



FRIENDS OF THE MIDDLE NEWSLETTER #144 — MAY 23, 2012

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The 'Vulture Capitalist' at His Best

(posted by Steven W. Baker / SteveB, May 23, 2012)

"Bain Capital: 9 Toughest Attacks" [to Defend!] by Mackenzie Weinger, Politico

May 22, 2012, (<http://www.politico.com/news/stories/0512/76608.html>)

Mitt Romney's record at Bain Capital has been slammed from all sides since the former Massachusetts governor entered the presidential race, including by President Barack Obama on Monday. Here are the 9 harshest attacks:

1. **"... Mitt Romney and Bain Capital were involved with what I call vulture capitalism."** — Texas Gov. Rick Perry, Jan. 10, 2012
2. "Those of us who believe in free markets and those of us who believe that in fact the whole goal of investment is entrepreneurship and job creation, we find it pretty hard to justify rich people figuring out clever legal ways to loot a company, leaving behind 1,700 families without a job." — Newt Gingrich, Jan. 8, 2012
3. "If your main argument for how to grow the economy was 'I knew how to make a lot of money for investors' then you're missing what this job [president] is about." — President Barack Obama, May 21, 2012
4. "[Bain] made as much money off it as they could and they closed it down, they filed for bankruptcy, without any concern for the families or the communities. It was like watching an old friend bleed to death." — former GST Steel worker Joe Soptic, Obama campaign ad out May 14
5. "Romney made sure the guys at top got to play by a different set of rules, he ran massive debts, and the middle class lost. And folks, he thinks this experience will help our economy? Where I come from, past is prologue." — Vice President Joe Biden, May 16, 2012
6. "We were making money, and for them to just come out from nowhere and shut the place down — it was devastating. To me Mitt Romney takes from the poor and the middle class, and gives to the rich. He's just the opposite of Robin Hood." — Ampad factory worker Jerry Rayburn, Obama campaign ad out May 21
7. "Mitt Romney hasn't been vetted on Bain. I don't think David Axelrod and the Occupy movement are going to give him a pass on this. He's been running for six years. How much do we know about his 20 years at Bain?" — former Gingrich aide Rick Tyler, Jan. 9, 2012

8. "They closed down more than 1,000 plants, stores and offices. They outsourced tens of thousands of jobs, and they took 12 companies to bankruptcy. I don't think those are the values that people want to animate our economy. He is not a job creator, he is a corporate raider. Those aren't the values that we want to lead our economy." — Obama adviser David Axelrod, Jan. 8, 2012

9. "[T]here's something about raping companies and leaving them in debt and setting up Swiss bank accounts and corporate businesses in the Grand Caymans. I have a real serious problem with that." — Rep. Jim Clyburn, May 22, 2012

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"Lugar Presides Over His Last Armed Forces Day at the Indianapolis Motor Speedway" by John Kidd, WXIN

May 21, 2012, (<http://www.fox59.com/news/politics/wxin-richard-lugar-lugar-presides-over-his-last-armed-forces-day-at-the-indianapolis-motor-speedway-20120521,0,6719530.column>)

(INDIANAPOLIS) Indiana Senior Senator Richard Lugar presided over his 32nd, and possibly final, Armed Forces Day ceremony at the Indianapolis Motor Speedway.

Lugar swore in 75 armed services recruits Sunday in a ceremony below the pagoda near the famed yard of bricks.

The 6-term Republican senator is a former Navy man who was defeated for re-election in the GOP Primary earlier this month by Indiana Treasurer Richard Mourdock.

When asked if he saw a lack of cooperation amongst Americans, Lugar responded "Yes, and some Americans who will remain nameless really extol the virtues of no cooperation. It's really my way or the highway. I understand the frustrations the anger the anxiety, but nevertheless I`m gonna try to get results."

Lugar says he hasn't had time to second guess his failed campaign or plan for his future.

20120522-02	09:11	Pam	Re: "Tanks, Jets or Scholarships?" (reply to Art, FotM Newsletter #143)
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Great article. He's right; we should be doing more of this kind of thing. If the Afghan people had a half-way decent education, the Taliban wouldn't stand a chance. It's young people and women who always lead the way. Anything we can do to empower them we should do--and Obama should crow about it a little.

What also strikes me about this, is the attitude of the kids who are so eager to go to university. They know the importance of having a good education. I've taught so many American kids who think school is irrelevant, boring, and way less fun than video games. All they want is enough money to put gas in their cars and spend 24/7 on their

iPads. Of course, there are those who are nothing like this, but too many of our kids see school as a substitute for life. Kids need to understand from an early age how important it is, and as a society we need to give it much more support--and I don't mean passing more legislation with more "goals and objectives." We need to ask teachers themselves what they need in their classrooms today to enhance their teaching, and that might just be another teacher to allow for a smaller class size. Anyone who says class size doesn't matter is a liar.

My husband gets upset when articles he comes across in his work are riddled with errors, both spelling and grammatical. He has pointed these out to editors, who always thank him but do nothing to change things. I am left to conclude that they just don't care. When I look at the way we manage education--and health care--in this country, I have to conclude that, at some basic level, we simply don't care. Those who could make a difference don't need an improvement in the status quo, and those who can't, lack the means. When I was young, I thought my generation could change the world, and in many ways we did. I have that faith in young people today (despite the apathy of so many American youth), especially those in repressive countries that are bursting at the seams. Necessity is the great driver of engines, and youthful energy and optimism are the fuels that make them run.

20120522-03	10:14	Art	"Is College Too Easy? As Study Time Falls, Debate Rises."
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Not quite sure how to take this.

Bold is mine.

Colleges that rate high in study time are typically small liberal-arts schools, often set in **remote locales**. Kenyon College in Gambier, Ohio, DePauw University in Greencastle, Ind., and Centre College in Danville, Ky., all report more than 20 hours of average weekly study for freshmen, seniors or both.

"Is College Too Easy? As Study Time Falls, Debate Rises." by Daniel de Vise, *The Washington Post*

May 21, 2012, (http://www.washingtonpost.com/local/education/is-college-too-easy-as-study-time-falls-debate-rises/2012/05/21/gIQAp7uUgU_story.html)

Over the past half-century, the amount of time college students actually study — read, write and otherwise prepare for class — has dwindled from 24 hours a week to about 15, survey data show.

And that invites a question: Has college become too easy?

Ashley Dixon, a sophomore at George Mason University, anticipated more work in college than in high school. Instead, she has less. In a typical week, Dixon spends 18 hours in classes and another 12 in study. All told, college course work occupies 30 hours of her week. Dixon is a full-time student, but college, for her, is a part-time job.

"I was expecting it to be a lot harder," said Dixon, 20, of Haymarket. "I thought I was going to be miserable, trying to get good grades. And I do get good grades, and I'm not working very hard."

Declining study time is a discomfiting truth about the vaunted U.S. higher-education system. The trend is generating debate over how much students really learn, even as colleges raise tuition every year.

Some critics say colleges and their students have grown lazy. Today's collegiate culture, they say, rewards students with high grades for minimal effort and distracts them with athletics, clubs and climbing walls on campuses that increasingly resemble resorts.

Academic leaders counter that students are as busy as ever but that their attention is consumed in part by jobs they take to help make ends meet.

Consider George Mason, Virginia's largest public university and a microcosm of modern academia. Some students care for dependents. Many commute to class. Seventy percent of seniors hold off-campus jobs. George Mason students spend 14 hours, on average, in weekly study, close to the national average.

"It's not enough," said Peter Stearns, the George Mason provost. "And it's a figure that troubles us, not only at Mason but in higher education generally."

The university has responded by launching an honors college and an undergraduate research initiative in recent years — driven, Stearns said, by "the need to create a more challenging undergraduate environment."

Tradition suggests that college students should invest two hours in study for every hour of classes. The reality — that students miss that goal by half — emerged from the National Survey of Student Engagement, a research tool for colleges that examines the modern student in unprecedented detail.

The survey, first published in 2000, queries freshmen and seniors. It reveals that study time can vary widely by college and by major. Architecture majors, for example, study 24 hours a week, while marketing majors put in only 12.

Colleges are not required to publish survey results. The Washington Post asked prominent colleges in Maryland, Virginia and the District to disclose their survey data on study time. Only at Washington and Lee University, in Virginia, did students report as many as 20 hours of weekly study.

At Sweet Briar College, a private women's school in Virginia, students reported 19 hours of study in an average week. Weekly study among seniors averaged 18 hours at St. Mary's College of Maryland, 17 hours at the College of William and Mary, 16 at the universities of Maryland and Virginia and Catholic University, 15 at American University and 13 at Howard University.

The University of the District of Columbia declined to release data on study time. Georgetown and George Washington universities have not given the survey recently.

Evidence of declining study was mostly ignored until 2010, when two economists at the University of California at Santa Barbara brought the issue to the fore in a paper titled "Leisure College, USA."

Philip Babcock and Mindy Marks unearthed previous research, part of a longitudinal study called Project Talent, that showed students of 1961 spent about 24 hours a week studying.

They calculated that those students spent another 16 hours in class time, or 40 hours in total weekly scholarship, giving college, for them, the feel of a full-time endeavor.

By contrast, the typical student today spends 27 hours a week in study and class time, roughly the same time commitment expected of students in a modern full-day kindergarten.

"This is an absolutely enormous change in postsecondary education, possibly as big as anything we've seen in the last 50 years," Babcock said.

The finding has led some critics to question whether college is delivering on its core mission: student learning. Sociologists Richard Arum and Josipa Roksa identified lax study as a key failing of academia in their 2011 report "Academically Adrift," which found that 36 percent of students made no significant gains in critical-thinking skills in college. Arum's own research found that students study only 12 hours a week.

"What students are getting is four or five years of country club living," said Richard Vedder, an Ohio University researcher who studies the economics of higher education.

Some academicians dispute the evidence of a downward trend in study time. They note that the findings are based on different surveys and on the fallible accounts of students. Babcock and Marks say their analysis accounts for

those subtleties. The director of the student engagement survey, Alexander McCormick, concurs that the findings are sound.

By many accounts, students are far from lazy — it's just that things besides schoolwork are consuming more of their time.

"They're working full time and going to school full time, which I think is absurd," said Joe Scimecca, a sociology professor at George Mason. "I asked a class recently how many were working, and there were only two who weren't."

Dixon, the sophomore from Haymarket, is majoring in tourism, works 23 hours a week at a campus information desk, commutes up to two hours a day and volunteers at church.

"My planner is a wreck," she said.

Students at several other colleges report the same stressful pace. Karli Wood, a senior at Northern Kentucky University, maintains an A-minus average, even though she works nearly 40 hours a week and commutes up to an hour a day across the Ohio River from her Cincinnati home. She counts her study time in minutes, not hours.

"I don't mean to sound cocky," she said, "but if I had more time, I could have had a 4.0."

Modern technology helps and hinders collegiate study. Students are more efficient in researching and writing term papers now than 50 years ago. They also spend several hours a week using computers for fun, a pastime that did not exist in 1960.

Nationally, few colleges even approach the historical standard of 24 hours of weekly study. Private schools do not report much more study than public ones, and elite schools report only marginally more study time than the less elite. Even among colleges rated "most competitive" in the Barron's college guide, the survey shows, weekly study averages less than 18 hours.

Colleges that rate high in study time are typically small liberal-arts schools, often set in remote locales. Kenyon College in Gambier, Ohio, DePauw University in Greencastle, Ind., and Centre College in Danville, Ky., all report more than 20 hours of average weekly study for freshmen, seniors or both.

Sweet Briar, on a rural campus outside Lynchburg, is a regional leader in study time. Yet, the school is only modestly selective. Four-fifths of applicants are admitted, and SAT scores average about 1,100 out of a maximum 1,600 points in reading and math.

What sets such schools apart? Pedar Foss, dean of academic life at DePauw, found clues sprinkled across the student survey. DePauw students almost never work off campus, care for relatives or commute long distances. DePauw seniors are twice as likely as students at other schools to read at least 11 assigned books in an academic year. They write more than their peers.

"They're held accountable for how well they can speak, and how well they can draw upon evidence, and whether they know what they're talking about," Foss said.

Another key to study time is one's choice of major. McCormick, director of the student engagement survey, analyzed 85 majors and found a 13-hour spread in average weekly study. Architecture students studied the most, at 24 hours a week. Further down the list, in descending order: physics (20 hours), music and biology (17), history (15), psychology (14), communications (13) and, at 11 hours, parks, recreation and leisure studies.

"Every one of these colleges has some students who are studying quite a bit," McCormick said, "and, to balance things out, some students who are studying very, very little."

[20120522-05](#) 11:51 Pam Re: "Is College Too Easy? As Study Time Falls, Debate Rises." (reply to Art, above)

Very interesting. I guess there's not much else to do in those small towns. :-) Actually, the education at schools like that is probably quite good, partly because the faculty isn't so research driven, at least I don't think so. At big name, big state universities, research that brings in big grants is all-important. Undergrads don't count for much (only grad students), and freshmen barely register on the faculty radar. That said, I prefer a larger school--more diversity, more opportunities, less conformity, and if you're a bright student, professors will be thrilled to take you under their wing.

[20120522-08](#) 16:03 Art Re: "Is College Too Easy? As Study Time Falls, Debate Rises." (reply to Pam, above)

I somehow just never knew I grew up in a "remote locale".

[20120522-04](#) 10:31 SteveB From the Right: "Leftists Continue to Misuse & Undermine American Exceptionalism"

"Leftists Continue to Misuse and Undermine American Exceptionalism" by Jarrett Stepman, *Human Events*

May 22, 2012, (<http://www.humanevents.com/article.php?id=51632>)

(Historically, America has a special set of values.)

The idea of American exceptionalism has become one of the primary pivot points that now divides the political right and left in America. What was once an established and accepted truth about the American people has come under assault by liberal radicals who would rather deny even the existence of American exceptionalism.

President Barack Obama, when asked whether or not he believes in American exceptionalism, said, **"I believe in American exceptionalism, just as I suspect that the Brits believe in British exceptionalism and the Greeks believe in Greek exceptionalism."**

Washington Post columnist E.J. Dionne penned a column on May 10 called Obama's American Exceptionalism in which he said that conservatives were taking a "Western European path of austerity.

"The Obama administration, by contrast, has chosen a distinctly American path that kept austerity at bay," Dionne said.

Dionne went on to say. "Obama's thoroughly moderate economic policies are an excellent example of a practical American exceptionalism."

Although Obama tends to guard his words in order to sound moderate, many of his liberal allies have no qualms about directly attacking the idea of American exceptionalism.

Another recent article by Terrence McCoy in *The Atlantic* took a different track and claimed that the term "American exceptionalism" originated with Soviet dictator Joseph Stalin, not the frequently attributed early 19th century French observer of American life, Alexis de Tocqueville.

All of these liberal statements on American exceptionalism are either based on an ignorance of its origin or an egregious abuse of its meaning.

Tocqueville is often given credit as the originator of the term because he wrote in his famous treatise *Democracy in America*, "The position of the Americans is therefore quite exceptional, and it may be believed that no democratic people will ever be placed in a similar one."

Stalin said of the American Communist Party, that it had the "heresy of American exceptionalism," which is how McCoy tries to tie the origination of the idea of American exceptionalism to the brutal Soviet dictator instead of Tocqueville.

McCoy wrote that this was meant not as a compliment but a ridicule of America for its "abnormalities." McCoy then goes on to claim that the idea of American exceptionalism became big "a few years ago."

However, the argument of McCoy on other liberals is merely over the etymology of the phrase instead of the ideas behind it.

Leftists clearly mean to denigrate American exceptionalism as a fictitious term created by conservative Republicans a few decades ago, instead of a timeless characteristic of the American experience.

American exceptionalism has even earlier roots than Tocqueville. American colonist John Winthrop gave a speech in 1630 called "A Model of Christian Charity," also known as the "Shining City Upon a Hill" speech, in which he explained the special conditions of the New World and its incredible potential for the future.

"For we must consider that we shall be as a city upon a hill. The eyes of all people are upon us. So that if we shall deal falsely with our God in this work we have undertaken, and so cause Him to withdraw His present help from us, we shall be made a story and a by-word through the world," Winthrop said.

That Stalin meant to use the term "American exceptionalism" as a way to ridicule America should really be considered a positive instead of a negative. It was American exceptionalism that prevented communism from ever taking hold in the United States; the values of private property, popular government, individualism, and natural rights prevailed over the statist and collectivist ideas that took hold of countries throughout the world.

Toqueville said, "Democracy extends the sphere of individual freedom, socialism restricts it. Democracy attaches all possible value to each man; socialism makes each man a mere agent, a mere number. Democracy and socialism have nothing in common but one word: equality. But notice the difference: while democracy seeks equality in liberty, socialism seeks equality in restraint and servitude."

As America was burgeoning into a powerful new country in the early 19th century, observers inside and out of the United States began to understand and express the ideas underpinning American exceptionalism.

The great American orator and statesman, Daniel Webster, who was originally from New Hampshire, but spent most of his political career in Massachusetts, described the special American character in a few famous orations.

In the Plymouth Oration in 1820, celebrating the Pilgrims who landed at Plymouth Rock, Webster said, "They left behind them the whole feudal policy of the other continent. The character of their political institutions was determined by the fundamental laws respecting property."

In this statement Webster was describing how Americans left behind feudal and aristocratic institutions in Europe. There were no great class divides in America even before it became a country.

Webster further described the historical American character in his Bunker Hill Address in 1825:

They were accustomed to representative bodies and the forms of free government; they understood the doctrine of the division of power among different branches, and the necessity of checks on each. The character of our countrymen, moreover, was sober, moral, and religious; and there was, little in the change to shock their feelings of justice and humanity, or even to disturb an honest prejudice. We had no domestic throne to overturn, no privileged orders to cast down, no violent changes of property to encounter. In the American Revolution, no man sought or wished for more than to defend and enjoy his own.

All of the statements and observations about what construes American exceptionalism originated in the 18th century, were expounded upon and advanced in the 19th century and became the most critical factors in saving Western Civilization in the 20th century.

These American values are antithetical to the left-wing agenda, something educated liberals are keenly aware of. That is why they must discredit and subvert them at every opportunity, hence the attempted connection of American exceptionalism to Stalin.

In an article titled, *Why America Needs the Left*, written by Eli Zaretsky, a professor of history at the New School for Social Research in New York City, the author reveals the values that are at the heart of American liberalism and why they are out of step with the most deeply held American values.

Zaretsky wrote, "The American Left inherited the idea of a crisis from Marx, not just the kind of 'economic crisis' that characterized the Great Depression and that afflicts the country today, but also broader crises reflecting Marx's influence on modern historiography."

For the American left to survive in America there must be a crisis, according to Zaretsky. This is the only way that Americans will even consider abandoning their values. He claims that the three crises were "slavery, corporate capitalism and hyper-globalization."

The connection to the left and abolition is fairly shaky, as the people that were most extreme in trying to free the slaves were either extremely religious, like Harriet Beecher Stowe, or considered the Constitution to be foundation for undoing the "peculiar institution" of slavery forever, such as in the case of men like former slave Frederick Douglas.

Modern parallels to abolitionists can probably more accurately be drawn to pro-life advocates calling for the end of abortion or Tea Party protestors demanding a return to the Constitution. These people are by no means a part of the liberal coalition in America.

The French writer, J. Hector St. John De Crevecoeur, who became a naturalized American citizen, was the first to write about the character of the American people after the nation was formed.

Crevecoeur wrote in his *Letters from an American Farmer* in 1782, "Here individuals of all nations are melted into a new race of men, whose labours and posterity will one day cause great changes in the world," he continued, "The American ought therefore to love this country much better than that wherein either he or his forefathers were born. Here the rewards of his industry follow with equal steps the progress of his labour; his labour is founded on the basis of nature, self-interest; can it want a stronger allurements?"

What Crevecoeur was explaining was the American dream; the idea that every American has a chance to succeed based on their own merit, and that equality is achieved by unleashing humanity to pursue what is in their own self-interest. He is describing the melting pot that has been, and always should be, a part of the American ethic.

Embracing the idea of the melting pot is how America achieves racial and ethnic equality without losing its most deeply held values, something leftists have no desire to retain or restore.

Liberals have to fight traditional American ideals, because they stand in the way of the leftist radical agenda. They need to promote the idea of the "salad bowl" so that racial division continues, which is their only hope of creating the kind of class conflict and envy that allowed other countries to succumb to leftist ideology.

Counter to what E.J. Dionne claimed in his column, American exceptionalism does not stem from the policies of the president or any other governmental institution for that matter.

American exceptionalism is based on traditional characteristics embraced by American culture and described by Tocqueville: liberty, equality of opportunity, individualism, popular government and laissez-faire economics. It runs counter to collectivism, top-down government control, a massive and unaccountable bureaucratic-administrative state and equality of outcome.

These are the collectivist and statist ideologies that America resisted and defeated in the 20th century. It is why liberals must claw and scratch at every opportunity to undermine America's very old, yet radically different values.

20120522-06 12:56 SteveG Graphic: Life Is Good!



20120522-07 14:20 SteveB "Ten Reasons for Europe"

"Ten Reasons for Europe" by Dominique Moisi, NationofChange

May 22, 2012, (<http://www.nationofchange.org/ten-reasons-europe-1337699303>)

("The German philosopher Jürgen Habermas speaks of a 'transformational reality' – a complex word for a simple reality: divided we fall, whereas united, in our own complex manner, we may strive for 'greatness' in the best sense.")

The euro, many now believe, will not survive a failed political class in Greece or escalating levels of unemployment in Spain: just wait another few months, they say, the European Union's irresistible collapse has started.

Dark prophecies are often wrong, but they may also become self-fulfilling. Let's be honest: playing Cassandra nowadays is not only tempting in a media world where "good news is no news"; it actually seems more justified than ever. For the EU, the situation has never appeared more serious.

It is precisely at this critical moment that it is essential to re-inject hope and, above all, common sense into the equation. So here are ten good reasons to believe in Europe – ten rational arguments to convince pessimistic analysts, and worried investors alike, that it is highly premature to bury the euro and the EU altogether.

The first reason for hope is that statesmanship is returning to Europe, even if in homeopathic doses. It is too early to predict the impact of François Hollande's election as President of France. But, in Italy, one man, Mario Monti, is already making a difference.

Of course, no one elected Monti, and his position is fragile and already contested, but there is a positive near-consensus that has allowed him to launch long-overdue structural reforms. It is too early to say how long this consensus will last, and what changes it will bring. But Italy, a country that under Silvio's Berlusconi's cavalier rule was a source of despair, has turned into a source of real, if fragile, optimism.

A second reason to believe in Europe is that with statesmanship comes progress in governance. Monti and Hollande have both appointed women to key ministerial positions. Marginalized for so long, women bring an appetite for success that will benefit Europe.

Third, European public opinion has, at last, fully comprehended the gravity of the crisis. Nothing could be further from the truth than the claim that Europe and Europeans, with the possible exception of the Greeks, are in denial. Without lucidity born of despair, Monti would never have come to power in Italy.

In France, too, citizens have no illusions. Their vote for Hollande was a vote against Sarkozy, not against austerity. They are convinced, according to recently published public-opinion polls, that their new president will not keep some of his "untenable promises," and they seem to accept this as inevitable.

The fourth reason for hope is linked to Europe's creativity. Europe is not condemned to be a museum of its own past. Tourism is important, of course, and from that standpoint Europe's diversity is a unique source of attractiveness. But this diversity is also a source of inventiveness. From German cars to French luxury goods, European industrial competitiveness should not be underestimated.

The moment when Europe truly believes in itself, the way Germany does, and combines strategic long-term planning with well allocated R&D investments, will make all the difference. Indeed, in certain key fields, Europe possesses a globally recognized tradition of excellence linked to a very deep culture of quality.

The fifth source of optimism is slightly paradoxical. Nationalist excesses have tended to lead Europe to catastrophic wars. But the return of nationalist sentiment within Europe today creates a sense of emulation and competition, which proved instrumental in the rise of Asia yesterday. Koreans, Chinese, and Taiwanese wanted to do as well as Japan. In the same way, the moment will soon come when the French want to do as well as Germany.

The sixth reason is linked to the very nature of Europe's political system. Churchill's famous adage that democracy is the worst political system, with the exception of all the others, has been borne out across the continent. More than 80% of French citizens voted in the presidential election. Watching on their televisions the solemn, dignified, peaceful, and transparent transfer of power from the president they had defeated to the president they had elected, French citizens could only feel good about themselves and privileged to live in a democratic state. Europeans may be confused, inefficient, and slow to take decisions, but democracy still constitutes a wall of stability against economic and other uncertainties.

The seventh reason to believe in Europe is linked to the universalism of its message and languages. Few people dream of becoming Chinese, or of learning its various languages other than Mandarin. By contrast, English, Spanish, French, and, increasingly, German transcend national boundaries.

Beyond universalism comes the eighth factor supporting the EU's survival: multiculturalism. It is a disputed model, but multiculturalism is more a source of strength than of weakness. The continent's fusion of culture makes its people richer rather than poorer.

The ninth reason for hope stems from the EU's new and upcoming members. Poland, a country that belongs to "New Europe," is repaying the EU with a legitimacy that it had gained from Europe during its post-communist transition. And the entrance of Croatia, followed by Montenegro and a few other Balkan countries, could compensate for the departure of Greece (should it come to that for the Greeks).

Finally, and most important, Europe and the world have no better alternative. The Greek crisis may be forcing Europe to move towards greater integration, with or without Greece. The German philosopher Jürgen Habermas speaks of a "transformational reality" – a complex word for a simple reality: divided we fall, whereas united, in our own complex manner, we may strive for "greatness" in the best sense.

Investors, of course, are hedging their bets. Having ventured successfully into emerging non-democratic countries whose frailty they are starting to fear, some, out of prudence, are starting to rediscover Europe. They may well be the wise ones.

Comments:

Posted by luckylongshot, May 22, 2012 11:21 am:

It never ceases to amaze me how so many journalists keep pretending that what is happening in Greece is something that the current financial system can cope with when there is so much evidence that it cannot. Reason one is that even after all the chest beating and new loans there is no light at the end of the tunnel for Greece and

things are getting worse. Reason two is that in all of history every fiat currency has failed. Reason three is that what has brought this situation about is a debt explosion and as the interest on this debt ballooned the chances of it ever being repaid correspondingly dwindled. Too much debt cannot be fixed by restructuring. It can be fixed by being written off or by having the interest cancelled, but both of these solutions involve systemic change. What is happening is a dominoe collapse of the Euro and as time passes and things deteriorate this is becoming so obvious that it is hard to imagine anyone but a very well paid off journalist could miss it.

Posted by southwind, May 22, 2012 3:15 pm:

Good article, Dominique. We complain from a very high plateau. And we know it's the very speculators and hedge fund operators, with special kudos to Goldman Sachs, who exploited the corrupt political system called Greece to foist mind-boggling levels of debt on all of the EU, and who are now placing massive bets on the collapse and disintegration of Europe.

Greece is unfortunately so corrupt and delusional that it needs to be ejected from the Eurozone. Greece also needs to be helped over many years to radically reorganize its society - its economic and political structures and institutions - so that Greece may survive and eventually prosper as a nation.

However, as the Goldmans and other Masters of the Universe will learn, Europe and the European peoples have an unbreakable will to unite and move forward. Europe will prosper long after the giant vampire squids of Goldman & Co. have vanished from the earth.

20120522-09 17:18 Art "Obama Spending Binge Never Happened"

I know the accusation has frequently been made, in fact by one of you :-), that President has spent "like a drunken sailor". Well, apparently not quite the case. Good short read.

"Obama Spending Binge Never Happened" by Rex Nutting, *The Wall Street Journal*

May 22, 2012, (http://articles.marketwatch.com/2012-05-22/commentary/31802270_1_spending-federal-budget-drunken-sailor/2)

(Government outlays rising at slowest pace since 1950s.)

(WASHINGTON) Of all the falsehoods told about President Barack Obama, the biggest whopper is the one about his reckless spending spree.

As would-be president Mitt Romney tells it: "I will lead us out of this debt and spending inferno."

Almost everyone believes that Obama has presided over a massive increase in federal spending, an "inferno" of spending that threatens our jobs, our businesses and our children's future. Even Democrats seem to think it's true.

But it didn't happen. Although there was a big stimulus bill under Obama, federal spending is rising at the slowest pace since Dwight Eisenhower brought the Korean War to an end in the 1950s.

Even hapless Herbert Hoover managed to increase spending more than Obama has.

Here are the facts, according to the official government statistics:

- In the 2009 fiscal year — the last of George W. Bush's presidency — federal spending rose by 17.9% from \$2.98 trillion to \$3.52 trillion. Check the official numbers at the Office of Management and Budget (<http://www.cbo.gov/publication/41753>).
- In fiscal 2010 — the first budget under Obama — spending fell 1.8% to \$3.46 trillion.

- In fiscal 2011 — spending rose 4.3% to \$3.60 trillion.
- In fiscal 2012 — spending is set to rise 0.7% to \$3.63 trillion, according to the Congressional Budget Office's estimate of the budget that was agreed to last August.
- Finally in fiscal 2013 — the final budget of Obama's term — spending is scheduled to fall 1.3% to \$3.58 trillion. Read the CBO's latest budget outlook.

Over Obama's four budget years, federal spending is on track to rise from \$3.52 trillion to \$3.58 trillion, an annualized increase of just 0.4%.

There has been no huge increase in spending under the current president, despite what you hear.

Why do people think Obama has spent like a drunken sailor? It's in part because of a fundamental misunderstanding of the federal budget.

What people forget (or never knew) is that the first year of every presidential term starts with a budget approved by the previous administration and Congress. The president only begins to shape the budget in his second year. It takes time to develop a budget and steer it through Congress — especially in these days of congressional gridlock.

The 2009 fiscal year, which Republicans count as part of Obama's legacy, began four months before Obama moved into the White House. The major spending decisions in the 2009 fiscal year were made by George W. Bush and the previous Congress.

Like a relief pitcher who comes into the game with the bases loaded, Obama came in with a budget in place that called for spending to increase by hundreds of billions of dollars in response to the worst economic and financial calamity in generations.

By no means did Obama try to reverse that spending. Indeed, his budget proposals called for even more spending in subsequent years. But the Congress (mostly Republicans, but many Democrats too) stopped him. If Obama had been a king who could impose his will, perhaps what the Republicans are saying about an Obama spending binge would be accurate.

Yet the actual record doesn't show a reckless increase in spending. Far from it.

Before Obama had even lifted a finger, the CBO was already projecting that the federal deficit would rise to \$1.2 trillion in fiscal 2009. The government actually spent less money in 2009 than it was projected to, but the deficit expanded to \$1.4 trillion because revenue from taxes fell much further than expected, due to the weak economy and the emergency tax cuts that were part of the stimulus bill.

The projected deficit for the 2010-13 period has grown from an expected \$1.7 trillion in January 2009 to \$4.4 trillion today. Lower-than-forecast revenue accounts for 73% of the \$2.7 trillion increase in the expected deficit. That's assuming that the Bush and Obama tax cuts are repealed completely.

When Obama took the oath of office, the \$789 billion bank bailout had already been approved. Federal spending on unemployment benefits, food stamps and Medicare was already surging to meet the dire unemployment crisis that was well under way. See the CBO's January 2009 budget outlook.

Obama is not responsible for that increase, though he is responsible (along with the Congress) for about \$140 billion in extra spending in the 2009 fiscal year from the stimulus bill, from the expansion of the children's health-care program and from other appropriations bills passed in the spring of 2009.

If we attribute that \$140 billion in stimulus to Obama and not to Bush, we find that spending under Obama grew by about \$200 billion over four years, amounting to a 1.4% annualized increase.

After adjusting for inflation, spending under Obama is falling at a 1.4% annual pace — the first decline in real spending since the early 1970s, when Richard Nixon was retreating from the quagmire in Vietnam.

In per-capita terms, real spending will drop by nearly 5% from \$11,450 per person in 2009 to \$10,900 in 2013 (measured in 2009 dollars).

By the way, real government spending rose 12.3% a year in Hoover's four years. Now there was a guy who knew how to attack a depression by spending government money!

20120522-10 23:42 SteveG Fw: Common Sense Is Not All That Common
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[Source of original email unknown. –SteveB]

Good news:

It was a normal day in Sharon Springs , Kansas , when a Union Pacific crew boarded a loaded coal train for the long trek to Salina.

Bad news:

Just a few miles into the trip, a wheel bearing became overheated and melted, letting a metal support drop down and grind on the rail, creating white hot molten metal droppings spewing down to the rail.

Good news:

A very alert crew noticed smoke about halfway back in the train and immediately stopped the train in compliance with the rules.

Bad news:

The train had stopped with the hot wheel over a wooden bridge constructed of creosote ties and trusses. The crew tried to explain this to Union Pacific higher-ups, but were instructed not to move the train. They were informed that Rules strictly prohibited moving the train when a part was found to be defective.



'REMEMBER, RULES ARE RULES!'



Don't ever let common sense get in the way of a good Disaster.

[20120522-11](#)

23:58

SteveG

Quote: Nelson Mandela on Poverty

Poverty is not an accident.
Like slavery and apartheid,
it is man-made and
can be removed by
the actions of
human beings.



- Nelson Mandela

<http://photoblog.msnbc.msn.com/news/2012/05/22/11806116-man-survives-plunge-over-niagara-falls?lite>



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

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