

June 5, 2011

[David Harsanyi](#) blogs about our continuing economic woes. And he has a unique chart illustrating the dimensions of the Obama job fail.

*...The housing market still stinks, as does do other foundations of the economy. The answer from the Democrats has been bailout after bailout, antiquated economic schemes, huge expansion of regulation, calls for higher taxes, attacks on the profit motive, roadblocks to energy production, increasing moral hazard in markets, more crony capitalism, food stamps, dependency, massive new entitlement program, sharing of the prosperity but less new prosperity, the same wars (and more!), but no budget, no spending cuts and little economic hope.*

Ian Murray at [The Corner](#) explains:

*"Today's much weaker than expected employment numbers show that the president's agenda of more regulation and increased spending has undoubtedly failed. However much money he throws at the problem, entrepreneurs are not going to start adding jobs to the economy while the burden of regulation is so high. Regulations cost the economy \$1.75 trillion each year. It is regulation that is dragging us back to recession." ...*

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[Charles Krauthammer](#) thinks the debt limit fight is a "thing of beauty."

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*It may be blackmail. But it is progress.*

[John Fund](#) reports that Lech Walesa doesn't think much of Obama.

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reporters: "It's difficult to tell journalists what you'd like to say to the president of a superpower. This time I won't tell him, I won't meet him, it doesn't suit me."

Mr. Walesa also made clear his disdain for Mr. Obama when he was in Washington last week, where he received the Ronald Reagan Presidential Foundation award for services to spreading freedom around the world. Previous recipients of the award have included Mikhail Gorbachev, Colin Powell and Margaret Thatcher.

The dinner, which was attended by about 500 people, including Defense Secretary Robert Gates, featured a speech by Mr. Gates along with remarks by Mr. Walesa. The Nobel laureate and former head of the Polish trade union Solidarity recognized the lateness of the hour and kept his remarks brief, but he couldn't resist relating current conditions in the U.S. to Reagan's time in office. He noted that back then the U.S. represented a "good empire," in contrast to the "evil empire" of the Soviet Union that Reagan excoriated. "But now I observe you have not a very good leadership," he told the audience through an interpreter. He said that the U.S. seemed less interested in exercising leadership in the world. ...

**Tony Blankley** looks at the political changes that may be coming to Europe.

...Note that the voters are aroused in both the nations whose debt can no longer be locally paid and those nations that are being asked to pay the debts of foreign countries. That is to say, the European social-welfare-deficit-debt problem has outraged both the debtors and the creditors. It takes a singularly disconnected and arrogant social class to create a set of policies that satisfies neither creditor nor debtor.

Both economic and immigrant policies have been the cause of weakened European governments from [Finland](#) to [Germany](#) to [Spain](#) and beyond in the elections of 2009 and the more recent elections. Caught in the pincers of these two emerging issues seen by many middle-class European voters as existential to their culture, we should expect to see some existing governments fall by vote or, conceivably, by other means.

We are observing a rare process: Stark economic and cultural reality is neutering conventional political methods. Established European political parties and politicians may become extinct quite suddenly. So far, the primary political beneficiaries of this crisis are third, fourth and fifth parties - some of them considered disreputable by the tottering ruling class: in [the Netherlands](#), the heroic Geert Wilders' [Freedom Party](#); in [Hungary](#), the center-right [Fidesz Party](#) and the anti-immigrant, hard-right [Jobbik Party](#); in [Austria](#), the right-wing [Freedom Party](#) and the [Alliance for the Future of Austria \(BZO\)](#); in [Denmark](#), the hard-right [Danish People's Party](#); in [Italy](#), the anti-immigrant Northern League; in [Finland](#), the anti-illegal-immigrant, Euro-skeptic True Finns party; in Britain, the racist British National Party and the libertarian, anti-EU United Kingdom Independence Party; and in [France](#), Jean-Marie (and now his daughter Marine) Le Pens' patriotic National Front. There are others in almost every European country. ...

**Nile Gardiner**, in the [Telegraph Blogs](#), UK, comments on the Washington's out-of-control spending. He highlights a quote from Congressman Paul Ryan.

...It is little wonder that [66 percent of Americans](#) now worry the federal government will finally run out of their money, and Moody's Investors Service [is threatening to downgrade](#) America's sterling credit rating unless it gets to grips with the debt crisis. Undoubtedly, the very future of the United States'

position as the word's only superpower is at stake in the next few years. And as Congressman Paul Ryan, the Reaganite chairman of the House Budget Committee warned in [a superb speech last night](#) to the Alexander Hamilton Society in Washington:

*"The unsustainable trajectory of government spending is accelerating the nation toward the most predictable economic crisis in American history. Years of ignoring the real drivers of our debt have left us with a profound structural problem. In the coming years, our debt is projected to grow to more than three times the size of our entire economy.*

*This trajectory is catastrophic. By the end of the decade, we will be spending 20 percent of our tax revenue simply paying interest on the debt – and that's according to optimistic projections... This course is simply unsustainable. If we continue down our current path, then a debt-fueled economic crisis is not a probability. It is a mathematical certainty." ...*

**Thomas Sowell** tells it like it is. He discusses a number of insults that the president has leveled at foreign friends.

*...Whether as a radical student, a community organizer or a far left politician, Barack Obama's ideology has been based on a vision of the Haves versus the Have Nots. However complex the ramifications of this ideology, and however clever the means by which Obama has camouflaged it, that is what it has amounted to.*

*No wonder he was moved to tears when the Reverend Jeremiah Wright summarized that ideology in a thundering phrase— "white folks' greed runs a world in need."*

*...at home or abroad, Obama's ideology is an ideology of envy, resentment and payback. ...*

*...The fate of the United States of America may depend on how savvy we the people are in seeing what he is doing— and how soon, before the situation becomes irretrievable.*

In the Education Intelligence Agency, **Mike Antonucci** has some unbelievable statistics about education spending, and why you will never be taxed enough to satisfy the government's appetite.

*...The [latest Census Bureau report](#) provides details of the 2008-09 school year, as the nation was in the midst of the recession. That year, 48,238,962 students were enrolled in the U.S. K-12 public education system. That was a decline of 157,114 students from the previous year. They were taught by 3,231,487 teachers (full-time equivalent). That was an increase of 81,426 teachers from the previous year.*

*...Twenty-seven states had fewer students in 2009 than in 2008, but 16 of them hired more teachers.*

*...From 2004 to 2009, student enrollment increased a cumulative 0.7 percent, while the K-12 teacher workforce increased 6.5 percent. Per-pupil spending increased 26.7 percent (about 12.5% after correcting for inflation). Spending on education employee salaries and benefits increased 27.5 percent. ...*

More on Buying Union from [David Harsanyi](#).

*...Americans -- people who can do almost anything, including, but not limited to, electing politicians who keep rotten companies buoyant for political gain -- have a patriotic duty to buy poorly conceived automobiles. You have an obligation to insulate Washington's favorite companies from responsibility. For God and for country, taxpayers must purchase cars from corporations that have not come close -- despite the contention of the administration -- to paying back what they already owe you.*

*But hey, the car was assembled in Michigan. If that's not a sign of American exceptionalism, I don't know what is.*

*Even if Wasserman Schultz's "Buy American" rhetoric were genuine, it would be severely misguided. Every time we overpay for an American-made product (whatever it is), don't we also spend less on an array of other services and products that create jobs at home? Real jobs. Self-sustaining jobs. If we all mechanically bought American, wouldn't we allow manufacturers to avoid competition and rely on their locations rather than the excellence of their products? Sounds like the opposite of exceptionalism.*

*Companies on the dole also have incentive to please their benefactors in Washington -- a place that has the power to offer more handouts or to stifle competition. ... These companies, though, have less incentive to keep prices low or to innovate or to meet consumer demand. ...*

[Scott Adams](#) thinks paying taxes should be everyone's responsibility.

*Yesterday I went to Walmart and demanded that they give me a cartload of merchandise for free. This demand was not well-received, so I didn't get to the second part of my plan which would have involved criticizing the job performance of the people who were giving me free stuff.*

*Okay, I didn't really go to Walmart and demand free stuff. You probably knew that because it sounded ridiculous on face value. We all understand that no entity can survive for long if it gives away its resources while asking nothing in return. And this leads me to my point: In the United States, 51% of adults pay zero federal income tax, and yet they have the right to vote. That's the very definition of a system that can't last.*

*I'm not sure where the tipping point is. So far, the power of the non-tax-paying majority has been blunted by the influence of political parties and the misdirection of the media. If the majority ever figures out that they can legally confiscate the wealth of the minority, tax rates will double overnight. My best guess is that the United States will go into a death spiral at about the point that 55% of adults pay no federal income taxes. We'll probably get to that point as baby boomers continue to retire in large numbers. ...*

The Palin/Trump pizza meeting brought about a great exchange in The Corner about pizza in NY and Northern NJ. First [Jonah Goldberg](#) links to Jon Stewart's riff on Trump's pizza knowledge and consumption style.

*"Donald Trump disrespects New Yorkers by taking Sarah Palin to a pizza chain and eating his stacked slices with a fork."*

Then, [Daniel Foster](#) explains why North Jersey has better pizza than NY; especially Manhattan.

*... But while we're on the topic of New York City street cred and pizza, I think this Famiglia's atrocity illustrates a point I've been making for years and years to anyone who'll listen. Namely: If you took two blindfolded tourists and dropped one in a random location in New York and the other in a random location in North Jersey and told them to go find a slice of pizza, the one in North Jersey would, on average, find a better slice. What I mean is, when you take away the outliers — the legendary joints like Totunno's and DiFara and Grimaldi's, and the biggest of the lowest common denominator national chains — the median slice in Bergen, Passaic, Essex, Hudson and Union counties is better than the median slice in the five boroughs. I bet the disparity would be even greater if you pitted North Jersey against just Manhattan. I say this not just because I'm a Jersey boy from a proud family of pizza-makers (five uncles who tossed dough for beer money at Vinnie's Pizz-a-rama and Brother Bruno's in Wayne, NJ!), but because anyone who's ever seen me can tell you I've eaten a lot of pizza in my day. ...*

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## The Blaze

### [The Age of Obama #FAIL](#)

by David Harsanyi

Recessions come and go. Typically we emerge with strong sustained growth. Not this time. Today we learned that employers added the fewest jobs in 8 months. Unemployment jumped back to 9.1 percent – and really, the level is [15.8 percent](#).

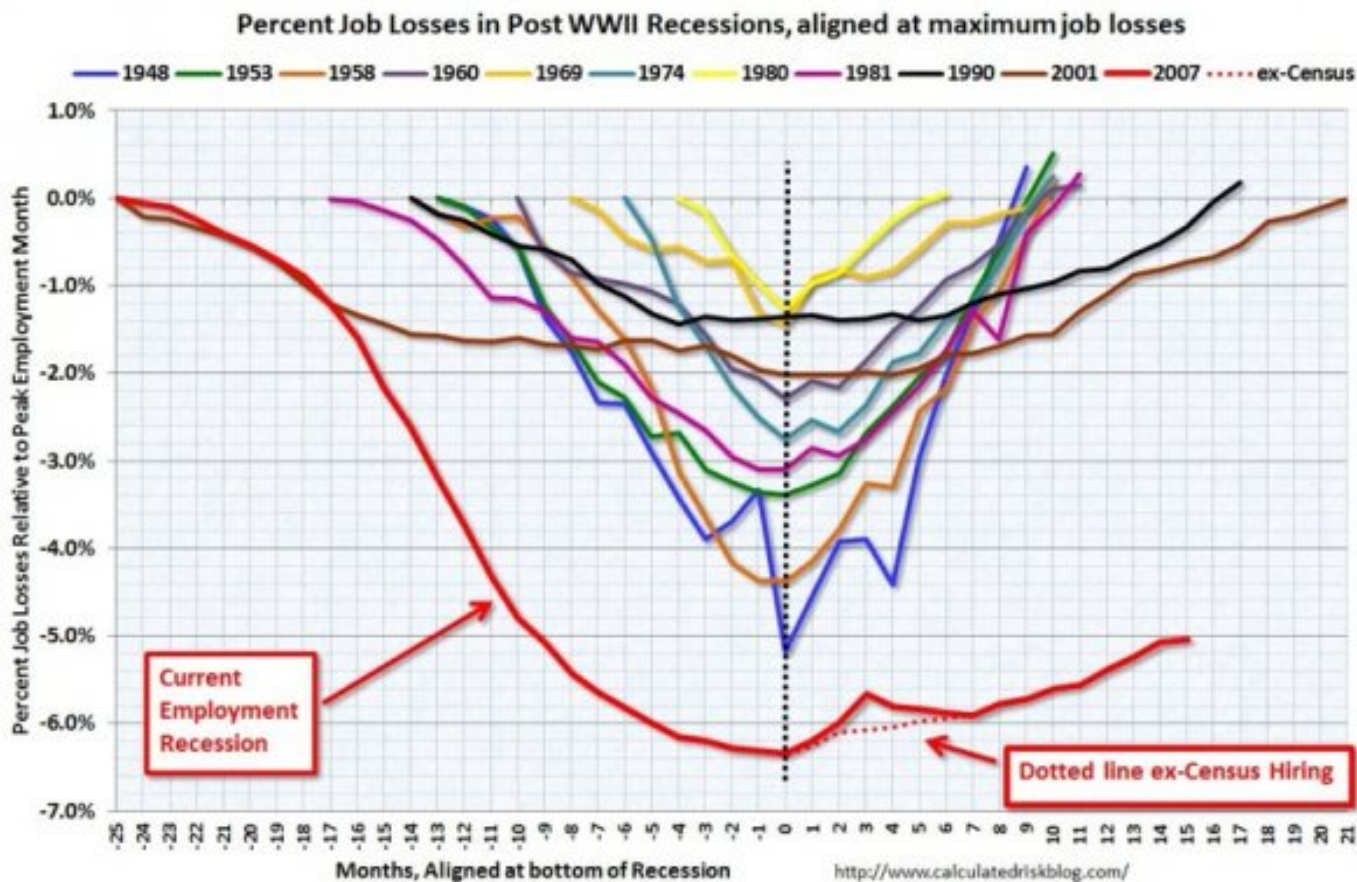
The housing market still [stinks](#), as does do other foundations of the economy. The answer from the Democrats has been bailout after bailout, antiquated economic [schemes](#), huge expansion of [regulation](#), calls for higher taxes, attacks on the profit motive, roadblocks to [energy production](#), increasing moral hazard in markets, more [crony capitalism](#), [food stamps](#), dependency, massive new [entitlement program](#), sharing of the prosperity but less new prosperity, the same wars (and more!), but no budget, no spending cuts and little economic hope.

Ian Murray at [The Corner](#) explains:

Today's much weaker than expected employment numbers show that the president's agenda of more regulation and increased spending has undoubtedly failed. However much money he throws at the problem, entrepreneurs are not going to start adding jobs to the economy while the burden of regulation is so high. Regulations cost the economy \$1.75 trillion each year. It is regulation that is dragging us back to recession.

And via Business Insider, here is a [chart](#) that lays out the legacy of Obama's Keynesian policies.





### *The Age of Obama*

Republicans might have the wrong answers. They usually do. But what exactly has this administration done right? What creative ideas have they offered? How many alternative realities (you know, ‘things could have been worse’?) do we have to accept? Fact is, while these condescending technocrats accuse their opponents of being nihilists, ideologues and radicals, they are the ones that refuse to deviate from dogma no matter how much evidence of failure confronts them.

### **Washington Post** **[Our salutary debt-ceiling scare](#)** by Charles Krauthammer

As the sun rises in the east, the debt ceiling will be raised. Getting there, however, will be harrowing. Which is a good thing.

Treasury Secretary Tim Geithner warns that failure to raise the limit would be disastrous. In that he is correct. But he is disingenuous when he suggests that we must raise the ceiling [by Aug. 2 or the sky falls](#).

There is no drop-dead date. There is no overnight default. Debt service amounts to about 6 percent of the federal budget and only about 10 percent of federal revenue. This means that for every \$1 of interest payments, there is roughly \$9 of revenue the government spends elsewhere.

Move money around — and you've covered the debt service. Cover the debt service — and there is no default. What scares Geithner is not that we won't be able to pay our creditors but that his Treasury won't be able to continue spending the obscene amounts of money (about \$120 billion a month) it doesn't have and will (temporarily) be unable to borrow.

Good. The government will (temporarily) be forced to establish priorities. A salutary exercise.

Equally salutary is the air of crisis that will be generated by the fear of default. We shall have a preview of what happens when we hit the *real* debt ceiling several years from now, i.e., face real default. That's our current fiscal trajectory. Under President Obama's budgets, debt service, now \$214 billion a year, climbs to \$931 billion in a decade.

The [current debt-ceiling showdown](#), therefore, is an instructive dry run of an actual Greek-like default, which awaits if we don't solve our debt problem.

With one difference, of course. During today's debt-ceiling fight, if the markets start to get jittery, interest rates on U.S. debt spike and the economy begins to teeter, the whole exercise can be called off with a push of a button — an act of Congress hiking the debt ceiling. When the real crisis comes, however, there is no button. There is no flight-simulator reset. We default, and the economy really does crash.

Which is why the current debt-ceiling showdown is to be welcomed. It creates leverage to force fiscal sanity.

But it can be a dangerous game. Republican demands must therefore be well-crafted. Fortunately, they are. Senate Minority Leader Mitch McConnell is pushing for [budget cuts in the next two years](#). The effect would be real and multiplicative — when you cut the baseline budget, the savings get repeated year after year.

Spending caps are more problematic. They have a baleful history. Experience shows that Congress can padlock the refrigerator door, but as long as Congress can still access the key, the gorging never stops.

I would suggest, therefore, enacting spending caps that could be overturned in future years only by supermajority — say, two-thirds of both houses. Now, of course, a future Congress could undo this whole scheme by repealing the caps through legislation that would require only a simple majority in both houses. But as long as Republicans maintain control of the House, they could block this maneuver. The caps would be essentially unrepeatable.

In this spending-cut tug of war, it is of paramount importance to frame your demands in a way that the public sees as reasonable. The side that can command public opinion will prevail — the other side will ultimately cave for fear of being blamed for whatever dislocation occurs. Republicans should not be asking for, say, repeal of Obamacare as the quid pro quo for raising the debt limit. These are bridges much too far for these negotiations.

Which is why House Speaker John Boehner's offer of a dollar-for-dollar deal — raise the debt ceiling to match corresponding spending cuts — is a thing of beauty. It is eminently logical and easy to understand. In a country with a 47 percent to 19 percent plurality opposed to raising the debt ceiling, the Boehner offer is difficult for the president to refuse.

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process again, Obama would like a \$2 trillion debt-limit hike to get him past Election Day 2012. For that, he'll have to come up with \$2 trillion in spending cuts.

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## **John Fund**

### **Obama's 'Green Evangelist'**

It's another marker of President Obama's true inclinations that he has chosen to nominate a leading environmentalist to be his new secretary of commerce, a post designed to stimulate job creation.

John Bryson, the nominee, began his career as a top appointee of Jerry Brown back in the 1970s, when Mr. Brown first served as California's governor. During that time, Mr. Brown preached "an era of limits" when it came to the economy and loaded up the state with onerous regulations. Before his stint as a state water and public utility commissioner, Mr. Bryson opened up the West Coast operations of the Natural Resources Defense Council. According to Republican Sen. David Vitter of Louisiana, the NRDC has filed more lawsuits seeking to block offshore oil drilling than any other group in the country.

No one doubts that Mr. Bryson, a former CEO of the Edison utility company in California who helped steer that state through its 2001 power crisis, will win Senate confirmation. But Republicans couldn't help noticing that Mr. Obama characterized his friend as a "fierce proponent of alternative energy" during the announcement yesterday.

"With gas prices at nearly \$4 a gallon, another green evangelist pushing failed talking points on the cap-and-trade energy tax and European-style gas prices is not who most Americans want to have at the helm of efforts to expand trade and grow our economy," said Rep. Darrell Issa, the chairman of the House Government Oversight Committee.

### **Walesa Tells America to Man Up**

Lech Walesa, the former president of Poland, wasn't exactly eager to meet President Obama during Mr. Obama's trip to Warsaw on Saturday. He instead left for a religious festival in Italy, telling Polish reporters: "It's difficult to tell journalists what you'd like to say to the president of a superpower. This time I won't tell him, I won't meet him, it doesn't suit me."

Mr. Walesa also made clear his disdain for Mr. Obama when he was in Washington last week, where he received the Ronald Reagan Presidential Foundation award for services to spreading freedom around the world. Previous recipients of the award have included Mikhail Gorbachev, Colin Powell and Margaret Thatcher.

The dinner, which was attended by about 500 people, including Defense Secretary Robert Gates, featured a speech by Mr. Gates along with remarks by Mr. Walesa. The Nobel laureate and former head of the Polish trade union Solidarity recognized the lateness of the hour and kept his remarks brief, but he couldn't resist relating current conditions in the U.S. to Reagan's time in office. He noted that back then the U.S. represented a "good empire," in contrast to the "evil empire" of the Soviet Union that Reagan excoriated. "But now I observe you have not a very good leadership," he told the



audience through an interpreter. He said that the U.S. seemed less interested in exercising leadership in the world.

Not everyone I spoke with thought Mr. Walesa's remarks were directly aimed at Mr. Obama, but they all agreed that he seemed to be warning the U.S. that its role and standing in the world wasn't what it used to be.

Neither is the U.S.-Polish relationship. Mr. Obama put it on a wrong foot when he gave the Poles and their Czech neighbors only a couple of hours notice that he was scraping the agreement to place anti-missile defenses on their soil in an effort to appease Russia. As Britain's Daily Telegraph noted, the Obama administration's approach to foreign policy "is the antithesis of Reagan's foreign policy, and one which has frequently undercut U.S alliances rather than strengthened them."

## Washington Times

### Democratic response to deficit spending

#### *Anger over profligacy spurs new political parties across Europe*

by Tony Blankley

While western media continue to rhapsodize about the "Arab Spring democratic revolutions" in the Middle East, it may be that the real democratic revolution is beginning to occur in the [European Union](#) and the United States. And if the timing is right, the crisis in the [European Union](#) may play a decisive part in tipping the American electorate against President [Obama](#) and the Democrats in our 2012 elections.

Both by their votes and their demonstrations, the semienfranchised citizens of nations under the rule of the [European Union](#) are beginning to fight back against both the social welfare and immigration policies that have been imposed on them.

The governing class' social-welfare policies are hollowing out the prosperity of hard-working Europeans while exposing beneficiaries of the social largesse to the imminent withdrawal of payments and subsidies to which these many millions of people have become habituated.



At the same time, the intelligentsia's immigration and multicultural policies are seen to be undercutting the ancient indigenous cultures of Europe. Punctuating the slowly developing anger of indigenous Europeans to their government's multicultural policies is the shock of seeing hundreds of thousands of poor refugees from the Arab Spring flooding Europe in a matter of weeks, forcing the

hapless European governments to reverse on a dime their long-standing open borders policy and try to re-establish border and passport control.

Thus, governments from [Spain](#) to [France](#) to [Ireland](#) to [Italy](#) to [Germany](#) are under fiercely increasing public pressure to abandon the rule and diktat of the [European Union](#) and once again try to protect the national interest - not the "European" interest.

Note that the voters are aroused in both the nations whose debt can no longer be locally paid and those nations that are being asked to pay the debts of foreign countries. That is to say, the European social-welfare-deficit-debt problem has outraged both the debtors and the creditors. It takes a singularly disconnected and arrogant social class to create a set of policies that satisfies neither creditor nor debtor.

Both economic and immigrant policies have been the cause of weakened European governments from [Finland](#) to [Germany](#) to [Spain](#) and beyond in the elections of 2009 and the more recent elections. Caught in the pincers of these two emerging issues seen by many middle-class European voters as existential to their culture, we should expect to see some existing governments fall by vote or, conceivably, by other means.

We are observing a rare process: Stark economic and cultural reality is neutering conventional political methods. Established European political parties and politicians may become extinct quite suddenly. So far, the primary political beneficiaries of this crisis are third, fourth and fifth parties - some of them considered disreputable by the tottering ruling class: in [the Netherlands](#), the heroic Geert Wilders' [Freedom Party](#); in [Hungary](#), the center-right [Fidesz Party](#) and the anti-immigrant, hard-right [Jobbik Party](#); in [Austria](#), the right-wing [Freedom Party](#) and the [Alliance for the Future of Austria \(BZO\)](#); in [Denmark](#), the hard-right [Danish People's Party](#); in [Italy](#), the anti-immigrant Northern League; in [Finland](#), the anti-illegal-immigrant, Euro-skeptic True Finns party; in Britain, the racist British National Party and the libertarian, anti-EU United Kingdom Independence Party; and in [France](#), Jean-Marie (and now his daughter Marine) Le Pens' patriotic National Front. There are others in almost every European country.

Meanwhile, here in the United States, the same two issues - social-spending-driven deficit/debt crisis and de facto open borders and multiculturalism - are dividing the country, although our media vastly underreport the genuine danger and emotive power of the chaos at our borders.

If the GOP continues to stick to its commitments on both issues and the [Democratic Party](#) continues its strategy of being the party of kicking the can down the road on both the deficit and the borders, then the Tea Party movement will express itself through the vessel of the Republican Party, rather than a third party.

It is in the context of a two-way fight in the 2012 election on those issues that events in Europe may be decisive. The greatest unknown in such an election is whether at least 50 percent of the American voting public will see the deficit/debt and federal regulatory intrusion crises with as much concern in 2012 as it did in our 2010 election, or whether the independents and soft-party voters will be sufficiently acclimated to \$1.5 trillion annual deficits and 9 percent unemployment that they will vote for federal spending benefits rather than the national interest.

That is where events in Europe could be decisive. I suspect it was the Greek debt crisis and the riots in Athens in May 2010 that made real to many American voters not usually highly informed that a modern western democracy could actually deficit-spend itself to destruction.

If, between now and November 2012, there is another European crisis equally vivid for American voters, it is likely such an event will reinvigorate the passion to fix our own mess. And, in the absence of the [Democratic Party](#) even offering a plausible path to safety, the ever-wavering independent voters will tend to vote Republican for both president and Congress.

## Telegraph Blogs, UK

### [After 29 months of the most left-wing presidency in US history, the American superpower is heading towards the economic abyss](#)

by Nile Gardiner

I imagine there are some very worried figures in the White House today, including the president himself. Today's job figures are extremely bad news for the Obama administration, and as [I noted in my last post](#), an electoral disaster for Barack Obama in November 2012 is now looking like a distinct possibility. According to the Bureau of Labor Statistics, [unemployment has risen again to 9.1 percent](#), with private employers adding a mere 54,000 jobs in May. That's up from 9 percent in April, and 8.8 percent in March.

The White House's chief economist Austan Goolsbee has described the figures as a mere ["bump in the road."](#) In reality it should be a massive wake-up call for an administration that refuses to acknowledge the huge damage its big government policies have done to the American economy, with 13.9 million Americans now out of work.

Under President Obama unemployment [has remained above 8 percent](#) for every single month, with the exception of January 2009 when he entered the Oval Office, rising as high as 10.1 percent in October 2009. By any measure, this is a terrible track record, and as even *The New York Times* [acknowledged earlier this week](#), *"no American president since Franklin Delano Roosevelt has won a second term in office when the unemployment rate on Election Day topped 7.2 percent."*

The dire jobs figures are just part of an extraordinarily grim picture for the US economy, nearly two and a half years into the Obama presidency. As [ABC News reported yesterday](#), *"a cascade of negative economic reports this week is leaving Americans wondering if this is really a recovery from the recession that officially started December 2007 and ended June 2009."* And the housing market, in which 67 percent of Americans have a stake, is in serious trouble, with home prices [sinking to their lowest levels since 2002](#), falling by 4.2 percent in the first quarter of 2011 and for eight straight months in a row.

In addition, the White House is paralysed in the face of the nation's towering debts, which reached 62 percent of GDP by the end of 2010, the highest percentage since the end of World War Two. [The Congressional Budget Office warned last year](#) in its "alternative fiscal scenario" that "with significantly lower revenues and higher outlays", the federal debt could grow to a staggering 87 percent of GDP by 2020, rising to 109 percent by 2025 and 185 percent in 2035.

It is little wonder that [66 percent of Americans](#) now worry the federal government will finally run out of their money, and Moody's Investors Service [is threatening to downgrade](#) America's sterling credit rating unless it gets to grips with the debt crisis. Undoubtedly, the very future of the United States' position as the world's only superpower is at stake in the next few years. And as Congressman Paul Ryan, the Reaganite chairman of the House Budget Committee warned in [a superb speech last night](#) to the Alexander Hamilton Society in Washington:

The unsustainable trajectory of government spending is accelerating the nation toward the most predictable economic crisis in American history. Years of ignoring the real drivers of our debt have left us with a profound structural problem. In the coming years, our debt is projected to grow to more than three times the size of our entire economy.

This trajectory is catastrophic. By the end of the decade, we will be spending 20 percent of our tax revenue simply paying interest on the debt – and that's according to optimistic projections... This course is simply unsustainable. If we continue down our current path, then a debt-fueled economic crisis is not a probability. It is a mathematical certainty.

Years of profligate spending, massive bailouts and useless stimulus measures have made America poorer, not richer, and threaten the long-term economic foundations of this great country. President Obama's big government experiment has been a dangerous failure, only further proof that the deadening hand of federal intervention is the last thing America needs at this time. The United States needs more economic freedom, less government regulation and spending, and lower taxes if it is to create jobs, wealth and prosperity, a message that seems to have been lost on the Obama presidency as it drives the United States towards the financial abyss.

## **Jewish World Review**

### **Seductive Beliefs: Part II**

by Thomas Sowell

The only thing surprising about Barack Obama's latest blow against Israel is that there are people who are surprised. As for a Palestinian homeland, that was never a big issue when the Arabs controlled that land, up to 1967.

Obama's declaration that Israel must give up the land it acquired, after neighboring countries threatened its survival in 1967, is completely consistent with both his ideology of many years and his previous actions as President of the United States.

Whether as a radical student, a community organizer or a far left politician, Barack Obama's ideology has been based on a vision of the Haves versus the Have Nots. However complex the ramifications of this ideology, and however clever the means by which Obama has camouflaged it, that is what it has amounted to.

No wonder he was moved to tears when the Reverend Jeremiah Wright summarized that ideology in a thundering phrase— "white folks' greed runs a world in need."

Israel is one of the Haves. Its neighbors remain among the Have Nots, despite their oil. No wonder that Barack Obama has bent over backward, in addition to bowing low forward, to support the side that his ideology favors.

Whether at home or abroad, Obama's ideology is an ideology of envy, resentment and payback.

Israel is not simply to have its interests sacrificed and its security undermined. It is to be brought down a peg and— to the extent politically possible— insulted. Obama has already done all these things. His latest pronouncement is just more of the same.

One of the first acts of Barack Obama as president was to send money to the Palestinians, money that can be used to buy rockets to fire into Israel, irrespective of the rationale for the money.

They say a picture is worth a thousand words. A photograph that should tell us a lot about Barack Obama shows him on the phone, talking with Israeli Prime Minister Benjamin Netanyahu.

Obama was seated, leaning back in his chair, with his feet up on the desk, and the soles of his feet pointed directly at the camera. In the Middle East, showing the soles of your feet is an insult, as Obama undoubtedly knows.

This photograph was no accident. Photographers cannot roam around White House, willy-nilly, taking snapshots of the President of the United States as he talks to leaders of foreign nations.



It was a photograph with a message. No one would have known who was on the other end of the line, unless Obama wanted them to know — and wanted to demonstrate his disdain.

Prime Minister Netanyahu's visits to the White House have been unlike previous Israeli leaders' visits to the White House, and certainly unlike the pomp and circumstance accompanying other nations' leaders' visits to the White House over the years.

After one of his meetings with Netanyahu, Barack Obama simply told the prime minister that he was going upstairs to have dinner. You wouldn't say that to an ordinary neighbor visiting in your home, without inviting him to join you.

Obama knew that. Netanyahu knew that. It was a calculated insult. And the American public would have heard about it, if so much of the media didn't have such a hear-no-evil, see-no-evil and speak-no-evil attitude in its coverage of Barack Obama.

Visits to the White House by prime ministers of Britain— our oldest and staunchest ally— have likewise been downplayed and Obama's visit to the Queen of England was likewise conducted without the respect normally shown to a monarch. One of Obama's first acts upon reaching the White House was to return to the British embassy a bust of Winston Churchill, the most eminent statesman in Britain's history.



All of this is consistent with Obama's general approach to foreign policy— selling out our allies to curry favor with our adversaries. He flew to Moscow, shortly after taking office, to renege on the American commitment to put a missile shield in Eastern Europe, in hopes of getting a deal with the Russians.

Obama is politically savvy enough to know how to get his point across without blowing his cover.

The fate of the United States of America may depend on how savvy we the people are in seeing what he is doing— and how soon, before the situation becomes irretrievable.

## **Education Intelligence Agency** **[Trading Students for Employees.](#)**

by Mike Antonucci

With politicians and education policy-makers preoccupied by budget cuts and layoffs, it is easy to overlook why we find ourselves in this position. Fortunately, the U.S. Census Bureau rides in to remind us.

Each year the bureau publishes a comprehensive report on public school revenues and expenditures. Coupled with education staffing statistics from the U.S. Department of Education's National Center for Education Statistics Common Core of Data, it gives us a fundamental picture of the finances and labor costs of the American public school system.

The [latest Census Bureau report](#) provides details of the 2008-09 school year, as the nation was in the midst of the recession. That year, 48,238,962 students were enrolled in the U.S. K-12 public education system. That was a decline of 157,114 students from the previous year. They were taught by 3,231,487 teachers (full-time equivalent). That was an increase of 81,426 teachers from the previous year.

This is not new information. We knew last October that the entire public education workforce - teachers, principals, administrators and support workers - [grew by more than 137,000 employees](#) during the recession.

What the Census Bureau numbers add to that information is that we almost replaced every lost student with a new employee.

Twenty-seven states had fewer students in 2009 than in 2008, but 16 of them hired more teachers.

Per-pupil spending rose 2.6 percent, and spending on employee compensation (salaries and benefits) rose 2.3 percent. The United States average for per-pupil spending was \$10,499, with 25 states spending more than \$10,000 per student.

Annual statistics of this type are useful, but figures can fluctuate from year-to-year as school administrators try to match staff levels with enrollment. Long-term trends tend to flatten some of the spikes, and I have constructed [a table of the 50 states](#) that examines enrollment, hiring and labor costs over a five-year period (I will eventually update figures for each of America's more than 13,000 school districts).

From 2004 to 2009, student enrollment increased a cumulative 0.7 percent, while the K-12 teacher workforce increased 6.5 percent. Per-pupil spending increased 26.7 percent (about 12.5% after correcting for inflation). Spending on education employee salaries and benefits increased 27.5 percent.

It's an odd enterprise that reacts to fewer clients by hiring more employees. ...

## Townhall

### 'Buy American' Is Un-American

by David Harsanyi

Naturally, then, as we kick off "Recovery Summer! Part Deux," the chairwoman of the Democratic National Committee says that buying homemade cars is a matter of national importance. "If it were up to the candidates for president on the Republican side, we would be driving foreign cars," Rep. Debbie Wasserman Schultz explained while defending the protectionist auto/union bailout. "They would have let the auto industry in America go down the tubes." (And by "we," Wasserman Schultz, proud American, is talking about herself and her sweet Japanese-made Infiniti FX35.)

As if that weren't enough, those who oppose this brand of corporate welfare, according to Wasserman Schultz, also reject the very idea of "American exceptionalism." Now, one might argue that those who claim we must bankroll a few politically favored companies because an entire manufacturing sector could collapse are the ones skeptical of American ingenuity, perseverance and exceptionalism.

But God, evidently, loves the Volt and the Volt only. And Americans -- people who can do almost anything, including, but not limited to, electing politicians who keep rotten companies buoyant for political gain -- have a patriotic duty to buy poorly conceived automobiles. You have an obligation to insulate Washington's favorite companies from responsibility. For God and for country, taxpayers must purchase cars from corporations that have not come close -- despite the contention of the administration -- to paying back what they already owe you.

But hey, the car was assembled in Michigan. If that's not a sign of American exceptionalism, I don't know what is.

Even if Wasserman Schultz's "Buy American" rhetoric were genuine, it would be severely misguided. Every time we overpay for an American-made product (whatever it is), don't we also spend less on an array of other services and products that create jobs at home? Real jobs. Self-sustaining jobs. If we all mechanically bought American, wouldn't we allow manufacturers to avoid competition and rely on their locations rather than the excellence of their products? Sounds like the opposite of exceptionalism.

Companies on the dole also have incentive to please their benefactors in Washington -- a place that has the power to offer more handouts or to stifle competition. Like much of modern liberalism these days, a socially responsible outcome is far more important than a profitable one. Business is for social good, not for profit-mongering. We have no clue what's good for us, anyway. These companies, though, have less incentive to keep prices low or to innovate or to meet consumer demand.

Nobel Prize-winning economist and New York Times columnist Paul Krugman once explained in his book "Pop Internationalism" that if he could stress one thing to students, it would be that "international trade is not about competition, it is about mutually beneficial exchange." Wasserman Schultz is bright, so she must know all about the counterproductive history of protectionism. Then again, when she says "Buy American," maybe she just means "Buy Union" -- buy union because taxpayers subsidize GM and it pays workers and they subsidize unions that subsidize the right candidates. A mutually beneficial exchange.

Or maybe -- like most Americans, however inclined they are to embrace populist rhetoric regarding trade during tough times -- Wasserman Schultz acts rationally when spending her own money. Now if only that rationality could seep into her political life, we'd be a lot better off.

## **Tipping Point**

### **Dilbert's Blog**

by Scott Adams

Yesterday I went to Walmart and demanded that they give me a cartload of merchandise for free. This demand was not well-received, so I didn't get to the second part of my plan which would have involved criticizing the job performance of the people who were giving me free stuff.

Okay, I didn't really go to Walmart and demand free stuff. You probably knew that because it sounded ridiculous on face value. We all understand that no entity can survive for long if it gives away its resources while asking nothing in return. And this leads me to my point: In the United States, 51% of adults pay zero federal income tax, and yet they have the right to vote. That's the very definition of a system that can't last.

I'm not sure where the tipping point is. So far, the power of the non-tax-paying majority has been blunted by the influence of political parties and the misdirection of the media. If the majority ever figures out that they can legally confiscate the wealth of the minority, tax rates will double overnight. My best guess is that the United States will go into a death spiral at about the point that 55% of adults pay no federal income taxes. We'll probably get to that point as baby boomers continue to retire in large numbers.

The minimum requirement for a war is that everyone has to understand which side they are on. Paying zero federal income taxes draws a dangerously clear line. As soon as someone influential (Limbaugh, Beck, Palin, etc.) coins a catchy name for the non-tax-paying majority, everyone will automatically know which side they are on. That's when the United States will unravel.

My recommendation for putting a safeguard on the state of the union is that every adult citizen should pay federal income taxes, even if it is just one dollar per year. For the benefit of the country, it is important to blur the line between rich and poor. By analogy, no one cares that senior citizens get discounted movie tickets, but it would be an issue if the tickets were totally free. Every theater would be clogged with senior citizens and the theater owners would go broke. There's a huge psychological and practical difference between discounted prices and free.

I realize that taxing the poor produces little income. That's not the point. What matters is that everyone understands we're ultimately on the same side. I think our system of government needs that. The poor obviously pay a variety of other governmental taxes, and that probably helps blur the

lines. But it can't be healthy that the people who have the power to control the federal government's budget don't have any responsibility for funding it.

[Note: The best way to quote me out of context is something along the lines of "Cartoonist recommends increasing taxes on the poor!"]

## The Corner

### [Jon Stewart vs. Trump's New York Street Cred](#)

by Jonah Goldberg

Yesterday, with considerable restraint, I described Donald Trump's pizza-eating as a "small hate-crime." I included Palin in the indictment, but she may simply have been following Trump's lead (or maybe the video close-ups were all of Trump. I don't know). Regardless, Jon Stewart showed no such restraint.

<http://www.thedailyshow.com/watch/wed-june-1-2011/me-lover-s-pizza-with-crazy-broad>

This may not be to everyone's taste, but as a New Yorker with a not entirely dissimilar background to Stewart's, I enjoyed it a great deal. May not be safe for work.

## The Corner

### [Of Pizza and Trump's New York Street Cred](#)

by Daniel Foster

Jonah, Trump has responded to Stewart, sorta:

*"A lot of people are asking why am I using plastic forks and knives that the pizza parlor gave. Well, I don't walk around with forks and knives, and frankly, it was very comfortable. Plus, this way you can take the top of the pizza off so you're not just eating the crust. I like to not eat the crust so we can keep the weight down at least as good as possible."*

Is it just me or does this sound like it was transliterated from Ukranian? And I'm not sure what the hell it means to just eat the "top" of the pizza. Does he mean just the mozz and the sauce? On the average orange-grease-tinged New York utility slice that's hardly a recipe for weight loss — but I do know it just makes him sound even more clueless. Trump could have used a second take.

But while we're on the topic of New York City street cred and pizza, I think this Famiglia's atrocity illustrates a point I've been making for years and years to anyone who'll listen. Namely: If you took two blindfolded tourists and dropped one in a random location in New York and the other in a random location in North Jersey and told them to go find a slice of pizza, *the one in North Jersey would, on average, find a better slice*. What I mean is, when you take away the outliers — the legendary joints like Totunno's and DiFara and Grimaldi's, and the biggest of the lowest common denominator national chains — the median slice in Bergen, Passaic, Essex, Hudson and Union counties is better than the median slice in the five boroughs. I bet the disparity would be even greater if you pitted North Jersey against just Manhattan. I say this not just because I'm a Jersey boy from a proud family of pizza-makers (five uncles who tossed dough for beer money at Vinnie's Pizz-a-rama and Brother Bruno's in Wayne, NJ!), but because anyone who's ever seen me can tell you I've eaten a lot of pizza in my day. And in my ample experience, it's obvious.



How'd this come to pass? Think about it. Both New York and Jersey are drawing from the same immigrant tradition and the same broad customer base, meaning that both the talent for excellent pizza making and the demand for excellent pizza are there. But the economic exigencies of the city mean that middle of the road joints there are far likelier to have changed ownership a number of times (Famiglia's is Albanian!), bleeding some of that knowhow each time. New York joints also have to pay New York rent, raising their fixed costs and pressuring them to skimp on things like ingredient quality. Moreover, the average New York joint is catering not to the epicurean, but to the tourist and the transient. Pizza shops are rarely food destinations, they're the place you duck into for a slice on your way from A to B, and a lot of tourists just don't know any better. All these things act to suppress pizza quality in the city, even in once great establishments (see the sad decline in quality at the various "Ray's" shops). By contrast many pizza joints in Jersey are, in my experience, still owned and operated by the same family that opened them, and many of these owners are emigres from the five boroughs. So are many of their customers, and these ex-New Yorkers have the automobiles, disposable income, and a taste for authenticity to go to the joint the next town over if they do a better Sicilian pie or a fatter calzone.

I would argue pretty much along the same lines with respect to bagels and deli sandwiches, but I guess I should get back to actually doing what they pay me to do.

