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Subject: Greg Brown's Weekend Reading and Other Things.... 10/20/2013

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Attachments: Debt-

ceiling_breach_would_push_economy_into_free_fall,_without_a_government_safety_net_TWP_October_14,_2013.docx;

The_Heartache_of_an_Immigrant_Family_Sonia_Nazorio_NYT_October_14,_2013.docx;

How_the_shutdown_derailed_the_Republican_rebranding_campaign_Scott_Clement_&_Sean_Sullivan_TWP_October_15,_2013.docx;

How_the_GOP_Slowly_Went_Insane_Jon_Lovett_The_Atlantic_October_16,_2013.docx;

15_Reasons_Why_American_Politics_Has_Become_An_Apocalyptic_Mess_Howard_Fine_man_Huff_Post_10_16_2013.docx;

Viewing_U.S._in_Fear_and_Dismay_Damien_Cave_NYT_October_16,_2013.docx; Fast-Food_Wages_Come_With_a_\$7_Billion_Side_of_Public_Assistance_BLOOMBERG_BUSINESSWEEK_10_16_2013.docx;

Republicans'_hollow_defeat_Eugene_Robinson_TWP_October_17,_2013.docx;

Transcript,_President_Obama's_Oct._17_remar_=?WINDOWS-1252?Q?

ks_on_the_budget_deal=5FOctober_17,_2013.docx?=&U2_bio.docx

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DEAR FRIEND.....

It was interesting watching the Sunday morning network news programs last weekend. Watching in amazement how Republicans and the media has shaped-shifted both history and facts. First of all, if my memory serves me correctly the initial issue that Congressional Republicans claimed would destroy the American economy is Obamacare, and that unless President Obama and the Democrats either defund or delay its implementation they would force a government shutdown. *And they did.* Then when they realized that they could not rollover the President forcing him to accept their terms (*because they felt that they had been successful in bullying him in 2011*) and universally it was realized by all that their actions were both extremely stupid and worse, dangerous – they then tried to re-frame the shutdown as the President, Harry Reid and the Democrats refusing to compromise. What truly outraged me were the Sunday pundits, suggesting that maybe the President and the Democrats give an olive branch, allowing Republican House Speaker John Boehner to save face and lay claim that their actions were somehow valid.

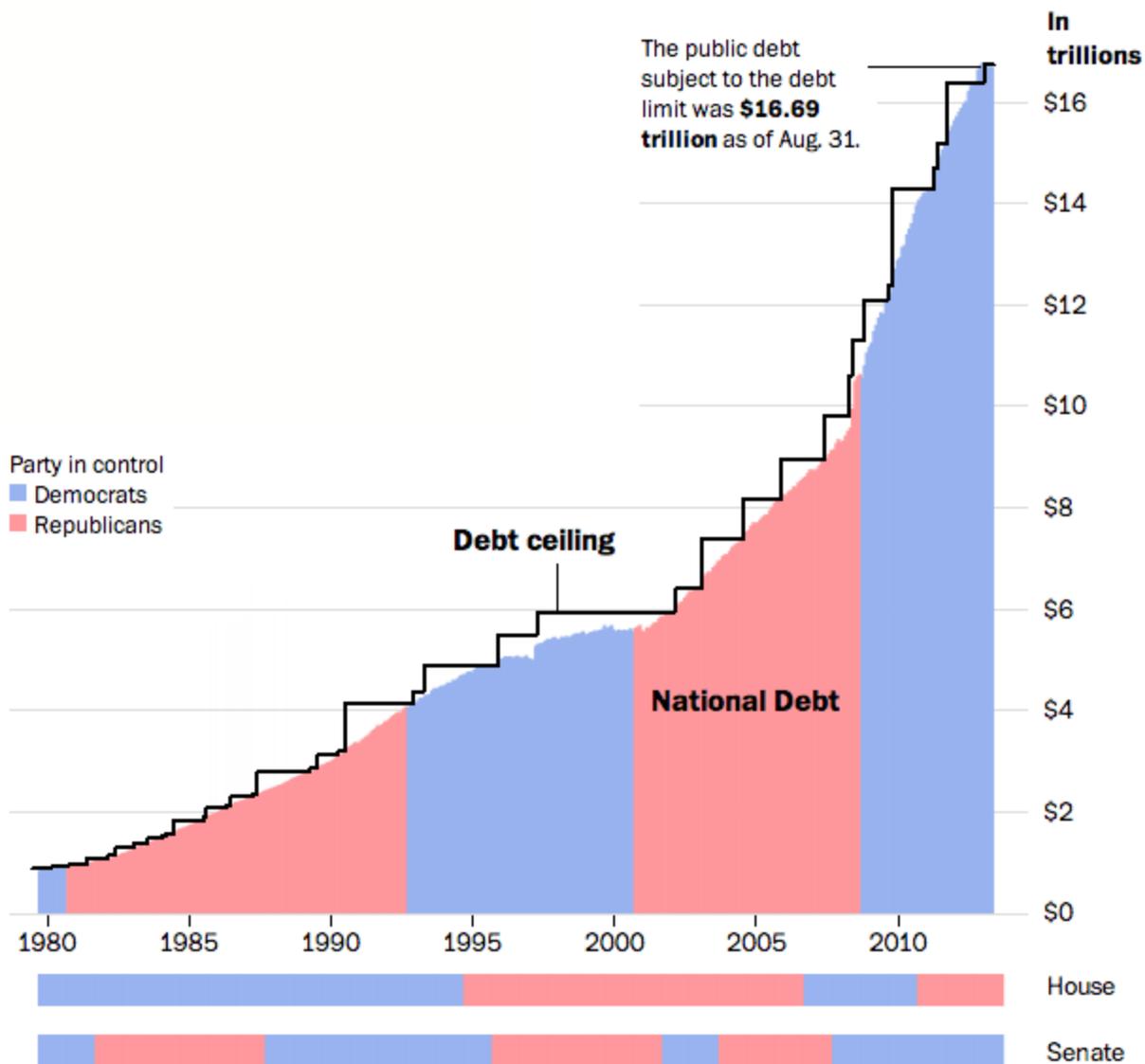
The difficulty with the Republican's position was that the longer that the shutdown continued, American voters, the business and international communities and the press beginning to openly criticize the Tea Party and other Republican leaders who force this ridiculously and idiotic flawed strategy. By Monday with the possible default on government obligations just three days away Republicans claimed that Senate Democratic leaders – believing they had a political advantage in the continuing fiscal impasse – refused last Sunday to sign on to any deal that would have reopen the government and locked in budget cuts for next year. The problem with that bogus assertion is that even if that kind of deal was on the table, the Republican leadership in the house were afraid to bring it

to a floor vote because of their fears of alienating their colleagues in the hard right. But then how did we go from defunding the Affordable Healthcare Act to 'out-of-control Democratic spending,' as the central issue perpetuating the shutdown? People forget that it was Reaganites in the 1980s who first claimed that **"deficits doesn't matter"** during the 1980s, as a way to get their treasured 'Reagan tax cuts' passed.

Web Link: [REDACTED]

[minutes/2013/09/25/4a9c9cb4-2570-11e3-b3e9-d97fb087acd6_video.html](https://www.congress.gov/minutes/2013/09/25/4a9c9cb4-2570-11e3-b3e9-d97fb087acd6_video.html)

Since 1980, the debt ceiling has been raised 42 times. It was raised 17 times under Ronald Reagan, four times under Bill Clinton and seven times under George W. Bush. Congress is currently in a contentious debate with the White House on whether to raise the ceiling again by mid-October, which would be the sixth increase under Barack Obama. In the graph below the bars indicate the debt each year.



SOURCES: Congressional Budget Office, U.S. Treasury.

Look at the above graph. During the twelve years of Reagan and Bush Administrations, the deficit was more than tripled. And then under the eight years that the Bush/Cheney Administration was in office, the deficit more than doubled. Now I ask you, where were these same 'deficit hawks' during the Reagan and Bush Administrations? And although under President Obama the national deficit has

grown from approximately \$11 trillion to almost \$16.7 trillion, Republicans chose to ignore that on January 20, 2009 the country's economy was in total chaos, with the financial markets in a total meltdown, a monthly loss of more than 750,000 jobs, housing prices in a free-fall, the country in two wars without a strategy or end and the country's prestige at an all-time low. And like FDR did with the Great Depression, President Obama (and Bush with TARP) chose to flood the economy with money to reverse the economic catastrophe he inherited.

I watched the Sunday morning news programs and the only thing that I heard Republicans talk about was cutting spending. I am not opposed to cutting spending when it is cutting waste. But I have to ask why these same Republicans never mention raising revenues. Cutting overhead is a good way to provide stability when there is lots of waste, but without generating revenues it is almost impossible for a household, company or country to grow. We already know that supply-side economics don't work. Let's be honest, wealth doesn't really trickle down to the masses if the rich can help it. Because if that were true, 97% of the wealth generated since 2009 would not have only gone to the top 10%, creating greater inequality and further squeezing our Middle Class. The current shutdown and deficit crisis are phony shams and to dignify them with an olive branch compromise would be a travesty. This was written on Monday so that I could chronicle how the rest of the week played out.



Chief White House Correspondent for **NBC News**, as well as the host of *The Daily Rundown* on **MSNBC**, Chuck Todd excoriated Ted Cruz on Monday's *"Morning Joe"* after the senator questioned the accuracy of a recent NBC News poll about the government shutdown. The survey, which NBC pollsters said they were *"shocked"* by, showed Republicans with their worst ratings in the poll's history, and blamed the GOP for the shutdown. *"Morning Joe"* played footage of Cruz saying that the poll was *"heavily weighted"* with an *"awful lot"* of Democrats.

Web link: [REDACTED]

Todd didn't mince words in his response, saying that a Republican *"echo chamber"* was distorting [REDACTED] thinking. *"The problem is two-thirds of the country is thinking something else,"* he said. *"And that's what you see in our poll. It wasn't just Democrats, it was independents and it was the one half*

of the Republican Party that doesn't associate itself with the Tea Party wing of the party." He called [REDACTED] recent appearance with Sarah Palin "odd," adding, "**What planet are you living on here?!**" Employing the logic of television's every-man, Ralph Kramden from *The Honeymooners*..... The answer would be, "**Pluto,**" which I can assure you is not a term of endearment or a description of wisdom.



Last month I had the privilege of watching **LATINO AMERICANS** – a landmark three-part, six-hour documentary series that aired nationally on **PBS** in September. It is the first major documentary series for **PBS** television that chronicles the rich and varied history and experiences of Latinos, who have helped shape North America over the last 500-plus years and have become, with more than 50 million people, the largest minority group in the U.S. This changing and yet repeating context of American history provides a backdrop for the drama of individual lives. It is a story of immigration and redemption, of anguish and celebration, of the gradual construction of a new American identity that connects and empowers millions of people today.

As immigration is at the heart of the American experience, and a central part of the long-running democratic experiment that is the United States. So is this PBS series which intersects much that is central to the history of the United States. The story includes expansionism, Manifest Destiny, the Wild West, multiple wars (Mexican-American, Spanish-American, World War II), the rise of organized labor, the Great Depression, the post WWII boom, the Cold War, the Civil Rights movement, globalization, and the effects of multiple kinds of technologies – from the railroad and barbed wire to the internet and satellite television. Despite such familiar landmarks, our history will go to places where standard U.S. histories do not tend to tread. The series is also driven by the human dramas of our characters' struggles and triumphs, successes and disappointments, both historical personages and living ones. They are people whose stories tell us much about their times.



The films chronicles Latinos in the United States from the sixteenth century to present day. It is a story of people, politics, and culture, large in scale and deep in its reach. The changing and yet repeating context of American history provides a backdrop for the drama of individual lives. It is a story of immigration and redemption, of anguish and celebration, of the gradual construction of a new American identity that connects and empowers millions of people today. **LATINO AMERICANS** features interviews with an array of individuals, including entertainer Rita Moreno, the Puerto Rican star of *West Side Story* and a winner of Academy, Tony, Grammy and Emmy Awards; labor leader and 2012 Presidential Medal of Freedom recipient Dolores Huerta, who in the 1960s co-founded with César Chávez the National Farm Workers Association, which later became United Farm Workers of America; Mexican-American author and commentator Linda Chávez, who became the highest-ranking

woman in the Reagan White House; and Cuban singer and entrepreneur Gloria Estefan, who has sold more than 100 million solo and Miami Sound Machine albums globally.

I invite everyone to take the time to watch the **LATINO AMERICANS** videos at the web link below.

Web Link: <http://www.pbs.org/latino-americans/en/watch-videos/#2365075996>



The aim of this new **PBS** documentary on Latinos in the United States becomes clear in the first moments of the broadcast: “*What is our history?*” asks a man with the weary smile of one who has posed such questions before. “*What is the claim that we have to being members of this society?*” Though the film stresses the unique impact of Hispanics in the United States, it does not portray a people set apart. “**LATINO AMERICANS**” is as relentlessly assimilationist in its viewpoint as it is unfailingly sympathetic to its subject. It takes its viewers from 1565 — when Spain created Florida’s San Agustin, the first European settlement in what would become the United States — to the 21st century, with Dreamers marching and Minutemen on patrol, the filmmakers deploy still images, recovered diaries, press reports, artwork, video re-enactments and insights from historians, journalists and activists. They also mix in interviews with legendary Latino cultural figures including Rita Moreno, Gloria Estefan and Julia Alvarez. Although it is culturally safe for crossover appeal — the qualities of this series is a wonderful, if not an elegant journey of the history of Latinos in America. Again.... I urge everyone to try to see the series as it will broaden your view of the American Experience and the contributions and tribulations that Latinos paid as part of their journey.

As Scott Clement and Sean Sullivan wrote this week in **The Washington Post** in an article – **How the shutdown derailed the Republican rebranding campaign** – Nearly a year removed from a presidential election that put its electoral and demographic weaknesses on full display, the Republican Party has been badly hampered by the ongoing government shutdown as it tries to rebrand itself in advance of both the 2014 midterms and the 2016 presidential election, according to an analysis of three weeks’ worth of **Washington Post-ABC News polling data**. In choosing to take the hard-line stance favored by its most conservative wing, Republican leaders in Congress have not only alienated electorally critical independents and other key demographic groups that their 2012 presidential nominee won but also further revealed the deep schism within their own party.

POLL The Washington Post ABC News

Q: Do you approve or disapprove of the way . . . is/are handling negotiations over the federal budget?

	Barack Obama		Democrats in Congress		Republicans in Congress	
	APPROVE	DISAPPROVE	APPROVE	DISAPPROVE	APPROVE	DISAPPROVE
Oct. 2-6	45%	51%	35%	61%	24%	70%
Sept. 25-29	41%	50%	34%	56%	26%	63%

Source: This Washington Post-ABC News poll was conducted by telephone Oct. 2-6, 2013, among a random sample of 1,005 adults. Interviews were conducted in English and Spanish on landlines and cellphones. The results have a margin of sampling error of plus or minus 3.5 percentage points. Sampling, data collection and tabulation by SSRS of Media, Pa.

Start with political independents who supported Mitt Romney over Obama by five points nearly one year ago. Now 76 percent disapprove of Republicans’ budget wrangling, slightly more than the 68 percent who disapprove of Democrats. Among white voters, the story is similar. Romney won whites by 20 points in 2012, but 74 percent of whites in the Post-ABC poll disapprove of Republicans’

handling of budget negotiations. And while Romney won 56 percent of voters ages 65 and older, a much larger 73 percent of seniors disapprove of Republicans on the budget.

See Web Link: <http://wapo.st/19BLCKA>

Then there are the problems within the GOP that the shutdown strategy has revealed. Nearly half (47 percent) of Republicans disapprove of the the way GOP has handled budget talks, a remarkable level of discord across the country that mirrors infighting in Washington. Look deeper into the numbers and the divides become even clearer. More than six in 10 Republicans who call themselves "very conservative" approve of their party's handling of the budget negotiations, according to combined Post-ABC polls over the past two weeks. Approval drops sharply to 48 percent among those who are only "somewhat conservative" and again to 42 percent among those who are moderate or liberal.

By focusing so heavily on tying the delay or defunding of Obamacare to the government shutdown — an unpopular position, according to polls — Republicans in Washington played to the wishes of their base. But, as the 2012 election showed, the Republican base is not what it once was, and to win the White House in three years' time the party needs to find a way to broaden its appeal. The shutdown is a clear setback in those efforts at a time when the GOP can ill afford it.

It's very important to clearly understand that the Republican Party's right wing, supported by moderates, offered no serious deal to him by proposing a postponement of their threat to let the U.S. default. They pointed a gun at his head and then said they may not pull the trigger for another six weeks. That is still extortion of the worst kind. Obama is simply saying, "*Put the gun down and I will negotiate.*" For example, **The Wall Street Journal's** front page this week said point blank that Obama turned down the Republicans' offer to negotiate without mentioning that they did not withdraw their threat to do this all over again, which is the obstacle in the first place.

The Right Wing of the House Republicans are united against any compromise to re-open the federal government and raise the deficit that doesn't send a message if not to delay and destroy the Affordable Health Care Act — Obamacare. So why is there still a segment of the public still being seduced by this Republican fringe? Why is this small group of Republicans so profoundly disturbed by Obamacare? Here's where a bit of history hurts. We remember that universal health care failed to get passed under FDR, who wanted such a system. It made perfectly good sense to him. The American Medical Association, the doctors' organization, pushed hard against it, and the phrase "*socialized medicine*" in a time of rising anti-communism struck a chord among the people. FDR lost the battle.

We assume those same sentiments are still at work. Now, of course, big pharma and insurance companies are often the opposition to single-payer. And no doubt there is still a lot of nonsense about not letting Uncle Sam into our medical offices or creating requirements to buy insurance. In the case of Obamacare, we have to stop fooling ourselves. The source of opposition is as simple as intense racial prejudice and anti-abortion attitudes. Remember, Obamacare will radically expand Medicaid, a service for the poor. In the South, that mostly means black people. And many southern governors, even though it would cost them almost nothing because the federal government would pick up 90 percent of the cost, are not implementing the plan. These same Republicans are demanding a "*conscience*" clause that would allow individual corporations to refuse abortion financing. **The Washington Post** reported that in a closed-door session, Paul Ryan said Republicans can't accept an extension of the deadline because they need it as "*leverage*" for demanding the conscience clause.

Destroying Obamacare is the number one scalp on the Republican agenda. The phony faux Republican argument about reducing the deficit is on the back burner because facts show supported by the **Financial Times** this week, show that the 10-year deficit is now a non-issue. More important, **FT** says that the long-term deficit is also a non-issue. And by their calculation, we only have to grow by 0.2 percent more a year to keep it manageable, even as Medicare and Medicaid costs rise rapidly.

Republicans have to shift back to reality. Because the truth is that growth is what matters, to which the Republican respond that they want more government cuts. The Senate Democrats won't agree to retain the sequester and thereby do a deal with the Senate Republicans, but Mitch McConnell boasts how much it has cut government spending. He left out the part about how it is seriously impeding America's economic growth at the same time. Think about it: Without *'the sequester'*, the U.S. would very likely be growing at a healthy pace now, reducing unemployment and probably the deficit compared to GDP as well. But the Republican Right is so determine to delegitimize the President and make sure that his is a failed Presidency. ***Almost every Black person and many Whites in America know in their hearts that the real (unsaid) issue is race.*** And again, the Republican right in Congress is willing to destroy the country's economy to delegitimize the President and make sure that his is a failed Presidency.

15 Reasons Why American Politics Has Become An Apocalyptic Mess

Why is America on the edge of a political and fiscal nervous breakdown? We aren't fighting an external threat: no foreign ism or axis. We're simply shackled by our inability to deal with our own finances. By:

Howard Fineman -- Huffington Post -- 10/16/2013

Why?

Here are the 15 reasons:

1. The Tea Party

In radical reaction to the Wall Street bailout of 2008, the stimulus of 2009 and Obamacare in 2010, the tea party aims to defund and delegitimize the federal government. Crippling the legislative machinery is a means, but also an end in itself.

2. Slow Growth

The tea party has a point -- up to a point. Politicians flagrantly overspend on wars and social programs simultaneously because the U.S. economy had always risen fast enough to keep us afloat. That era is now over. We have to make painful choices, but aren't willing to confront them frankly.

3. Obamacare

The U.S. was the only major industrial country without national health care, and even though Obamacare relies on the typical American mix of private sector profit and government regulation, it remains a bone in the throat of American politics. No entitlement program ever passed with so little bipartisan support (though Social Security was close). President Barack Obama assumed that a favorable Supreme Court ruling and his own reelection in 2012 would settle the issue. He was wrong. Whether he could have done anything else to soothe the tea party fear and anger is doubtful, but he didn't really try.

4. Scorecards

The AFL-CIO invented a rating system for "pro-labor" voting records; Christian conservatives adopted it. But anti-tax activist Grover Norquist and Heritage Foundation President Jim DeMint amped up the

volume. Republican members of Congress live in mortal fear of a bad rating and vote accordingly.

5. Two Cultures

Americans used to inhabit a world of shared social mores, even if millions of people were coerced into accepting them. Now voters now live in two barely overlapping moral worlds: Secular Metropolitan America and Biblical Traditional America. And that separation is enhanced by the isolating force of modern media. Americans can spend most of their waking hours enveloped in one journalistic gestalt or another, staring at one cable show/website version of reality or the other. It makes political differences harder to bridge.

6. Congressional Ignorance

For a host of reasons -- the collapse of Congress' committee system, the frantic pace of media coverage, the increasing complexity of legislation, the rise of massive, catch-all "continuing resolutions," the time spent on raising campaign cash -- for all of those reasons and others, a shocking number of lawmakers have no idea what they are debating, denouncing or voting on. "An amazing percentage of people here are intellectually lazy or distracted or ignorant or all three," one senator told me, anonymously.

7. Gargantuan Money

As Democratic strategist James Carville once said, money is not only the "milk of politics, it is the powdered milk and even the evaporated milk." But not since the Gilded Age has fantastically rich money been able to exert such single-minded and focused control. The U.S. Supreme Court is hell-bent on expanding that power. The result so far has been to unchain the militantly anti-government right, led by the billionaire likes of the Koch brothers and Sheldon Adelson. They have neither the patience for nor a belief in the "regular order" of Congress or its half-a-loaf legislative agreements. They are used to spending cash to enforce their unconditional way.

8. No Big Tents

Political parties have collapsed as a means of whipping up consent. They don't control the money; fat cats do. They don't control the agenda; ideological interest groups do. All they have left is their reassuring absolutes: no new taxes for Republicans; defend Social Security, Medicare and Obamacare for Democrats. The more ideologically monochromatic the parties have become, the less able they are to engineer pragmatic legislative deals. As political scholars Norm Ornstein and Tom Mann put it, we now have all-or-nothing parliamentary-style "tribal" parties in a delicately balanced separation-of-powers system.

9. My District Is My Castle

Gerrymandering is nothing new. The name and the practice date to the early 19th century. But a combination of technology and federal civil rights laws has produced an unusually large number of "safe" congressional districts, both red and blue. Democrats obtained more high-percentage "minority" districts; Republicans used control of state legislatures to draw more white conservative ones. The situation suited both parties, if not the country. The result: tea party Republicans can issue demands with impunity, and "moderate" Republicans risk a challenge from the right if they're seen as collaborators.

10. The End Of 'Regular Order'

The old legislative machinery of Congress has been largely destroyed, which means that every major bill is an existential crisis and every crisis a possible meltdown. Budget reforms of the 1970s, meant to smooth the flow of financial decisions, gummed up the works instead. The committee system lies in ruins, robbed of patronage, earmarks, privacy and seniority – that is, the discipline and grease that enabled deal-making. Everything is rolled into one life-or-death struggle.

11. They Either Don't Know Or Hate Each Other

Congress mirrors our socially divided culture. Members have little contact with those in the other party. They are too busy raising money, feeding their favorite media beasts or plotting partisan strategy. The “schmooze factor” can be overrated, but deep personal relationships do help, as MSNBC host and former Hill staffer Chris Matthews documents in his new book, *Tip and the Gipper: When Politics Worked*. Today it's just the opposite: Members of one party campaign against their “colleagues” in the other, even showing up in person in that colleague's home state or district. Check out the relationship between Senate leaders Harry Reid and Mitch McConnell.

12. Misjudging Obama

Much of the “mainstream media” has dismissed the president as a weak negotiator, and many Democrats were upset at his deals to extend the Bush tax cuts in 2010, to install the sequestration mechanism in 2011 and not to enact more sweeping tax hikes in 2012. But that chatter led Republicans to underestimate Obama's resolve and to assume they could force concessions on the one item he held most dear: Obamacare. It was a disastrous tactical choice. The public has doubts about the health care program - - doubts reinforced by the sloppy rollout of the insurance exchanges. But the public also doesn't want to use the government shutdown or debt ceiling fight to send health care messages.

13. The New Iowa

There once was a hiatus between presidential campaigns. And there used to be a tradition that new senators didn't start running for president the moment they arrived in Washington. No more. The insatiable demands of fundraising, organizing and media attention are one reason. Then-Sen. Obama's example in 2005 is another. No wonder Sen. Ted Cruz, who arrived only months ago, is leading the Republican rebellion as way to run for president. He couldn't care less if he ever passes a bill in Congress. In fact, his whole campaign is premised on *not* passing things.

14. Apocalypse America

Win-win is a cool idea -- for social media and much of business life. But America's public and entertainment culture wants a narrative of total victory, crushing blows, winner-take-all contests and paranoid, apocalyptic sagas. White House aides talk about “breaking the will” of the tea party, and they glory in each new poll that shows the GOP's public approval is plummeting toward single digits. (Yet how can you celebrate a prostrate GOP if the worldwide economy is in shambles?) We live in a time when ultimate fighting trumps boxing; football trumps baseball; talent contests trump variety shows; “The Walking Dead” is the new “Friends.” No wonder Washington is the way it is. The biters are everywhere.

15. You're Not My President

It's hard to know when in the modern era Americans stopped believing that whoever was president was president of all the people. It may have started with Lyndon Johnson, whose ascension after the

assassination of John F. Kennedy was bitterly resented by the Kennedy crowd. Many voters came to see Richard Nixon as an illegal usurper. In 1992, many Republicans refused to accept the legitimacy of Bill Clinton's election, an attitude that led ultimately to his impeachment. But there is nothing in recent decades to match the visceral fear and hatred that a minority of Americans express for Barack Obama, whom they see as an alien, dictatorial force. There is no denying there is an element of race and xenophobia to it. To be sure, Obama's most passionate foes wouldn't like *any* big-city, liberal, Harvard-trained constitutional lawyer. But the fact that this one is black and has an unusual-for-America name just adds to the alienation. Obama's fans flocked to him because of his biography. But the flip side of hagiography is demonization, and that is where his enemies are now. To say the least, that makes doing a deal with him difficult.

Somehow the country survived this past week, month and several years of political dysfunctionality in Washington by avoiding the latest self-inflicted crisis of the combined government shutdown and House Republicans threat to not raise the federal government debt ceiling to the relief of Wall Street, International Banks, bond holders and economic allies. But lost in this latest hoopla is that after three years of "recovery," one in seven Americans who would like full-time work can't find a full-time job. Millions of Americans have lost their homes, and millions more are at risk. Since 2007, the median wealth of African American and Latino families has fallen by more than half. In the midst of all of this suffering, US corporate profits are at an all-time high. The richest 1 percent of Americans have enjoyed soaring incomes for more than three decades, with the richest 400 Americans having a combined wealth in excess of the bottom 120 million Americans.

The U.S. economy and the human beings it ought to serve are suffering, first and foremost, from a Jobs Deficit. Closing this gap -- facilitating the creation of good jobs -- should be the very top priority of Congress and the White House. But it isn't. Instead, our leaders remain engaged in a terribly misguided squabble over how best to lower the federal budget deficit. The current impasse -- the government shutdown and the Republicans' refusal to raise the debt ceiling -- is just one (especially appalling) episode in a long-running drama. As Tim Koechlin pointed out in **The Huffington Post** this week in his piece -- ***The Wrong Deficit: Full Employment Requires More Spending and More Borrowing, Not Less*** -- President Obama's vision for the budget and the country differs substantially from that of the GOP, for sure. But President Obama has, unfortunately, embraced the faulty premise that deficit reduction should be a top priority. He, along with a chorus of deficit hawks, longs for a "grand bargain" that would get the debt and the deficit "under control."

Here is the problem: in a stagnant economy, cutting spending is a terrible idea. Cutting spending during a recession is like blood-letting an anemic patient (or invading Iraq to avenge an attack by Al-Qaeda): it is precisely the wrong intervention. The U.S. economy needs more spending, not less. Check your economics textbook.

This is indeed the worst downturn since the Great Depression. How did the Great Depression finally come to an end? After nearly a decade of mass unemployment, stagnation, foreclosures, bankruptcies, and muddled policy (sound familiar?) the US government massively increased its spending to pay for the War; that is, it ran enormous budget deficits. War spending put people to work; these newly employed workers spent their income, and this spending created jobs for others. Between 1939 and 1945 the national debt increased by a factor of six. Was this a "burden for future generations"? Hardly. The post-war generation and their Baby Boomer kids benefited enormously from this debt-financed recovery. They inherited some debt, sure, but they also inherited an economy that provided them with vast economic, educational and personal opportunities -- and higher incomes. The three decades following WWII brought rising incomes for every class of Americans; the income of the median U.S. household doubled! By any measure, this debt-financed spending was a wildly successful investment.

The most effective way to reduce the current Jobs Deficit, and to provide opportunities for our kids now and in the future, is for the government spend more -- for schools, teachers, universities,

infrastructure, alternative energy, mass transit, safe workplaces, and safe food and water. This spending would create jobs today, lighten the load of those who are hurting the most, and promote jobs and competitiveness in the long run. Serious, well-funded efforts to liberate home owners from their enormous debt burden would help to re-ignite consumer spending and the housing market. And what's more, increased spending would also be good for business. Rising demand means rising revenues, and an incentive to hire workers.

In stagnant economy, wise deficit spending should be understood as an investment. The Republican response to our current economic crisis is as familiar as it is appalling: more tax cuts for the rich; more tax cuts for corporations; less regulation of Wall Street; attacks on public sector unions and immigrants; and cuts in programs that benefit the middle class and the poor, including Head Start, Medicare, Medicaid and Social Security. This is the essence of Representative Paul Ryan's proposed 10-year budget, which got unanimous support from House Republicans last year. This vision is not only appalling and mean-spirited, it is bad economics. That is, these policies would promote inequality and stifle growth. (And, by the way: tax cuts do not reduce deficits!).

Right Wing fantasies notwithstanding, spending under President Obama has been remarkably stingy -- too stingy! Indeed, public sector employment has declined by 600,000 since President Obama took office. The "sequester" cuts \$85 billion from the 2013 federal budget and \$1.2 trillion over the next ten years. Insufficient demand explains the Jobs Deficit, not "high" corporate taxes, not regulation, not immigration, not "uncertainty" about taxation and regulation, and not the budget deficit. To eliminate the Jobs Deficit, the government needs to spend -- and borrow -- more, not less. The politics of the moment makes a bold economic stimulus plan unlikely. Still, at the very least, we need to recognize that an ongoing obsession with the budget deficit is misguided and dangerous. Further spending cuts will slow economic and employment growth, and inflict still more unnecessary pain on millions of Americans.

I get so angry when I hear politicians and television pundits suggest that the largest economic problem in the country is that as the population ages, our children and future generations are being saddled with unnecessary debt, as if the current generation and its forefathers should not be given credit for the fact that in spite of our problems your children are inheriting the richest and one of the best run countries on the planet with unbridled potential. And to suggest that our seniors are only takers, without acknowledging their sacrifices and contributions is shameful. I watched a piece on **NBC News** this week that profiled a football coach who suited up special needs students with the team on game day so that they could experience what it is like to be a member of the team and to remind players of how lucky there are and their responsibility to those less fortunate.

We like to celebrate individuals who go out of their way to help those less fortunate. So why as a country are we resistant to make it our number one priority to make sure that no one in America goes to bed hungry and everyone has the opportunity to make a living wage? And no matter how efficient the private sector is, this is not a priority. Our major corporations are doing better than ever, hoarding more than \$2 trillion in cash outside of the country to avoid taxes. And at the same time, the top 1% of Americans have received more than 40% of the country's wealth generated over the last four years. So the money is available if we make sure that it spread around. Investing in education, healthcare, infrastructure and our young are investments that benefit every American. So why don't we do this? Think about it, we can cut all that we want but without investment we will not grow..... *and you don't have to be an economist to know this.*

You can tell a lot about a person by how they accept defeat. Ted Cruz, who just nine months on the job, had managed to drag down his Republican Party to historic unpopularity. But as Minority Leader Mitch McConnell (R-Ky.) went to the Senate floor Wednesday afternoon to announce a deal that would begin to repair the damage Cruz inflicted, the renegade couldn't resist one more poke at his leadership. As McConnell was speaking on the floor about his compromise to end the government shutdown and to avoid a federal default, Cruz marched up to the bank of TV cameras outside the Senate chamber to deliver his own statement.

CNN's Dana Bash told him that the news networks were airing McConnell's speech live. *"Do you want to wait until the leaders are done?"* she asked. Cruz did not want to wait. He launched right into a condemnation of the deal McConnell had negotiated. *"Unfortunately, once again, it appears the Washington establishment is refusing to listen to the American people,"* the Texan intoned, his protruding chin bouncing as the vitriol poured from the lips above it. *"The United States Senate has stayed with the traditional approach of the Washington establishment of maintaining the status quo."*

The amount of wreckage Cruz has caused in such a short time is truly awe-inspiring. He has damaged his party, hurt the economy, lowered the nation's standing and set back the conservative cause. But appearing at the Capitol on Wednesday morning, he wore a broad smile as reporters and cameras surrounded him to learn what further mayhem he was planning. As Cruz and others filed in to hear McConnell's compromise, Republican senators made little effort to conceal their frustration with Cruz. *"This has been a very bad two weeks for the Republican brand, for conservatism,"* said Sen. Lindsey Graham (S.C.).

Cruz did make one gesture that acknowledged he may have gone too far: He said he wouldn't use procedural hurdles to delay a vote on the debt-limit bill, a move that could have forced the nation into default. *"I never had any intention to delay this vote,"* he told a clump of reporters as he emerged from the Senate session, even though he had declined to disavow such a delay when asked only an hour earlier. But otherwise, Cruz refused to admit defeat. *"The American people rose up and spoke with an overwhelming voice and at least at this stage Washington isn't listening to them,"* he said. *"But this battle will continue."* (Actually, what's overwhelming is the 70 percent of Americans who think Republicans put politics ahead of the country in the shutdown.)

Cruz left the reporters after a few minutes, but when he noticed the TV lights and microphones outside the Senate chamber, he stopped and reversed himself. After repeating his statement for the cameras, he took a question from CNN's Bash, who pointed out that there has been *"a lot of bruising political warfare internally, and you've got nothing for it."* *"I disagree with the premise,"* Cruz informed her. He said the House vote to defund Obamacare, rejected by the Senate, was *"a remarkable victory."* It was a revealing statement: For Cruz, the victory is not the achievement or a solution, but the fight. ██████ *"victory" cost American taxpayers \$24 billion, lots of human suffering and immense damage to the country's reputation here and abroad. And this guy wants to be President..... But then what should be expected from someone who believes in their heart that government is "the problem and that his dismantling it is the only solution."*



Totally overlooked this week was an article in Dayton Daily News that exposed – that brand new cargo planes on order for the U.S. Air Force are being delivered straight into storage in the Arizona desert because the military has no use for them. A dozen nearly new C-27J Spartans from Ohio and elsewhere already have been taken out of service and shipped to the so-called "boneyard" at Davis-Monthan Air Force Base in Tucson. Five more are expected to be built by April, all of which are headed to the boneyard unless another use for them is found. The Air Force has spent \$567 million on 21 C-27J aircraft since 2007, according to purchasing officials at Wright-Patterson Air Force Base. Sixteen had been delivered by the end of September.



Like the Army with the Abrams Tanks, the Air Force was forced to buy more of the planes against its will, the newspaper found. A solicitation issued from Wright-Patterson in May sought vendors to build more C-27Js, citing congressional language requiring the military to spend money budgeted for the planes, despite Pentagon protests. The military initially wanted the C-27J because it had unique capabilities, such as the ability to take off and land on less-developed runways, said Ethan Rosenkranz, national security analyst at the Project on Government Oversight. When sequestration hit, the military realized the planes weren't a necessity but instead a luxury it couldn't afford, he said.

"When they start discarding these programs, it's wasteful," he said. O'Hanlon said their near-resurrection was largely due to parochialism. "It's too bad and a waste," he said. "I'm not sure the program was ever a white elephant, and yet given budget cuts, I'm not sure it should be saved now." Ohio's Senate delegation was among the most ardent defenders of the C-27J when a mission at Mansfield Air National Guard Base, and 800 jobs there, were dependent on it. Sen. Sherrod Brown of Ohio and six other Democratic senators wrote a letter in 2011 urging the military to buy up to 42 of the aircraft, saying too few planes "will weaken our national and homeland defense."

Then came sequestration and a nearly trillion-dollar cut to the Pentagon's projected spending over the next nine years. That will bring the military's budget down to roughly 2006-07 levels, Rosenkranz said. Former Air Force Chief of Staff Gen. Norton Schwartz testified before Congress last year that the military wanted to divest its C-27J fleet to come in line with budget cuts. He said the C-130 can do everything the military requires and costs \$213 million to fly over its 25-year lifespan. The C-27J would cost \$308 million per aircraft. "In this fiscal environment, it certainly caught our attention," Schwartz said.

That put the Mansfield base in peril, and Brown along with Republican Sen. Rob Portman, who in February 2012 called the aircraft "critically important," worked to save the C-27J. However, President Barack Obama, after making a campaign stop in Mansfield last year, promised to "find a mission" for the base. This led to eight C-130s being transferred to the base, giving it about 40 more full-time and 200 more part-time military positions. That also left it with the same mission it had prior to a cost-saving round of base closures in 2005. Now the U.S. Senate is poised to strip the requirement that the Pentagon spend money on new planes from the 2014 defense budget, and Wright-Patterson officials are saying they were told to put a hold on purchasing.

What should be alarming isn't that these planes were purchased unnecessarily but that scuttling more than a half a billion in new plane when almost totally unnoticed and not one member of Congress mentioned this outrage. If Wall Street is now an unregulated casino, because slot machines are better regulated than derivatives, Congress has truly become farcical theater (and like Hollywood) dispense taxpayer money on their pet projects, patrons and friends. Therefore, if Ted Cruz need needs a "real" cause to establish his credentials as a warier against government waste and abuse, why not start with the Defense Department, who can throw away a half billion dollars of brand new equipment and no one notices.



As most of you know, I am a huge fan of our President Barack Obama. And although I haven't agreed with everything that he has done, (expanding the War in Afghanistan, not making Wall Street pay for the greed and malfeasance that created the worst recession since the Great Depression, hurting the country and causing untold misery for tens of millions, if not hundreds of millions Americans and not standing firm against his Republican opposition who declared from Day 1, their Number One priority was to make his a failed Presidency), I have to give him props for how he has out-foxed his competitor, often with the ease, confidence and artistry of Walt "Clyde" Fraser's jump-shot back in the day.

And the latest example is how he stood his ground against Republican Conservative failed tactics of shutting down the federal government and threatening to not raise the country's debt ceiling (which might have cost economic chaos for the country). Not only did he not cave, when he refused to be blackmailed into a face saving compromise that his Republican opponents could hide behind, such as taking out the excise tax for medical devices which would have been a \$30 billion give away to medical device company's lobbyist), he let them wallow in the mess that they created until even their most ardent supporter, corporate America, the media and most voters made it clear that they end this folly.

But what really separated him from the pack was instead of taking a victory lap, like his hero our sixteenth President Abraham Lincoln, in a Press Conference on October 17, 2013 he offered a conciliatory message, and that there were no winners, as the shutdown and just the threat of default, have damaged the country's standing around the world, as well as maybe slowed our economic growth. "But probably nothing has done more damage to America's credibility in the world, our standing with other countries, than the spectacle that we've seen these past several weeks. It's encouraged our enemies, it's emboldened our competitors, and it's depressed our friends, who look to us for steady leadership. "

He encouraged fortitude and compromise – "Now the good news is, we'll bounce back from this. We always do. America's the bedrock of the global economy for a reason. We are the indispensable nation that the rest of the world looks to as the safest and most reliable place to invest, something that's made it easier for generations of Americans to invest in their own futures. We have earned that responsibility over more than two centuries because of the dynamism of our economy and our entrepreneurs, the productivity of our workers, but also because we keep our word and we meet our obligations. That's what full faith and credit means. You can count on us. And today I want our people and our businesses and the rest of the world to know that the full faith and credit of the United States remains unquestioned. But to all my friends in Congress, understand that how business is done in this town has to change because we've all got a lot of work to do on behalf of the American people, and that includes the hard work of regaining their trust.

Our system of self-government doesn't function without it. And now that the government has reopened and this threat to our economy is removed, all of us need to stop focusing on the lobbyists, and the bloggers, and the talking heads on radio and the professional activists who profit from conflict, and focus on what the majority of Americans sent us here to do, and that's grow this economy, create good jobs, strengthen the middle class, educate our kids, lay the foundation for broad-based prosperity and get our fiscal house in order for the long haul. That's why we're here. That should be our focus. Now, that won't be easy. We all know that we have divided government right now. There's a lot of noise out there, and the pressure from the extremes affect how lot of members of Congress see the day-to-day work that's supposed to be done here. And let's face it. The American people don't see every issue the same way. That doesn't mean we can't make progress. And when we disagree, we don't have to suggest that the other side doesn't love this country or believe in free enterprise or all the other rhetoric that seems to get worse every single year. If we disagree on something, we can move on and focus on the things we agree on and get this stuff done."

And he mapped out a pathway – “Let me be specific about three places where I believe we can make progress right now.

First, in the coming days and weeks, we should sit down and pursue a balanced approach to a responsible budget, a budget that grows our economy faster and shrinks our long-term deficits further. At the beginning of this year, that's what both Democrats and Republicans committed to doing. Senate passed a budget. House passed a budget. They were supposed to come together and negotiate. And had one side not decided to pursue a strategy of brinksmanship, each side could have gotten together and figured out how do we shape a budget that provides certainty to businesses and people who rely on government, provides certainty to investors and our economy, and we'd be growing faster right now.

Now, the good news is the legislation I signed yesterday now requires Congress to do exactly that, what it could have been doing all along. And we shouldn't approach this process of creating a budget as an ideological exercise, just cutting for the sake of cutting. The issue's not growth versus fiscal responsibility. We need both. We need a budget that deals with the issues that most Americans are focused on, creating more good jobs that pay better wages.

And remember, the deficit is getting smaller, not bigger. It's going down faster than it has in the last 50 years. The challenge that we have right now are not short-term deficits; it's the long-term obligations that we have around things like Medicare and Social Security.

We want to make sure those are there for future generations.

So the key now is a budget that cuts out the things that we don't need, closes corporate tax loopholes that don't help create jobs and frees up resources for the things that do help us grow, like education and infrastructure and research. And these things historically have not been partisan.

And this shouldn't be as difficult as it's been in past years because we already spend less than we did a few years ago. Our deficits are half of what they were a few years ago. The debt problems we have now are long term. And we can address them without short-changing our kids or short-changing our grandkids or weakening the security that current generations have earned from their hard work. So that's number one.

Number two, we should finish fixing the job of our -- let me say that again. Number two. We should finish the job of fixing our broken immigration system. There's already a broad coalition across America that's behind this effort of comprehensive immigration reform, from business leaders to faith leaders to law enforcement.

In fact, the Senate has already passed a bill with strong bipartisan support that would make the biggest commitment to border security in our history, would modernize our legal immigration system, make sure everyone plays by the same rules, make sure that folks who came here illegally have to pay a fine, pay back taxes, meet their responsibilities. That bill's already passed the Senate. And economists estimate that if that bill becomes law, our economy would be 5 percent larger two decades from now. That's \$1.4 trillion in new economic growth.

The majority of Americans think this is the right thing to do. And it's sitting there waiting for the House to pass it. Now, if the House has ideas on how to improve the Senate bill, let's hear them. Let's start the negotiations. But let's not leave this problem to keep festering for another year or two years or three years. This can and should get done by the end of this year.

Number three. We should pass a farm bill, one that American farmers and ranchers can depend on, one that protects vulnerable children and adults in times of need, one that gives rural communities opportunities to grow and the long-term certainty that they deserve. Again, the Senate's already passed

a solid bipartisan bill. It's got support from Democrats and Republicans. It's sitting in the House waiting for passage. If House Republicans have ideas that they think would improve the farm bill, let's see them. Let's negotiate. What are we waiting for? Let's get this done.

So, passing a budget, immigration reform, farm bill. Those are three specific things that would make a huge difference in our economy right now, and we could get them done by the end of the year -- if our focus is on what's good for the American people. And that's just the big stuff.

There are all kinds of other things that we could be doing that don't get as much attention.”

In closing – “I understand we will not suddenly agree on everything now that the cloud of crisis has passed. Democrats and Republicans are far apart on a lot of issues. And I recognize there are folks on the other side who think that my policies are misguided. That's putting it mildly. That's OK. That's democracy. That's how it works. We can debate those differences vigorously, passionately, in good faith, through the normal democratic process. And sometimes we'll be just too far apart to forge an agreement.

But that should not hold back our efforts in areas where we do agree. We shouldn't fail to act on areas that we do agree or could agree just because we don't think it's good politics, just because the extremes in our party don't like the word "compromise." I will look for willing partners wherever I can to get important work done. And there's no good reason why we can't govern responsibly, despite our differences, without lurching from manufactured crisis to manufactured crisis.

In fact, one of the things that I hope all of us have learned these past few weeks is that it turns out smart, effective government is important. It matters. I think the American people, during the shutdown, had a chance to get some idea of all the things large and small that government does that make a difference in people's lives.

And we hear all the time about how government is the problem. Well, it turns out we rely on it in a whole lot of ways. Not only does it keep us strong through our military and our law enforcement, it plays a vital role in caring for our seniors and our veterans, educating our kids, making sure our workers are trained for the jobs that are being created, arming our businesses with the best science and technology so they can compete with companies from other countries. It plays a key role in keeping our food and our toys and our workplaces safe. It helps folks rebuild after a storm. It conserves our natural resources. It finances startups. It helps to sell our products overseas. It provides security to our diplomats abroad.

So let's work together to make government work better instead of treating it like an enemy or purposely making it work worse. That's not what the founders of this nation envisioned when they gave us the gift of self-government. You don't like a particular policy or a particular president? Then argue for your position. Go out there and win an election. Push to change it. But don't break it. Don't break what our predecessors spent over two centuries building. That's not being faithful to what this country's about.

And that brings me to one last point. I've got a simple message for all the dedicated and patriotic federal workers who've either worked without pay or have been forced off the job without pay these past few weeks, including most of my own staff: Thank you. Thanks for your service. Welcome back. What you do is important. It matters. You defend our country overseas. You deliver benefits to our troops, who have earned them, when they come home. You guard our borders. You protect our civil rights. You help businesses grow and gain footholds in overseas markets. You protect the air we breathe and the water our children drink, and you push the boundaries of science and space, and you guide hundreds of thousands of people each day through the glories of this country. Thank you. What

you do is important, and don't let anybody else tell you different, especially to the young people who come to this -- this city to serve, believe that it matters. Well, you know what? You're right. It does.

And those of us who have the privilege to serve this country have an obligation to do our job as best we can. We come from different parties, but we are Americans first. That's why disagreement cannot mean dysfunction. It can't degenerate into hatred.

The American people's hopes and dreams are what matters, not ours. Our obligations are to them. Our regard for them compels us all, Democrats and Republicans, to cooperate and compromise and act in the best interests of our nation, one nation, under God, indivisible, with liberty and justice for all."

There were a lot of good people on both sides of the aisle who worked together selfishly to resolve this self-inflicted disaster. But over this past several weeks our President has stood as the Man among Boys and no better example of his leadership and statesmanship was his October 17th speech. Bravo Mr. President. And for those of you who didn't see his speech, attached is a full transcript and here is the web link so you can see it in its entirety: **See web link: <http://wapo.st/H6chx2>**

THIS WEEK'S READINGS

This week in **The Washington Post** Zachary A. Goldfarb and Jim Tankersley wrote the article – ***Debt-ceiling breach would push economy into free fall, without a government safety net*** – as the Obama administration will have to decide whether to delay – or possibly suspend – tens of billions of dollars in Social Security checks, food stamps and unemployment benefits if negotiations to raise the federal debt ceiling was not resolved this week, experts say, one of the many difficult choices officials will have to make at a time when the government will essentially be running on fumes. On Monday the government had approximately \$30 billion cash in the bank and a little more room to borrow as a result of extraordinary measures launched in the wake of the debt-ceiling crisis. By Thursday administration officials felt that they will have exhaust all borrowing authority and should have only some of this cash on hand.

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minutes/2013/09/25/4a9cbbb4-2570-11e3-b3e9-d97fb087acd6_video.html

The government began on Monday with Experts on federal finances saying that money might be enough to make payments for a few days, but certainly not for more than two weeks. In any event, they say, President Obama will have to make untested decisions about who and what to pay because daily tax receipts will make up only about 70 cents of every dollar of necessary spending. Economists roundly agree that no matter which course Obama chooses, a drop in federal spending that large would exert a huge drag on economic growth. And in contrast to what happens during a traditional downturn – the safety net expands to help the vulnerable – assistance to seniors and low-income people could be delayed or reduced if Congress doesn't raise the debt ceiling.

Officials may also have insufficient funds to operate major parts of the government that are open during the shutdown, such as the Federal Aviation Administration and the FBI. Senior Treasury Department officials convened Sunday evening to discuss the financial market's reaction to the continuing fiscal stalemate. Although the stock market jumped late last week amid optimism about a deal, bond markets remain deeply nervous about a potential breach of the debt-ceiling deadline Thursday. Market reactions could be the first direct way that Americans witness the impact of a breach, but the consequences are likely to be felt in numerous other ways. According to the Bipartisan Policy Center, which has done the most detailed analysis of federal finances in a debt-ceiling breach,

administration officials would have to consider delaying or suspending tens of billions of dollars in critical payments to low-income people and seniors.

Under the most alarming scenario, as soon as Friday, payments to Medicare and Medicaid providers, unemployment benefits, Social Security checks and tax refunds would be postponed for one to four days. Food stamps due to be distributed Oct. 25 could be held until Oct. 30. The same would happen to payments to defense contractors. With huge payments due in early November, the situation would become grimmer. Nearly \$60 billion in Social Security checks, veterans benefits and pay for active-duty troops is due Nov. 1. Those could be delayed nearly two weeks, according to the Bipartisan Policy Center's analysis. "Right now, Grandma is getting a Social Security check. In a few weeks, unless we solve this, she won't," said Steve Bell, a former top Republican Senate staff member and a senior vice president at the policy center.

The exact timing of such delays isn't knowable because, officials say, the flow of federal tax receipts, which would be the sole source of revenue, is not entirely predictable. Greater uncertainty is being caused by the government shutdown and the start of the fiscal year Oct. 1. By all accounts, the Treasury would strive to make interest payments on U.S. bonds if Congress failed to raise the debt ceiling on time. That would avoid a technical "default," as defined by credit-rating firms Standard & Poor's and Moody's, but financial markets could still respond with great worry.

A major test of investor reactions would come Thursday, when the Treasury Department is slated to refinance more than \$100 billion in debt. If investors uncertain about U.S. finances refuse to refinance the debt or demand higher interest rates, markets could go into a tailspin. But delayed safety-net payments are one of the biggest worries because of their outsize economic impact. Americans who rely on those programs to buy groceries or pay rent would suddenly be without that aid. According to **Moody's Analytics**, food stamps and unemployment benefits have significant ripple effects, given that needy families tend to spend the money immediately. Moody's estimates that every \$1 spent on food stamps or unemployment benefits tends to drive about \$1.70 in economic growth.

The loss of that spending would hurt the economy, and those hurt by the economy wouldn't have any government help to fall back on, forming a vicious cycle. Economists at Citi Research ran a simulation recently that included a worst-case scenario in which lawmakers don't raise the debt limit for an extended period of time. The model predicted that unemployment could shoot back to 10 percent and the economy would dive into recession. But the results "could have been worse than that," said William Lee, a global economist at Citi, because the model assumes that in the case of recession, government spending picks up as more people qualify for unemployment benefits and food stamps.

It's likely, according to experts, that in a debt-ceiling breach, officials would strive to minimize the impact on vulnerable populations. But that would force officials to prioritize some payments over others — a move that they say is impractical and potentially illegal. If the government were able to preserve much of the safety net and the military pay in the month following a debt-ceiling breach, it would have to forgo other spending, according to the Bipartisan Policy Center. For example, it might have to suspend all federal salaries and benefits and veterans benefits, as well as operations of the Justice Department, the Energy Department, the FAA, the Environmental Protection Agency and other agencies. Those would just be the direct effects of a hard cap on federal spending. There could also be broader effects in the financial markets.

In such a situation, short-term-borrowing markets, which play a critical role as a safe place for cash, could dry up. That could lead to liquidity problems for financial firms, which would have trouble raising the daily funding they need to maintain their operations — and that probably would have spillover effects elsewhere, such as the stock market.

And from Oct. 18 to Nov. 15, the Treasury Department must refinance \$370 billion in debt. In that process, the Treasury borrows money to pay back investors and then borrows the same amount from investors. If investors are growing nervous about a default, they could demand much higher interest rates to offset the risks of lending to the government. Given that Treasury bonds are the benchmark interest rate for much lending in the economy, all sorts of loans could get expensive — mortgages, corporate loans, auto loans — which would crimp home buying, corporate investment and auto purchases.

The Organization for Economic Cooperation and Development, which tracks growth across the developed world, has calculated that the effects would compound economically and ripple globally. “We’re not necessarily trying to cause alarm,” Angel Gurría, the OECD’s secretary general, said in an interview. “But there is cause for alarm.” We started a war based on the suspicion that Saddam Hussein might have weapons of mass destruction, yet when almost every economist and business leaders are telling Congress that not raising the debt ceiling would be an unmitigated disaster Republicans are using it as a bargaining chip. Playing Russian Rolette with the nation’s economy should be judged as treason. And those selfish politicians who have put the gun to the country’s head should be vilified.



This week in **The New York Times** I read an refreshing op-ed on illegal immigration by Sonia Nazario — ***The Heartache of an Immigrant Family*** — that doesn’t put the blame on the victim; because illegal immigrants are just that: victims. In most cases they were victims in their home country of oppression and discrimination and that is the main reason they left and went to the US... just to find that they are now victims of an oppressive and biased legal system that doesn’t allow them a clear path to legalization. When we use to talk about immigration to America, we often described a hopeful story about courage and sacrifice. But that story obscures the fact that, especially for the poor, immigration is often a traumatizing event, one that tears families apart. In the today’s increasing

political polarization on the immigration issue with one side advocating building higher walls and self-deportation and the other side campaigning for some sort of path to citizenship, often left out is the pain that millions of people suffer here in the US as well as their family members left behind in their home countries.

Consider the experience of the family profiled in Nazario's article, originally from Honduras. In 1989, Lourdes Pineda was the single mother of a 5-year-old boy and a 7-year-old girl. She sold tortillas, plantains and used clothes door to door, but barely earned enough to feed her children, and feared not being able to send them to school past the sixth grade. So she made the painful decision to leave them behind in Honduras, and found work in the United States as a nanny, taking care of other people's children. Her daughter went to live with her maternal grandmother, her son — Luis Enrique Motiño Pineda — with his paternal grandmother. Enrique, whose story I followed for a book, was devastated. He was passed from relative to relative, left wondering, didn't his mother love him enough to be with him? In 2000, when he was 16, he set off to find her. It took him eight attempts to cross through Mexico and into the United States — a journey of 122 days and 12,000 miles.

Enrique had left behind someone of his own: a girlfriend, María Isabel Carias Durón, whom he later learned was pregnant. She followed Enrique north a few years later, leaving their daughter, Katerin Jasmín, behind. Enrique was determined that his daughter not endure the long separation he had faced, so when Jasmín was 4, he sent for her to come to Jacksonville, Fla., where the family had established a home. In the decade after Enrique came to the United States, more migrants arrived than at any time in the nation's history, fueling a backlash. From 2005 to 2010, nearly a thousand laws were passed by State Legislatures addressing illegal immigration. In 2008, the federal government told all police departments to turn over any unlawful migrants they arrested to federal immigration authorities, a program called Secure Communities. A result: deportations nearly doubled between fiscal 2006 and 2012 to more than 409,000 a year.

And so immigrant families are being separated again, this time in reverse. Parents are being deported to Mexico and Central America, away from United-States-born children. About 200,000 parents of children who are American citizens were deported between 2010 and 2012, and 5,000 parentless children are now in foster care because their mother or father was detained or deported. An analysis by the Applied Research Center estimates that more than 15,000 children would join them by 2016 if record numbers of deportations continued.

On Dec. 26, 2011, Enrique was partying with friends at a motel when police officers arrived. He had an outstanding arrest warrant for not paying a ticket for driving without a license. (All but 11 states prohibit unlawful immigrants from obtaining a driver's license.) Enrique was arrested and handed over to federal immigration authorities to be deported. María Isabel was three months pregnant with their second child. On a Sunday afternoon nearly a year later, Enrique's mother, Lourdes, arrived at the jail with her grandchildren: Jasmín, then 11 years old, and the 3-month-old baby, Daniel Enrique. Nazario: I sat with them before video screen No. 9 in a cinder-block visitation stall. The image of Enrique in an orange jumpsuit appeared on the screen. Jasmín scooted her chair closer, and picked up the receiver to talk. Lourdes lifted Daniel Enrique, with chubby cheeks and tufts of black hair, up to the screen. "*Say 'Hello, Papi,'*" Jasmín said to her brother. Enrique smiled at his son. "*I am your father,*" he said. "*How is my boy?*" Enrique had never been allowed to cradle his son. Later, Enrique told Nazario that when he thought about him, he could feel his arms ache. If he were deported, he agonized, would both his children grow up without their father?

There are huge benefits to migration: mothers who go north are able to send money home so their children can eat and go to school. But there are consequences, too: many of these children deeply resent their mothers for leaving. They feel abandoned, and disproportionately join gangs or get pregnant, searching for the love they feel they missed.

The United States is spending billions on walls that don't really keep migrants out (a University of California, San Diego, study showed that 97 percent of migrants who want to cross the border eventually get through), and on locking up and deporting people, many of whom return. Border enforcement, guest worker programs and pathways to citizenship haven't addressed the problem.

Instead they have sealed in many migrants who would have preferred to circle back home, attracted temporary workers who never left, and legalized migrants who then brought relatives illegally, causing the number of unlawful migrants to grow.

We can prevent this pain, and slow the flow of migrants permanently, only by addressing the “push” factors that propel migrants, especially women, to leave in the first place — and by helping families like Enrique’s avoid the heartache that his mother’s exodus began a quarter-century ago. We can start by creating opportunities for women in just four countries: Mexico, Guatemala, Honduras and El Salvador, which send three-quarters of all undocumented migrants here. The United States could increase aid to those countries to improve education for girls, which would lower birthrates. It could finance or promote micro-loans to help women start job-generating businesses. It could gear trade policies to give clear preferences to goods from these four countries. And it could work with hometown associations — groups of immigrants in the United States who want to help the towns they came from — to coordinate a percentage of the tens of billions of dollars that immigrants send home to Latin America each year toward investing in job-creating enterprises. (One Mexican hometown association helped build a factory in Oaxaca, which has employed many would-be immigrants.)

This targeted economic development would cost much less than the billions — \$18 billion each year — we currently dole out for immigration enforcement. For too long, American immigration policy has ensured access to cheap, compliant workers. This has helped spur our economy, but has come at a great cost to taxpayers, as well to the immigrants themselves. We must demand a different approach, one in line with the goal of keeping families intact. In August, after a total of 14 months in jail, Enrique received a miracle: a visa to stay in the United States legally, thanks to two lawyers, Sui Chung and Michael Vastine, who agreed to represent him pro bono and tirelessly fought his case. Jasmín and María Isabel obtained similar visas two months earlier. Enrique will not be torn from his family. Nazario again — But imagine the suffering they would have been spared, if Lourdes had never had to come here in the first place. We have more than eleven million illegal immigrants and walls, self-deportation and a thirteen year pathway to citizenship are not rational or doable solutions especially when the pain that these immigrants and their family often have to endure.

Trying to explain why Republicans are so conflicted today Ezra Klien last month wrote — ***The Falling Deficit Has Been a Disaster for the GOP*** — Based on the premise that in the context for the latest debt-ceiling fight: Republicans delivered on their 2010 promise to reduce the deficit, and now they’re adrift. And now there’s no single goal -- save maybe the impossible dream of repealing Obamacare -- that really serves as the raison ██████ of this Republican Party. Deficits exploded during the financial crisis. Really, exploded. Here’s the graph:

 deficits since 2000

In 2010, Republicans campaigned on a promise to bring debt and deficits down by cutting spending. When they won the election, they argued that it would be a betrayal of their mandate to permit the government to borrow more without first forcing the budget discipline they’d promised voters. And so that’s exactly what they did. They negotiated spending cuts before they would agree to a debt-ceiling increase. But then something terrible happened to the Republican Party: Success. Except that it wasn’t all their success because part of it is the economy improving. Part of it is new taxes passed into law by the Obama administration. Part of it is slower-than-expected health costs, and lower-than-expected interest rates. But the deficit has fallen dramatically. In fact, it’s fallen at a faster rate than at

any other time since World War II. And the Congressional Budget Office sees it stabilizing in the (totally manageable) two-to-three percent range through the next decade.

deficits 2018

When's the last time you heard an elected Republican really try and sell the Ryan budget as the key answer to the nation's problems? That's what you're seeing in the insane mash-up that is the House GOP's debt-ceiling bill. They needed to throw everything into it because there's no one overriding policy idea that holds today's Republican Party together. So now the only caveat that Speaker Boehner has is to try to buy off some House Republicans with his Obamacare delay, and others with looser drilling regulations, and others with Paul Ryan's tax reform, and so on. And unlike in 2011, the GOP can't point to a mandate for this agenda. ***In fact, they ran on it in 2012 and lost.***

But more to the point, this agenda, unlike their 2011 agenda, has little to do with debt or deficits. There was a logic to the position that *"we won't let the government borrow more to pay its bills unless it comes up with a plan to spend less in the future."* There's no logic to the position *"we won't let the government borrow more to pay its (more manageable) bills unless it blocks net neutrality and agrees to more offshore oil drilling and delays implementation of a debt-reducing health-care law we don't like."*

There's been a lot of talk about how today's GOP seems even more fractious and uncertain than 2011's GOP. Part of that, of course, is losing the presidential election. Defeating Obama was part of what held the GOP together. But part of it is that they may have largely achieved the policy goal most of them were sent to Washington to achieve. They carry all the anger and fear and commitment they had in 2011, but they don't really know what to do with it other than to do their best to delegitimize Obama's Presidency, as if he was caught taking steroids and therefore shouldn't receive any credit for the turnaround of the country's economy.



Using the pop singer Michael Jackson as an example, writer Jon Lovett wrote an interesting assessment in **The Atlantic Magazine** – *How the GOP Slowly Went Insane* – as a way to explain why Congressional Republicans take the country to edge of the abyss. Lovett: When I was a kid, all I knew about Michael Jackson was that he was crazy. He had a monkey named Bubbles and some kind of oxygen chamber and he used to be black but he made himself white and he was nuts. That was Michael Jackson in full. Wacko Jacko. After all, as a kid, you know you are changing, but the world seems static. If Michael Jackson is crazy it is inconceivable that he was ever not crazy in the same way it's hard to imagine your parents as children because they've always been so old. One of the hardest lessons of childhood is reckoning with the instability of the world. And the earlier it comes, through death or divorce or whatever upheaval that can be visited on children, the harder it is to take. Maybe that's all it is to grow up in the end.

This is what I was thinking about, anyway, when Michael Jackson died: not what he meant to me but what he became to us. I realized that I had never stopped thinking about him the way he seemed to me in elementary school; that he wasn't immutably crazy, but a sick man getting sicker: a weird, possibly demented and heinous man, falling apart over many years, wrecking his face and body, all the while a subject of fascination and ridicule. We made it a joke because it became normal. The trials. The surgeries. The accusations. The scandals. Michael Jackson's insanity stopped being insane to us and it turned us coarse and awful.

Yes, there are two types of public insanity. There are the breakdowns. Amanda Bynes. Charlie Sheen. Britney Spears. Eruptions of paranoia or mania or rage that spill into view and elicit a balance of concern, scorn, judgment, pity. We don't handle these moments well, let's not kid ourselves, but never do these events fade into the scenery. We see it and we point to it. That is broken. That person needs help. This can't go on. But then there is the more insidious crazy. The slow-boil crazy. The Michael Jackson crazy. The crazy that we accept as routine, that changes so slowly that we fail to recognize when we have accepted what should be appalling, when we have desensitized ourselves to something dark and horrible: when we have become insane ourselves.

The same happens in our politics. There are of course the psychotic breaks. Fits of idiocy, depravity, zeal. When a president takes advantage of an intern in the Oval Office or makes false claims about enriched uranium in the State of the Union. When a block of cash is found in the freezer of a congressman or the Supreme Court stops a vote count and says, "*Our consideration is limited to the present circumstances.*" These are events that stop us in our tracks. But the stopping matters. The

stopping saves us from ourselves. Then there is the other crazy, the crazy that creeps up on you, like a messy house that fills with junk until one day you're a hoarder. The Republican elite caught a ride on the tiger. But the tiger got sick of waiting for the gazelles it was promised. So the tiger ate its master and now here we are.

The proliferation of horserace political coverage is of this brand of lunacy, where the presumption is that a political act will be described on the basis of how it will be perceived, and this in turn determines how it is perceived because it's the only way it can be perceived. "*Will the president's statement hurt him?*" Yes, if the coverage asks that question, as the question about the hurt is the hurt, which is how we know it hurts. There are more serious examples we can argue about. The way campaigns are financed. The expansion of presidential power. The size of our prison system. Yes, there are those who get angry about all this. "*Hello? This is crazy, right? Anyone?*" But eventually we all just go back to looking at our phones. And then the government shuts down.

It happened slowly, didn't it? The change in the Republican Party? I don't know. Maybe it's nostalgia. There have always been the wild, vicious voices of the right. The devil on the shoulder of the conservative movement that whispers in its ear, "*burn it down, burn it down.*" But those voices were to be ignored, humored, tolerated, placated, or just deceived. That was the way of things, and we were protected by the obvious: people who believe foolish things tend to be easy to fool. Then it all changed. The Republican elite caught a ride on the tiger. But the tiger got sick of waiting for the gazelles it was promised, the gazelles that were always one election away. The tiger was hungry and angry and tired of being used and the longer it waited the more appetizing the elite on its back became. So the tiger got a radio station and a news channel. The tiger got organized and mobilized. And finally the tiger realized it didn't need someone kicking its sides telling it which way to run and who to eat and when to eat and why it wasn't time to eat and the time to eat would come, don't worry, you'll eat soon enough. So the tiger ate its master and now here we are.

America needs a strong, rational, positive, practical conservative movement. It needs that bulwark against liberal delusion and hubris. It needs a voice that says we are imperfect, that life is complex, that government can create need even as it meets need, that you can't fix everything and freedom is worth some danger and sorrow. And there are smart, honest conservatives at the ready to be that voice, to help govern practically and sincerely with that voice, but they are drowned out by the guttural scream of craven utopians raging against reality. This moment in American political life is insane. That a group of narrow-minded zealots could push us to the brink of economic ruin, that they maintain a base of support in their frenzied, quixotic, incompetent gambit, that there is an apparatus that exists to defend this kind of nonsense—it came on us slowly but it is no less an emergency. This is broken. This cannot go on. And if you can't see that then it's not just the world that's gone mad. You're crazy too.

Getting back to the point: Ted Cruz is Michael Jackson (performer) without talent and his and others of his ilk's illogical platitudes are as ridiculous as Michael Jackson's antics of trying to buy the skeleton of Elephant Man, bleaching his skin and walking around with a mask. He is a bully whose number one priority is getting headlines for himself, even when they paint him as a bit of an idiot. And for an entire political party to take him seriously, allowing themselves to march to his drum is as scary as any other movement that follows a cult leader offering Kool-Aid laced with poison. He is a political Jim Jefferies, who is willing to sacrifice his followers and everything else in pursuit of his own self-importance, self-indulgence and ego. As such following his lead will only end in disaster, which people are now beginning to see. More importantly, to believe that his and other Tea Party stalwarts who believe that holding the country economically hostage is rational or normal is one of the biggest dangers that we face today.

Votes to end the government shutdown

Here's how senators voted on a bipartisan bill to reopen the government and extend the debt ceiling. Eighteen Republicans voted against the Senate deal to reopen the government — including three major potential 2016 GOP presidential candidates: Sens. Ted Cruz (R-Tex.), Marco Rubio (R-Fla.) and Rand Paul (R-Ky.).



Yes	No
81	18

The House voted to end the government shutdown and raise the debt ceiling late Wednesday night. The final tally was 285-144. All 198 Democrats voting were in favor, but most Republicans voted against it, by a margin of 144-87.



Yes	No
285	144

Rachel Maddow Sums Up The Shutdown In One Incredible Graphic

"Through this process, Republicans said they would shut down the government, or, once it was shut down, they would refuse to open the government unless they got each one of these things. Of all of these things that they demanded, they got none of them!

None...these have been sixteen bad days for the country and the economy." Rachel

Maddow: 10/17/2013

Web Link:

[.html](#)



As Damien Cave wrote this week in the *New York Times* – *Viewing U.S. in Fear and Dismay* – that Mexicans are now describing Washington dysfunction as “*berrinche*.” Technically defined as a tantrum, *berrinches* are also spoiled little rich kids, blind to their privilege and the effects of their misbehavior. “*It’s a display of American arrogance*,” said Raúl Silva, 40, an entrepreneur grabbing coffee at an upscale cafe here. “*It’s a problem, and it’s going to affect us*.” Faced with Washington’s march toward a default, the world has reacted mostly with disbelief that the reigning superpower could fall into such dysfunction, worry over global suffering to come and frustration that American lawmakers could let the problem reach this point. A common question crossing continents remains quite simple: The Americans aren’t really that unreasonable and self-destructive, are they? “*It just goes to show that it’s not only Greece that has irresponsible and shortsighted politicians*,” said Ioanna Kalavryti, 34, a teacher in Athens. “*We’ve been held hostage by our reckless politicians, and the interests they serve, for more than three years now. I guess our American friends are getting a taste of the same medicine*.”

For countries that have had their own experiences with financial crises — often followed by American dictates about the need to be more responsible — the brinkmanship in the United States has produced an especially caustic mix of bewilderment, offense and more than a little eagerness to scold. Many people in countries like Greece, Argentina, Mexico and Russia still have searing memories of defaults and their lasting effects, including lost power. Especially galling for those who endured crises of their own is the fact that the United States remains sheltered: a default could well hurt weaker countries more than the United States, which has the advantage of the dollar’s being used as a global currency. Indeed, the unequal distribution of power and wealth — part of the exceptionalism that American politicians loudly defend — has become a focal point for many foreign economists and officials. If any other nation had gotten this close to failing to pay its debts, they say, its economy would have already collapsed as investors fled, creating the need for a bailout not unlike what occurred here in Mexico in 1994. “*The U.S.’s exorbitant privilege*” — of issuing the world’s most widely accepted currency — “*allows it not to have a budget, to bump against debt limit with scant market reaction*,” said Luis de la Calle, a Mexican economist.

If Mexico and many other countries shut down their governments, stopped paying salaries and threatened to default, he added, the titans of global finance, as they have in the past, would make sure the consequences were swift and severe. “We have little choice but to be responsible,” Mr. de la Calle said. Especially in places accustomed to American lectures on good governance, finger-wagging has been easy to find. In Egypt, where the military-backed government has been criticized by the Obama administration for its heavy-handed crackdown on opponents, the American woes were splashed across the front page of the flagship state newspaper this week with alarm and a hint of satisfaction.

In Argentina, which defaulted on around \$100 billion in debt in 2001, then the biggest default in history, the newspaper La Nación pointed out in an article that the United States “*is supposedly an international leader, and one that speaks every day of setting an example.*” But in many countries, a wide range of people, from executives to shoe shiners, simply seemed surprised and annoyed, with some saying they hoped that Washington’s dangerous game of chicken would draw to an end without global repercussions. “*They’re putting at risk thousands of jobs here in Mexico,*” said Ahmad Fayad, 31, an administrative assistant leaving a bank in Mexico City. “*Many companies here depend on the American economy’s health. And if everything continues to be so uncertain, they’ll start laying people off.*”

Already, many argue, the standoff in Washington has deepened the sense of America’s decline. On the streets of many countries, conversations about the United States now regularly include expressions of shock and dismay. One businessman in Mexico said that following the fracas was like watching a famous couple’s marriage collapse in public, with shoving, shouting and ugly insults. How, many ask, did the United States become more like the rest of the world, and less of an obvious leader? “*I think the U.S. is losing its place,*” said Osama Shawki, a shopkeeper in Cairo.

Others agreed. “*It’s strange that such a thing has happened there,*” said Irina Popova, 40, a homemaker in Russia, which suffered a financial collapse and default in 1998. “*I always dreamed of going to America. It can happen to any country. It was us before, now it’s them.*” On the streets of Greece, people seemed to be shaking their heads, stunned at what they saw as American political weakness corroding a country of obvious strength. “*I never thought a global superpower like the U.S. could ever be in a comparable position to Greece,*” said Theodore Couloubis, emeritus professor of international relations at the University of Athens. “*Both countries are paying dearly for rising political tensions. But in America’s case, there is the potential for serious global repercussions, too.*”

For some, that shared risk led to empathy. “*I have lots of friends in America,*” said Zhanna Lanskaya, 36, a school director in Moscow. “*I worry what effect it will have on ordinary people.*” For others, though, there was only disappointment — and some sanctimony. Many said that the United States needed to accept that the current crisis was the product of the same absolutist tendencies that had aggravated foreigners for centuries. “*America has fallen into a trap of its own making,*” said Artur Khanukaev, 26, a ballistics engineer in Moscow. Even if the United States never slips into default, he said, the fear of collapse “*will be a very good lesson.*”

In some countries, pundits have singled out President Obama, questioning his leadership. But generally opinion pages have been focused on explaining the Tea Party and condemning it for the political paralysis. Columnists in Argentina have written that the Tea Party is blackmailing the United States and, in turn, the world. Here in Mexico, José Luis Valdés Ugalde, a political science professor at the national university, recently compared Tea Party lawmakers to “*reckless scoundrels who can sink the local and, in passing, also the global economy in the name of a reaction, rather than rational action.*”

For Mexico, the risks of an American default are enormous. The government shutdown has already doubled wait times at some border crossings, slowing commerce with the United States, Mexico’s largest trading partner. The Mexican peso has fallen to a two-month low, and many business owners are anxious about what will come next. Many here and elsewhere say that they expect the United States to avoid default. But others say that “*tantrums*” have come to define Washington, and that a reprieve will probably be short lived. “*They are supposed to be an example of consensus and democracy for the rest of the world,*” said Salomón Cavane, 33, the owner of a men’s clothing business. “*The fact they can’t come to an agreement because of their pride and their need to show who has the power — it is just ridiculous. I find it quite irresponsible as well.*”

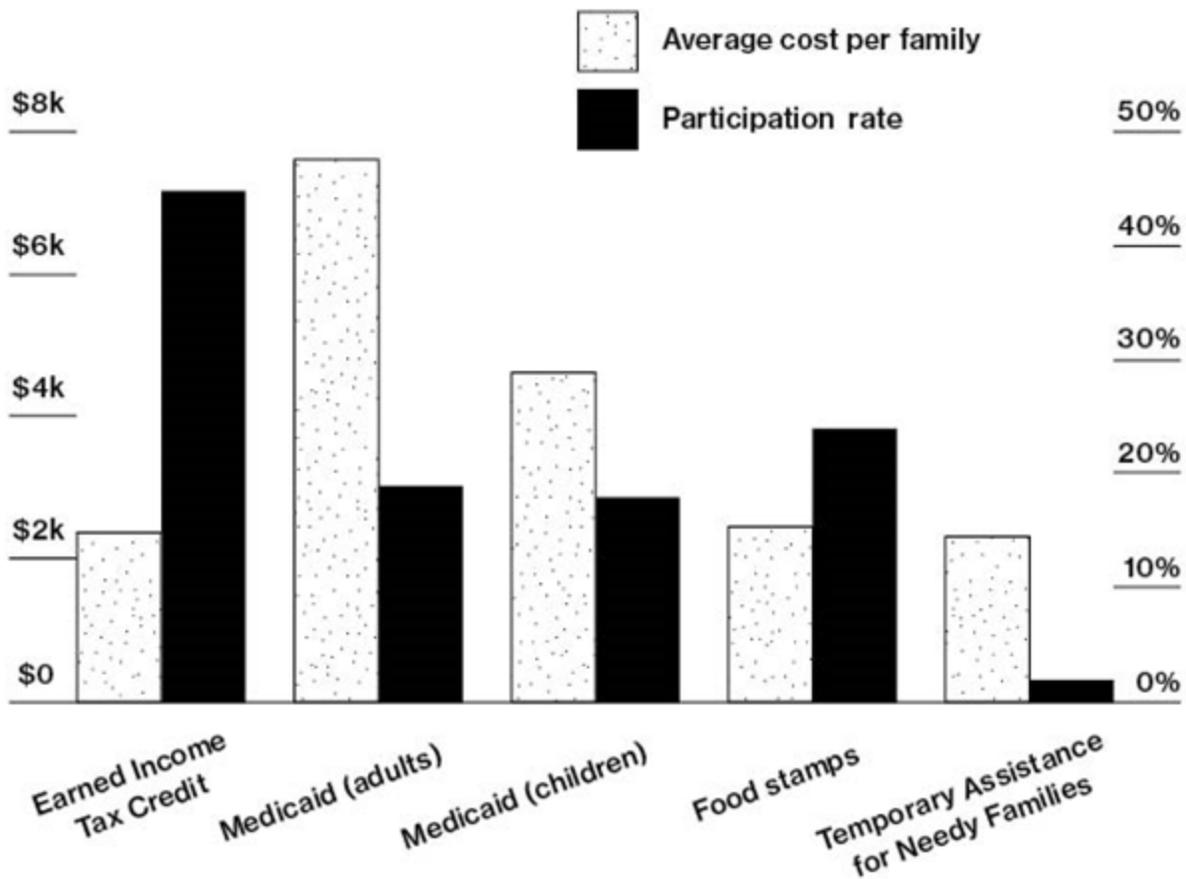
Although the latest dysfunctionality in Washington didn’t result in American’s credit-rating being downgraded its international reputation and credibility has been seriously damaged. And for Ted Cruz, Conservative Republicans and Tea Party supporters, look at the recent chaos in Washington and

THINK Greece, Argentina and Mexico..... or as Michael Jackson use to sing, "***The Man in the Mirror.***"

Recently another ugly truth is surfacing in the form of corporate welfare. We are talking about salaries that fundamental measure of what someone's labor is worth by someone else's calculation, is usually fraught. Talking about the minimum wage is often harder, especially because low-paying service jobs tend to be more readily available these days than alternative occupations. When fast-food workers staged protests this summer to demand the federal minimum wage be raised from \$7.25 to \$15 an hour, even sympathetic observers weren't optimistic about the prospects. There seems to be a ready supply of people who will work for low wages. And higher wages could lead to higher prices, which few so far seem willing to pay; my colleague Venessa Wong figured that if fast-food wages doubled and companies did not reduce other costs, the price of a Big Mac could increase by \$1 to offset the increase.

Two studies released today make some different calculations to determine the total cost to American taxpayers of a large, low-wage workforce. It comes to an average of \$7 billion a year. That's the amount of annual public assistance families of fast-food workers received between 2007 and 2011, according to a new report written by economist Sylvia Allegretto and others, sponsored by the University of California at Berkeley's Labor Center and the University of Illinois at Urbana-Champaign, and funded by Fast Food Forward, the group that helped organize the summer's labor strikes. The authors used publicly available data. The report calls out the fast-food industry for its low wages, citing a median salary of \$8.69 an hour and a history of offering part-time work. That might have been fine when those behind the counter were mostly teenagers living at home. These days, though, 68 percent of fast-food workers are single or married adults who aren't in school—and 26 percent are raising children.

Enrollment and costs of public support programs

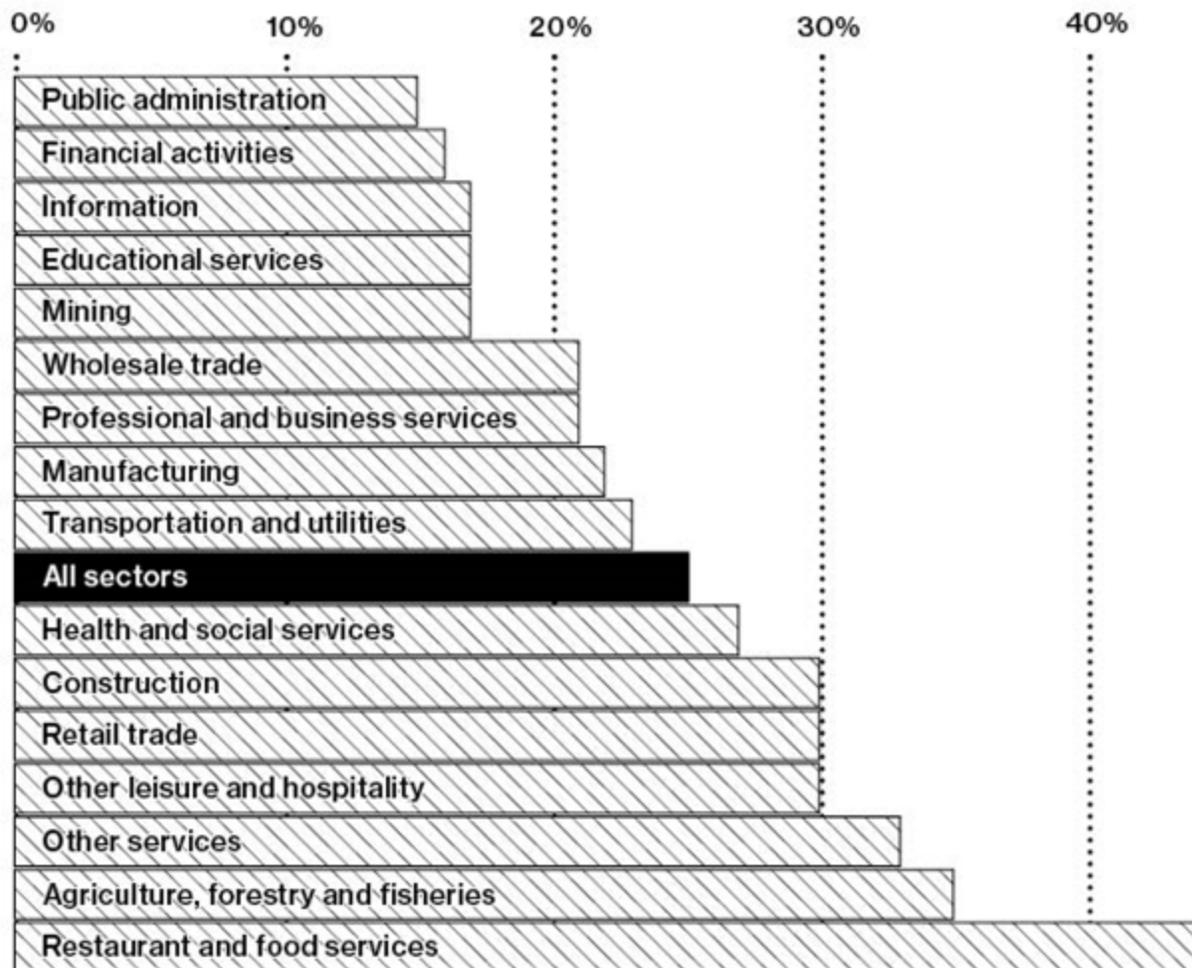


GRAPHIC BY BLOOMBERG BUSINESSWEEK. DATA: UC BERKELEY LABOR CENTER, UNIVERSITY OF ILLINOIS

Overall, 52 percent of families of fast-food workers are enrolled in one or more public assistance programs, compared with 25 percent of the workforce as a whole. Medicaid and the Children’s Health Insurance Program accounted for nearly \$4 billion of the \$7 billion figure. The Earned Income Tax Credit, food stamps, and the Temporary Assistance for Needy Families program accounted for the rest. “Public benefits receipt is the rule, rather than the exception, for this workforce,” the authors write.

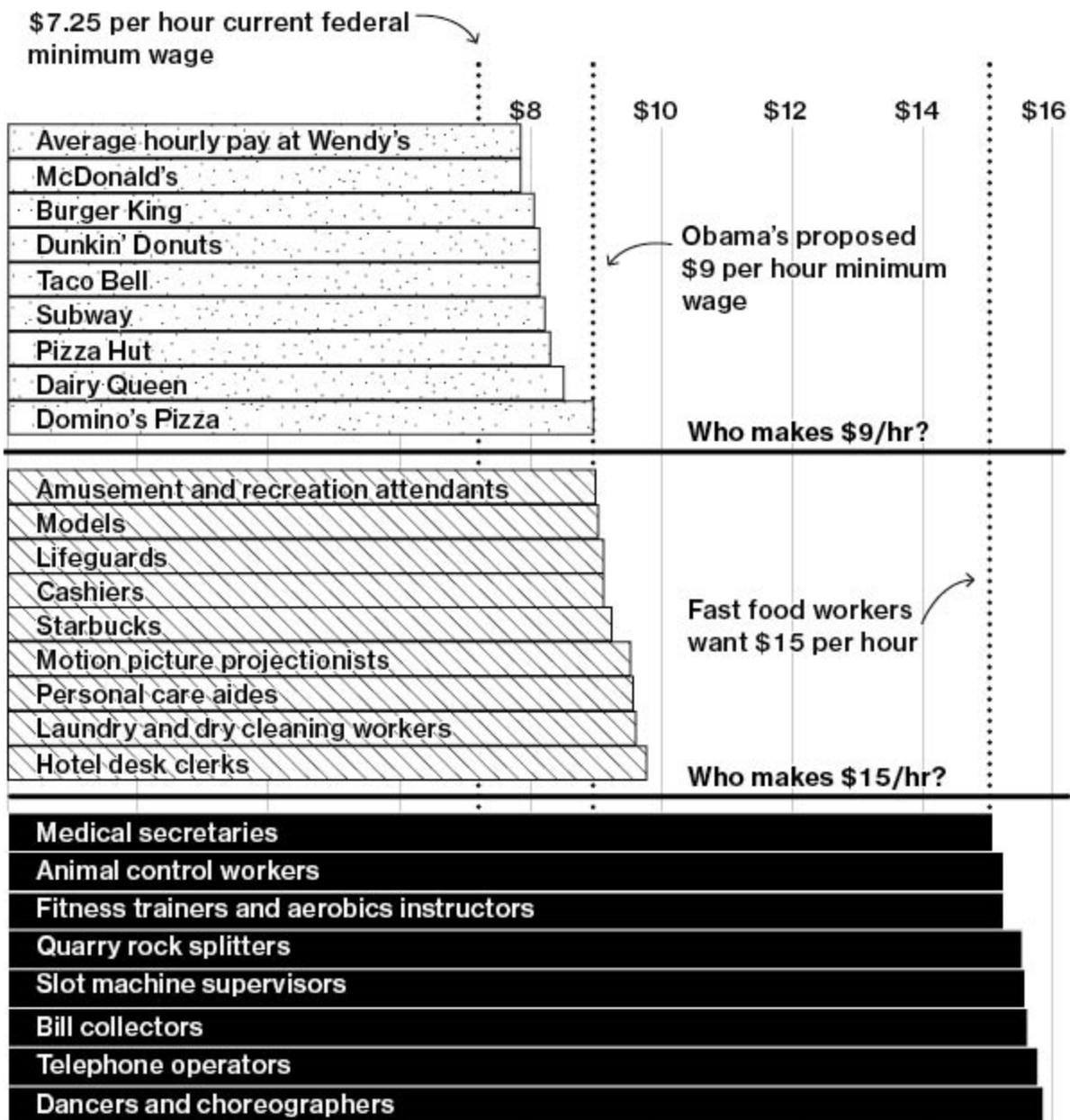
A second study, based on the data collected by Allegretto and her colleagues, names names. Workers at McDonald’s (MCD), the biggest hamburger chain, are estimated to have received the most public assistance: \$1.2 billion worth a year from 2007 to 2011. “McDonald’s and our independent franchisees provide jobs in every state to hundreds of thousands of people across the country,” a McDonald’s spokesperson said. “As with most small businesses, wages are based on local wage laws and are competitive to similar jobs in that market.” Further background please feel free to read Susan Berfield article this week in **Bloomberg Businessweek – Fast-Food Wages Come With a \$7 Billion Side of Public Assistance** and **This Is What Would Happen If Fast-Food Workers Got Raises**.

Share of workers enrolled in one or more public programs by industry



GRAPHIC BY BLOOMBERG BUSINESSWEEK. DATA: UC BERKELEY LABOR CENTER, UNIVERSITY OF ILLINOIS

It only gets worse from there. The report begins: “While employers like Wal-Mart seek to reap significant profits through the depression of labor costs, the social costs of this low-wage strategy are externalized. Low wages not only harm workers and their families—they cost taxpayers.” How much? About \$5,815 per employee, they say. The Democratic staff members analyzed data from Wisconsin’s Medicaid program, which released data on enrollment by employer as of the end of 2012. Wal-Mart Stores (WMT) ranked first on the list, with 3,216 of its employees enrolled in Wisconsin’s Medicaid program, called BadgerCare+. The authors assume that the workers who are on Medicaid would also be receiving reduced-price school meals, housing assistance, and other help. They figure that at a single Supercenter in Wisconsin, the 300 or so employees would rely on public assistance programs that cost \$904,542 a year.



GRAPHIC BY BLOOMBERG BUSINESSWEEK. DATA: BUREAU OF LABOR STATISTICS, PAYSCALE

For years, jobs in fast-food restaurants have had a bad reputation—and bad pay to match. That hasn't stopped an estimated 3.9 million Americans from landing behind the counter. In late July, thousands of fast-food employees in seven U.S. cities staged one-day strikes, demanding \$15 an hour—about two-thirds more than the roughly \$9 hourly wage a typical worker at these restaurants earns and twice the federal minimum wage of \$7.25. Although the protests have ended with no imminent change in sight, they raise this question: What are the business consequences of paying fast-food workers a living wage?

Restaurant owners say that their businesses already operate on slim margins and they would be forced to increase menu prices, resulting in fewer customers—and jobs. Supporters of higher wages argue that at a time when corporate profits are higher than ever, there's room to pay restaurant workers more. "People are always going to want to make more money," says Steve Caldeira, chief executive officer of the International Franchise Association, many of whose members operate quick-service restaurants. "It comes back to, can paying higher labor costs be sustained over time in this economic environment?"

But when companies/businesses aren't paying their workers a livable wage, people suffer leaving it up to the government to see if they and their families have enough to eat, shelter and healthcare. People who are only making minimum wage, earn \$290 a week and \$58 a day. How can these people survive on this little, especially when it has to include the cost of their shelter, food, utilities, clothing, transportation and pocket money. As the aforementioned studies and statistics show these hard working citizens end up relying on public assistance to get by. As far as I am concerned this is corporate welfare, because with employees willing to work and able to survive, wages would rise. Walmart maybe able to source flat screens in China and MacDonaldis maybe able to expand throughout Asia but if they want to protect their markets here in America they will need local workers and these employee jobs can not be outsourced.

As Eugene Robinson wrote on Friday in **The Huffington Post** in his op-ed – **Republicans' Hollow Defeat** – that although President Obama's victory this week over House Republicans was as complete and devastating as Sherman's march through the South there were no sign that the zealots of the anti-government far right have learned the lessons of their defeat – which means that more battles lie ahead. Example: House Speaker John Boehner Wednesday's description of the GOP surrender as, *"We fought the good fight; we just didn't win."* This was not a good fight. Republicans picked an objective that was never realistic – forcing Obama to nullify the Affordable Care Act, his biggest achievement – and tactics that amounted to self-immolation. And even worse, Sen. Ted Cruz, who having persuaded House Republicans to jump off a cliff, the Canadian-born Texan and apparent presidential hopeful now blames the inevitable result – splat! – on the fact that Senate Republicans didn't come along for the plunge.

Boehner a rational man, knew from the start that the GOP would be blamed for shuttering the government and that he could never really allow the Treasury to default. So what on earth was the point? Apologists say that Boehner had to go through with the shutdown and go down to the wire on the debt ceiling to show the hard-core tea party members of his caucus that "we control one-half of one-third of the government," as the speaker has said – that a slender House majority has limited power. But come on, really? Can these people not count? Or have they such blind faith in their own wisdom that they think they are divinely ordained to prevail, whatever the odds? That is the mind-set of crusaders, not legislators.

By standing with his troops in a lost cause, Boehner won respect and admiration from the most conservative House Republicans, including the tea party caucus. But I doubt this enhanced authority goes very far or means all that much. Boehner's headstrong charges have shown that they will follow him obediently – as long as he charts whatever nonsensical and counterproductive course of action the radical right demands. They'll follow him into a box canyon of their choosing. But will they follow him into any sort of meaningful compromise with Obama, whom they so ardently demonize? I doubt it.

There are some who see Cruz for what he is. *"The fact is, if you come up with a strategy that's going to shut down the government of the United States, and you have no way of winning, you're either a fraud or you're totally incompetent,"* Rep. Peter King (R-███) told CNN. *"We are not going to allow Ted Cruz to hijack this party."* Many House Republicans – perhaps a majority – would agree. But few will utter such sentiments out loud, what with powerful right-wing pressure groups such as Heritage Action still sounding the battle cry. Hopefully the GOP will not be as eager to threaten default or another shutdown anytime soon. But the agreement reached between Senate Majority Leader Harry Reid and Senate Minority Leader Mitch McConnell calls for wide-ranging budget talks aimed at the kind of "grand bargain" that Boehner and Obama tried to achieve two years ago. From the way that Conservative Republicans are framing their latest blunder it is hard to believe that the party is ready to budge from its basic demands – to focus on deficit reduction, not economic growth, through tax and entitlement cuts, with no new revenue. Unless Republicans are willing to compromise and accept Obama's "balanced approach" of both cuts and revenue, there will be no grand bargain or even a middle-size one.

Instead, we may get a series of small, discrete fiscal deals that do little good but no real harm. That's actually progress. We may also see the sensible, non-suicidal wing of the Republican Party take Obama up on his offer to tackle immigration reform. To put it mildly, the GOP needs a popularity boost. As Robinson wrote, "*we won't see is the old pattern of the GOP smashing the crockery and getting its way because the President has shown that even the most irrational of tantrums can be stilled by the power of no.*" But the fact is that they haven't learned anything other than they can't bully the President and the rational center.

THIS WEEK'S QUOTE

It is insane not to raise the debt ceiling.... Now I know that there are a lot of people, new people particularly in the House and folks like some of the guys in Heritage and other places talking about we should burn the house down so that we can build a new one. Well that's just fine if you knew what you were talking about. BUT YOU DON'T!!!

Thomas Donahue – October 13, 2013

U.S. Chamber of Commerce, President & CEO

THIS WEEK'S MUSIC



This week, I would like to invite you to share the music of **U2** which is an Irish rock band from Dublin. Formed in 1976, the group consists of Bono (vocals and guitar), The Edge (guitar, keyboards, and vocals), Adam Clayton (bass guitar), and Larry Mullen, Jr. (drums and percussion). U2's early sound was rooted in post-punk but eventually grew to incorporate influences from many genres of popular music. Throughout the group's musical pursuits, they have maintained a sound built on melodic instrumentals, highlighted by The Edge's timbrally varied guitar sounds and Bono's expressive

vocals. Their lyrics, often embellished with spiritual imagery, focus on personal themes and sociopolitical concerns.

U2 formed at Mount Temple Comprehensive School in 1976 when the members were teenagers with limited musical proficiency. Within four years, they signed with Island Records and released their debut album *Boy*. By the mid-1980s, they became a top international act. They were more successful as a touring act than they were at selling records, until their breakthrough 1987 album *The Joshua Tree* which, according to *Rolling Stone*, elevated the band's stature "from heroes to superstars". Reacting to musical stagnation and criticism of their earnest image and musical direction in the late-1980s, the group reinvented themselves with their 1991 hit album *Achtung Baby* and the accompanying Zoo TV Tour; U2 integrated dance, industrial, and alternative rock influences into their sound, and embraced a more ironic and self-deprecating image. Similar experimentation continued for the remainder of the 1990s with varying levels of success. U2 regained critical and commercial favour in the 2000s with the records *All That You Can't Leave Behind* (2000) and *How to Dismantle an Atomic Bomb* (2004), which established a more conventional, mainstream sound for the group. Their U2 360° Tour from 2009–2011 was the highest-attended and highest-grossing concert tour in history.

U2 have released 12 studio albums and are among the all-time best-selling music artists, having sold more than 150 million records worldwide. They have won 22 Grammy Awards, more than any other band, and in 2005, they were inducted into the Rock and Roll Hall of Fame in their first year of eligibility. *Rolling Stone* ranked U2 at number 22 in its list of the "100 Greatest Artists of All Time" and has labelled them the "Biggest Band in the World". Throughout their career, as a band and as individuals, they have campaigned for human rights and philanthropic causes, including Amnesty International, the ONE/DATA campaigns, Product Red, and The Edge's Music Rising. Without a doubt, U2 is one of the greatest bands of its era and aside from the music they are one of the great examples of how music and culture can work together to influence the better good around the world. Please enjoy.....

U2 – *With Or Without You* -- <http://youtu.be/XmSdT9kaiQ>

U2 – *Sweetest Thing* -- <http://youtu.be/5WybiA263bw>

U2 – *Beautiful Day* -- <http://youtu.be/co6WMzDOh1o>

U2 – *Where The Streets Have No Name* -- <http://youtu.be/GzZWSrr5wFI>

U2 – *Pride (In The Name of Love)* -- <http://youtu.be/LHcP4MWABGY>

U2 – *Mysterious Ways* -- <http://youtu.be/TxcDTUMLQJI>

U2 – *I I Want is YOU* -- <http://youtu.be/qWBKBkEJQRk>

U2 – *One* -- <http://youtu.be/Hg1GWUsOdok>

U2 – *Stay (Faraway, So Close!)* -- <http://youtu.be/wxzuqvXO4oc>

U2 – *I Still Haven't Found What Im Looking For* -- <http://youtu.be/Pb1XXs7e7ac>

I hope that you enjoy this week's offerings and wish you a great week.....

Sincerely,

Greg Brown

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