



FRIENDS OF THE MIDDLE NEWSLETTER #96 — MAR. 16, 2012

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The Betrayal at Goldman Sachs

(posted by Steven W. Baker / SteveB, May 16, 2012)

We know now that deregulation of the banking, financial, and insurance industries was harmful to America. But re-regulation doesn't seem to be going very well. America's enemies are rich and powerful. Goldman Sachs is merely one example of how greed infects our institutions. Something must be done to ensure long-term goals are made as important as short-term bonuses. And who else can solve this problem except the government? You don't really believe the Fairy Tale, do you? That big money can regulate itself? LOL!

"The Truth About Goldman Sachs" by Wallace Turbeville, *The American Prospect*

Mar. 15, 2012, (<http://prospect.org/article/truth-about-goldman-sachs>)

(Wallace Turbeville is a former vice president of Goldman Sachs and a fellow at Dēmos.)

(The investment firm headed south as soon as it started prioritizing short-term gain over its long-term interests.)

Former Goldman Sachs employee Greg Smith wrote an op-ed in yesterday's *New York Times* that simmers with pathos. Smith describes the devolution of the culture at Goldman: Whereas in the past, the company worked in the interests of its clients, they are now seen merely as the source of transactional profit, to be manipulated for the benefit of the firm. His story emerges in the midst of a huge effort by Wall Street to eviscerate and delay the implementation of the Volcker Rule, which limits bank traders to running a client-service businesses by prohibiting trading for the bank's own account.

Having spent 12 years at Goldman prior to 1997, I sympathize with Smith's feelings of loss and betrayal. I left just at the beginning of the institution's evolution into its current form and have observed the process with despair—not only for the organization but for the loss suffered by the nation. Some context might provide greater meaning to Mr. Smith's story.

At its best, Wall Street serves an important function. Historically, it provided the wherewithal for growth in industries as varied as rail and information technology; by bankrolling productive growth of industries that provided jobs and products to sell around the world, it vastly increased the well-being of all Americans. In times of crisis, bankers worked to preserve economic stability. Sometimes, they were genuine altruists, accepting the moral responsibilities that go along with their positions of wealth and power. More often, they were simply pursuing their own self-interest. Was J.P. Morgan a robber baron or the man who almost single-handedly saved the economy in the panic of 1907? The answer is both. But altruistic or not, bankers understood their enormous stake in the long-

term vitality of the economy. Preserving the health of the economy was good for business this year and for decades to come. That was the contract between Main Street and Wall Street.

When I arrived at Goldman Sachs, John Weinberg headed the firm. It was a partnership of professionals then, not a publicly traded corporation, and the partners' wealth was largely invested in the firm. I saw Weinberg, a Marine veteran of the Pacific campaigns, many mornings on the elevator with a muffin perched on a Styrofoam coffee cup, his briefcase in his other hand. He had just arrived at 85 Broad Street in his Ford (Ford was a longtime personal client). His appearance was closer to the guy behind the counter at the deli than the titan of Wall Street that he was. When he spoke, he was incisive and wise. His motto for Goldman Sachs (coined by his predecessor Gus Levy) was, "Be long-term greedy, not short-term greedy."

He believed these words. The firm promulgated "Our Business Principles," and the bankers bought into it. We included these in every presentation and were convinced that clients and potential clients would be persuaded of the firm's trustworthiness given its fine principles. Like the Marines of Weinberg's youth, we were convinced that we were the best of the best. But, wisely, the company's culture was structured to tamp down arrogance and hubris. Peer reviews became a ritual in which working with a team and serving clients well were key metrics of success. The firm installed co-heads of many groups, demanding that the two cooperate. (Younger bankers predictably referred to them as "cone heads.") The practice included the heads of the firm. Weinberg, in fact, initially served as co-head with John Whitehead, who retired just after I arrived.

Goldman Sachs was almost a cult. I worshipped it and was by no means unique. We all wanted to make a profit, and, inevitably, the ever-present temptation of greed led to a fair number of scandals and investigations. But principle was generally the trump card. Weinberg forbade participation in hostile takeovers, an immensely lucrative business. When the market crashed in 1987, he refused to take advantage of an "out" in an underwriting for the government of Great Britain, knowing that it cost the partners \$100 million, and his loss was by far the largest. He blocked every suggestion to take the firm public. It was impossible to know whether his motives were based on principle or on the knowledge that the accumulated goodwill would return profits beyond imagination. For Weinberg, they were inseparable.

The parade of Goldman leadership after Weinberg's departure in 1990 is truly remarkable: Bob Rubin and Steve Friedman, as co-heads; Jon Corzine; Hank Paulson; and Lloyd Blankfein. As the leadership evolved from the greatest generation to the baby boomers, the underpinnings of the culture decayed. "Our Business Principles" were always featured in the annual report and handed out to new recruits. But everyone could see that the firm's view of its clients was changing. They became a source of transactions, the success of which was measured by the payday, not the enhancement of a long-term relationship. Professional retreats became dominated by speeches about how Goldman had to change to survive. For some of us, the time to move on had arrived, and it was a deeply emotional process.

Trading was always part of Goldman (and all of Wall Street), the counterpoint to investment banking. Investment bankers advise clients on capital raising and mergers and acquisitions. These activities are collaborative and essentially serve the client's interest. As a result, long-term relationships and service to the client are essential to success in investment banking. In contrast, traders each have a book of long and short positions. Trader successes and failures are far more individual and immediate. The goal is not to help a client but to strike a favorable deal with a counterparty. Through the years, there were legendary struggles between bankers and traders for leadership of Wall Street firms. For the most part, however, the bankers ran the firms.

The world shifted. Trading exploded, largely fueled by information technology. It seemed that every number on earth could be divided by every other number, all in real time. Everything could be priced, and, once priced, could be traded. Markets were deregulated and carved into pieces, each representing a trading opportunity. The Wall Street firms, and Goldman in particular, with their enormous capital resources, could dominate more and more of the price points in the American economy, extracting value from the producers and consumers. Software programs could be written to access electronic trading platforms so that the enormous force of the trading houses could be brought to bear without the inefficiency of human intervention. It seemed that a business model relying on dispassionate exploitation of immediate opportunity had been perfected.

The golden rule kicked in—"He who has the gold makes the rules." The predominance of trading profits reversed the balance of influence in favor of the traders. Clients were no longer just clients; instead, they were counterparties to be dealt with at arm's length. In the end, the traders achieved Nirvana—using asset pools, they were able to synthesize their own clients as sources of securities to trade. The business of trading, focused on short-term profits, became dominant at Goldman Sachs, and every firm on Wall Street tried to emulate it.

Lloyd Blankfein's rise at Goldman Sachs parallels this process. He started as a metals trader at J. Aaron, which was acquired by Goldman during the Weinberg years. A brilliant trader, he completed the conversion of Goldman Sachs that is described by Greg Smith. In a dramatic Senate hearing just before the Dodd-Frank Act was passed, Blankfein was questioned relentlessly by Senator Carl Levin about the conflicts of interest in the Goldman business model. He seemed genuinely perplexed that his responses weren't persuasive. It is probably true that he believes his people did the right thing. After all, he is a trader, not a banker. He is constitutionally committed to the transaction.

Traders, like Blankfein, have a code of ethics. They always stand by their word when a deal is struck. It is just that they are unconcerned about long-term relationships. What troubles Greg Smith is the disingenuous lip service to Goldman's commitment to clients. It is too bad that he had to learn the truth so harshly.

The American economy has lost something in all of this. Wall Street's capital-markets business serves us best when it is aligned with the long-term growth of the economy. We need more Weinbergs (and maybe even more J.P. Morgans) and fewer trade bots.

This Wall Street metamorphosis was a response to the new environment and will persist until outside forces intervene. Recalling the value of Wall Street's historic interest in long-term economic growth is not just an exercise in nostalgia for a lost era. Advanced trading practices constitute a relentlessly efficient means to deploy capital in great quantity instantaneously. If the premises behind trading strategies are flawed, however, the consequences are magnified. It is relatively easy to hire quantitative geniuses to construct algorithms and measure conditions with great precision. The decision of what to measure and the prudent use of the results is another matter. Short-term mentality is a problem. When things go wrong, and they will, this mentality assures that the damage is immediate and devastating.

The only rational choice for the economy as a whole is to curb trading practices and to align the interests of Wall Street and the public. Bankers would be wise to see that this realignment is ultimately in their interest, even if it adversely impacts immediate profits. They may be able to deploy sufficient lobbying resources to blunt and delay the financial reform effort. But a viable contract with the American people in which they support the long-term health of the economy is the only way to preserve their business for decades to come.

A word of advice: Be long-term greedy, not short-term greedy.

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[20120315-01](#) 07:06 MarthaH "In Reactions to Two Incidents, a U.S.-Afghan Disconnect"

Afghanistan is not the U.S....

Quite a piece.

["In Reactions to Two Incidents, a U.S.-Afghan Disconnect"](#) by Rod Norland, *New York Times*

Mar. 14, 2012 (<http://www.nytimes.com/2012/03/15/world/asia/disconnect-clear-in-us-bafflement-over-2-afghan-responses.html? r=1>)

(KABUL, Afghanistan) The mullah was astounded and a little angered to be asked why the accidental burning of Korans last month could provoke violence nationwide, while an intentional mass murder that included nine children last Sunday did not.

"How can you compare the dishonoring of the Holy Koran with the martyrdom of innocent civilians?" said an incredulous Mullah Khaliq Dad, a member of the council of religious leaders who investigated the Koran burnings. "The whole goal of our life is religion."

That many Americans are just as surprised that what appears to be the massacre of 16 people at the hands of an American soldier has not led to mass protests or revenge killings speaks volumes about a fundamental disconnect with their Afghan partners, one that has undermined a longstanding objective to win the hearts and minds of the population. After more than 10 years, many deaths and billions of dollars invested, Americans still fail to grasp the Afghans' basic values. Faith is paramount and a death can be compensated with blood money.

"To Muslims, and especially to Afghans, religion is much higher a concern than civilian or human casualties," said Hafez Abdul Qayoom, a member of Afghanistan's highest clerical body, the Ulema Council. "When something happens to their religion, they are much more sensitive and have much stronger reaction to it."

The attack by a still unidentified United States Army soldier near his base in the Panjwai district, in southern Kandahar Province, has certainly infuriated Afghans and added to already strained relations. But the anger has been more polemical than violent — at least so far.

"We have to hold our breath here — people are jumping too fast on this idea that Afghans don't care about 16 people being killed, compared to, say, the Koran-burning episode," said Haseeb Humayoon, a social scientist here who has studied the phenomenon of mass protests.

There have been delayed reactions to past foreign offenses, like when a Florida evangelist deliberately destroyed a Koran last year. And Friday Prayers, which often touch off mass protests, have yet to take place this week. Still, the contrast with the reaction to the Feb. 20 Koran burnings is striking. Within a day of the burnings, violent protests outside NATO bases broke out, and apologies from top officials did little to stem two weeks of violence that took at least 29 lives.

In the case of the massacre in Kandahar, prompt apologies and condemnations from not only Gen. John R. Allen, the commander of the international force, but also President Obama — along with quick action by local leaders — seemed to head off violence and contain the blowback.

In Kandahar, villagers at first wanted to take the bodies of their victims into the city, but elders persuaded them that displaying them to crowds would lead to mass violence, and they desisted. Instead, they expressed their anguish to top officials who rushed there from Kabul, and in phone calls with President Hamid Karzai. In Jalalabad, university students organized a demonstration, burning Mr. Obama and a Christian cross in effigy, but despite strident demands that the Americans leave, the protest remained peaceful and disbanded without incident.

Partly, many observers say, the Americans have had a lot of practice at apologizing for carnage, accidental and otherwise, and have gotten better at doing it quickly and convincingly.

"The statement coming from President Obama, saying the killing of Afghan children felt the same as if they were American children, was reported widely by the local press," Mr. Humayoon said. "Previously you would have a bland apology."

The Ulema Council, which is heavily influenced by the presidential palace, had immediately issued a passionate denunciation, saying of the Americans, "The human rights violators of the 21st century once more committed a wild, inhuman and shameful act and relentlessly martyred innocent children, women and men." But Mullah Qayoom said the quick reaction and prompt apology helped tamp down fury.

Afghan officials helped, too, by quickly paying compensation to the victims' relatives, who are very poor and are part of a culture where "blood money" is regularly paid for even accidental deaths. A high-level delegation brought the money on Tuesday to the village in Panjwai where the massacre happened, drawing an attack by Taliban insurgents.

Still, the speed of the official response does not explain everything. Military officials quickly apologized for the Koran burnings as well, but it seemed to do little to quiet matters.

Mullah Qayoom is surprised that anyone is surprised.

"Humans were sent here to worship and protect religion," he said. "That is what the purpose of a Muslim's life is."

Also, Afghans were very much aware that burning a Koran under American law normally would not be a crime, any more than burning a Bible would be — so those responsible were not going to suffer anything that Afghans would view as appropriate punishment.

In the case of murder, the military does have capital punishment, at least in theory — though no American soldier has ever been sentenced to death for acts committed in Afghanistan, including murders.

"In your laws there is the death penalty, so we are hopeful," Mullah Qayoom said. "With the Koran burning, your people do not even respect your own books, so in the end they will say 'sorry' and the person will be released."

That Afghans find Koran desecration more distressing does not mean they have been indifferent to the murders, particularly of the children. By now, any Afghan with a computer has seen the victims' cherubic but lifeless visages on Facebook, and the images have been passed around on cellphones. Wrapped in blankets, some look as if they had just fallen asleep — the coverings hide gaping forehead wounds. A toddler in a blood-stained pinafore looks alive at first glance.

The Taliban certainly did their best to instigate a reaction to the Kandahar killings, issuing a broadside within hours calling on local residents to pour into the streets and attack NATO bases.

So far, at least, nothing of the sort has happened. Afghans are quick to recall a proverb: "You give your money away for your life, but you give your life away for your religion." Ahmad Nader Nadery, a human rights activist, said that when the heat of the moment settled, many Afghans would be ready to see the Kandahar massacre as the criminal act of a single individual, particularly because it did not come as part of a military operation.

Perhaps most important, however, is that civilian casualties have long since stopped being the particular province of foreign military forces, who were once responsible for 75 percent of them. Now the Taliban commit 75 percent of them, according to figures by the United Nations and Afghan rights groups. As one American military official said, "When have the Taliban ever apologized for killing?"

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20120315-02 08:59 Pam Re: "Early Signs That Obamacare Is on the Right Track to Reduce Costs"
(reply to Dennis, FotM Newsletter #95)

Isn't there something in journalism called, Burying the lead? This article, useful though it is, demonstrates what that earlier article said about liberals' failure to maximize their impact. I agree with Obamacare (though it doesn't go far enough), but even I got bored before I got to the nitty gritty of just how much money is saved. Don't start with boring background. Jump right in with the big idea and the easy numbers (nothing with decimal points) and fill in the background later. Duh.

20120315-07 14:36 SteveB Re: "Early Signs That Obamacare Is on the Right Track to Reduce Costs"
(reply to Pam, above & Dennis, FotM Newsletter #95)

The Right seems to have a different "take" on the subject of healthcare costs, though much detail is missing:

"ObamaCare: Twice as Expensive as Promised, and Getting Worse" by John Hayward, Human Events

Mar. 15, 2012, (<http://www.humanevents.com/article.php?id=50220>)

(The sharp pain in your wallet will not subside.)

The big ObamaCare news this week isn't really "news" to anyone who was smart enough to see through the President's obfuscations and fraudulent accounting when ObamaCare was being rammed down our throats. No group has ever been more utterly vindicated than ObamaCare critics, who were right about absolutely everything they said.

One of Obama's sleaziest tricks was front-loading revenue into ObamaCare, while deferring expenses for as long as possible. This made it look like it would cost a lot less than it actually would. How much less? Oh, about half as much as the true cost... and that's according to estimates from a government agency known for its extreme caution and static analysis methods.

The Congressional Budget Office does 10-year forecasts, so now that it's 2012, they're looking out to 2022, when some of the biggest fiscal damage from ObamaCare reveals itself. What they found is very ugly indeed, as Fox News reports:

In a largely overlooked segment of the CBO's update to the budget outlook released Tuesday, the independent arm of Congress found that the bill will cost \$1.76 trillion between now and 2022.

That only counts the cost of coverage, not implementation costs and other changes.

The bill spends more than the president promised, it covers fewer people -- probably 2 million fewer people -- and it taxes more than was expected," said Sen. Jeff Sessions, R-Ala., ranking member on the Senate Budget Committee.

What if we throw in those implementation costs? Where does that leave us, Senator Sessions?

The full accounting of the bill is \$2.6 trillion. That's a fair and accurate analysis of what the bill would cost, according to CBO," Sessions said, noting how the cost dwarfs the fight over the 10-year debt reduction plan debated last year.

We spent a whole summer fighting over a way to reduce spending by \$2.1 trillion and here this bill is going add \$2.6 trillion more in spending.

Politics often involves crazy sales tactics, but the spectacle of Obama and his Party pretending to be even *slightly* concerned about the national debt is insane-asylum material.

The lunatics are still trying to claim that all this wild spending and exploding cost will somehow reduce the deficit, by which they mean "make it grow a little slower than it otherwise would have." This assertion is based, in part, on the huge amount of money ObamaCare will suck out of the private sector through taxes, and of course the unique quantum tax/fine of the "individual mandate," which is either a tax or a fine, depending on which member of the Administration is speaking, and who is asking the question.

Since the Obama economy is getting ready to go into a nose dive, with less than 2 percent annual GDP growth, but the number of living human beings required to fork over ObamaCare taxes, fines, and quantum tax/fines continues to increase, ObamaCare becomes a more stable and reliable source of revenue. No matter how awful the economy gets, the ObamaCare needle will never budge from America's veins.

When you hear a Democrat boast of the revenue ObamaCare is projected to bring in, understand that what they're *really* saying is that they've crushed the economy so thoroughly that Big Government now survives on a tax you pay for the privilege of being alive.

By far the craziest quote in this story comes from Democrat Representative Jim Cooper of Tennessee, who flies over the cuckoo's nest to assure us that even though ObamaCare has thus far caused health care costs to rise substantially, it will soon reverse that trend, because "there are no public options. There's no big new government health plan being offered. It's all private sector options, and we hope they compete against each other to get prices down."

Sane people look at the many surveys take of terrified employers and understand reality is the precise opposite of what Cooper claims: it's becoming increasingly attractive for businesses to terminate insurance coverage, to escape from the ObamaCare disaster, dumping their employees into the "public exchanges" or Medicaid. The Obama Administration wants military veterans thrown in those exchanges, too. As if Obama's grinding unemployment and collapsing workforce weren't already depriving too many Americans of private-sector health insurance!

We're still two years away from the "full implementation" of ObamaCare, and the Congressional Budget Office has a poor track record of predicting the true cost of legislation while it's still unfolding. Also, the collapse of private insurance can come very quickly, as businesses decide on fairly short notice that it makes more sense to pay the

quantum tax/fine for non-compliance than to comply with a disaster. Wait until you see the ten-year projections that cover 2024. That will be right about the time you hear Democrats begin muttering that single-payer socialized medicine is the only possible escape from the ObamaCare nightmare they created.

20120315-03 09:56 Pam My Nightmare Scenario for the 2012 Primaries & Elections

Here's my nightmare scenario: Santorum for Pres., Newt for VP. Newt's already lumping them together. I know that's what's on his mind. He's not going to drop out of the race because he figures VP is better than no P. I'm beginning to think Romney isn't going to make it. I think the ticket will be Santorum/Newt, and the tea baggers will go nuts. There will be vicious, libelous attacks on Obama, but he will squeak through in Nov. I hope. I won't bet anyone \$10,000, but I'd go a dollar.

20120315-04 11:15 Pam Re: "Why the GOP Campaign for the Presidency Is About Guaranteeing a Radical Conservative Future for America" (reply to Dennis, FotM Newsletter #95)

Can anyone explain to me our Afghanistan strategy? Pannetta (sp?) goes on TV and tells America that "our strategy is working." What strategy? Working how? Things go from bad to worse, and we talk about the long haul. To where? Some things are impossible, and we as a nation should learn to accept that and not think that just because we want something to happen we can bring it about. The Taliban may be cruel and ruthless by our standards, but Afghanistan has been ruled by this sort of thing forever. If the Afghan government were more popular with the people, it wouldn't have so much trouble putting together an effective army. I don't see the Taliban depending on foreigners to train them. Afghans have always known how to fight. They are a fierce and tenacious people, not to be underestimated. If their army is weak and ineffective, there is a reason that goes beyond lack of training. We don't need an "exit strategy" in Afghanistan; we need to haul a*s out of there now.

20120315-05 11:22 Art Re: "Why the GOP Campaign for the Presidency Is About Guaranteeing a Radical Conservative Future for America" (reply to Pam, above)

Sounds like a pretty good "exit strategy" to me.

20120315-06 13:22 SteveB Fw: Daily Kos Petition: Bravo NPR!

from Daily Kos:

Click here to sign the petition thanking National Public Radio for formally disavowing "he said, she said" journalism in favor of journalism that is fair to the truth:

http://campaigns.dailycos.com/p/dia/action/public/?action_KEY=78

Too many news outlets seem to consider it their job to tell the competing sides of any given story, instead of focusing on reporting the truth. No matter how unsupported by the facts one side may be, this widespread "he said, she said" journalism is how, for example, climate change deniers are treated seriously in the media.

In a positive move, National Public Radio recently issued new editorial guidelines rejecting this false balance. Disavowing the worst excesses of "he said, she said" journalism, NPR's new code of ethics states that "if the balance of evidence in a matter of controversy weighs heavily on one side, we acknowledge it in our reports." This is an important step to curing what has become an endemic plague of false "fairness" in American journalism.

Keep fighting, Chris Bowers, Daily Kos

Holding giant corporations accountable...

"Special Weapons for Fighting Giants" by Robert Weissman, NationofChange

Mar. 15, 2012, (<http://www.nationofchange.org/special-weapons-fighting-giants-1331822032>)

("Revoke their charters, and other legal tools to hold corporations accountable to our laws.")

The last few years have seen a series of corporate catastrophes, for which the perpetrator companies have escaped any meaningful accountability. Big banks and giant Wall Street firms tricked and ripped off homeowners and investors, and crashed the national and global economy. BP's reckless operations poisoned the Gulf of Mexico in one of the worst oil disasters in history. Massey Energy's cost-cutting led to the Upper Big Branch coal mine collapse that killed 29 workers.

There have been virtually no criminal prosecutions for Wall Street wrongdoing related to the crash, and precious few civil actions. Criminal charges are likely to be filed against BP, but the company already has been granted new permits to drill for oil in the Gulf. Massey Energy—now owned by Alpha Natural Resources—was forced to pay \$200 million in penalties but avoided any criminal prosecution.

This history notwithstanding, We the People, and our government representatives, do have the power to hold companies accountable for the wrongs they commit. The challenge is to mobilize sufficient political pressure to demand that available tools be used and new mechanisms of accountability be created.

One powerful way to hold companies accountable is through debarment—denying corporate wrongdoers the right to obtain government contracts. Almost every major company does significant business with the government, so debarment is a penalty with teeth. Similarly, federal, state, and local governments should deny other government benefits to corporate criminals and wrongdoers. Denying BP the right to drill in the Gulf is a penalty that would sting. Drug companies that can't sell to Medicare, Medicaid, and the Department of Veterans Affairs are deprived of more than a third of their market. The Federal Communications Commission has the authority to deny broadcast licenses to media corporations that do not exhibit "good character." Federal and state governments do frequently debar companies, but typically only smaller firms that engage in massive fraud or operate as criminal enterprises.

A second tool to discipline corporate wrongdoers is charter revocation. Establishing a new corporation requires that a state government grant a charter to operate. (This is typically a perfunctory requirement, as evidenced by the state of Virginia's grant of a charter to Licensed to Kill, Inc., a company whose articles of incorporation state that it will engage in "manufactur[ing] and marketing of tobacco products in a way that each year kills over 400,000 Americans and 4.5 million other persons worldwide.") State governments have the right to revoke charters from companies that do not serve the public interest. Free Speech for People has petitioned Delaware to revoke the charter of Massey Energy. Charter revocation effectively constitutes the death penalty for a corporation. Even occasional use against large corporations would be a major deterrent to corporate wrongdoing.

A third form of control on corporate wrongdoing is civil litigation. Lawsuits against corporate wrongdoers not only afford victims an opportunity to receive some compensation for the harms they have suffered, they work to strip corporations of ill-gotten gains. The civil justice system is a vital deterrent to corporate misconduct, because it means corporations will at least sometimes be forced to pay for the harms they cause. And lawsuits provide direct justice to victims of corporate wrongdoing, without the need to persuade government officials to act. In many ways, the U.S. civil justice system is the most important form of corporate accountability we have.

It's for exactly these reasons that corporations have worked for decades to undermine the functioning of the civil justice system, making it harder to file cases, interfering with the ability of victims to join together in class actions, making it harder for victims to obtain evidence, capping the damages that victims may recover, limiting punitive damages, and forcing victims out of the civil justice system (real courts) and into arbitration tribunals biased to favor giant corporations.

In recent years, organizations like EarthRights International and the Center for Constitutional Rights have innovated new ways to hold corporations accountable in U.S. courts for harms perpetrated overseas, relying especially on a law passed in 1789 called the Alien Tort Claims Act. The U.S. Chamber of Commerce has responded with a campaign to foreclose such litigation.

In addition to using these and other corporate accountability tools already at our disposal, we need more. Among other things, we need to significantly strengthen the penalties for corporate endangerment of people's lives and well-being. In many instances, there is no criminal penalty applicable for recklessly putting consumers' or workers' lives at risk by knowingly selling dangerous pharmaceuticals or defective cars or by exposing workers to deadly toxic chemicals or other hazards. A law that would make it a felony to recklessly endanger consumers or workers, with stiff fines and sanctions for companies and jail time for responsible corporate management, would make our world safer and restrain corporate misconduct.

We live in a time of massive disparity between penalties for street criminals and corporate wrongdoers. Corporations, which claim all the rights of "persons," are subjected to much weaker punishments than real people. It doesn't have to be.

20120315-09

19:38 SteveG

Fw: Furious: The Republican War on Women (from Washington Sen. Maria Cantwell)

Ignore the contribution thing, thought you would enjoy a Washington senator's view.

from Democratic U.S. Senator Maria Cantwell (WA):

Every time I think Republicans have gone too far in their war on women, they find a way to go even farther.

Between Rush Limbaugh's disgusting smears and Mitt Romney's plan to "get rid of" Planned Parenthood, it's clear that the right wing will stop at nothing to advance their anti-women agenda.

But now, the *New York Times* is reporting that Republicans plan to OPPOSE a critical extension of the Violence Against Women Act.

The Violence Against Women Act (VAWA) -- which helps survivors of domestic violence -- will come to the floor for extension in the next few days. When VAWA first made its way through Congress in 1994, it enjoyed broad bipartisan support. Yet last week, not one Republican voted in favor of the extension in committee. Not one. And reports now say that Republicans are planning to oppose passage.

I refuse to allow Republicans to get away with this. And I'm asking you to stand with me. The Republican war on women must stop NOW and we're gearing up!

I'm angry. No -- I'm absolutely furious. The audacity of Republicans in waging their relentless war on women is beyond the pale. They are content to let the middle class crumble, leave unemployment untouched, just so they can accomplish their Senate leader's goal of making President Obama "a one term President." And if that means attacking women -- even if those women are the victims of domestic violence -- than so be it.

Well, I came to the Senate to give a voice to those who don't have one in Washington, D.C., and I will not stand idly by while Republicans try to destroy vital programs that help hundreds of thousands of women escape dangerous, often life-threatening situations and start new, healthy lives.

Not on my watch. Not while I'm in the Senate. I am taking a stand -- and with supporters like you standing behind me, we will prevail.

Thanks for standing with me, and standing up for women's rights. --Maria

<http://www.cantwell.com/splash/>

20120315-10 10:05 Pam Re: Furious: The Republican War on Women (reply to SteveG, above)

Well, I don't know if "enjoy" is the word, but I'm glad you sent this. I read an article in the New Yorker today that talks about how the U.S. has the only long-term, surviving Presidential democracy in the world, and how dysfunctional it's become. The original idea, apparently, was to set up a system where there would be a balance of powers--we're all familiar with that--so as to discourage the formation of parties. We see how that worked out. Now we have zero-sum politics. If you win, I lose. The old-style liberal to moderate Republicans--like Nelson Rockefeller and George Romney--are no more. Everything is polarized, so no one can give an inch. Party leaders control Senate votes, and no one can budge. I think it's time we rethink both capitalism and our brand of democracy. I don't want to do away with either. I still think they are the best systems human beings have yet come up with, but they've both gone so far to their logical conclusions that, as with everything, too much of something becomes detrimental--be it vitamins, or sunshine, or the two-party system of governance. Barry Goldwater, who has a lot to answer for, said, "Extremism in defense of liberty is no vice." Well, yes, it is. Of course, it all depends on what you mean by "extremism" and "liberty," and I daresay his definitions were different from mine. The Right seems to crank out catchy slogans left and right (so to speak). Liberals need to articulate their ideas in phrases that linger on everyone's lips. Nuance is for smart people who think things through. The American public is not big on nuance.

Atty is doing much better. He's now scooting around on his bottom, so he's liberated from the couch. It's also easier to pick him up. He doesn't cringe in pain anymore. He goes back tomorrow for another X-ray to monitor his progress. Hopefully, there will be some. He's such a sweetie. He's really a delightful little boy. It's fun to have conversations with him--about things like using the potty after his "boo boo leg" gets better and giving up his "mee mee" because big boys don't go around with a plastic plug in their mouths. He's a real love.

20120315-11 22:41 SteveG "Southern Miss Band Chants 'Where's Your Green Card?' to Puerto Rican Kansas State Player"

Racism in Mississippi? No!

Geography knowledge? American history knowledge? Just plain stupid!!

"Southern Miss Band Chants 'Where's Your Green Card?' to Puerto Rican Kansas State Player" by Chris Chase, The Dagger Yahoo! Sports Blog

Mar. 15, 2012, (<http://sports.yahoo.com/blogs/ncaab-the-dagger/southern-miss-band-chants-where-green-card-puerto-205326741.html>)

Members of the University of Southern Mississippi band chanted racist taunts at a Hispanic Kansas State player during the schools' NCAA tournament game on Thursday.

After point guard Angel Rodriguez was fouled late in the first half of the second-round game, a few band members showered the freshman with cries of "where's your green card?"

The chant and those who participated don't warrant any civilized dialogue. Both are an embarrassment to the university.

Southern Miss president Martha Saunders quickly apologized for the incident.

"We deeply regret the remarks made by a few students at today's game," she wrote in a statement issued two hours after the game. "The words of these individuals do not represent the sentiments of our pep band, athletic

department or university. We apologize to Mr. Rodriguez (sic) and will take quick and appropriate disciplinary action against the students involved in this isolated incident."

Rodriguez was spelled incorrectly in the original draft.

As if things could get any more ignorant, the basis for the band's racism was itself misguided. Rodriguez was born in Puerto Rico, a commonwealth of the United States. Even if he hadn't grown up in Miami and starred for a high school basketball team in that city, he'd still be an American citizen and have no need for a green card. Ignorant ignorance; it's the best kind.

Rodriguez and K-State had the last laugh. The Wildcats defeated Southern Miss, 70-64.

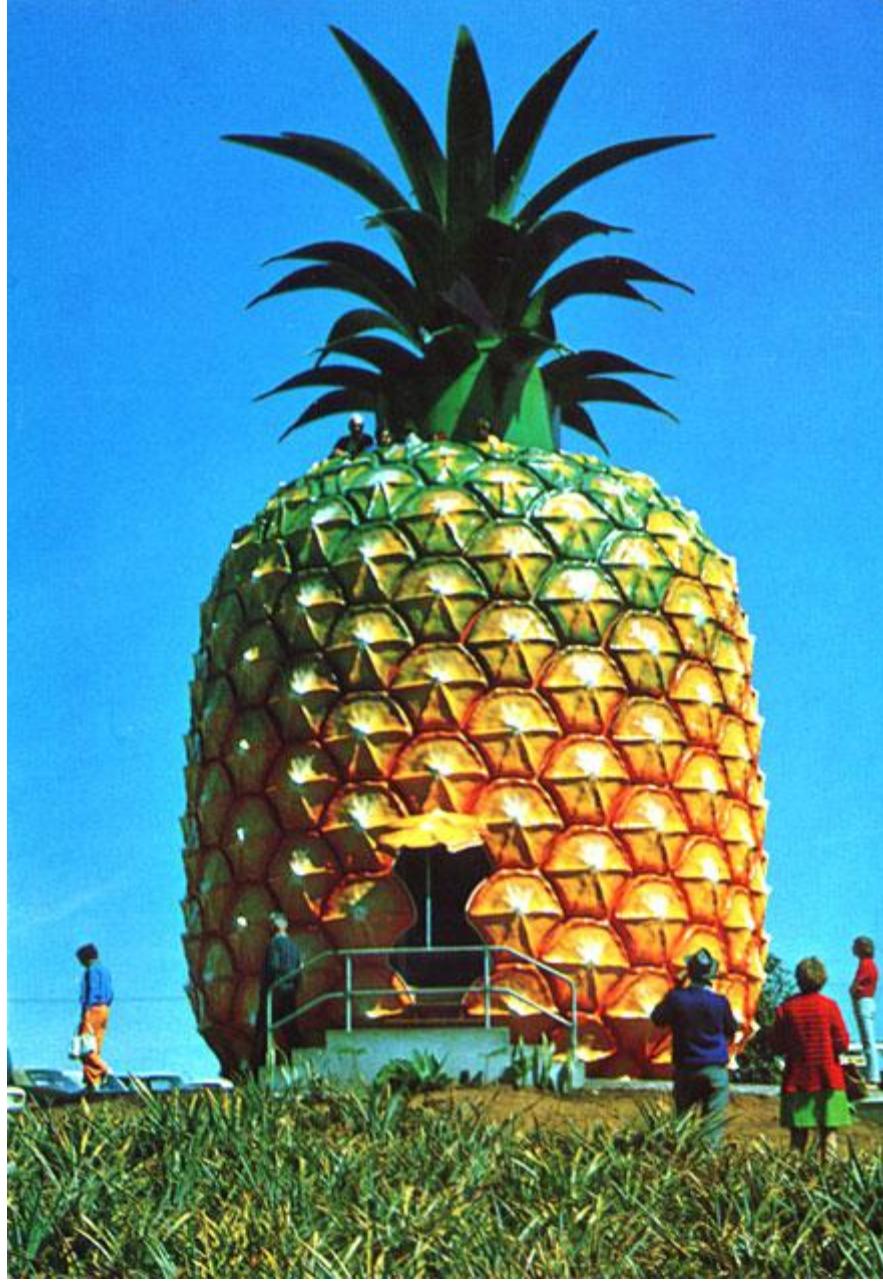
20120315-12

23:59 SteveB

Photo: Woombye, Queensland, Australia

<http://fatelfemme.buzznet.com/user/journal/>

Yep! That's What It Is, Alright!



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

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