentive for them to seek new work."

In retrospect, the true victor of the midterm elections last year was not the Tea Party, or even Speaker of the House John Boehner. It was Grover Norquist.

"What has happened over the last two years is that Grover now has soldiers in the field," says Bartlett, the architect of the Reagan tax cuts. "These Tea Party people, in effect, take their orders from him." Indeed, a record 98 percent of House Republicans have now signed Norquist's anti-tax pledge – which includes a second, little-known provision that played a key role in the debt-ceiling debacle. In addition to vowing not to raise taxes, politicians who sign the pledge promise to use any revenue generated by ending a tax subsidy to immediately finance – that's right – more tax cuts.

Norquist insists the measure is necessary to force Congress to rein in spending. "I'm not focused on the deficit," he says. "The metric that matters is keeping spending down." But in the real world, the effect of Norquist's oath is to prevent the government from cutting the deficit by ending tax breaks to the rich. All told, tax breaks cost the government \$1.2 trillion each year – far more than defense spending (\$744 billion), Medicare and Medicaid (\$719 billion) or Social Security (\$701 billion). And most of the breaks – think of them as government subsidies delivered through the tax code – go to the wealthy. The richest one percent of Americans receive a 13.5 percent boost in their incomes from such subsidies – almost double the benefit the bottom 80 percent receives. Under Norquist's pledge, lawmakers are forbidden from ending any kind of tax break – mortgage deductions for luxury vacation homes, subsidies for giant oil companies, lower tax rates for private-equity millionaires – without using the money

to pay for another tax cut. "If you can't get rid of tax expenditures – if old Grover is going to call that a 'tax increase' – it's not just ludicrous, it's deception," says Simpson, the former GOP senator.



Ludicrous or not, Norquist's intransigence on tax expenditures killed the "grand bargain" that President Obama proposed during the debt-ceiling standoff. In return for \$1 trillion in cuts to social spending and national security, plus another \$650 billion in reductions to entitlements like Medicare, Obama asked Republicans to get rid of \$1.2 trillion in wasteful tax subsidies. "Democrats weren't talking about raising taxes – they were talking about eliminating tax expenditures, for God's sakes!" says Voinovich. "Many of them should have been eliminated a long time ago." But with so many Republicans committed to Norquist's anti-revenue pledge, Boehner was forced to walk away from the deal.

"Grover's got 'em terrified," says Simpson. "I always tell Republicans, 'Hell, Grover can't kill ya. He can't burn down your house. The only thing he can do to you is defeat you in re-election – and if re-election means more to you than your country, then you shouldn't be in the legislature.'"

The battle over the debt ceiling underscores the GOP's rapid evolution into the Party of the Rich. The budget savings projected from the compromise that Republicans wound up agreeing to – \$2.1 trillion – won't even begin to pay for costs incurred by the Bush tax cuts. In their first decade alone, the cuts wound up depriving the Treasury of \$2.5 trillion – with 38 percent of the money now going to the richest one percent of Americans. For all their talk of cutting the deficit in recent years, Republicans have spent far more of the public's money to subsidize the wealthy.

Indeed, since Republicans began their tax-cut binge in 1997, they have succeeded in making the rich much richer. While the average income for the bottom 90 percent of taxpayers has remained basically flat over the past 15 years, those in the top 0.01 percent have seen their incomes more than *double*, to \$36 million a year. Translated into wages, that means most Americans have received a raise of \$1.50 an hour since the GOP began cutting taxes during the Gingrich era. The most elite sliver of American society, meanwhile, saw their pay soar by \$10,000 an hour.

America became a great nation with a prosperous middle class on the strength of a progressive tax code – one that demands the most of those who benefit most from our society. But the Party of the Rich has succeeded in breaking the back of that ideal. Today, says Johnston, "the tax system ceases to be progressive when you get to the very top of the wealthiest one percent." Above that marker, the richer you get, the lower your relative tax burden. "We have moved toward a plutocracy," Warren Buffett warned in a recent interview. "As people have gotten richer and richer, they have been favored by taxation – and have gotten richer to a greater degree."

Far from creating the trickle-down economics promised by Reagan, the policies pursued by the modern Republican Party are *gusher up*. Under the leadership of Majority Leader Eric Cantor, the House's radicalized GOP caucus is pushing a predatory agenda for a new gilded age. Every move that Republicans make – whether it's to gut consumer protections, roll back environmental regulations, subsidize giant agribusinesses, abolish health care reform or just drill, baby, drill – is consistent with a single overarching agenda: to enrich the nation's wealthiest individuals and corporations, even if it requires borrowing from China, weakening national security, dismantling Medicare and taxing the middle class. With the nation still mired in the worst financial crisis since the 1930s, Republicans have categorically rejected the one financial policy with a proven record of putting the country back on a more prosperous footing. "You hear the Republicans say that you don't dare raise taxes in a weak economy," says Stockman. "Ronald Reagan did – three times." Not even the downgrading of America's debt – which placed the world's only superpower on credit par with New Zealand and Belgium – has given GOP leaders cause to reconsider their pro-wealth jihad. In August, as the so-called Supercommittee began its work to complete the debt-ceiling deal by reducing future deficits by another \$1.5 trillion, Cantor issued the Party of the Rich's marching orders, insisting that Republicans not buckle under the "tremendous pressure" to hike taxes and instead target spending cuts in "mandatory programs."

<h2 style="text-align: center;">How the Debt Deal Protects the Rich</h2> <p style="text-align: center;">As Congress looks for \$1.5 trillion in budget cuts, Republicans are insisting that none of the savings come from closing tax loopholes</p>	
<b>ON THE CHOPPING BLOCK</b> <small>Total spending in areas targeted for cuts</small>	<b>EXEMPTED FROM CUTS</b> <small>Tax breaks and subsidies for the rich</small>
<b>\$650 BILLION</b> Special ed, student aid, assistance to poor schools	<b>\$690 BILLION</b> Bush tax cuts for the wealthiest two percent
<b>\$310 BILLION</b> National Institutes of Health	<b>\$321 BILLION</b> Itemized deductions for top-bracket taxpayers
<b>\$100 BILLION</b> Centers for Disease Control and FDA	<b>\$129 BILLION</b> Subsidies for foreign profits
<b>\$98 BILLION</b> Head Start and child-care programs	<b>\$97.5 BILLION</b> Subsidies for business inventories
<b>\$47 BILLION</b> Energy grants to help poor families afford heat	<b>\$44 BILLION</b> Subsidies for oil and gas companies
<b>\$20 BILLION</b> Job training for the unemployed	<b>\$21.4 BILLION</b> Carried-interest loophole for hedge-fund managers
<b>\$11 BILLION</b> After-school tutoring programs	<b>\$10 BILLION</b> Tax break on loans for vacation homes & yachts
Source: Center for American Progress	

The composition of the committee offers little hope that Congress will hold the rich accountable for their share of the deficit burden. While Democrats appointed deal-oriented centrists like Sen. Max Baucus to the committee, Republicans stocked it with anti-revenue hard-liners, including Sens. Jon Kyl and Pat Toomey, who used to run the Club for Growth – an ally of Norquist's Americans for Tax Reform. "Your wallet is safe," Norquist tweeted after the Republican roster was announced.

In an interview with *Rolling Stone*, Norquist expresses pride that the GOP has been so thoroughly transformed since the days of Reagan. "It's a different Republican Party now," he says. Norquist even goes so far as to liken the kind of Republicans common in Reagan's day – those willing to raise taxes to strengthen the economy – to segregationists. The "modern Republican Party," he says, would no sooner recognize a revenue-raiser than the "modern Democratic Party would recognize George Wallace."

Norquist expresses no discomfort at the moral impact of his project – providing tax favors for the wealthy that are paid for by cutting services to those who truly need them. "I understand greed and envy," Norquist says. "The idea that somebody's making money and you want to steal some of it? That's an interesting idea. But it's not morality. It's certainly not justice."

Such extremist rhetoric – equating taxation with theft – is exactly the kind of talk that dismays old-line Republicans. Many of those who fought for years at the side of Ronald Reagan say they no longer recognize traditional GOP values in the new Republican Party. Fighting for the rich, after all, is not the same as championing the right.

"You can look up my record: On conservatism and taxes I was better than Jesse Helms," says Simpson, the former senator. "But whatever happened to common sense? People are going to look around in five or 10 years and say, 'Whatever happened to the things that made me comfortable? That made our streets and schools good things?' And they'll look, hopefully, at Grover Norquist. I can say to you with deepest sincerity: If this country and this legislature are in thrall to Grover Norquist, we haven't got a prayer."

20111128-19

15:26

SteveG

"Woman Gets Jail for Food-Stamp Fraud; Wall Street Fraudsters Get Bailouts"

"Woman Gets Jail for Food-Stamp Fraud; Wall Street Fraudsters Get Bailouts" by Matt Taibbi, *Rolling Stone*

Nov. 17, 2011, (<http://www.rollingstone.com/politics/blogs/taibblog/woman-gets-jail-for-food-stamp-fraud-wall-street-fraudsters-get-bailouts-20111117#ixzz1f1uLecYI>)

Had a quick piece of news I wanted to call attention to, in light of the recent developments at Zuccotti Park. For all of those who say the protesters have it wrong, and don't really have a cause worth causing public unrest over, consider this story, sent to me by a friend on the Hill.

Last week, a federal judge in Mississippi sentenced a mother of two named Anita McLemore to three years in federal *prison* for lying on a government application in order to obtain food stamps.

Apparently in this country you become ineligible to eat if you have a record of criminal drug offenses. States have the option of opting out of that federal ban, but Mississippi is not one of those states. Since McLemore had four drug convictions in her past, she was ineligible to receive food stamps, so she lied about her past in order to feed her two children.

The total "cost" of her fraud was \$4,367. She has paid the money back. But paying the money back was not enough for federal Judge Henry Wingate.

Wingate had the option of sentencing McLemore according to federal guidelines, which would have left her with a term of two months to eight months, followed by probation. Not good enough! Wingate was so outraged by McLemore's fraud that he decided to serve her up the deluxe vacation, using another federal statute that permitted him to give her up to five years.

He ultimately gave her three years, saying, "The defendant's criminal record is simply abominable .... She has been the beneficiary of government generosity in state court."

Compare this court decision to the fraud settlements on Wall Street. Like McLemore, fraud defendants like Citigroup, Goldman Sachs, and Deutsche Bank have "been the beneficiary of government generosity." Goldman got \$12.9 billion just through the AIG bailout. Citigroup got \$45 billion, plus hundreds of billions in government guarantees.

All of these companies have been repeatedly dragged into court for fraud, and not one individual defendant has ever been forced to give back anything like a significant portion of his ill-gotten gains. The closest we've come is in a fraud case involving Citi, in which a pair of executives, Gary Crittenden and Arthur Tildesley, were fined the token amounts of \$100,000 and \$80,000, respectively, for lying to shareholders about the extent of Citi's debt.

Neither man was forced to admit to intentional fraud. Both got to keep their jobs.

Anita McLemore, meanwhile, lied to feed her children, gave back every penny of her "fraud" when she got caught, and is now going to do *three years in prison*. Explain that, Eric Holder!

Here's another thing that boggles my mind: You get busted for drugs in this country, and it turns out you can make yourself ineligible to receive food stamps.

But you can be a serial fraud offender like Citigroup, which has repeatedly been dragged into court for the same offenses and has repeatedly ignored court injunctions to abstain from fraud, and this does not make you ineligible to receive \$45 billion in bailouts and other forms of federal assistance.

This is the reason why all of these settlements allowing banks to walk away without "admissions of wrongdoing" are particularly insidious. A normal person, once he gets a felony conviction, immediately begins to lose his rights as a citizen.

But white-collar criminals of the type we've seen in recent years on Wall Street – both the individuals and the corporate "citizens" – do not suffer these ramifications. They commit crimes without real consequence, allowing them to retain access to the full smorgasbord of subsidies and financial welfare programs that, let's face it, are the source of most of their profits.

Why, I wonder, does a bank that has committed fraud multiple times get to retain access to the Federal Reserve discount window? Why should Citigroup and Goldman Sachs get to keep their status as Primary Dealers of U.S. government debt? Are there not enough banks without extensive histories of fraud and malfeasance that can be awarded these de facto subsidies?

<a href="#">20111128-23</a>	18:28	SteveG	Alan Grayson
-----------------------------	-------	--------	--------------

Around 6:35 pm tonight, Grayson will be on MSNBC. On PoliticsNation, Rev. Al Sharpton and Grayson will discuss a very pertinent topic: why does Wall Street get trillions of dollars in bailouts from the federal government, but there is no money for the middle class?

In case you haven't seen it yet, Grayson's five-minute examination of the Federal Reserve's Inspector General is the most-watched Congressional hearing video in history: (<http://www.youtube.com/watch?v=cJqM2tFOxLQ>)

<a href="#">20111128-26</a>	19:40	SteveG	"Feds Deny Indiana's Request to Adjust New Insurance Rules"
-----------------------------	-------	--------	---

How much is really needed for profit, marketing, and administrative costs???? Evidently 20% isn't enough.

"Feds Deny Indiana's Request to Adjust New Insurance Rules" by Maureen Groppe, *Indianapolis Star*

Nov. 28, 2011, (<http://www.indystar.com/article/20111128/NEWS/11128016/Feds-deny-Indiana-s-request-adjust-new-insurance-rules?odyssey=tab|topnews|text|IndyStar.com>)

(WASHINGTON) The federal government has denied Indiana's request to waive new rules for the state's insurance providers, meaning their customers will get rebates if the company fails to comply.

Hoosiers who buy health insurance on their own may receive rebates starting next year after the federal government refused to waive a requirement under the new health reform law that insurance companies use at least 80 percent of premiums on medical care. No more than 20 percent can be spent on profits, marketing and other administrative costs.

[Continue reading at \*Indianapolis Star\*...](#)

<a href="#">20111128-27</a>	20:16	Pam	Re: "Feds Deny Indiana's Request to Adjust New Insurance Rules" (reply to SteveG, above)
-----------------------------	-------	-----	--

Single payer. Universal coverage. 'Nough said.

<a href="#">20111128-28</a>	23:45	SteveG	"The Girl Who Dared to Tweet About Gov. Brownback"
-----------------------------	-------	--------	--

"The Girl Who Dared to Tweet About Gov. Brownback" by Dean Obeidallah, CNN

Nov. 28, 2011, ([http://articles.cnn.com/2011-11-28/opinion/opinion\\_obeidallah-brownback-tweet-apology\\_1\\_governor-brownback-sam-brownback-tweet?\\_s=PM:OPINION](http://articles.cnn.com/2011-11-28/opinion/opinion_obeidallah-brownback-tweet-apology_1_governor-brownback-sam-brownback-tweet?_s=PM:OPINION))

(Editor's note: Dean Obeidallah (<http://deanofcomedy.com>) is a comedian who has appeared on Comedy Central's "Axis of Evil" special, ABC's "The View," CNN's "What the Week" and HLN's "The Joy Behar Show." He is executive producer of the annual New York Arab-American Comedy Festival and the Amman Stand Up Comedy Festival.)

There is a new scandal breaking involving an elected official, a young woman and Twitter. And, nope, it's not what you think.

This one involves 18-year-old Kansas high school senior Emma Sullivan, who was on a school trip last week to the Kansas state Capitol as part of the Youth in Government program. On her way back from the event, she jokingly tweeted to her then-65 followers on Twitter the following about Kansas Gov. Sam Brownback: "Just made mean comments at Gov. Brownback and told him he sucked, in person #heblowsalot."

When you tweet to 65 people on Twitter, it usually just ends there, quickly evaporating into the cybersphere — tweets are truly the epitome of ephemeral.

That is unless you happen to tweet about the governor of Kansas. In a move that would have undoubtedly impressed Richard Nixon, the Kansas governor's director of communication, Sherriene Jones-Sontag, is charged with the daily monitoring of any negative comments about Brownback on social-media websites.

Jones-Sontag, finding this 73-character tweet by a high school student a threat to the good name of the governor, bolted into action. She contacted the Youth in Government organizers and expressed her outrage over the tweet.

In turn, the event administrators, no doubt concerned that the governor's director of communication had taken the time to contact them, informed Sullivan's high school principal.

Sullivan soon found herself in her principal's office being scolded for nearly an hour. Bottom line: The principal has mandated the student write a letter of apology to the governor that is due Monday.

Sullivan, who says she was making a political comment on Brownback's conservative policies that she disagrees with, announced her refusal to apologize for criticizing the governor.

To me, there are a few issues that quickly jump out:

- Who else has the governor confronted for making negative remarks about him? Recent polls indicate that Brownback has a 52% disapproval rating — with a majority of Kansas residents unhappy with his work. Responding to these type of tweets could become a full-time job.
- Is the governor spending taxpayer dollars to monitor his critics on social media?
- Which websites does his office monitor? Obviously Twitter, but what about Facebook and Foursquare? What about MySpace or Friendster? You never know — someone stuck in 2007 could still be using those websites and making disparaging remarks about Brownback.
- Why is it that a conservative such as Brownback — who generally opposes government regulations — wants to regulate free speech? Is there an exception to his philosophy of less government when it is a regulation he likes?
- Can Brownback demand an apology from me because I tweeted this: "Rep Governor Brownback of Kansas demands that teen apologize for tweeting he sucks. #Brownbacksucks"— and because I'm one of the people who boosted Sullivan's Twitter follower count to more than 7,000 since this story broke?
- But the biggest question to me: Does the First Amendment apply in Kansas?

The message of Brownback's office and of the high school principal is alarmingly clear: If you criticize the governor, you could suffer consequences. That is something you hear about in a Third World nation that does not guarantee freedom of speech, not the United States of America.

We need to be especially vigilant in protecting freedom of speech when it involves commenting on the actions of our elected officials. That is one of the cornerstones of our democracy. Having to apologize to an elected official for criticizing him or her, however, undermines our nation by creating a chilling effect on free speech.

Brownback did announce this afternoon: "My staff over-reacted to this tweet, and for that I apologize."

He should be applauded for that. It sends an unequivocal message that criticism of our elected officials must not be limited in any way, and in fact, should be encouraged — especially by the younger generation of Americans learning about our government.

However, it is still troubling that state funds are used to monitor social media websites to determine if anyone is mocking the governor. It has an eerie Big Brother feel, not to mention that it's a waste of tax payer dollars.

Brownback should end that practice today, making his focus solely the issues facing all the residents of Kansas — not whether he's popular on Facebook and Twitter.

---

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

You can subscribe to this free, no-obligation, daily Newsletter filled with lively, intelligent discussion centered on politics and government, but ranging to anything members feel is important, interesting, or entertaining. To subscribe, use the form on our website or blog, or simply reply to this email with "Yes" or "Start" in the Subject line,

then add our email address (below) to your Contacts or Safe list. To opt-out, reply with "No" or "Stop" in the subject line.

Welcome to all our new members who may be here for the first time. We want to hear from YOU! To submit your comment, you can use the form on our website or blog, or reply to this email with your two cents worth. Be sure to sign with your desired user name.

Your email address will always be kept strictly confidential.

Feel free to forward this Newsletter to anyone you know on the Right or the Left, though your motives might be different in each case. Regardless, PASS IT ON! Help keep your friends and acquaintances informed and thinking.

<http://www.FriendsOfTheMiddle.org>

[FriendsOfTheMiddle@hotmail.com](mailto:FriendsOfTheMiddle@hotmail.com)

original material ©2012 Steven W. Baker, all rights reserved