



# FRIENDS OF THE MIDDLE NEWSLETTER #261 — NOV. 2, 2012

Welcome to always lively political discussion and whatever else comes up.  
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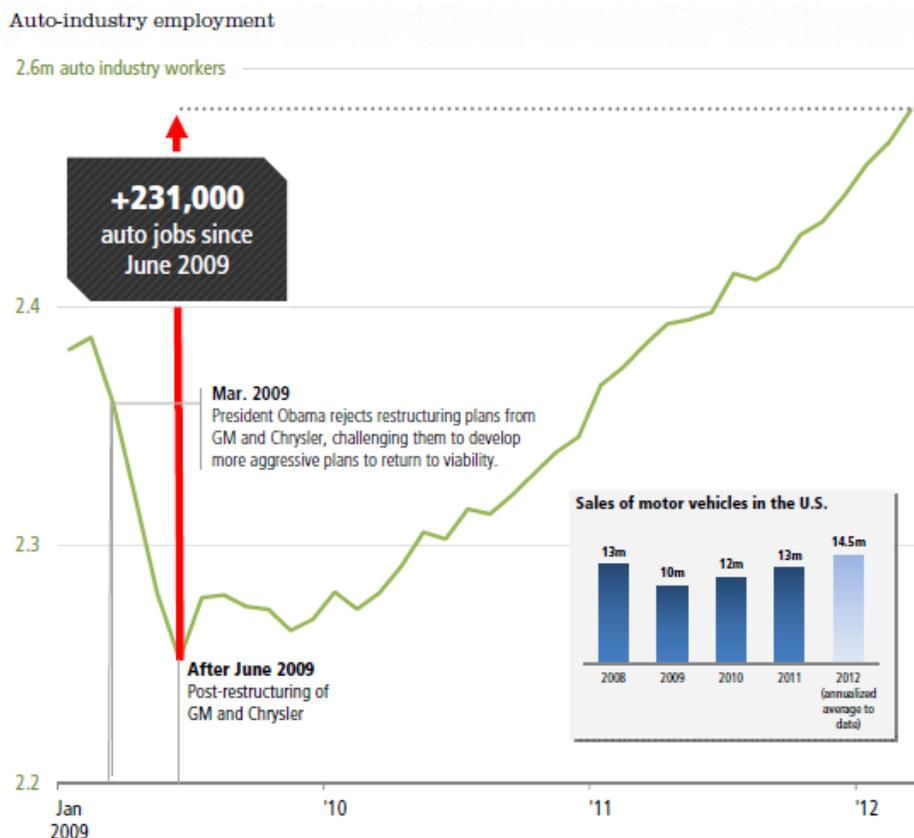
## **Mitt's Lies Slapped Down! (Again!)**

(posted by Steven W. Baker / SteveB, Nov. 2, 2012)

It won't be long now...but, until the end, the lies just keep coming and we keep debunking them. "Truth will out!"

"Romney Caught Trying to Swiftboat Obama on the Auto Rescue" by Jared Bernstein, Huffington Post

Nov. 1, 2012, ([http://www.huffingtonpost.com/jared-bernstein/romney-ohio-auto-bailout-swiftboat\\_b\\_2056188.html?utm\\_hp\\_ref=politics&ir=Politics](http://www.huffingtonpost.com/jared-bernstein/romney-ohio-auto-bailout-swiftboat_b_2056188.html?utm_hp_ref=politics&ir=Politics))



One of the most deceptive jujitsu moves in modern campaigns is known as swiftboating: Trying to turn one of your opponent's strengths into a weakness. Given the centrality of Ohio to electoral success less than a week from today (!), it should be no surprise that the Romney team choose that locale to go after the success of the president's auto rescue.

Full disclosure: As a member of the president's economics team I strongly advocated for the rescue, as per both my principal (the vice president) and the view held by myself and others that the employment costs would be particularly steep in communities that comprised the relevant supply chains. When you think about auto jobs, don't just think about the factory at the end of the line where they assemble the cars and trucks. Think about all the small and medium size manufacturers that make those parts.

That's where many of the new jobs in Ohio are coming from and it's an important piece of evidence for the bailout's success. Which makes it catnip for the Romney swiftboaters.

Dana Milbank takes this apart in Wednesday AM's *Washington Post* ([http://www.washingtonpost.com/opinions/dana-milbank-romneys-jeep-ad-drives-off-the-road-of-truth/2012/10/30/f207c606-22c9-11e2-8448-81b1ce7d6978\\_story.html](http://www.washingtonpost.com/opinions/dana-milbank-romneys-jeep-ad-drives-off-the-road-of-truth/2012/10/30/f207c606-22c9-11e2-8448-81b1ce7d6978_story.html)), but the gist is that Chrysler recently announced that they'd be expanding production of Jeeps -- adding new plants -- in China to help sell into that market. Note that they're not talking about shifting U.S. production overseas. They're talking about tapping a trend that I've written about before: producing closer to your target markets.

But in Romney-world, this became an attack on the president auto rescue because according to the campaign, Chrysler was planning to move all of their U.S. production of Jeeps to China. Romney: "I saw a story today that one of the great manufacturers in this state, Jeep, now owned by the Italians, is thinking of moving all production to China."

Milbank prints the response from an aghast Chrysler exec:

Romney's fiction was apparently based on a misreading of a Bloomberg News report a few days earlier, which said that Chrysler would resume production in China for the first time since parent Fiat SpA bought the company -- in addition to Chrysler's production in Michigan, Illinois and Ohio.

"Let's set the record straight: Jeep has no intention of shifting production of its Jeep models out of North America to China," Chrysler executive Gualberto Ranieri wrote in a statement, using italics for emphasis. "A careful and unbiased reading of the Bloomberg take would have saved unnecessary fantasies and extravagant comments." Ranieri said the conclusion that it was moving all production to China was "a leap that would be difficult even for professional circus acrobats."

But what's particularly ridiculous here is that Romney is criticizing Chrysler's global expansion. Since when do conservatives object to that? Is there anyone who believes for a nanosecond that expansion abroad by U.S. multinational's would be viewed critically by a Romney administration?

Back here in reality what we should be debating right about now is the relative positions of the candidates on policies that really matter to both auto production here and investment abroad. Gov. Romney opposed the government's role in GM and Chrysler's managed bankruptcy. Given the absence of private financing at the time, had he been in charge, these companies would have been facing liquidation. Instead, as the chart shows (below), the American auto industry has added 250,000 just since its turnaround (and not that this chart is a few months old; autos employment is up to 250K and sales are on track for 15 million this year).

Moreover, on international tax policy there are big, important differences that haven't gotten enough emphasis so far. Gov. Romney's plan is to allow multinationals to avoid paying any American taxes on their overseas earnings, a clear incentive to outsource, and one according to economist Kim Clausing would lead to 800,000 jobs shifted overseas.

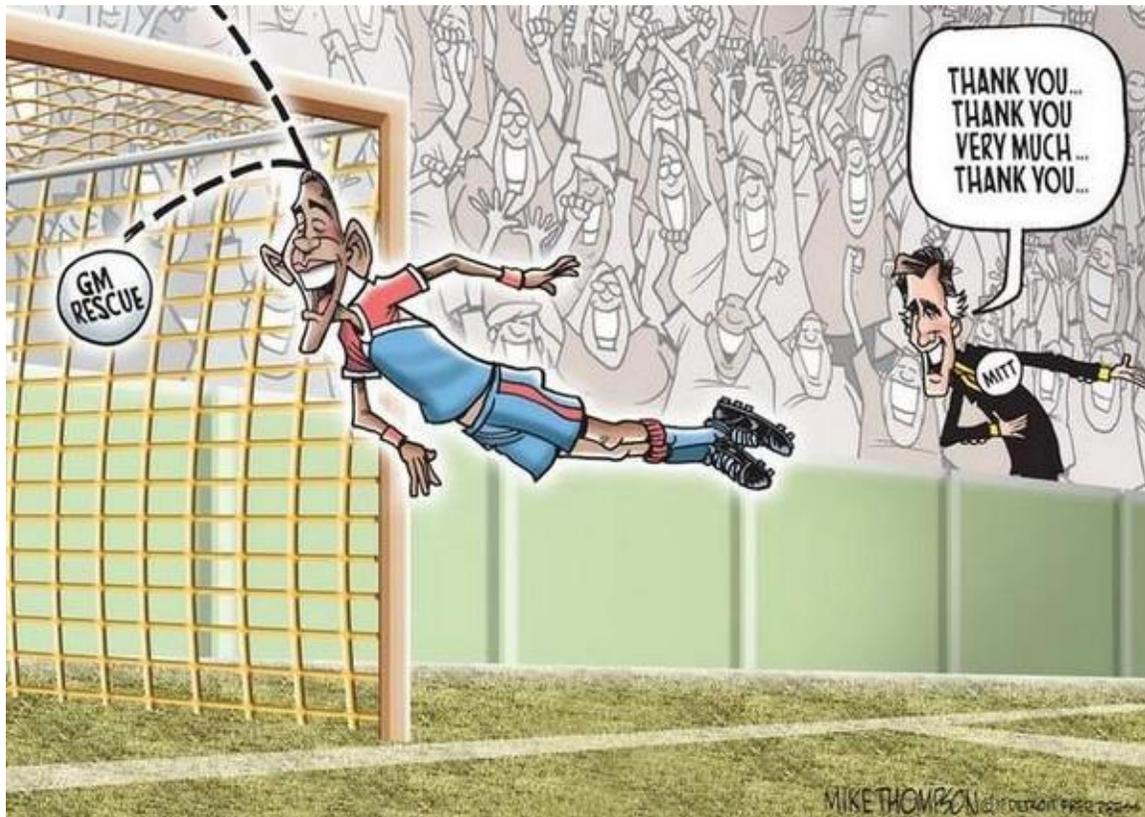
Note the difference between this and the Jeep case. The Chrysler executive cited above explicitly denounced shifting production overseas. Clausing's analysis, however, suggest that Romney "territorial" tax plan would incentivize precisely such shifts.

The president's plan is to increase the tax incentives for producing here, not abroad. These include a lower corporate tax rate with benefits for manufacturers and for on-shoring formerly off-shored work, paid for in part by closing loopholes that currently make it cheaper to produce abroad. Given my view of the most relevant elasticities in play here, the most potentially helpful proposals in this space are the president's minimum tax on foreign earnings (a whack at tax havens) and an end to deferral (where foreign earnings can be endlessly held abroad).

Look, neither candidate should pretend to be against globalization. It's deeply woven into the fabric of our economy and our lives and that's not going to change. And if successful American companies want to expand abroad to sell more directly in those markets, good for them-they're not displacing workers here. It's especially silly for Romney to take a position against this, and even more so given that his position has nothing to do with the reality of the Jeep case.

But public policies should not increase the incentives to produce abroad. If anything, they should go the other way. Obama's do, Romney's do not.

QED.



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"Election Winner Gets...a Mess" by Susan Davis and Richard Wolf, *USA Today*

Nov. 1, 2012, (<http://www.usatoday.com/story/news/politics/2012/10/31/a-mess-awaits-the-next-president/1672981/>)

The next president will face a steady clip of fiscal deadlines that threaten the U.S. economy if Washington fails to act:

- **Nov. 7, The day after the election** — either President Obama or President-elect Romney will have to begin negotiations with congressional leaders on how to avert pending tax hikes and spending cuts that neither party supports in full.
- **Nov. 13, Congress returns** — to Washington for a lame duck session.

- **Dec. 31/Jan. 2, Fiscal cliff** — Dec. 31. Almost every tax cut enacted since 2001 will expire, including the Bush-era tax cuts, the 2009 stimulus tax cuts, a short-term fix to protect taxpayers from the Alternative Minimum Tax, and a tax package that includes popular tax provisions to encourage things such as charitable giving. The Social Security payroll tax will also expire, as will long-term unemployment benefits for 2 million Americans and a law that affects how doctors who treat seniors through Medicare are paid. Jan. 2: \$109 billion in across-the-board spending cuts for 2013 begin taking effect. Half of the cuts come from national defense programs.

- **Jan. 20, Inauguration Day**

- **First week of February, Budget submitted** — The president sends his Fiscal Year 2014 budget to Congress. If Romney wins, his budget will come later in the month.

- **Mid-February, Debt limit** — The Treasury Department estimates another raise in the current \$16.4 trillion debt limit will be needed, requiring a vote in Congress. The last debt ceiling showdown in the summer of 2011 pushed Washington to the brink of default, rattling credit-rating agencies and global markets.

- **March 27, Shutdown?** — The current funding for the federal government runs out, threatening a shutdown.

(WASHINGTON) Confrontations abroad. A divided Congress at home. A budget stalemate on the horizon that threatens another recession

Come Nov. 7, President Obama or President-elect Mitt Romney might be forgiven if he pines for the good old days of campaign rallies and negative ads.

The world won't wait for either man to enjoy his victory celebration. The bad blood and battle lines between Democrats and Republicans are likely to spill over rather swiftly from politics to policy matters. And only 55 days will remain before a convergence of tax increases and spending cuts threatens to throw the slowly healing U.S. economy back into recession.

"If you watch cable news on any station the day after the election, all you're going to hear is 'countdown to the fiscal cliff,'" says Erskine Bowles, who co-chaired a fiscal commission that recommended nearly \$4 trillion in deficit reduction over 10 years.

Without action, almost every tax cut enacted since 2001 is set to expire at the end of the year. The resulting \$500 billion tax hike would raise the average American household's tax burden by \$3,500, according to the non-partisan Tax Policy Center.

The first \$110 billion of a planned \$1.2 trillion in spending cuts over 10 years to reduce the deficit also would begin at the start of the new year. Defense Secretary Leon Panetta has warned that, left unchanged, those defense cuts would threaten the nation's security.

A new or re-elected president confronted by an immediate crisis isn't unprecedented, of course. Obama came into office four years ago facing an economic cataclysm that became the deepest recession in 70 years. Bill Clinton was welcomed with a budget mess. Ronald Reagan walked into the Iran hostage crisis. Richard Nixon was immediately immersed in the Vietnam War. The comparison extends deep into history: Franklin Roosevelt faced the Great Depression; Abraham Lincoln, the onset of the Civil War.

But the next president also is likely to face a deeply divided country and Congress. If today's polls are accurate, a narrow victory will not provide an electoral mandate. He will be forced to reach across the aisle for help in tackling these daunting issues.

"In terms of an environment for transition, this is pretty much the worst I've seen," says Paul Light, professor of public service at New York University. "It's going to be knock-down, drag-out from Nov. 7 on."

At the same time, the president or president-elect will have a slew of personnel moves to make, including Cabinet-level nominations that need Senate confirmation — in a Senate that will likely be nearly divided. Romney would have an administration to populate. Obama would need to replace key people, led by Secretary of State Hillary Rodham Clinton and Treasury Secretary Timothy Geithner, who plan to step down.

And the world won't stop revolving while the next president gets his sea legs. Potential crises in the Middle East, Iran's slow march toward a nuclear bomb and the enduring global economic slowdown will demand attention even as the domestic budget impasse dominates the agenda.

### Staring at a 'fiscal cliff'

The pre-eminent challenge is finding a path to reduce the nation's debt and deficits while stabilizing the economic recovery. A looming calendar of expirations and automatic triggers — the "fiscal cliff" — threatens economic and budgetary mayhem if Washington can't forge compromise in the wake of the election.

"You could see (the economy) slowed by 3% next year. You could see as many as 2 million people lose their jobs. You could see unemployment go to 9%," Bowles warns. "Sometimes a crisis propels action in the Congress."

The economy faces a twofold threat at the end of the year when tax cuts passed in the Bush administration are scheduled to expire, raising taxes on 90% of Americans. At the same time, across-the-board spending cuts would be triggered as a result of a congressional panel's failure last year to find a path to deficit reduction on its own.

Enacting tax hikes and spending cuts during a slow recovery are all but certain to throw the economy into a recession, given the current 2% growth rate — below the 3% rate most economists believe is needed for an economic rebound.

Also expiring at the end of the year are the tax breaks enacted as part of Obama's 2009 economic stimulus, including expansions of the child tax credit and earned income tax credit; a temporary payroll tax break; a "patch" on the Alternative Minimum Tax, exposing 26 million taxpayers to higher taxes; and a package of pet tax breaks, including one that encourages charitable giving.

More worrisome is the next vote to raise the government's borrowing authority, which the Treasury Department estimates will be reached in February, just weeks after the president's inauguration. A heated debt-ceiling battle in 2011 between the White House and Congress threatened the nation's credit rating and sent stocks tumbling.

And then there's the potential for another threatened government shutdown. The Obama administration and congressional Republicans clashed over spending limits last year but cut a last-minute deal to avert a shutdown after weeks of brinkmanship. The government's current funding extends only until March 27.

"What the next president is looking at in 2013 is a steady series of cliffhangers," says Stan Collender of Qorvis, a federal budget expert. "I'm not sure I see a way out of this unless everybody gets religion."

Yet as time grows short, there is growing consensus that Washington will not be able to solve all its fiscal problems between Election Day and Dec. 31. Congressional negotiators have yet to begin talks on the possibility of short-term fixes, which will be influenced by who wins on Nov. 6.

### A world of uncertainty

To hear Romney describe the Middle East as a "rising tide of chaos" in the last debate, one could imagine international affairs intruding on the next president's time as well.

"We don't know what the world is going to throw at us down the road," Romney said. "We make decisions today in a military that will confront challenges we can't imagine."

The former Massachusetts governor made the point to illustrate his opposition to further cuts in the Pentagon's budget, threatened by the budget stalemate. But it just as easily could apply to a number of global hot spots that may confront the next president as early as Nov. 8, when China's Communist Party begins the process of selecting new leaders.

The most likely place is Syria, where violence that began in March 2011 during the Arab Spring has killed 30,000 Syrians and spilled over into Turkey and Lebanon. But the entire Middle East and Persian Gulf region remains volatile: Iran's nuclear program hasn't buckled under the weight of sanctions and negotiations. U.S. dealings with Egypt's new government have been tense. And the Israeli-Palestinian situation is always a simmering wild card.

"You've got to divide the region into two sorts of realities — the migraines and the root canals," says Aaron David Miller of the Woodrow Wilson International Center for Scholars.

Negotiations over Iran's nuclear program will likely resume in late November or December, regardless of who wins the election. Those talks involve five other countries, but Obama has opened the door to possible talks between just the U.S. and Iran.

"The clock is ticking," he said at last week's debate. "We're not going to allow Iran to perpetually engage in negotiations that lead nowhere."

Romney has said he would tighten existing economic sanctions and seek to have President Mahmoud Ahmadinejad indicted for genocide.

He also has threatened immediate actions against China. "On day one, I will label them a currency manipulator, which allows us to apply tariffs where they're taking jobs," Romney said during the debate.

Such a move could trigger a trade war, pushing China policy up on the presidential timetable, says Eswar Prasad, professor of international trade policy at Cornell University.

### Job One: Make friends

After a relentlessly negative campaign that was the most expensive in history, the central challenge for Obama or Romney might be to repair relations with the other party. By all accounts, it won't be easy.

"It is the single most important roadblock" to a successful start, says Mickey Edwards, a former Republican congressman whose new book carries the subhead How to Turn Republicans and Democrats into Americans. "The challenge that they both have is how they reach out."

Easier said than done.

Obama has spoken to House Speaker John Boehner by phone just twice since July, to discuss the fiscal cliff and the situation in Libya, spokesman Kevin Smith says. Obama's extended hand also would be met by Senate Republican leader Mitch McConnell, who made defeating the president a prime objective.

Romney would face Senate Democratic leader Harry Reid, who has accused him of tax evasion, among other frequent attacks. A Democratic Senate would be a powerful barricade against Romney's agenda, which includes pledges to repeal Obama's health care law and permanently extend the Bush tax cuts for all.

Either president should "devise a strategy to reach out (to Congress) and almost do nothing else," says Dan Glickman, a former Democratic congressman now at the Bipartisan Policy Center. "There's just no way to get big legislation through without working them, massaging them, toasting them, dining with them."

For Romney, the task would be complicated by the need to fill out an entire administration. Even if Democrats don't retain control of the Senate, they could block his nominees.

"I wouldn't envy the Romney folks the day after the election," says William Galston, a former domestic policy adviser in the Clinton administration. "They have an enormous number of things they have to do simultaneously."

The president also will have to contend with outside pressures from lobbyists, unions, corporate interests and ideological foes. Americans for Tax Reform President Grover Norquist, whose anti-tax oath has been signed by almost every Republican member of Congress, is girding for a fight if Obama is re-elected. "There's no compromise," Norquist says, adding his prediction for an Obama second term: "There's a stalemate."

Despite all the obstacles, Sen. Patty Murray, D-Wash., a Democratic leader who co-chaired the failed deficit-reduction panel, says a deal is possible if Republicans give on taxes.

"There is a balanced deal to be had," she says. "I think we're back to a starting point now for the president to bring people together."

[20121101-03](#) 08:31 Pam Re: "Election Winner Gets...a Mess" (reply to MarthaH, above)

I'm getting to the point where I'm almost numb.

[20121101-02](#) 08:26 Pam Re: Sad Loss ("Sandy Gains Power & Aims for Northeast") (reply to Ken, FotM Newsletter #260)

It is extraordinary that Fox News persists. How can their talking heads look at themselves in the mirror each morning? Can they really be that consistently evil? At least Chris Christie gave Obama the credit that was due. I KNEW the Right was going to accuse him of grandstanding. And what about the Donald? How generous of him to extend the deadline on his absurd offer. I'm with the little girl I saw on TV who was crying because she's so sick of Romney and Obama. I simply cannot believe the race is as close as they say. I keep thinking we are all being manipulated. Duh.

[20121101-04](#) 08:55 SteveB Afterwards... (to Clark)

Are you and all your family OK after the storm?

How was it where you are there? [in upstate New York, --SteveB]

Hope all is well!

[20121101-05](#) 09:34 Clark Re: Afterwards... (reply to SteveB, above)

We weathered the storm, though lost power for two days, getting it back late yesterday. Nice to have light and warmth again though cable still out so have to rely on phone for email. We were lucky that the heart of the storm veered away from us so we didn't get the full brunt as predicted.

Thanks for checking in!

After not knowing what was going on in the world for two days, was gratified to see the election news is relatively good. Romney seems desperate. Still a lot can happen though with storm snafus, voter suppression, etc. five days left!

Great work with FOTM!

[20121101-14](#) 20:15 SteveB Re: Afterwards... (reply to Clark, above)

Thanks, Clark. Happy to hear you guys are doing OK.

Ya, I think there's going to be a lot of thinking and research put into the POLLING after the election. I'm not sure I've ever seen things so uncertain, though a lot of that is R0mney campaign wishful thinking and smoke, I think and hope. Desperation, as you say.

Can there really be undecided people???

[20121101-06](#) 11:10 Pam The polls! The WAIT! (Re: Get Out and Vote!, reply to Art, FotM Newsletter #260)

How is it possible that the race is as close as the media say it is? All those comments from residents of Massachusetts make a compelling argument about a toxically ambitious man with no core and no compass. The wait for the day after Election Day is about to drive me crazy.

[20121101-07](#) 11:38 Alex Re: Get Out and Vote! (reply to Art, FotM Newsletter #260)

Let's remember, Obama attended a church that preaches "hate America", presumably born in America, was a community activist, a close friend of a Chicago mobster, and somehow got elected to the Senate, where he served two years, one of those years campaigning for the Presidency. America is for all ages of citizens, and those who are not citizens should apply for citizenship.

"Happy Trails"

[20121101-11](#) 18:59 SteveB Re: Get Out and Vote! (reply to Alex, above)

Always good to hear a voice from the Right!

These are awfully old charges, aren't they?

I think the president has proven himself to be worthy of the office, at least as much as his competitor, whether you agree with Mr. Obama's philosophy, politics, or actions.

He hasn't embarrassed the country, he pulled us back from the brink, he saved the auto industry, he passed a much needed health care reform, he's been a warrior abroad to make Ronald Reagan proud, and he doesn't lie nearly as much as Mr. Romney, in my humble opinion.

I know the world respects America under Mr. Obama much more than it did under Mr. Bush. I know that pretty well because I live in Bolivia right now and travel extensively.

I'm going to be 67 this month. I certainly know which candidate and which party will work the hardest to preserve Social Security and Medicare, and I'm all for that. I'm against tax cuts for billionaires and I don't believe 47% of the American people are inferior to any anyone, not even a billionaire!

So why not talk about policy or any of the important issues of the day? We have so many! The things you raise are really the Republican and Tea Party talking points from 2008 and 2010. What is their relevance in light of four years of history and Mitt Romney's dishonesty (provable!) and lack of any clear, coherent, consistent policy (the 3 C's)? If you know of any such a policy, please explain it to us, as even Fox News doesn't seem to have the faintest...

I'd love to hear more of your thoughts on this or any subject or things you read about in the FotM Newsletter.

Thanks, Alex.

[20121101-13](#) 20:08 Alex Re: Get Out and Vote! (reply to SteveB, above)

I have traveled and lived in Germany, visited Great Britain, South East Asia and everyone wants to come to America, even Obama's father. As far as current respect for America, I am not convinced we are as well liked as America used to be. The points I raised earlier are still valid. You have your views and enjoy Bolivia.

"Happy Trails"

[20121101-15](#) 20:31 SteveB Re: Get Out and Vote! (reply to Alex, above)

Are you military or former military, Alex? We have quite a few vets in our group and I'm proud to have them.

I think you're right that America and its image peaked sometime before the current grand experiment started sometime about the term of Ronald Reagan.

And, yes, everybody wants to come, mainly because of our schools, which we seem to be in the process of wanting to destroy...

You continue to have your views too, Alex. Hope you'll read the FotM Newsletter. We try hard to present both sides, but even though we practice courtesy almost religiously, our contributors from the Right have always end up getting nasty, name calling, and running away, taking their marbles and going home. Logic, evidence, and truth haven't seemed to matter much to the conservatives we have known, though I'm sure that can't be universal, we pray.

"Happy Trails" to you too! (I used to love the Roy Rogers TV show when I was a kid. It always made me sad when I heard that song because I knew it would be a whole week until next Saturday morning's episode. Later, of course, the song was co-opted by Owsley, Leary, Kesey, et al.)

[20121101-08](#) 11:53 Pam How Stupid Do We Have to Get?

I was reading the *NY Times* this morning about the horrible destruction caused by the storm. There's also an article that points out that scientists have been warning about just such a catastrophe for years, decades even. Climate change is real, folks. Fox News continues to maintain that it's not, despite the abundant evidence that everyone can see. What sickens me most, I think, is the obscene amount of money that has been spent on this election, to say nothing of the wars in Iraq and Afghanistan, money that America needs desperately, as we are told over and over and over. We are so locked in the status quo that we can't effect reasonable election reform or anticipate a disaster we know is going to happen sooner or later. There are probably many other threats out there--biological weapons can keep me awake at night--and I only hope that someone, somewhere, in some laboratory is working out ways to defend us. I have a physicist friend who says, If science can conceive of something, it will eventually do it. When those scientific minds are in madmen's heads, we are in big trouble. It's not lack of science, or bad science, that allowed the destruction along the coast. It's human indifference to inevitable but preventable (perhaps) misery. Anyone who builds anything close to any shore from now on has a screw loose IMHO. Eventually we're going to end up all living in the mid-west.

[20121101-09](#) 18:21 Tom Re: New Commemorative Pistol from Ruger (FotM Newsletter #260) (to SteveB)

You left off the funny punch line.

Mmmm...you're right...don't know how I did that...

I'm going to re-try.

Thanks, Tom. Take care.

### New Commemorative Pistol

Ruger is coming out with a new pistol in honor of the United States Senate and the House of Representatives. It will be named the Congressman.



**It doesn't work and you can't fire it.**

Yes, this may be a repeat email, but it's worth the resend. Remember, you actually do have an opportunity to fire Congress, at least one of them anyway...next Tuesday, don't forget to:

**VOTE!**

I believe these are a very important couple of articles because they offer more proof of the total fallacy of billionaires as job creators and evidence that their tax cuts are detrimental to the economic well being of the country. I only have one word to add: CORRUPTION!

"Congressional Research Service Report on Tax Cuts for Wealthy Suppressed by GOP" by Nick Wing and Ryan Grim, Huffington Post

Nov. 1, 2012, ([http://www.huffingtonpost.com/2012/11/01/congressional-research-service\\_n\\_2059156.html](http://www.huffingtonpost.com/2012/11/01/congressional-research-service_n_2059156.html))

*The New York Times* reported on Thursday that Senate Republicans applied pressure to the nonpartisan Congressional Research Service (CRS) in September, successfully persuading it to withdraw a report finding that lowering marginal tax rates for the wealthiest Americans had no effect on economic growth or job creation.

"The pressure applied to the research service comes amid a broader Republican effort to raise questions about research and statistics that were once trusted as nonpartisan and apolitical," the *Times* reported. Democrats in Congress, however, have resurfaced the report and published it in full. It can be read below.

Republicans told the *Times* they had issues with the tone, wording and scope of the report, but they clearly objected most strongly to its findings, which undermine the governing fiscal philosophy of the party, that tax cuts for the wealthy will spur growth and benefit everybody.

GOP officials told the *Times* that the decision by the CRS came after a cooperative discussion, but Democrats have suggested that the move is part of a broader effort by Republicans to squelch legitimate research that runs counter to their economic principles.

The CRS report, by researcher Thomas Hungerford, concluded:

The results of the analysis suggest that changes over the past 65 years in the top marginal tax rate and the top capital gains tax rate do not appear correlated with economic growth. The reduction in the top tax rates appears to be uncorrelated with saving, investment, and productivity growth. The top tax rates appear to have little or no relation to the size of the economic pie.

However, the top tax rate reductions appear to be associated with the increasing concentration of income at the top of the income distribution. As measured by IRS data, the share of income accruing to the top 0.1% of U.S. families increased from 4.2% in 1945 to 12.3% by 2007 before falling to 9.2% due to the 2007-2009 recession. At the same time, the average tax rate paid by the top 0.1% fell from over 50% in 1945 to about 25% in 2009. Tax policy could have a relation to how the economic pie is sliced—lower top tax rates may be associated with greater income disparities.

Rep. Sandy Levin of Michigan, the top Democrat on the Ways and Means Committee, demanded the CRS explain its decision. "The impartial research and advice provided by CRS experts informs and strengthens the work of Congress. However, this valuable role hinges on the impartiality of CRS analysts and their freedom from political pressure. As with other non-partisan institutions, subjecting CRS analysts to political considerations undermines the legislative process and the American people's trust in it," Levin wrote in a letter to CRS. "Therefore I was deeply disturbed to hear that Mr. Hungerford's report was taken down in response to political pressure from Congressional Republicans who had ideological objections to the report's factual findings and conclusion."

(Scroll down for Hungerford's response in the UPDATE.)

The report is extensive, but the reasoning behind its conclusion is fairly straightforward. The richest Americans are the least likely to spend extra money they get as a result of a tax cut, and are more likely to save it or invest it offshore. Those on the lower end of the economic spectrum, meanwhile, are the most likely to spend transfer payments they receive from the government.

A release by the Democratic Policy & Communications Center on Wednesday accused Republicans of attempting to bury the report because its "findings undermine a central tenet of Republican party orthodoxy on taxes." They included a copy of the original report, which is available below:

["Taxes and the Economy: An Economic Analysis of the Top Tax Rates Since 1945" by Thomas L. Hungerford, Congressional Research Service](#)

Sept. 14, 2012, (<http://graphics8.nytimes.com/news/business/0915taxesandeconomy.pdf>)

[Too lengthy for this issue, but highly recommended! –SteveB]

UPDATE: 5:45 p.m.

Thomas Hungerford, the CRS researcher who produced the report, told HuffPost that he stands by it. "Basically, the decision to take it down, I think *The New York Times* article basically got it right, that it was pressure from the Senate minority to take it down," Hungerford said. "CRS reports go through many layers of review before they're issued and as far as the tone and the conclusions go, people who specifically look at the writing and the tone said it was okay. So it's not going to be that and as I can tell you outright, I stand by the report and the analysis in the report."

Hungerford said that he had never experienced suppression like this before, and he pushed back on the GOP argument that he had only looked at the effect of tax cuts in the year immediately following enactment. Regardless, he said, Republicans argue that tax breaks for the rich will bring an immediate benefit to the economy, so their criticism is inconsistent. "I checked out three years and then five years and found that no, it doesn't change the results or the conclusion of my paper. So in a way, I find it interesting that they keep talking about the need to lower the top tax rate in order to stimulate the economy now," he said. "It sounds like they're being a little inconsistent here."

Despite the pressure, Hungerford said he'll continue doing his job in a nonpartisan way. "I'm not going to change. My job is to do economic analysis on issues that the Congress is comparing and quite frankly, I'm going to continue doing that. That's my job," he said.

The *Times* reported that Hungerford has given \$5,000 this election cycle to Democrats. HuffPost asked if that biased his report in any way. "I leave any political baggage at the door when I walk into my office and pick it up on my way out. I'm there to provide help to members of both parties, which I do," Hungerford said.

<a href="#">20121101-16</a>	20:56	Tom	"Team X-T.R.E.M.E. Warrior INDOC Class 003-12"
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X-T.R.E.M.E.: for wounded warriors.

Look at this photo closely! Do you have what it takes?

["Team X-T.R.E.M.E. Warrior INDOC Class 003-12" by David Reeder, Kit Up!](#)

Nov. 1, 2012, ([http://kitup.military.com/2012/11/team-warrior-indoc-class-003-12.html?ESRC=sm\\_kitup.nl](http://kitup.military.com/2012/11/team-warrior-indoc-class-003-12.html?ESRC=sm_kitup.nl))

Team X-T.R.E.M.E.'s next Warrior INDOC (Class 003-12) begins Saturday 03 NOV 12 at approximately 0500 on Browns Island, Richmond VA. Warrior INDOC is a "...24 hour mental, physical and emotional evaluation designed to select new X-Athletes to don the gas mask and join [their] ranks."

I'll be surprised if you haven't seen at least a few pictures of Team X-T.R.E.M.E. floating around on Facebook or the 'net. They're powerful stuff. Team X-T.R.E.M.E. is a non-profit organization that supports wounded warriors. It provides a "complete cycle of rehabilitative solutions to wounded service member's of the Iraq and Afghanistan campaigns". Team members (all active and veteran military members) participate in athletic endurance events and races across the country to honor and bring attention to the sacrifice of wounded military personnel through feats of mental and physical endurance.

Their signature is the wearing of Avon C50 Gas Masks, which they wear to retain anonymity. They also used call-signs instead of their names on their name-tapes. As Jeremy Soles told me, it's about the mission, not the individual.

Team X-T.R.E.M.E. has a fully functioning board with staff and volunteers committed to creating rehabilitative program and opportunities to assist their wounded brethren.

Class 003-12 consists of ten veterans from across the country hoping to be one of three new team members selected on Sunday morning. Members come from US Army and Marine Corps SOF backgrounds, and include three wounded warriors and two females. They will endure numerous evolutions to determine their individual fortitude, endurance and team work. Candidates are briefed on the evolutions just prior to execution. They do not know the distance or the pass / fail criteria for any evolution, nor the number of evolutions. One example of a possible selection course would involve them masking up and rucking up with a heavy load of food, after which they'd be rucking through out the James River Park System over the course of several miles, dropping some of that weight off at the Central Virginia Food bank on the way. Another evolution would require the candidates to carry a simulated Wounded Warrior in a custom fabricated back pack system through another endurance course..



[20121101-17](#) 21:43 SteveB Re: "Team X-T.R.E.M.E. Warrior INDOC Class 003-12" (reply to Tom, above)

Very cool! Thanks, Tom.

[20121101-18](#) 22:45 Tom "Was Obama Wearing an Earpiece During the Third Debate?"

You Check it Out First, then see if it's "True or False?!" ;-)

"Was Obama Wearing an Earpiece During the Third Debate?" by N.P. Contompasis, The Left-Watch

Oct. 23, 2012, (<http://shutking.blogspot.com/2012/10/president-obama-was-wearing-earpiece.html>)

President Obama Was Wearing an Earpiece During the Monday Debate - Further Explains Why He Had no Answers During First Debate - The Earpiece Had Problems



THIS PICTURE WAS POSTED ON DRUDGE FOR THE PAST TWO DAYS - WAKE UP AMERICA - OBAMA IS A FRAUD

President Obama was wearing an earpiece during the last debate. He was advised on what to say using this earpiece.

Is that fair America???

Did Mitt Romney wear an earpiece, no of course not!



Again, this President will stop at nothing to stay in power.

Obama's earpiece and wireless transmitter failed during debate (first debate)

As the mainstream media discuss theories of what happened in last nights debate, I think a very clear explanation is obvious. President Obama's wireless transmitter and earpiece that allow him to receive answers from his handlers was malfunctioning during the debate.

20121101-19 23:03 SteveB Re: "Was Obama Wearing an Earpiece During the Third Debate?" (reply to Tom, above)

Haha! Impossible!

R0mney and his "handlers" might be liars and incredibly stupid, but they aren't that stupid! Neither are the news media or the American people.

I know this isn't definitive proof, but your side offers even less proof, check it out:

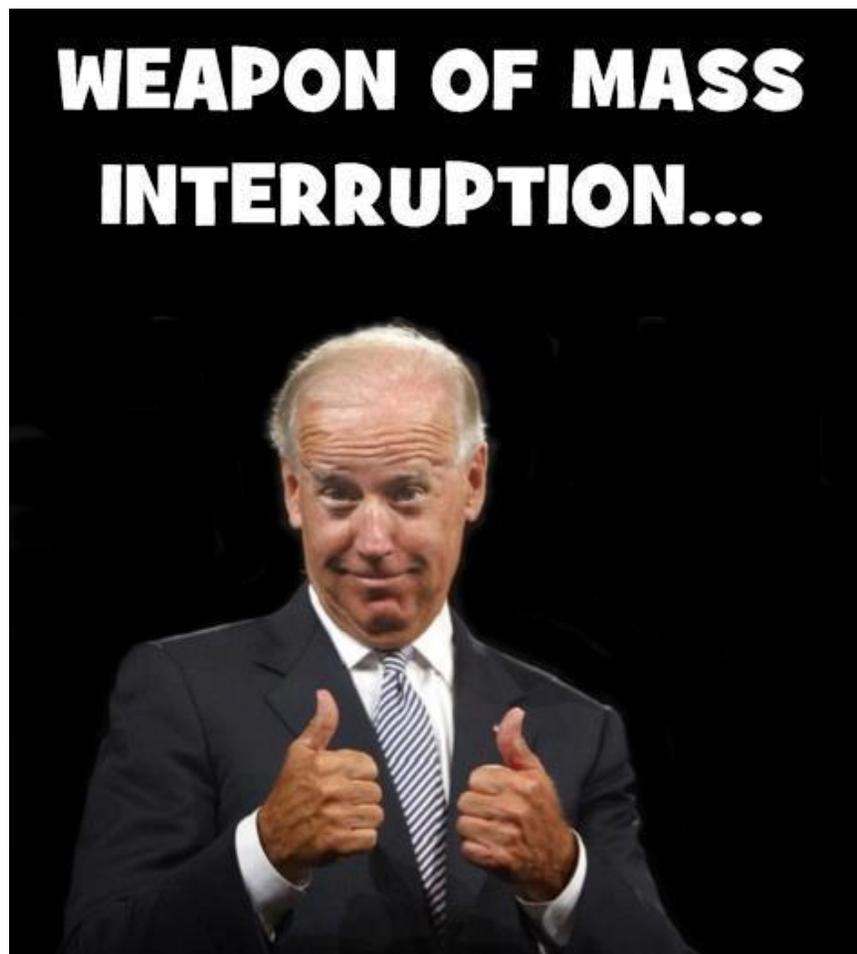
<http://www.snopes.com/politics/obama/photos/earpiece.asp>.

R0mney and his supporters will stop at nothing to get the liar elected! :-)

Keep trying!

20121101-20 23:56 Marci Photo: Special Moments #14





<http://shutking.blogspot.com/2012/11/time-to-leave-mr-president.html>



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

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

Your email address will always be kept strictly confidential.

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

<http://www.FriendsOfTheMiddle.org>  
[FriendsOfTheMiddle@hotmail.com](mailto:FriendsOfTheMiddle@hotmail.com)