



FRIENDS OF THE MIDDLE NEWSLETTER #157 — JUNE 11, 2012

Welcome to always lively political discussion and whatever else comes up.
<http://www.FriendsOfTheMiddle.org> FriendsOfTheMiddle@hotmail.com

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Reagan's Solution: Tax and Spend!

(posted by Steven W. Baker / SteveB, June 11, 2012)

As long as the lies continue (and they seem endless), Friends of the Middle will work hard to discover and print the truth! Here is yet another shining example:

"Highly Muddled Arguments" by Jared Bernstein, *Salon*

June 9, 2012, (http://www.salon.com/2012/06/09/highly_muddled_arguments/)

(It's impossible to argue economics with conservatives who have no idea what Ronald Reagan really did -- tax, spend.)

I've stumbled across of couple of recent conservative arguments that are so confusing that they're downright confuzzled, which is just south of ridiculous. [As Marci and I say, "Corn-fused!" = highly confused! –SteveB]

Let's start with this editorial on the fiscal cliff (which I'll have the honor of debating later tonight on the Kudlow Show) from the *WSJ* (who'd a thunk it, but both of these pieces are from the *Journal*). The piece argues...actually, I'm not sure what it's arguing.

They don't think taxes should go up due to the fiscal cliff—they think they should go down. But they do think the spending cuts should occur, though when it comes to the defense cuts, they're a little squishy.

But the punchline is, when it comes to the fiscal cliff, the right policy set is...wait for it!...cut taxes and cut spending!

OK, I get it—their only tool is a hammer, so everything's a nail. But if your answer to every problem that comes up, regardless of the timing, the underlying economic conditions, the politics or anything else is always the same, should anyone take you seriously?

And that there is one a them rhetorical questions.

The second piece is slightly less muddled but only slightly. It's an op-ed by Phil Gramm and Glenn Hubbard (note the extra 'm' and 'n' in those names—what's up with that!?) on how a Romney recovery would be really great.

The argument goes like this...hmmm...again, I'm not really sure how it goes. Something like this:

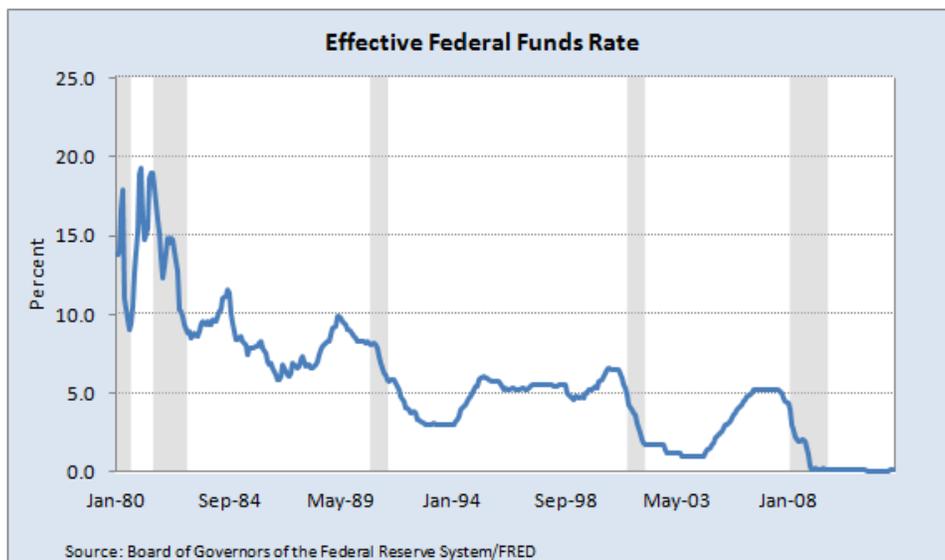
- Reagan and Obama both took office during recessions, but the Reagan recovery was much better.
- Why? Because he spent less.

Except for the inconvenient facts that the causes and depths of the recessions were very different, with real GDP and jobs falling much more in the Great Recession—the one we’re still climbing out of. Monetary policy was hugely different, in ways I’ll show in a moment.

And he didn’t spend less—[here’s what] Krugman [had to say], Friday:

I find it especially instructive to look at spending levels three years into each man’s administration — that is, in the first quarter of 1984 in Reagan’s case, and in the first quarter of 2012 in Mr. Obama’s — compared with four years earlier, which in each case more or less corresponds to the start of an economic crisis. Under [Reagan], real per capita government spending at that point was 14.4 percent higher than four years previously; under [Obama], less than half as much, just 6.4 percent.

The role of the Fed is also misrepresented here. Look at the figure below. The Reagan recession was much more under the Fed’s control. Volcker and Co. jammed interest rates up to almost 20%, a major factor in the recession, and could then bring them down from that very high perch. And given that this wasn’t a finance/housing bubble recession, investors and households were poised to respond to the lower rates. That’s all totally different to where we were and are now—note the zero lower bound at the end of the figure—and in ways that ensure a tougher recovery.



Then there’s the whole Romney policy angle. I’ve argued that the Romney policy play book looks more like W. Bush than Reagan. Reagan actually raised taxes (11 times!) and was, as noted, not afraid to spend. Gov. Romney’s plans are for tax cuts and spending cuts that will grow the economy through trickle down.

In that regard, it’s conspicuous that G.W. Bush’s name doesn’t show up in this article, as the trickle down thing was a disaster on his watch. Actually, the Bush name does show up in Hubbard’s bio—he was his chief economist for awhile.

OK, I feel better now. Thanks for letting me shake those muddles out of my head.

(Jared Bernstein joined the Center on Budget and Policy Priorities in May 2011 as a Senior Fellow. From 2009 to 2011, Bernstein was the Chief Economist and Economic Adviser to Vice President Joe Biden.)

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20120608-01	07:47	MarthaH	"Partisan Polarization Surges in Bush, Obama Years"
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I refer you all to the Pew Center's vast report but here is the crux of our lives:

"Partisan Polarization Surges in Bush, Obama Years" by Pew Research Center

June 4, 2012, (<http://www.people-press.org/2012/06/04/partisan-polarization-surges-in-bush-obama-years/>)

(Trends in American Values: 1987-2012)

[I urge you all to read and even study this lengthy but valuable article. I didn't feel I could do it justice here because of all the necessary graphics, so please just follow the link above. Thanks, MarthaH. -SteveB]

20120608-02	16:41	Art	Re: "Partisan Polarization Surges in Bush, Obama Years" (reply to MarthaH, above)
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Thanks Martha. A lot to think about. Polarization does seem to be much, much worse.

20120608-03	17:38	Pam	Re: "Partisan Polarization Surges in Bush, Obama Years" (reply to MarthaH & Art, above) / Climate Change
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"Republicans today clearly take a more conservative position, while Democratic values have remained relatively constant. This is most apparent when it comes to environmental protection."

An article in the *NYRB* (May 24, 2012) on the morality of climate change, how to think about it, and what to do about it ends this way: "Climate ethics is not morality applied but morality discovered, a new chapter in the moral education of mankind. It may tell us things we do not wish to know (about democracy perhaps), but the future development of humanity may depend on what, if anything, it can teach us."

Economies can recover; governments can reorganize; but if the climate goes, we all go, and there's no coming back.

[20120609-01](#) 01:21 SteveM Liberal Logic 101, Part 1



[20120609-02](#) 15:20 Pam Fw: Texas A&M Commencement Address

An old classmate sent this to my husband. I find it chilling to the bone. The talk is bad enough, but the reaction of the students blows my mind. Ayn Rand's shadow falls over us all.

[Source of original email unknown. -SteveB]

This is truly excellent & I bet those faculty members were very squirmy because he was speaking the truth!

Texas A&M Commencement Address — The students gave a standing ovation; the faculty were deathly silent!

Neal Boortz is a Texan, a lawyer, a Texas Aggie (Texas A&M) graduate, and now a nationally syndicated talk show host from Atlanta. His commencement address to the graduates of a recent Texas A&M class is far different from what either the students or the faculty expected. Whether you agree or disagree, his views are certainly thought provoking.

I am honored by the invitation to address you on this august occasion. It's about time. Be warned, however, that I am not here to impress you; you'll have enough smoke blown up your bloomers today. And you can bet your tassels I'm not here to impress the faculty and administration. You may not like much of what I have to say, and

that's fine. You will remember it though. Especially after about 10 years out there in the real world. This, it goes without saying, does not apply to those of you who will seek your careers and your fortunes as government employees.

This gowned gaggle behind me is your faculty. You've heard the old saying that those who can - do. Those who can't - teach. That sounds deliciously insensitive. But there is often raw truth in insensitivity, just as you often find feel-good falsehoods and lies in compassion. Say good-bye to your faculty because now you are getting ready to go out there and do. These folks behind me are going to stay right here and teach.

By the way, just because you are leaving this place with a diploma doesn't mean the learning is over. When an FAA flight examiner handed me my private pilot's license many years ago, he said, "Here, this is your ticket to learn." The same can be said for your diploma. Believe me, the learning has just begun.

Now, I realize that most of you consider yourselves Liberals. In fact, you are probably very proud of your liberal views. You care so much. You feel so much. You want to help so much. After all, you're a compassionate and caring person, aren't you now? Well, isn't that just so extraordinarily special. Now, at this age, is as good a time as any to be a liberal; as good a time as any to know absolutely everything. You have plenty of time, starting tomorrow, for the truth to set in.

Over the next few years, as you begin to feel the cold breath of reality down your neck, things are going to start changing pretty fast... Including your own assessment of just how much you really know.

So here are the first assignments for your initial class in reality: Pay attention to the news, read newspapers, and listen to the words and phrases that proud Liberals use to promote their causes. Then, compare the words of the left to the words and phrases you hear from those evil, heartless, greedy conservatives.

From the Left you will hear "I feel." From the Right you will hear "I think." From the Liberals you will hear references to groups -- The Blacks, the Poor, the Rich, the Disadvantaged, the Less Fortunate. From the Right you will hear references to individuals. On the Left you hear talk of group rights; on the Right, individual rights.

That about sums it up, really: Liberals feel. Liberals care. They are pack animals whose identity is tied up in group dynamics. Conservatives think -- and, setting aside the theocracy crowd, their identity is centered on the individual.

Liberals feel that their favored groups have enforceable rights to the property and services of productive individuals. Conservatives, I among them I might add, think that individuals have the right to protect their lives and their property from the plunder of the masses.

In college you developed a group mentality, but if you look closely at your diplomas you will see that they have your individual names on them. Not the name of your school mascot, or of your fraternity or sorority, but your name. Your group identity is going away. Your recognition and appreciation of your individual identity starts now.

If, by the time you reach the age of 30, you do not consider yourself to be a conservative, rush right back here as quickly as you can and apply for a faculty position. These people will welcome you with open arms. They will welcome you, that is, so long as you haven't developed an individual identity. Once again you will have to be willing to sign on to the group mentality you embraced during the past four years.

Something is going to happen soon that is going to really open your eyes. You're going to actually get a full time job!

You're also going to get a lifelong work partner. This partner isn't going to help you do your job. This partner is just going to sit back and wait for payday. This partner doesn't want to share in your effort, but in your earnings.

Your new lifelong partner is actually an agent; an agent representing a strange and diverse group of people; an agent for every teenager with an illegitimate child; an agent for a research scientist who wanted to make some cash answering the age-old question of why monkeys grind their teeth. An agent for some poor demented hippie

who considers herself to be a meaningful and talented artist, but who just can't manage to sell any of her artwork on the open market.

Your new partner is an agent for every person with limited, if any, job skills, but who wanted a job at City Hall. An agent for tin-horn dictators in fancy military uniforms grasping for American foreign aid. An agent for multi-million dollar companies who want someone else to pay for their overseas advertising. An agent for everybody who wants to use the unimaginable power of this agent's for their personal enrichment and benefit.

That agent is our wonderful, caring, compassionate, oppressive government. Believe me, you will be awed by the unimaginable power this agent has. Power that you do not have. A power that no individual has, or will have. This agent has the legal power to use force, deadly force to accomplish its goals.

You have no choice here. Your new friend is just going to walk up to you, introduce itself rather gruffly, hand you a few forms to fill out, and move right on in. Say hello to your own personal one ton gorilla. It will sleep anywhere it wants to.

Now, let me tell you, this agent is not cheap. As you become successful it will seize about 40% of everything you earn. And no, I'm sorry, there just isn't any way you can fire this agent of plunder, and you can't decrease its share of your income. That power rests with him, not you.

So, here I am saying negative things to you about government. Well, be clear on this: It is not wrong to distrust government. It is not wrong to fear government. In certain cases it is not even wrong to despise government for government is inherently evil. Yes, a necessary evil, but dangerous nonetheless, somewhat like a drug. Just as a drug that in the proper dosage can save your life, an overdose of government can be fatal.

Now let's address a few things that have been crammed into your minds at this university. There are some ideas you need to expunge as soon as possible. These ideas may work well in academic environment, but they fail miserably out there in the real world.

First is that favorite buzz word of the media and academia: Diversity! You have been taught that the real value of any group of people - be it a social group, an employee group, a management group, whatever - is based on diversity. This is a favored liberal ideal because diversity is based not on an individual's abilities or character, but on a person's identity and status as a member of a group. Yes, it's that liberal group identity thing again.

Within the great diversity movement group identification - be it racial, gender based, or some other minority status - means more than the individual's integrity, character or other qualifications.

Brace yourself. You are about to move from this academic atmosphere where diversity rules, to a workplace and a culture where individual achievement and excellence actually count. No matter what your professors have taught you over the last four years, you are about to learn that diversity is absolutely no replacement for excellence, ability, and individual hard work. From this day on every single time you hear the word "diversity" you can rest assured that there is someone close by who is determined to rob you of every vestige of individuality you possess.

We also need to address this thing you seem to have about "rights." We have witnessed an obscene explosion of so-called "rights" in the last few decades, usually emanating from college campuses.

You know the mantra: You have the right to a job. The right to a place to live. The right to a living wage. The right to health care. The right to an education. You probably even have your own pet right - the right to a Beemer for instance, or the right to have someone else provide for that child you plan on downloading in a year or so.

Forget it. Forget those rights! I'll tell you what your rights are. You have a right to live free, and to the results of 60% -75% of your labor. I'll also tell you have no right to any portion of the life or labor of another.

You may, for instance, think that you have a right to health care. After all, President Obama said so, didn't he? But you cannot receive health-care unless some doctor or health practitioner surrenders some of his time - his life - to

you. He may be willing to do this for compensation, but that's his choice. You have no "right" to his time or property. You have no right to his or any other person's life or to any portion thereof.

You may also think you have some "right" to a job; a job with a living wage, whatever that is. Do you mean to tell me that you have a right to force your services on another person, and then the right to demand that this person compensate you with their money? Sorry, forget it. I am sure you would scream if some urban outdoors men (that would be "homeless person" for those of you who don't want to give these less fortunate people a romantic and adventurous title) came to you and demanded his job and your money.

The people who have been telling you about all the rights you have are simply exercising one of theirs - the right to be imbeciles. Their being imbeciles didn't cost anyone else either property or time. It's their right, and they exercise it brilliantly.

By the way, did you catch my use of the phrase "less fortunate" a bit ago when I was talking about the urban outdoors men? That phrase is a favorite of the Left. Think about it, and you'll understand why.

To imply that one person is homeless, destitute, dirty, drunk, spaced out on drugs, unemployable, and generally miserable because he is "less fortunate" is to imply that a successful person - one with a job, a home and a future - is in that position because he or she was "fortunate." The dictionary says that fortunate means "having derived good from an unexpected place." There is nothing unexpected about deriving good from hard work. There is also nothing unexpected about deriving misery from choosing drugs, alcohol, and the street.

If the Liberal Left can create the common perception that success and failure are simple matters of "fortune" or "luck," then it is easy to promote and justify their various income redistribution schemes. After all, we are just evening out the odds a little bit. This "success equals luck" idea the liberals like to push is seen everywhere. Former Democratic presidential candidate Richard Gephardt refers to high-achievers as "people who have won life's lottery." He wants you to believe they are making the big bucks because they are lucky. It's not luck, my friends. It's choice. One of the greatest lessons I ever learned was in a book by Og Mandino, entitled, *The Greatest Secret in the World*. The lesson? Very simple: "Use wisely your power of choice."

That bum sitting on a heating grate, smelling like a wharf rat? He's there by choice. He is there because of the sum total of the choices he has made in his life. This truism is absolutely the hardest thing for some people to accept, especially those who consider themselves to be victims of something or other - victims of discrimination, bad luck, the system, capitalism, whatever. After all, nobody really wants to accept the blame for his or her position in life. Not when it is so much easier to point and say, "Look! He did this to me!" than it is to look into a mirror and say, "You S. O. B.! You did this to me!"

The key to accepting responsibility for your life is to accept the fact that your choices, every one of them, are leading you inexorably to either success or failure, however you define those terms.

Some of the choices are obvious: Whether or not to stay in school. Whether or not to get pregnant. Whether or not to hit the bottle. Whether or not to keep this job you hate until you get another better-paying job. Whether or not to save some of your money, or saddle yourself with huge payments for that new car.

Some of the choices are seemingly insignificant: Whom to go to the movies with. Whose car to ride home in. Whether to watch the tube tonight, or read a book on investing. But, and you can be sure of this, each choice counts. Each choice is a building block - some large, some small. But each one is a part of the structure of your life. If you make the right choices, or if you make more right choices than wrong ones, something absolutely terrible may happen to you. Something unthinkable. You, my friend, could become one of the hated, the evil, the ugly, the feared, the filthy, the successful, the rich.

The rich basically serve two purposes in this country. First, they provide the investments, the investment capital, and the brains for the formation of new businesses. Businesses that hire people. Businesses that send millions of paychecks home each week to the un-rich.

Second, the rich are a wonderful object of ridicule, distrust, and hatred. Few things are more valuable to a politician than the envy most Americans feel for the evil rich.

Envy is a powerful emotion. Even more powerful than the emotional minefield that surrounded Bill Clinton when he reviewed his last batch of White House interns. Politicians use envy to get votes and power. And they keep that power by promising the envious that the envied will be punished: "The rich will pay their fair share of taxes if I have anything to do with it." The truth is that the top 10% of income earners in this country pays almost 50% of all income taxes collected. I shudder to think what these job producers would be paying if our tax system were any more "fair."

You have heard, no doubt, that the rich get richer and the poor get poorer. Interestingly enough, our government's own numbers show that many of the poor actually get richer, and that quite a few of the rich actually get poorer. But for the rich who do actually get richer, and the poor who remain poor .. there's an explanation -- a reason. The rich, you see, keep doing the things that make them rich; while the poor keep doing the things that make them poor.

Speaking of the poor, during your adult life you are going to hear an endless string of politicians bemoaning the plight of the poor. So, you need to know that under our government's definition of "poor" you can have a \$5 million net worth, a \$300,000 home and a new \$90,000 Mercedes, all completely paid for. You can also have a maid, cook, and valet, and a million in your checking account, and you can still be officially defined by our government as "living in poverty." Now there's something you haven't seen on the evening news.

How does the government pull this one off? Very simple, really. To determine whether or not some poor soul is "living in poverty," the government measures one thing -- just one thing. Income.

It doesn't matter one bit how much you have, how much you own, how many cars you drive or how big they are, whether or not your pool is heated, whether you winter in Aspen and spend the summers in the Bahamas, or how much is in your savings account. It only matters how much income you claim in that particular year. This means that if you take a one-year leave of absence from your high-paying job and decide to live off the money in your savings and checking accounts while you write the next great American novel, the government says you are living in poverty."

This isn't exactly what you had in mind when you heard these gloomy statistics, is it? Do you need more convincing? Try this. The government's own statistics show that people who are said to be "living in poverty" spend more than \$1.50 for each dollar of income they claim. Something is a bit fishy here. Just remember all this the next time Charles Gibson tells you about some hideous new poverty statistics.

Why has the government concocted this phony poverty scam? Because the government needs an excuse to grow and to expand its social welfare programs, which translates into an expansion of its power. If the government can convince you, in all your compassion, that the number of "poor" is increasing, it will have all the excuse it needs to sway an electorate suffering from the advanced stages of Obsessive-Compulsive Compassion Disorder.

I'm about to be stoned by the faculty here. They've already changed their minds about that honorary degree I was going to get. That's OK, though. I still have my PhD. in Insensitivity from the Neal Boortz Institute for Insensitivity Training. I learned that, in short, sensitivity sucks. It's a trap. Think about it - the truth knows no sensitivity. Life can be insensitive. Wallow too much in sensitivity and you'll be unable to deal with life, or the truth, so get over it.

Now, before the dean has me shackled and hauled off, I have a few random thoughts

- You need to register to vote, unless you are on welfare. If you are living off the efforts of others, please do us the favor of sitting down and shutting up until you are on your own again.
- When you do vote, your votes for the House and the Senate are more important than your vote for President. The House controls the purse strings, so concentrate your awareness there.

- Liars cannot be trusted, even when the liar is the President of the country. If someone can't deal honestly with you, send them packing.
- Don't bow to the temptation to use the government as an instrument of plunder. If it is wrong for you to take money from someone else who earned it -- to take their money by force for your own needs -- then it is certainly just as wrong for you to demand that the government step forward and do this dirty work for you.
- Don't look in other people's pockets. You have no business there. What they earn is theirs. What you earn is yours. Keep it that way. Nobody owes you anything, except to respect your privacy and your rights, and leave you the hell alone.
- Speaking of earning, the revered 40-hour workweek is for losers. Forty hours should be considered the minimum, not the maximum. You don't see highly successful people clocking out of the office every afternoon at five. The losers are the ones caught up in that afternoon rush hour. The winners drive home in the dark.
- Free speech is meant to protect unpopular speech. Popular speech, by definition, needs no protection.
- Finally (and aren't you glad to hear that word), as Og Mandino wrote:
 1. Proclaim your rarity. Each of you is a rare and unique human being.
 2. Use wisely your power of choice.
 3. Go the extra mile, drive home in the dark.

Oh, and put off buying a television set as long as you can. Now, if you have any idea at all what's good for you, you will get out of here and never come back. Class dismissed"

[20120609-04](#) 16:04 Art Re: Texas A&M Commencement Address (reply to Pam, above)

This guy is a Dumb A*s. What drivel. It is also not true. He wrote it, but it was never given as a commencement speech anywhere and nobody ovated. OK that last not a real word.

Pam, I can hear you sigh a breath of relief.

[20120609-06](#) 19:45 Pam Re: Texas A&M Commencement Address (reply to Art, above)

Really? This is a hoax?

[20120609-07](#) 20:53 SteveG Re: Texas A&M Commencement Address (reply to Pam, above)

[snopes.com: Neal Boortz Commencement Speech](#)

Did talk show host Neal Boortz deliver a controversial commencement speech at Texas A&M?

Claim: Radio talk show host Neal Boortz delivered a controversial commencement speech at Texas A .
Example: [Collected via e-mail, September 2009]...

It is the season of commencement speeches. Many are boringly predictable. Neal Boortz, a Texan, lawyer, Texas Aggie, now nationally syndicated talk show...

Host Neal Boortz—it was never given by him as a commencement address at a university or college, nor was it written with that intent. Mr. Boortz wrote...

June 9, 2012, (<http://www.snopes.com/politics/soapbox/boortz.asp>)

20120610-01 08:38 MarthaH "Wellesley (MA) High Teacher to Graduating Seniors: 'Get Over Yourselves.'"

"Wellesley High Teacher to Graduating Seniors: 'Get Over Yourselves.'" by BBrown, The Swellesley Report

June 5, 2012, (<http://www.theswellesleyreport.com/2012/06/wellesley-high-grads-told-youre-not-special/>)

(Wellesley High grads told: "You're not special"!)

(We'd been hearing good things over the weekend about Wellesley High School English teacher David McCullough, Jr.'s faculty speech to the Class of 2012 last Friday. Here it is, in its entirety, courtesy of Mr. McCullough.)

Dr. Wong, Dr. Keough, Mrs. Novogroski, Ms. Curran, members of the board of education, family and friends of the graduates, ladies and gentlemen of the Wellesley High School class of 2012, for the privilege of speaking to you this afternoon, I am honored and grateful. Thank you.

So here we are... commencement... life's great forward-looking ceremony. (And don't say, "What about weddings?" Weddings are one-sided and insufficiently effective. Weddings are bride-centric pageantry. Other than conceding to a list of unreasonable demands, the groom just stands there. No stately, hey-everybody-look-at-me procession. No being given away. No identity-changing pronouncement. And can you imagine a television show dedicated to watching guys try on tuxedos? Their fathers sitting there misty-eyed with joy and disbelief, their brothers lurking in the corner muttering with envy. Left to men, weddings would be, after limits-testing procrastination, spontaneous, almost inadvertent... during halftime... on the way to the refrigerator. And then there's the frequency of failure: statistics tell us half of you will get divorced. A winning percentage like that'll get you last place in the American League East. The Baltimore Orioles do better than weddings.)

But this ceremony... commencement... a commencement works every time. From this day forward... truly... in sickness and in health, through financial fiascos, through midlife crises and passably attractive sales reps at trade shows in Cincinnati, through diminishing tolerance for annoyingness, through every difference, irreconcilable and otherwise, you will stay forever graduated from high school, you and your diploma as one, 'til death do you part.

No, commencement is life's great ceremonial beginning, with its own attendant and highly appropriate symbolism. Fitting, for example, for this auspicious rite of passage, is where we find ourselves this afternoon, the venue. Normally, I avoid clichés like the plague, wouldn't touch them with a ten-foot pole, but here we are on a literal level playing field. That matters. That says something. And your ceremonial costume—shapeless, uniform, one-size-fits-all. Whether male or female, tall or short, scholar or slacker, spray-tanned prom queen or intergalactic X-Box assassin, each of you is dressed, you'll notice, exactly the same. And your diploma, but for your name, exactly the same.

All of this is as it should be, because none of you is special.

You are not special. You are not exceptional.

Contrary to what your u9 soccer trophy suggests, your glowing seventh grade report card, despite every assurance of a certain corpulent purple dinosaur, that nice Mister Rogers and your batty Aunt Sylvia, no matter how often your maternal caped crusader has swooped in to save you... you're nothing special.

Yes, you've been pampered, cosseted, doted upon, helmeted, bubble-wrapped. Yes, capable adults with other things to do have held you, kissed you, fed you, wiped your mouth, wiped your bottom, trained you, taught you, tutored you, coached you, listened to you, counseled you, encouraged you, consoled you and encouraged you again. You've been nudged, cajoled, wheedled and implored. You've been feted and fawned over and called

sweetie pie. Yes, you have. And, certainly, we've been to your games, your plays, your recitals, your science fairs. Absolutely, smiles ignite when you walk into a room, and hundreds gasp with delight at your every tweet. Why, maybe you've even had your picture in the Townsman! [Editor's upgrade: Or The Swellesley Report!] And now you've conquered high school... and, indisputably, here we all have gathered for you, the pride and joy of this fine community, the first to emerge from that magnificent new building...

But do not get the idea you're anything special. Because you're not.

The empirical evidence is everywhere, numbers even an English teacher can't ignore. Newton, Natick, Nee... I am allowed to say Needham, yes? ...that has to be two thousand high school graduates right there, give or take, and that's just the neighborhood Ns. Across the country no fewer than 3.2 million seniors are graduating about now from more than 37,000 high schools. That's 37,000 valedictorians... 37,000 class presidents... 92,000 harmonizing altos... 340,000 swaggering jocks... 2,185,967 pairs of Uggs. But why limit ourselves to high school? After all, you're leaving it. So think about this: even if you're one in a million, on a planet of 6.8 billion that means there are nearly 7,000 people just like you. Imagine standing somewhere over there on Washington Street on Marathon Monday and watching sixty-eight hundred yous go running by. And consider for a moment the bigger picture: your planet, I'll remind you, is not the center of its solar system, your solar system is not the center of its galaxy, your galaxy is not the center of the universe. In fact, astrophysicists assure us the universe has no center; therefore, you cannot be it. Neither can Donald Trump... which someone should tell him... although that hair is quite a phenomenon.

"But, Dave," you cry, "Walt Whitman tells me I'm my own version of perfection! Epictetus tells me I have the spark of Zeus!" And I don't disagree. So that makes 6.8 billion examples of perfection, 6.8 billion sparks of Zeus. You see, if everyone is special, then no one is. If everyone gets a trophy, trophies become meaningless. In our unspoken but not so subtle Darwinian competition with one another—which springs, I think, from our fear of our own insignificance, a subset of our dread of mortality — we have of late, we Americans, to our detriment, come to love accolades more than genuine achievement. We have come to see them as the point — and we're happy to compromise standards, or ignore reality, if we suspect that's the quickest way, or only way, to have something to put on the mantelpiece, something to pose with, crow about, something with which to leverage ourselves into a better spot on the social totem pole. No longer is it how you play the game, no longer is it even whether you win or lose, or learn or grow, or enjoy yourself doing it... Now it's "So what does this get me?" As a consequence, we cheapen worthy endeavors, and building a Guatemalan medical clinic becomes more about the application to Bowdoin than the well-being of Guatemalans. It's an epidemic — and in its way, not even dear old Wellesley High is immune... one of the best of the 37,000 nationwide, Wellesley High School... where good is no longer good enough, where a B is the new C, and the midlevel curriculum is called Advanced College Placement. And I hope you caught me when I said "one of the best." I said "one of the best" so we can feel better about ourselves, so we can bask in a little easy distinction, however vague and unverifiable, and count ourselves among the elite, whoever they might be, and enjoy a perceived leg up on the perceived competition. But the phrase defies logic. By definition there can be only one best. You're it or you're not.

If you've learned anything in your years here I hope it's that education should be for, rather than material advantage, the exhilaration of learning. You've learned, too, I hope, as Sophocles assured us, that wisdom is the chief element of happiness. (Second is ice cream... just an fyi) I also hope you've learned enough to recognize how little you know... how little you know now... at the moment... for today is just the beginning. It's where you go from here that matters.

As you commence, then, and before you scatter to the winds, I urge you to do whatever you do for no reason other than you love it and believe in its importance. Don't bother with work you don't believe in any more than you would a spouse you're not crazy about, lest you too find yourself on the wrong side of a Baltimore Orioles comparison. Resist the easy comforts of complacency, the specious glitter of materialism, the narcotic paralysis of self-satisfaction. Be worthy of your advantages. And read... read all the time... read as a matter of principle, as a matter of self-respect. Read as a nourishing staple of life. Develop and protect a moral sensibility and demonstrate the character to apply it. Dream big. Work hard. Think for yourself. Love everything you love, everyone you love, with all your might. And do so, please, with a sense of urgency, for every tick of the clock subtracts from fewer and fewer; and as surely as there are commencements there are cessations, and you'll be in no condition to enjoy the ceremony attendant to that eventuality no matter how delightful the afternoon.

The fulfilling life, the distinctive life, the relevant life, is an achievement, not something that will fall into your lap because you're a nice person or mommy ordered it from the caterer. You'll note the founding fathers took pains to secure your inalienable right to life, liberty and the pursuit of happiness—quite an active verb, "pursuit"—which leaves, I should think, little time for lying around watching parrots rollerskate on Youtube. The first President Roosevelt, the old rough rider, advocated the strenuous life. Mr. Thoreau wanted to drive life into a corner, to live deep and suck out all the marrow. The poet Mary Oliver tells us to row, row into the swirl and roil. Locally, someone... I forget who... from time to time encourages young scholars to carpe the heck out of the diem. The point is the same: get busy, have at it. Don't wait for inspiration or passion to find you. Get up, get out, explore, find it yourself, and grab hold with both hands. (Now, before you dash off and get your YOLO tattoo, let me point out the illogic of that trendy little expression—because you can and should live not merely once, but every day of your life. Rather than You Only Live Once, it should be You Live Only Once... but because YOLO doesn't have the same ring, we shrug and decide it doesn't matter.)

None of this day-seizing, though, this YOLOing, should be interpreted as license for self-indulgence. Like accolades ought to be, the fulfilled life is a consequence, a gratifying byproduct. It's what happens when you're thinking about more important things. Climb the mountain not to plant your flag, but to embrace the challenge, enjoy the air and behold the view. Climb it so you can see the world, not so the world can see you. Go to Paris to be in Paris, not to cross it off your list and congratulate yourself for being worldly. Exercise free will and creative, independent thought not for the satisfactions they will bring you, but for the good they will do others, the rest of the 6.8 billion—and those who will follow them. And then you too will discover the great and curious truth of the human experience is that selflessness is the best thing you can do for yourself. The sweetest joys of life, then, come only with the recognition that you're not special.

Because everyone is.

Congratulations. Good luck. Make for yourselves, please, for your sake and for ours, extraordinary lives.

—David McCullough

[Now, this one should get a standing O from everyone! —SteveB]

20120609-03 15:28 SteveB "Use The People's Veto to End <i>Citizens United</i> "

"Use The People's Veto to End *Citizens United*" by Fran Korten, *Yes!/NationofChange*

June 9, 2012, (<http://www.nationofchange.org/use-people-s-veto-end-citizens-united-1339247421>)

When I spoke at an event in February 2010, I gave the audience little boxes of matches. My point was that to achieve the change we were discussing we would need to light a prairie fire of activism. Two years later, I gave a similar talk. I needed no matchboxes. The prairie fire was well underway.

Both talks were about the Supreme Court's decision in *Citizens United v. FEC* (CU). The case was the crown jewel of decades of Supreme Court rulings that corporations are "persons" with constitutional rights, including free speech, and that spending money is a form of speech. CU allows unlimited spending on political campaigns directly from corporate treasuries right up to Election Day.

After the decision, most people I knew were in despair. Although polls showed that 80 percent of people who knew about the ruling opposed it, what were we to do? The highest court in the land had spoken. Corporate money would now flood our elections. Only a constitutional amendment could reverse the ruling. At my 2010 talk that possibility seemed remote indeed.

Two years later, when I spoke at a Move to Amend event, the mood was strikingly different. Organizers had just gotten the Port Townsend, Wash., city council to approve an amendment declaring that corporations are not

people. They planned to press county officials and the state legislature to do likewise. Some planned to urge the League of Women Voters to support an amendment. Others wanted their churches to take a stand.

Across the country the momentum is building, spurred by organizations such as Free Speech for People, Move to Amend, Public Citizen, People for the American Way, and Occupy groups. The legislatures of Hawaii, New Mexico, and Vermont passed resolutions endorsing a constitutional amendment to reverse CU. The city councils of New York, Los Angeles, and many other cities and towns have passed such resolutions. In April 2012, attorneys general from 11 states recommended an amendment. Thirteen U.S. congress members have introduced amendments addressing CU. In December 2011, the Montana Supreme Court defied the CU decision, ruling that Montana's Corrupt Practices Act, which curtails corporate spending on state elections, remains valid—a ruling the U.S. Supreme Court has stayed while it considers whether to review the case.

This widespread, multi-sector activism is exactly what is needed to amend the Constitution. It's hard to get two-thirds of the Congress and three-quarters of the states to agree on anything, much less a measure that curtails corporate power. The trick is to build relentless pressure from the grassroots. The suffragettes learned this, mounting hundreds of campaigns at every level until the men in all those legislative bodies voted for the 19th amendment and women won the right to vote.

As activism spreads to reverse CU, so will the opposition. The corporate money we would like to restrain will be directed against this campaign. Advocates must make clear that this movement is not anti-business—in fact the American Sustainable Business Council, with members representing over 100,000 businesses, endorses an amendment. And the movement must be trans partisan, attracting people from all parties.

Corporations are not people and money is not speech. In a true democracy each person has one voice, and its power depends on the weight of the argument, not the size of the wallet. The founders gave us a way to exercise a "people's veto" by amending our Constitution to overrule our country's highest court. We have done it before. To save our democracy, we must do it again.

20120609-05 17:27 SteveB "Romney Dodged the Draft"

"Romney Dodged the Draft" by Joan Walsh, *Salon*

June 7, 2012, (http://www.salon.com/2012/06/07/romney_dodged_the_draft/)

(First he didn't "desire" to serve, but didn't evade it. Then he "longed" to go. The truth: He got four deferments.)



Mitt Romney looks over at veteran Nick Popaditch during a

Memorial Day ceremony in San Diego. (Credit: Reuters/Denis Poroy)

Mitt Romney changed his story on poverty in St. Louis Thursday. Where in February, during the GOP primary, he said "I'm not concerned about the very poor," today he called rising poverty rates "a moral failure" – and blamed it on President Obama. But Romney supports Paul Ryan's budget, which would slash food stamps, Head Start, Medicaid, nutrition programs for pregnant women and their children, and his tax plan would raise taxes on the poor and working class while giving himself an extra \$5 million or so. Mitt, you got it right the first time: You're not concerned about the very poor.

But Romney's shifting stories on his Vietnam status could have real political consequences, as an Associated Press expose revealing that he sought and got four deferments from military service during the Vietnam War gets more play. It's not the deferments that will hurt – Dick Cheney got five. It's the fact that over the years, Romney has lied about it.

AP politely says his story has "evolved," but tracks the puzzling changes. Running for president in 2007, Romney told the Boston Globe, "I longed in many respects to actually be in Vietnam and be representing our country there, and in some ways it was frustrating not to feel like I was there as part of the troops that were fighting in Vietnam."

But in 1994, running against Ted Kennedy for his Massachusetts Senate seat while in his "I'm not a typical Republican" phase, he admitted "it was not my desire to go off and serve in Vietnam." Fair enough: His father, George Romney, turned against the war, and so did a lot of Republicans (even if party hawks would later try to hang the "loss" of Vietnam on the antiwar left and their Democratic enablers). Indeed, in 1970, at 23, Romney told the Globe, "If it wasn't a political blunder to move into Vietnam, I don't know what is."

But while telling the truth about his lack of "desire to go off and serve" in 1994, Romney lied again, telling the Boston Herald he didn't "take any actions to remove myself from the pool of young men who were eligible for the draft." That's absolutely not true. He got his first deferment while at Stanford University, where in his prep-school prankster phase he counter-protested a Vietnam draft protest. That's another lie, in a way: While posing as pro-draft and pro-war, he was evading the draft with an "activity in study" deferment. After his freshman year, he got deferment status as "a minister of religion or divinity student," which he'd keep while working in France as a missionary for his Mormon church.

Yet the AP reveals that other young Mormons were denied that deferment. And since the church itself strongly supported the war, its leaders eventually limited such deferments, but Romney kept his.

After his religious deferment, he got another academic deferment to finish school. By the time he was draft eligible, troop numbers were declining, and his lottery number was never called.

As Rachel Maddow noted last night, this story got eclipsed by post-Wisconsin coverage, but Romney's dissembling here, all captured in newspapers in real time, should be a real problem for him. Especially since he's getting the old George W. Bush band back together and backing the Bush-Cheney neocon foreign policy that never saw a war it didn't like. His campaign refused to comment on the AP story. Let's see if Romney has to answer for his Vietnam deceit in the days to come.

I talked about the story on MSNBC's "Bashir Live" today. As a bonus, you can see me tell Bashir I can't answer a question, when he asks me why veterans are supporting Romney over Obama 66-34 percent. I started to BS, and then decided to keep a promise to myself that I won't make things up when I really don't know the truth. A little cringe-making, but better than faking it.



[I think the restaurant owner must be one of the 1%, He sounds just like a Wall Street guy! –SteveB]

"The Price of Inequality: How Today's Divided Society Endangers Our Future" by Joseph Stiglitz, Democracy Now!

June 6, 2012 (w/ Video), (http://www.democracynow.org/2012/6/6/joseph_stiglitz_on_the_price_of)

Several months before Occupy Wall Street, the Nobel Prize-winning economist Joseph Stiglitz wrote "Of the 1%, by the 1%, for the 1%," an article for *Vanity Fair*. He returns to the subject in his new book looking at how inequality is now greater in the United States than any other industrialized nation. He notes that the six heirs of the Wal-Mart fortune command wealth equivalent to the entire bottom 30 percent of American society. "It's a comment both on how well off the top are and how poor the bottom are," Stiglitz says. "It's really emblematic of the divide that has gotten much worse in our society." On Tuesday, Bloomberg News reported that pay for the top CEOs on Wall Street increased by more than 20 percent last year. Meanwhile, census data shows nearly one in two Americans, or 150 million people, have fallen into poverty or could be classified as low-income. "United States is the country in the world with the highest level of inequality [of the advanced industrial countries], and it's getting worse," Stiglitz says. "What's even more disturbing is we've [also] become the country with the least equality of opportunity."

GUEST: Joseph Stiglitz, Nobel Prize-winning economist and a professor at Columbia University. He is the author of numerous books. His most recent book is *The Price of Inequality: How Today's Divided Society Endangers Our Future*.

NERMEEN SHAIKH: We turn now to an issue that's gained increasing prominence in the last year: increasing inequality in the United States and the divide between the richest 1 percent and the rest of the country. Bloomberg News reported Tuesday that pay for the top CEOs on Wall Street increased by over 20 percent last year. The article is based on analysis of data reported to the Securities and Exchange Commission and finds that the substantial rise comes after a 26 percent jump in CEO salaries in 2010.

Meanwhile, census data shows nearly one in two Americans, or 150 million people, have fallen into poverty or could be classified as low-income. Thirty-eight percent of African-American children and 35 percent of Latino children live in poverty.

AMY GOODMAN: Well, our next guest has helped to popularize the expression "the 1 percent" and brought to light the causes behind increasing inequality in the United States. Joseph Stiglitz is a Nobel Prize-winning economist. During the Clinton administration from '93 to '97, he served on the Council of Economic Advisers. His May 2011 Vanity Fair article, "Of the 1%, by the 1%, for the 1%," serves as the basis of his new book, *The Price of Inequality: How Today's Divided Society Endangers Our Future*. Joseph Stiglitz teaches at Columbia University.

We welcome you back to Democracy Now!

JOSEPH STIGLITZ: Nice to be here.

AMY GOODMAN: I mean, this figure you have on page eight of your book, when you say, "Consider the Walton family: the six heirs to the Wal-Mart empire command wealth of \$69.7 billion, which is equivalent to the wealth of the entire bottom 30 percent of U.S. society."

JOSEPH STIGLITZ: It's a comment both on how well off the top are and how poor the bottom are. And it's really emblematic of the divide that has gotten much worse in our society. One of the points I try to make in the book is, none of this is inevitable. It's not just market forces. United States is the country in the world with the highest level of inequality, and it's getting worse.

AMY GOODMAN: The highest level?

JOSEPH STIGLITZ: Of the advanced industrial countries.

AMY GOODMAN: The highest level.

JOSEPH STIGLITZ: Highest level of the advanced industrial countries. And to me, what's even more disturbing is, we've become the country with the least equality of opportunity of all the advanced industrial countries for which there's data. You know, we think of ourselves as a land of opportunity, American Dream. And there are all examples that we know of where people have made it—you know, immigrants, other people who have made it to the top. But what matters really are the numbers, the chances. You know, what are your life chances if you had the misfortune of being born to a poor family or somebody whose parents are not well educated? What are your chances of going from the bottom to the middle or the bottom to the top? And they are lower in the United States than in other advanced industrial countries.

NERMEEN SHAIKH: I mean, it's a striking fact, because you talk about it a few times in your book, that now in old Europe there is more class mobility than there is in the U.S. And, of course, we always here think of Europe as being very class rigid.

JOSEPH STIGLITZ: That's right. And this is a change, in many respects. And one of the other points I try to emphasize in the book is it has consequences. It has consequences for our sense of identity, of what we are, but it also has even more, you know, you might say, narrow economic consequences, because what it means is that if you have the—you know, make the mistake of choosing the wrong parents, the likelihood is that you're not going to live up to your potential. And we are, in that sense, wasting our most important assets: our human resources.

NERMEEN SHAIKH: You also say that, ultimately, the rich will also pay an extraordinary price for this inequality. How?

JOSEPH STIGLITZ: Well, we're all in the same boat together. You know, there are a lot of people who are very bright, who work very hard in developing countries, emerging markets, who have very low incomes. The point is that all of us benefit from our education system, our legal system, the way our whole society functions. In those parts of the world where there's a large divide, mainly in, you know, emerging markets, developing countries, where there's a large divide, societies fall apart. There's political, social, economic turmoil. And in that context, not even the 1 percent can do that well.

AMY GOODMAN: I wanted—I wanted to ask you about the people we value and the people we don't. You have an amazing set of examples. You say, "Few are inventors" — you say, "By looking at those at the top of the wealth distribution, we can get a feel [for] the nature of this aspect of America's inequality. Few are investors who have reshaped technology, or scientists who have reshaped our understandings of the laws of nature. Think of Alan Turing, whose genius provided the mathematics underlying the modern computer. Or of Einstein. Or of the discoverers of the laser (in which Charles Townes played a central role) or John Bardeen, Walter Brattain, and William Shockley, the inventors of transistors. Or of Watson and Crick, who unraveled the mysteries of DNA, upon which rests so much of modern [medicine]. None of them, who made such large contributions to our well-being, are among those most rewarded by our economic system." We have very different names that are tied to these so-called inventions, like of the internet.

JOSEPH STIGLITZ: That's right. And the point is that the theory that was developed in the 19th century to justify the inequality that was emerging with capitalism was marginal productivity theory. It was the notion that those who contributed the most to society will get bigger rewards. It was a sense, you might say, of moral justification, but also an argument for economic efficiency. And what we now realize is the individuals who have made the most important contributions are not those that are at the top. The people—many of the people who are at the top, for instance, are those financiers who brought the world to the brink of ruin. And the moment of Great Recession, I think, was a really telling moment in our rethinking of what was going on. You know, we all sort of understood that there was something wrong. But in that crisis where you saw so many bankers who had brought the world to the brink of ruin, who actually brought their companies to the brink of ruin, walk off with pay in the millions of dollars, it was very clear there was a disconnect between private rewards and social returns, really undermining the theory that was the basis of the justification of inequality in our society.

NERMEEN SHAIKH: So when did financiers, though, come to have this kind of power?

JOSEPH STIGLITZ: Well, it's been an evolution. But I think, in my mind, a really telling change was the repeal of Glass-Steagall, where we told the banks, you know, "Don't focus on what you're supposed to be doing, which is providing credit to new businesses to expand businesses." We brought together the commercial banks, which were the basis of the kind of prudent lending, and investment banks, who took rich people's money and gambled. And we put it together. We created these financial institutions that were too big to fail. And the result of that was they grew larger and larger, and the risk taking, gambling, speculation dominated, rather than the lending, which is the basis of a growing, productive economy.

But in a way, the evolution of our economy, more generally, began about 1980. That's—if I would say, where's there a dividing point—where the CEOs began to realize that they could take a larger and larger share of the corporate income. They understood that we have deficient corporate governance laws. And so, we didn't require a say in pay. We didn't require—you know, shareholders are supposed to own the firms, but the shareholders had no say in the pay of the companies—of the managers of the companies that they were supposed to own. A very strange situation. I mean, if you have somebody working for you, you would say you ought to have some say in their pay. And the result of that is they took a larger and larger share. And if you look at those at the top—as I say, they're not the Watson and Cricks, the people who made these big changes—they're corporate CEOs.

AMY GOODMAN: Who is Berners-Lee?

JOSEPH STIGLITZ: Well, these are people who, you know, made the internet, the people who—

AMY GOODMAN: But we think Mark Zuckerberg. We think Gates. We think Jobs.

JOSEPH STIGLITZ: You know, all of these played an important role. You know, we shouldn't underestimate the importance of that. But all these rest on a foundation, and that foundation was largely publicly provided, publicly funded. You couldn't have a program if you didn't have a computer. And you don't have a computer unless you do the mathematical research that is—provided the foundation. That was the—Turing.

AMY GOODMAN: Alan Turing.

JOSEPH STIGLITZ: That was Alan Turing. You don't have internet programs unless you have the internet. And that was something that the U.S. government helped to develop, and these other people that helped develop the World Wide Web. So, you know, the irony is that the people who provided the foundation on which our entire modern economy is based are not the people who have done well.

NERMEEN SHAIKH: I want to ask you about the presidential race and about Republican candidate Mitt Romney's record. Newark Mayor Cory Booker, a supporter of President Obama, generated controversy last month when he defended Romney's former company, Bain Capital. Booker spoke on "Meet the Press".

MAYOR CORY BOOKER: I have to just say, from a very personal level, I'm not about to sit here and indict private equity. It's—to me, it's just this—we're getting to a ridiculous point in America, and especially that I know. I live in a state where pension funds, unions and other people are investing in companies like Bain Capital. If you look at the totality of Bain Capital's record, it ain't—they've done a lot to support businesses, to grow businesses. And this, to me—I'm very uncomfortable.

NERMEEN SHAIKH: Joseph Stiglitz, your comments on the role of private equity, and on Bain Capital, in particular?

JOSEPH STIGLITZ: Well, let me first say, the financial sector is very important. A financial—you know, no economy can work well without a well-functioning financial sector. The problem with the United States is that our financial sector hasn't been doing what it's supposed to be doing. It's supposed to provide finance to create jobs, not to destroy jobs. It's supposed to allocate capital, manage risk.

The concern about Bain Capital are twofold. One is that much of what they were doing was financial restructuring, which meant not creating jobs, taking money out of companies, putting them in a very fragile situation in which, a few years later, they go over the cliff, and jobs get destroyed. So, it is important to restructure firms to make them sustainable, efficient. But that wasn't what a lot of the enterprises that they were engaged in doing.

The second problem, and I think most people find very disturbing, is that we have a tax law that says that those who are engaged working for this kind of restructuring—an important activity if it's done well and done in a way that creates more productivity, more jobs—why should those people pay so little taxes? And that—you know, going back to the upper 1 percent, their average tax rate is about 15 percent. We tax speculators at a lower rate than we tax people who work for a living. It makes no sense.

AMY GOODMAN: Mayor Booker got a lot of flak for saying, sort of, "Back off Bain." But a number of Democrats have been saying that, and there's a war in the Obama administration now. Do you attack Romney on Bain, the company that he is running on, more than being governor of Massachusetts? And a lot of the Democrats are involved with Bain or have support from people at Bain or other similar companies. Your president, President Clinton—you served as the chief of economic advisers—he said, "Back off Bain." And you can see this tug-of-war going on, not only about Bain, though, and now you see them not really talking about Bain and talking about what you were just mentioning, Joe Stiglitz, but also about his offshore investments, offshore bank accounts, himself and his company. Can you talk about this and the fact that Clinton is one of the champions of saying, "Don't raise this. He's a good businessman"?

JOSEPH STIGLITZ: Yeah. Well, first, we should understand, you know, that Romney is running on the platform: it's good to have a businessman running the White House; we do a better job. You know, the last MBA president we had was George Bush, and I don't think anybody would say that the economy was well run in those eight years. Deficits soared, and the economy finally went over the brink and into the Great Recession. So that qualification that he's touting, if I looked at that, you know, a Harvard MBA, I'm not sure I would say that that is a kind of

certification that I would want for running the country. You have to understand public policy, not just how to make money for yourself, which they do a good job of doing, but that's not what's entailed in running the country.

I have some sympathy and say, let's not make this personal. Let's try to keep this at the basic level of principles. And, you know, the basic level of principles are relatively simple: people should be paying their share of the taxes. And paying share of taxes mean you don't pay half the rate of other people who are working for a living. It means you don't use offshore centers to escape taxes. You know, why is so much banking going on in the Cayman Islands? It's not that the weather there is really particularly suited for moving electrons and running banks. You know, it's there for one reason only: to escape regulation, to escape taxation, to undermine the basic principles of our economy. And it's wrong for somebody who is trying to run for the president, who should be symbolizing, you know, making their fair share, to be using offshore accounts to avoid taxes and to avoid regulation.

The other point is, businesses are supposed to be creating value, creating jobs in America, and new American business. Now, this is where we have a tax system that's distorted. But when you're running for the president, you should be out there and saying we don't want a distorted tax system that encourages jobs to move abroad, that encourages speculation over real wealth creation. If he had come out and said, like Warren Buffett, that it's wrong for him—that Warren Buffett to have a lower tax rate than his secretary—if he came out and said it's wrong to have a tax structure that encourages jobs to move abroad, you know, then I might have a little bit more sympathy. But so far, I haven't heard that.

AMY GOODMAN: Ed Conard, the former managing director at Bain Capital, who has contributed to Romney, advises Romney, and argues explicitly for doubling income inequality?

JOSEPH STIGLITZ: Yeah. I find that astounding. I debated him yesterday, actually. The point is, he believes in trickle-down economics, a notion you throw a lot of money at the top and everybody does a lot better because of their innovation. Given the level of inequality in the United States, I wish it were true, because if it were true, we'd all be doing very well. But the evidence is, you know, overwhelmingly against that. We've had a growth at the top, but what's been happening to the average American? He's not doing very well. Most Americans today are worse off than they were a decade-and-a-half ago. And the people at the bottom have done even worse. If you started looking at, say, male workers, a full-time male worker, people who work for a living, for a male worker today, the average, typical—half above, half below—his income today is lower than it was in 1968, almost a half-century ago. So the American economy has been delivering for the people at the very top, but it's not been delivering for most Americans. And you can see it in another way in the data. In the periods like the period after World War II, we grew together, inequality was shrinking, and we grew much more rapidly than we have since 1980, where we've been growing apart. So the notion that more inequality leads to more growth, to put it quite frankly, is nonsense.

AMY GOODMAN: Well, we're going to come back to this discussion. Joe Stiglitz, Nobel Prize-winning economist, author of *The Price of Inequality: How Today's Divided Society Endangers Our Future*. Stay with us.

NERMEEN SHAIKH: Joseph Stiglitz, you have spoken about the austerity measures that have been imposed across Europe or that are being considered across Europe, and you've said that they're, quote, "a suicide pact." Can you say what you mean by that?

JOSEPH STIGLITZ: Well, in Europe, these measures of austerity are going to make the countries weaker and weaker. I predicted that when Europe began that back in 2010 in Greece, when the Greek crisis first emerged. What's happened is, Greece has become successively weaker and weaker, to the point where the youth unemployment now is 50 percent, political turmoil is breaking out. I said the same thing when Spain began that process. And now in Spain the youth unemployment rate is again 50 percent, and the unemployment overall has gone well over 20 percent. And just yesterday, you know, Spain's conservative government has said, "We can't deal with it," even though they had run on a platform of, "Oh, you've messed up with the economic policy."

So, the point is that we've done this experiment in austerity over and over again. The first example, you might say, in modern history was Herbert Hoover when he responded to the stock market crash by austerity, under the influence of his Secretary of the Treasury Andrew Mellon, and we had the Great Depression. The IMF forced it in East Asia, in Korea and Thailand, in Indonesia, and we all—and we saw the consequences: the economies went

down. Why Europe is repeating this experiment, where we know almost for certain what the outcome is—and it's turning out to be exactly as I predicted.

AMY GOODMAN: I mean, is it only Europe? Let's turn to the federal budget here. Republicans, who control the House, have been calling for cuts to food aid, healthcare, other social services, while protecting funds for the Pentagon. This is House Budget Committee Chair Paul Ryan speaking last month.

REP. PAUL RYAN: What we're saying is, let's get on growth and prevent austerity. The whole premise of our budget is to preempt austerity by getting our borrowing under control, having tax reform for economic growth, and preventing Medicare, Social Security and Medicaid from going bankrupt. That preempts austerity. The president, his budget, the fact the Senate hasn't done a budget in three years, puts us on a path toward European-like austerity. That's what we're trying to prevent from happening in the first place.

AMY GOODMAN: That's House Budget Committee Chair Paul Ryan, a Wisconsinite like Governor Scott Walker. Your response, Joe Stiglitz?

JOSEPH STIGLITZ: Well, the good thing about what he said is austerity is finally getting a bad name. Then the question is, what are the policies? And what he is proposing is weakening our basic economic fiber. If you don't invest in education, technology, infrastructure—

AMY GOODMAN: Where do you get the money?

JOSEPH STIGLITZ: —the economy gets weaker. Well, the good news is that right now the markets are willing to lend to the U.S. at essentially zero interest rate, long-term interest rates of one-and-a-half percent. You know, if you were a business and you could borrow at one-and-a-half percent or zero for investments with very high returns, you would be foolish not to do it. The right keeps focusing on just one side of the country's balance sheet or the government's balance sheet: what they owe. They don't look at the other side: the assets. And it's the assets that are really important if we're going to have long-term economic growth. So, it's like a company that says, "Let's cut out our R&D budget. Let's cut out all our investment." And you know where that company's going to go? It's going to go into the tubes. And that's his recommendation for America. I think that's wrong. It's not the way you're going to get growth.

NERMEEN SHAIKH: Yeah, you've also said that if Romney, if the Republicans win the elections in November, that that would significantly raise the likelihood of a recession.

JOSEPH STIGLITZ: Well, the Republicans have been consistently focused on cutbacks. You know, Americans don't realize that we already have begun austerity. There are about one million fewer public sector employees than there were before the crisis. The standard recommendation of macroeconomics, of economic, is that when the private sector gets weak, government is supposed to step in, fill the breach and stimulate the economy so that the economy is stabilized, because the private sector is very volatile. But we've been doing just the opposite. As the private sector has gotten weaker, we've cut out a million jobs. What the Republicans would do is make those cutbacks even bigger. And the result—and Wisconsin is an example—you know, more cutbacks, more cutbacks of public employees. And the result of that is our economy is going to go down further into the hole. In the context of Europe very likely going into turmoil, there is going to be a risk of a significant downturn. And those policies then increase the probability of our weak economy tipping over into recession.

AMY GOODMAN: Joe Stiglitz, yesterday every single Republican in the Senate voted against the Paycheck Fairness Act, so it cannot move forward. Explain what this act is, the significance of this for working women.

JOSEPH STIGLITZ: Well, this is one of the issues that I take up in my book, not the particular bill, but—what is distinctive about American inequality is that too much goes to the very top—that's the 1 percent—the middle has been hollowed out, and the bottom is not—is doing very badly. The number in poverty are increasing. Well, when you look at what's happening at the middle and the bottom, one of the factors that contributes to weaknesses in the middle or the bottom is discrimination. Women get paid on average less than 80 percent of men of the same qualifications doing the same kind of work. You know, that's discrimination. And that weakens the economic fiber of our country, and it creates more inequality. And this bill was an attempt to circumscribe that kind of discrimination.

You know, things are better than they were 30 years ago. We've made progress. But what is clear, that in spite of our awareness of this kind of discrimination, we haven't closed the gap. We have a lot more to do.

AMY GOODMAN: Particularly among African-American and Latino women.

JOSEPH STIGLITZ: Very much so. And, you know, one of the aspects of the crisis, we now realize that the banks targeted Afro-American and Latinos for these predatory lending, bad loans, high transaction costs. And one of the consequences of that discrimination—and the banks have paid very large fines and settlements of claims against that kind of discrimination—the consequence is the wealth of those at the bottom who are Afro-American, who are Hispanics, Latinos, have been wiped out. And so, we had a bigger gap in wealth than the big—than the gap in income. You know, I mentioned that the top 1 percent gets 20 percent of all the income. They have about 40 percent of the wealth. You look at the wealth gaps in Latinos and Afro-Americans, it's so much larger, and really unconscionable.

NERMEEN SHAIKH: And your comments on Occupy Wall Street? You write about that in your book, as well.

JOSEPH STIGLITZ: Well, Occupy Wall Street was a reflection of a lot of Americans' perspective that our economic system is unfair. You know, the protest movement that began in Tunisia was partly about lack of jobs, but it was partly—I went to Tunisia—it was unfairness in our system. There was a hope, after the crisis, that government would fix things. It didn't, or it didn't do enough. And that combination of economic unfairness and a political system that doesn't seem capable of correcting these injustices, I think, is what motivated a lot of the Occupy Wall Street.

AMY GOODMAN: I want to go to a clip of Bloomberg talking about Occupy Wall Street, saying Wall Street is a critical tax base for New York City. This is during his weekly radio address last October.

MAYOR MICHAEL BLOOMBERG: The protests that are trying to destroy the jobs of working people in the city aren't productive. And some of the labor unions, the municipal unions, that are participating, their salaries come from the taxes paid by the people that they're trying to vilify.

AMY GOODMAN: What say you, Joe Stiglitz?

JOSEPH STIGLITZ: I think he's 100 percent wrong. I mean, basically, the fundamentals of a democracy are that you want people to express their views. They had hoped that the politicians would hear their voice. They had hoped that the politicians would address the inequalities in our society, the lack of—the deficiencies in our—the deficiencies in our financial system. And what became increasingly clear was that money was driving politics, which is an important point that I raise in the book. Money shapes markets. Markets don't exist in a vacuum. The way markets work is based on rules and regulation that come out of Congress. And when politics shapes those rules and regulations to help the 1 percent rather than to help the rest of our society, something is wrong. And what—the protest movement was out of frustration, a sense that the democratic politics didn't reflect the view of the majority of Americans—you might say, of the 99 percent. And—

AMY GOODMAN: Do you want to see it grow bigger? You were down there at Occupy.

JOSEPH STIGLITZ: **I think it's very important that somehow we get a politics that reflects the interest of the majority of Americans. When we have a bankruptcy law, for instance, that says that first priority goes to derivatives, that encourages speculation in the financial markets. And when we have a bankruptcy law that says students cannot discharge their debt, no matter—even in bankruptcy, no matter how bad an education the for-profit schools give them, there's something wrong.**

AMY GOODMAN: We're going to talk to you for a few minutes in post-show, put it online at democracynow.org, about what are the most important things to do right now. Nobel Prize-winning economist Joe Stiglitz, professor at Columbia University. The new book is *The Price of Inequality: How Today's Divided Society Endangers Our Future*.

In an extended interview about his new book, *The Price of Inequality*, Nobel prize-winning economist Joseph Stiglitz offers several recommendations for a reform agenda. "Traditional economics said we could only get more equality if

we pay a price. We have to weaken our economy in one way or another," Stiglitz says. "But my book shows that that's wrong, that we can have more equality, stronger economy, more growth, greater efficiency. There's not a conflict; the two actually go together." Click to see parts 1 and 2 of this interview.

AMY GOODMAN: This is Democracy Now!, democracynow.org, The War and Peace Report. I'm Amy Goodman, with Nermeen Shaikh. Our guest is Joseph Stiglitz, the Nobel Prize-winning economist, professor at Columbia University, author of a number of books. His latest is *The Price of Inequality: How Today's Divided Society Endangers Our Future*.

NERMEEN SHAIKH: Joseph Stiglitz, you conclude your book, *The Price of Inequality*, with a series of recommendations to lessen inequality in the U.S. Can you outline what some of the most important ones are?

JOSEPH STIGLITZ: Well, they follow very closely from my diagnosis of what are the sources of inequality and what are the ways in which inequality is actually undermining, weakening our economy. So we're paying a high price for this inequality. One of the real concerns I had was inequality of opportunity. And the major factor affecting equality of opportunity is public education. We have to support more public education. If you look at even our elite schools, which are the entry into the best jobs in the country, only 8 percent of the students in these elite colleges come from the bottom 50 percent of our country.

I explain how the laws and regulations that govern markets shape markets in a way that help the top and hurt the rest. So we need more—stronger competition laws. We need reformed bankruptcy law. We need to make sure our financial system works for most Americans. There are a whole set of—we need to reform corporate governance laws. So there's a whole—every one of the economic laws has to be reformed.

One of the—I talk about how there's—there is an economic reform agenda that could really make a difference. But the real problem is, can we get that through the politics? And there's developed in the United States this vicious circle, because more inequality gives more political power to the top. They then pass laws that give more—lead to more economic inequality. So, we are going to have to have political reform to make democracy really work.

And you were talking earlier in the program about *Citizens United*. It's gone exactly in the wrong way. We've moved from a democracy, which is supposed to be based on one person, one vote, to something much more akin to one dollar, one vote. When you have that kind of democracy, it's not going to address the real needs of the 99 percent.

AMY GOODMAN: You've talked about a growing neofascism that we're seeing in Europe, as inequality increases, austerity increases. Talk about there and then here at home.

JOSEPH STIGLITZ: What happens when democracy doesn't work, there's disillusionment. You can see one aspect of the disillusionment in the voter turnout in the United States, say in the election of 2010, when only 20 percent of the young people went out to vote. That was a statement that they were saying that it didn't make any difference which party was going to win, money was going to win, whether it's the Republican or Democratic Party. When people become disillusioned, they turn to extremes. And in Europe, they turn to the extremes of the neofascist parties. In the United States, they're turning to something somewhat less extreme, which is the Tea Party movement. But that could easily evolve into a movement that is itself extreme, a movement with less compassion, a movement that blames others for the country's woes.

AMY GOODMAN: And the Occupy movement, what direction do you think it should go in? What do you think are the pressure points, the most successful way to push forward the kind of agenda you're talking about?

JOSEPH STIGLITZ: What I think about—what was very positive about the Occupy movement was that it said, "Look at, most of us are in the same boat." You know, it's not the rich versus the poor, it's the 99 percent, which was saying, everybody. What they were really saying, we're all in the same boat and that we therefore all have to look for policies that benefit the vast, overwhelming majority of Americans. That message, that we're not about class divide, we're about the country as a whole, that's really what you say when you're saying "the 99 percent." I think if they keep up the message and say—you know, and this is what the book, *The Price of Inequality*—that divide that's dividing our society is really weakening our society.

If there's a single message of my book, it's this: traditional economics said we could only get more equality if we pay a price. We have to, you know, weaken our economy in one way or another. But my book shows that that's wrong, that we can have more equality, stronger economy, more growth, greater efficiency. There's not a conflict; the two actually go together. And to me, that's an important message that Occupy Wall Street ought to be conveying.

AMY GOODMAN: Joe Stiglitz, I want to thank you very much for being with us, Nobel Prize-winning economist, author of many books. The latest one is called *The Price of Inequality: How Today's Divided Society Endangers Our Future*. This is Democracy Now!

Also see:

"Of the 1%, by the 1%, for the 1%" by Joseph E. Stiglitz, *Vanity Fair*
May, 2011, (<http://www.vanityfair.com/society/features/2011/05/top-one-percent-201105>)

20120610-03	23:39	SteveM	"Obama Labor Dept. Forces Journalists to Use Government-Issued Computers"
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[Look out! That bad, mean President Obama is at it again...personally wrecking things for everyone in the country, including even poor, downtrodden journalists. What evil will the nefarious half-black POTUS perpetrate next? Stay tuned! I'm sure you'll read it here. -SteveB]

"Obama Labor Dept. Forces Journalists to Use Government-Issued Computers" by Warner Todd Huston, Breitbart.com

June 8, 2012, (<http://www.breitbart.com/Big-Government/2012/06/08/Obama-Labor-Dept-Forces-Journalists-to-Use-Government-Issued-Computers>)

Journalists are crying foul at a new Obama policy that will deny them the right to use their own computers to write stories from economic data issued inside the halls of the Department of Labor. Instead, the DoL says, journalists will have to use government-owned computers, government-selected software, and government-owned Internet transmission lines to write their stories about the data issued by the department.

All news organizations have been ordered to remove their computers, tools, and other electronics from the Department of Labor by June 15 and will not be allowed to bring any of their own electronics into the place from that point forward.

Until this change, the practice had been that the economic data was released to journalists ahead of the official release date in a special "lock-up" room inside the DoL. Reporters then used their own computers and software to write their draft reports and create their graphics and tables on the data. Then, once the release time for the data was reached, the DoL allowed the journalists to transmit their stories from inside the special room over Internet lines that have been installed and paid for by news media outlets.

The new policy, however, will demand that reporters use only government-issued computers and Internet transmission lines from now on. DoL authorities are citing security as the reason for the policy change, saying that the already stringent past practices were not secure enough.

Media organizations have expressed worry over this policy. Not only could the government now have access to the rough drafts of the journalist's work, but there is a fear that the new transmission lines will not be able to handle the onrush of filings once the release time arrives.

Carl A. Fillichio, the department's senior adviser for communications and public affairs in Washington, was quizzed during a conference call by media outlets if the new government-owned transmission system would allow all of them to transmit their stories at the same time, but Fillichio said, "I'm not going to guarantee anything."

Matthew Winkler, editor-in-chief of Bloomberg News, says this extreme policy is "troubling."

There are few government reports that have the wide-ranging impact on the market as the Department of Labor statistics, and we are troubled by the degree of government restrictions on how the press can fully and accurately report this data to the public.

Others agreed. "Requiring journalists to draft and publish stories using government owned computers loaded with government-controlled software simply crosses the line the First Amendment clearly drew to separate the press from the government," said Lucy Dalglish, executive director of the Reporters Committee for Freedom of the Press.

Another troubling aspect about this new policy is that the change was made out of hand with no period of public comment. Obama's DoL simply made the decision without informing the public or the media ahead of time.

This authoritarian underpinnings of the policy change also raised the eyebrows of some in Congress. As Bridget Johnson reports, Congressman Darell Issa expressed alarmed, saying this "unprecedented action has serious freedom of the press implications."

"The abrupt nature of this change, coupled with the absence of a clear explanation and a lack of public input, raises key questions about who made this decision to implement this change and why," Issa said. "Did that individual have the authority of law?"

Issa held a hearing recently and was critical of Labor Secretary Hilda Solis (pictured above) for refusing to come testify, sending underlings instead. "Ultimately, if you're the secretary of Labor the buck should stop with you," he said.

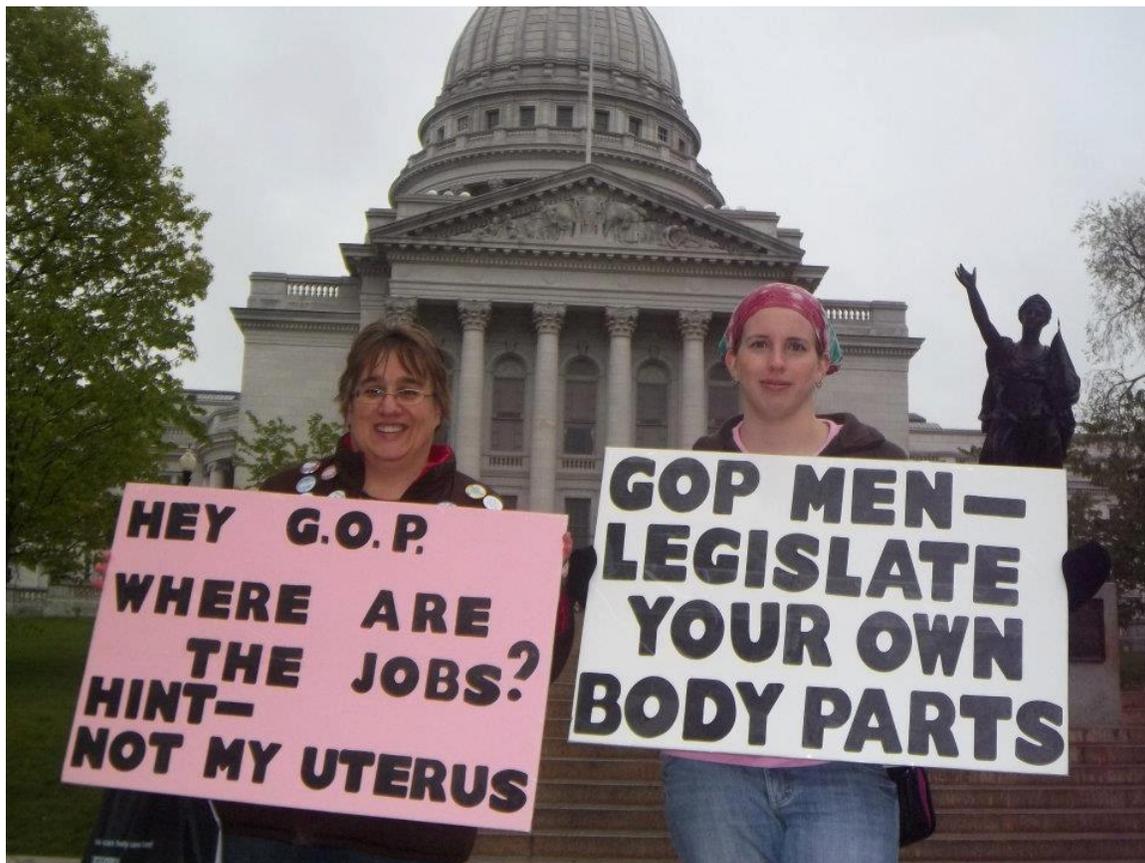
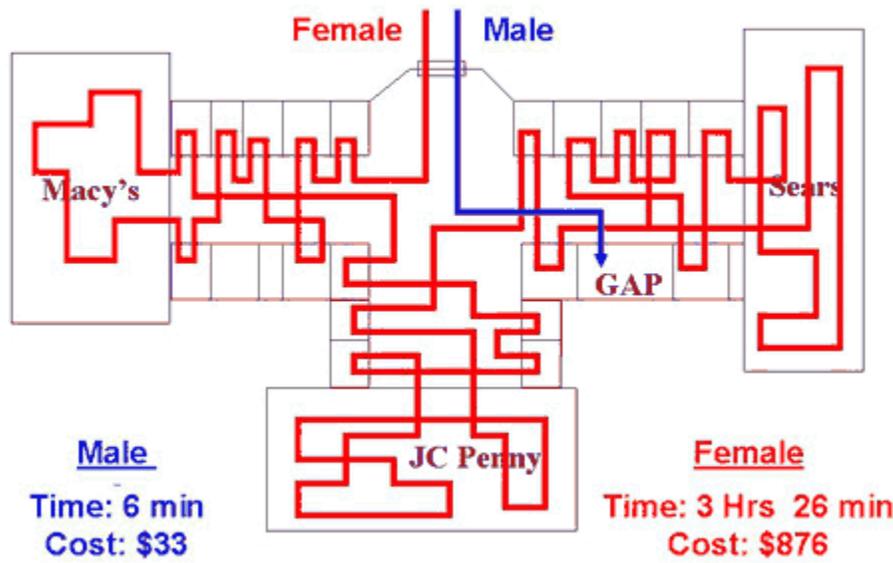
Others are wondering why any change had to be made at all.

"The public has benefited enormously from the process the department currently uses," Rick Blum, coordinator of the Sunshine in Government Initiative, wrote May 8 in a letter to Labor Secretary Hilda Solis. "The practice used to this point ensures the simultaneous release of information while also providing time that enables reporters to place the new data in meaningful context."

Requiring all journalists to use government-provided software, hardware and dedicated lines would inhibit journalistic independence, and, "as the government grows more concerned about cybersecurity, the proposed policy would create a single point of failure," according to the letter.

While running for President in 2008, Obama complained about the Bush Administration's lack of transparency. While in office, however, it seems that transparency and a free and open government has been of far less importance to him.

Mission: Go to Gap, Buy a Pair of Pants



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

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