

July 31, 2014

Before we get to other subjects, one more item on Israel and Hamas. This from David Harsanyi asking what in the world John Kerry is doing?

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Or so you would think. But instead, it looks like Kerry ignored an Egyptian-led ceasefire effort and handed Israelis a document that offered them this:

- *Rather than empowering Fatah, it recognizes Hamas as the legitimate authority in the Gaza Strip, although it's considered a terrorist organization by the Justice Department and an entity that's founding principle and driving purpose is to eliminate Israel and replace it with an Islamic state.*
- *Rather than choking off this organization's lifeline, the agreement would have allowed them to collect billions in 'charity' that would be been able to use to rearm, retrench, and re-engage in hostilities.*
- *And all the while, it would have made no demands on Hamas to purge itself of rockets, or tunnels, or other weaponry that destabilizes the area—while at the same, the ceasefire would have limited Israel's ability to take them out. (Update: This final point is disputed by U.S. officials.)*

Hamas would have conceded nothing. No nation would have accepted such terms, not after what's transpired, and naturally it was rejected unanimously by an Israeli cabinet that includes the ideological left, center, and right. Not only did the proposal irritate Israel—a nation often accused of warmongering for kicks—but it also upset Egypt and the Palestinian Authority. ...

Kevin Williamson points out what a disaster liberal government is for the middle class. *... there exists a spectrum of possible configurations of government, and the fundamental political debate of our time is whether we're on the right side of that spectrum or the wrong side. Conservatives want to prune back the vines, and progressives want them to grow thicker.*

How's that working out in the laboratories of the Left?

Progressives argue that we need deeper government involvement in the economy in order to assuage the ill effects of economic inequality. But, as Joel Kotkin points out, inequality is the most pronounced in places where progressives dominate: New York City, San Francisco, Los Angeles, Chicago. The more egalitarian cities are embedded in considerably more conservative metropolitan areas in conservative states. "Part of the difference," Mr. Kotkin writes, "is the strong growth of higher-paid, blue-collar jobs in places like Houston, Oklahoma City, Salt Lake, and Dallas compared to rapidly de-industrializing locales such as New York, San Francisco, Chicago, and Los Angeles. Even Richard Florida, the guru of the 'creative class,' has admitted that the strongest growth in mid-income jobs has been concentrated in red-state metros such as Salt Lake City, Houston, Dallas, Austin, and Nashville. Some of this reflects a history of later industrialization but other policies — often mandated by the state — encourage mid-income growth, for example, by not imposing high energy prices with subsidies for renewables, or restricting housing growth in

the periphery. Cities like Houston may seem blue in many ways but follow local policies largely indistinguishable from mainstream Republicans elsewhere.” In Detroit, Chicago, and Philadelphia, African Americans earn barely half of what whites earn — and in San Francisco, African Americans earn less than half of what whites earn. Hispanics in Boston earn 50 percent of what whites make; but it is 84 percent in Riverside County, Calif., a traditional Republican stronghold (it holds the distinction of being one of only two West Coast counties to have gone for Hoover over FDR and is Duncan Hunter’s turf), and the figures are comparable in places such as Phoenix and Miami.

Progressivism is a luxury good for college-educated white people. It is the Hermes sneaker of political tendencies. California is not an especially wealthy state — its median income is right between Wyoming’s and Nebraska’s — but it is a state in which one needs to be pretty well off to live decently. ...

... Public-school teachers are insistent on maintaining their monopoly status, but in big cities such as Chicago they are unusually likely to send their own children to private schools. Similarly, Barack Obama thinks that school choice is great — for his daughters, but not for yours. They can make a mess of your schools, your neighborhoods, your community — they don’t live there.

That, too, is why conservatives favor government on the modest, manageable, local level. And that is why progressives want to centralize political power in Washington, and why they have more success in big cities such as Los Angeles and New York: If you were screwing the poor and the struggling while alleging to act on their behalf, would you be able to look them in the eye? Would you want to?

A WSJ OpEd with good examples of how the 1% gains and the great middle suffers this time at the hands of the Fed.

Federal Reserve Chair Janet Yellen has said the central bank’s goal is “to help Main Street not Wall Street,” and many liberal commentators seem convinced that she is advancing that goal. But talk to anyone on Wall Street. If they are being frank, they’ll admit that the Fed’s loose monetary policy has been one of the biggest contributors to their returns over the past five years. Unwittingly, it seems, liberals who support the Fed are defending policies that boost the wealth of the wealthy but do nothing to reduce inequality. ...

... Over the past decade, easy-money policies also have fueled the rise of an industry that transforms raw commodities—from soybeans to steel and oil—into financial products, such as exchange-traded funds, that can be traded like stocks. Hundreds of billions of dollars have poured into these products. In many cases, large investors hold the commodities in storage, driving up demand and the price.

On average, prices for commodities from oil to coffee to eggs are up 40% since 2009, double the typical commodity-price rebound in postwar recoveries. Though rising prices for staples such as these are inconsequential expenses to the rich, they are burdens for the poor, who spend about 10% of their income on energy and a third of it on food. Meanwhile, since bottoming in 2011, median house prices have risen four times faster than incomes, putting homes out of reach for many first-time buyers.

Leading Wall Street figures such as Stanley Druckenmiller and Seth Klarman are warning that the Fed is blowing dangerous asset-price bubbles. These warnings—given political suspicion of the

financial community—seem only to confirm liberal faith in the Fed. Economists including Joseph Stiglitz and Brad DeLong cling to the hope that at least some of the easy money helps to create growth and jobs. Yet the abnormally low cost of capital is giving companies another incentive to invest in technologies that replace workers, rather than hiring more workers. ...

Laura Ingraham is profiled in The Times, UK by Toby Harnden.

SHE has adopted a daughter from Guatemala and was a speechwriter under President Reagan, who introduced an "amnesty" for three million illegal immigrants in the 1980s.

With her striking good looks and her status as the most listened-to woman on American radio talk programmes, she might have seemed the ideal person to deliver a softer Republican message, as the party hopes to appeal to Hispanic voters.

Laura Ingraham is having none of it, however. Instead, she is fast becoming the most powerful conservative voice denouncing any compromise on immigration and calling for the deportation of the Latin American children who are amassing on the southern border of the United States.

At a raucous campaign event in Nashville last week, Ingraham accused President Barack Obama of "fomenting a crisis at our border that seeks to undermine the very fabric of American rule of law, our sovereignty, our national identity".

Her most withering contempt was aimed at her own party's establishment — the "good old boys" and "go along to get along Republican politicians doing backroom backslapping" with Democrats, being as effective as "beige wallpaper".

Ingraham has already claimed the scalp of Representative Eric Cantor, the third most powerful Republican in the House of Representatives, by headlining a massive rally that helped to propel his obscure opponent to a shock victory in a party primary last month.

Her appearance in Nashville was on behalf of Joe Carr, a rough-edged candidate from Tennessee who has support from the grassroots Tea Party movement. He is standing on a "no amnesty" platform to oust Senator Lamar Alexander, a genteel deal-maker on Capitol Hill, in an August 7th primary. ...

Turning our attention to another race in the South, an article from the **Atlanta Journal Constitution** reports on the most recent stumble of the Michelle Nunn campaign.

A hallmark of the primary season on the Democratic side was Senate candidate Michelle Nunn's studied determination not to define herself. As of today, that's no longer possible for her -- and it's her own campaign's fault.

*A series of internal campaign memos, totaling 144 pages and covering everything from fund-raising goals and targets to staffing needs, was leaked to National Review, which **published it** today. The campaign itself reportedly uploaded the plan to the Internet back in December, before quickly taking it back down. But someone found it during that brief period and -- this is the impressive part -- had the patience to sit on it until after the GOP run-off was over.*

While much of the plan details the mundane minutia of planning a year-long, statewide campaign, other parts of it are damaging to the Nunn campaign. National Review's Eliana Johnson, who wrote the publication's story about the memo, puts some of those problems right at the top: ...

Here is the aforementioned [Eliana Johnson](#) piece.

Michelle Nunn can come across as a “lightweight,” “too liberal,” not a “real Georgian.” While she served as CEO for the Points of Light Foundation, the organization gave grants to “inmates” and “terrorists.” And her Senate campaign must feature images of her and her family “in rural settings with rural-oriented imagery” because the Atlanta-based candidate will struggle to connect with rural voters

These may sound like attacks from the Senate candidate’s Republican rival, but in fact, those are a few of the concerns expressed in her own campaign plan, which sources say was posted online briefly in December and appears to have been drafted earlier that month. Drawing on the insights of Democratic pollsters, strategists, fundraisers, and consultants, the document contains a series of memos addressed to Nunn and her senior advisers.

From all appearances, the document was intended to remain confidential. It outlines the challenges inherent in getting Nunn, who grew up mostly in Bethesda, Md., elected to the Senate in a state with a large rural population. Her father, Sam Nunn, was elected to the Senate when she was six, and Michelle Nunn attended Washington’s prestigious National Cathedral School and then the University of Virginia and Harvard’s Kennedy School of Government before returning to Georgia to do nonprofit work and, now, to seek higher office. ...

[Power Line](#) has more on Nunn and we end where we started today; with Hamas.

... The Nunn campaign is concerned, as it should be, about the political implications of Points of Light’s financial contribution to Islamic Relief, USA. Eliana reports that an internal campaign strategy memo that was posted online (inadvertently, I assume) cites the contribution as a vulnerability.

One would hope so. Apart from being Sam Nunn’s daughter, Michelle Nunn’s tenure as CEO of Points of Light is just about her only credential for political office.

Nor has candidate Nunn been willing to take a stand on certain key issues, including Obamacare. For this, she has been criticized by the likes of Mika Brzezinski, Chuck Todd, and Stuart Rothenberg.

The fact that Points of Light, Nunn’s only substantive calling card, has funneled money to an organization with ties to Hamas should certainly tarnish her reputation and harm her campaign, which probably has little margin for error.

Late Night Humor from [Andy Malcolm](#).

Meyers: A Japanese artist is launching a bonsai tree into space. Now if only he could think of something to yell during the launch.

Conan: New York Democrat Gov. Andrew Cuomo has been accused of ethics violations. If the charges prove true, the Governor of New York would be forced to step down and become the Governor of New Jersey.

Fallon: So, Montana Sen John Walsh - who’s up for re-election - plagiarized his thesis. Even worse, it’s mostly TRIPLE-spaced and he REALLY went in on the margins.

The Federalist

[Seriously, What Is John Kerry Doing?](#)

by David Harsanyi

Let's concede for a moment that most of us [don't believe the United States should be taking sides in conflicts abroad](#). Even so, most Americans would probably agree that at a minimum our diplomatic efforts should not cause unnecessary harm. Which brings me to Secretary of State John Kerry's recent misadventure in the Middle East.

It seems like a rather big deal that Egypt, Israel, Fatah, Jordan, Saudi Arabia—ostensibly, all allies of ours—agree on anything. This development, one imagines, might be something the United States would be interested in fostering rather [than destroying](#). Certainly, the idea that Hamas' power should be neutralized and the influence of the “moderate” Palestinian authority expanded, sounds like a plan worth pursuing.

Or so you would think. But instead, it looks like Kerry ignored an Egyptian-led ceasefire effort and handed Israelis [a document](#) that offered them [this](#):

- Rather than empowering Fatah, it recognizes Hamas as the legitimate authority in the Gaza Strip, although it's considered a terrorist organization by the Justice Department and an entity that's founding principle and [driving purpose](#) is to eliminate Israel and replace it with an Islamic state.
- Rather than choking off this organization's lifeline, the agreement would have allowed them to collect billions in 'charity' that would be able to use to rearm, retrench, and re-engage in hostilities.
- And all the while, it would have made no demands on Hamas to purge itself of rockets, or tunnels, or other weaponry that destabilizes the area—while at the same, the ceasefire would have limited Israel's ability to take them out. (Update: This final point is [disputed](#) by U.S. officials.)

Hamas would have conceded nothing. No nation would have accepted such terms, not after what's transpired, and naturally it was rejected unanimously by an Israeli cabinet that includes the ideological left, center, and right. Not only did the proposal irritate Israel—a nation often accused of warmongering for kicks—but it also upset Egypt and the Palestinian Authority.

All of which, one presumes, a seasoned statesman like Kerry should have foreseen. So why did Kerry offer a proposal driven by Qatar and Turkey, two of Hamas' allies and Israel's antagonists? Qatar not only funds one of the leading anti-Israel propaganda outfits on the planet, Al Jazeera, but it is also, [according to Shimon Peres](#)—hardly a warmongering Likudnik—the “world's largest funder of terror due to its financial support for Hamas in Gaza.” And Turkey, which often sounds like some [well-known Progressive Twitter accounts](#), recently accused the Jews of committing genocide, called Israel a “terror state,” and compared Netanyahu to Hitler.

Though we've often pressured Israel to shorten these kinds of operations, only a historian would be able to come up with an instances of the United States pressuring Israel to accept such a lousy agreement. So naturally, the Israeli press, including left-wing newspapers [like Haaretz](#), went after Kerry pretty hard. The United States, according to reports, believes that Israeli officials had

misrepresented the deal. And the Obama administration pushed back yesterday. “It’s simply not the way partners and allies treat each other,” [said](#) State Department spokeswoman Jen Psaki, who seems to think Israel has a state-controlled media.

But, according to nearly every news report, Kerry was the one who brought Turkey and Qatar into the mix. And it is undeniable that Kerry went to Paris immediately after negotiations collapsed and met with officials from Turkey and Qatar to discuss a potential cease-fire in the Gaza. Kerry did not meet with Egypt, nor the Palestinian Authority, nor Israel. That seems odd—inexplicable, even—but it certainly lends credence to Israeli media accounts.

[David Ignatius at the Washington Post argues](#) that “Kerry’s mistake isn’t any bias against Israel but rather a bias in favor of an executable, short-term deal.” But it’s conceivable that both of those factors played a part. As a political consideration, the administration would have benefitted from a short-term deal. Perhaps because of tragic loss of life, the United States would rather see a ceasefire than Hamas dealt a mortal blow. And that is almost certainly one of the reasons Hamas uses Palestinians as human shields.

It is worth remembering that Kerry, who is rightly considered a longtime ally of Israel, has changed his tone considerably since joining the administration. He’s [accused](#) Israel of being a few short steps removed from “apartheid,” he peddled the myth of Israel’s imminent demographic demise, and he was conveniently caught on a [hot mic](#) sarcastically dismissing Israel’s pinpoint strikes, and insinuating that he, John Kerry, was not invited to embark on a ceasefire talks because Israel was buying time to finish off Hamas. (If that’s Israel’s goal, they should have invited Kerry earlier.)

But maybe the United States doesn’t want to take sides anymore. Maybe the Obama administration’s recent dealings in the Middle East reflect this attitude. Maybe Kerry’s actions weren’t a mistake but an attempt to show Israel’s enemies that we can be even-handed. Because we either have an incompetent Secretary of State or a momentous shift in Middle East policy. Either way, Kerry’s actions have created a bigger mess.

National Review

[Downscale](#)

Big government is bad for the little guy.

By Kevin D. Williamson

I recently had a conversation with an intensely conservative businessman whose first foray into politics was fighting for a tax hike on his business and others like it. The little town where he lived as a young man had no paved roads, waterworks, or sewage facilities, and the men who had the most invested in the town knew that it needed these to grow, which of course it did. That’s part of what Barack Obama and Elizabeth Warren are referring to with their “you didn’t build that” rhetoric, though they draw the wrong conclusions. They are also sometimes wrong in the specifics, too: The gentleman I was speaking with organized a few other businessmen to install streetlights at their own expense, with the understanding that the town fathers would pay them back when they could afford it. If you’re looking for an example of how small government is good government, a handshake deal to put in streetlights is a pretty good one. That is government at a scale that people can control, manage — and keep an eye on.

It is important to keep government small, but scale is not the only concern: Even the pettiest bureaucracy can descend into indolence and corruption. We talk a great deal about the level of government spending, but pay relatively little attention to a much more basic concern: It matters —

a great deal — what government spends that money on. Even the wooliest anarcho-capitalist must look with some sympathy and admiration upon the small-scale model of township government that once characterized New England and the West. “But who will pave the roads?” is a standing libertarian punchline (“The federal government spends enormous sums of money getting monkeys addicted to cocaine, the police have murdered your puppies — But who will pave the roads?”) and, as noted in a certain volume of political speculation, the first paved intercity road in these United States was in fact privately built, suggesting that private enterprise is more than capable of road-making. But it was as a matter of history largely governments that paved the roads, built the sewage systems, drained the swamps, etc. And there was a time when governments, particularly at the local level, did a pretty good job of it.

There was more room for them to experiment in an era in which the federal government did relatively little. At the end of the 19th century, the largest single federal expense was veterans’ pensions, which accounted for nearly half of federal spending. As James Carafano notes, that pension system was a swamp of Republican graft, the original dependency agenda; but in real terms, the money lost to graft today in programs such as Medicare and Medicaid probably would have paid for *all* of the operations of the federal government in the late 19th century, with a surplus. So easy and profitable is Medicare fraud that New York’s Bonanno mafia clan set up a Florida operation specifically for that purpose. (Florida is the Augean stables of Medicare fraud.) Some of the graft is explicitly criminal, but much of it is perfectly legal: subsidies for cronies, sweetheart loans and generous tax treatment for politically connected businesses, etc. The Solyndra debacle may not have been a crime, but it was criminal.

Big government, big expenses, big corruption — big problem.

On the one hand, we have the small-town entrepreneur yearning for sidewalks and streetlights; on the other, we have dodgy “Five Aces” federal contracts and Al Gore’s federally enabled greenmongering. Between those two points there exists a spectrum of possible configurations of government, and the fundamental political debate of our time is whether we’re on the right side of that spectrum or the wrong side. Conservatives want to prune back the vines, and progressives want them to grow thicker.

How’s that working out in the laboratories of the Left?

Progressives argue that we need deeper government involvement in the economy in order to assuage the ill effects of economic inequality. But, as Joel Kotkin points out, inequality is the most pronounced in places where progressives dominate: New York City, San Francisco, Los Angeles, Chicago. The more egalitarian cities are embedded in considerably more conservative metropolitan areas in conservative states. “Part of the difference,” Mr. Kotkin writes, “is the strong growth of higher-paid, blue-collar jobs in places like Houston, Oklahoma City, Salt Lake, and Dallas compared to rapidly de-industrializing locales such as New York, San Francisco, Chicago, and Los Angeles. Even Richard Florida, the guru of the ‘creative class,’ has admitted that the strongest growth in mid-income jobs has been concentrated in red-state metros such as Salt Lake City, Houston, Dallas, Austin, and Nashville. Some of this reflects a history of later industrialization but other policies — often mandated by the state — encourage mid-income growth, for example, by not imposing high energy prices with subsidies for renewables, or restricting housing growth in the periphery. Cities like Houston may seem blue in many ways but follow local policies largely indistinguishable from mainstream Republicans elsewhere.” In Detroit, Chicago, and Philadelphia, African Americans earn barely half of what whites earn — and in San Francisco, African Americans earn *less* than half of what whites earn. Hispanics in Boston earn 50 percent of what whites make; but it is 84 percent in Riverside County, Calif., a traditional Republican stronghold (it holds the distinction of being one of only two West Coast counties to have gone for Hoover over

FDR and is Duncan Hunter's turf), and the figures are comparable in places such as Phoenix and Miami.

Progressivism is a luxury good for college-educated white people. It is the Hermes sneaker of political tendencies. California is not an especially wealthy state — its median income is right between Wyoming's and Nebraska's — but it is a state in which one needs to be pretty well off to live decently. The value of the median home in San Francisco is more than ten times the median income; in San Jose, it's nine and a half times the median income; in Houston, it's only four times the median income. California is a great place to be a technology executive or a screenwriter, but it's a rotten place to be a truck driver. California-style progressivism is oriented toward serving the needs of rich people in San Jose, not those of middle-class people in Riverside County or poor people in the agrarian villages. If you're a well-off lawyer in the gilded suburbs of Los Angeles, you have a great selection of poor, brown gardeners and housekeepers to lessen life's burdens, which is great for you but stinks for them. It is not an accident that our nation's most segregated cities are mostly strongholds of the Left: New York, Los Angeles, Philadelphia, Chicago, Milwaukee, Cleveland, Boston.

But the fact is that, despite the po-faced rhetoric, progressives do not really care about the poor, the brown, the black, or the marginalized. Progressivism is very little more than the managerial class pursuing its own class interests under cover of altruism.

That, and not the state's gentle native loopiness, is what is really behind "Six Californias," the eccentric enthusiasm for subdividing California into six states: Having made a mess of the impoverished interior of the state, progressives seek to exile the poor and the unwashed to the new states of Central California (which gets Bakersfield and Stockton) and Jefferson (Chico, Redding), while Silicon Valley and the coastal stretch from Los Angeles up to San Luis Obispo get their own states — golden gated communities, in effect. Affluent progressives already have a great deal of social insulation — the Manhattan doorman serves the same purpose as the \$5,000 rental in San Francisco — to keep them from interacting with the human effects of their policies. Journalists, senior bureaucrats, lawyers, union bosses — they all claim to know what's best for the poor and the middle class, but they end up doing what's best for themselves. And when the poor and the unglamorous grow sufficiently numerous and concentrated, then it's time to build a Berlin wall between Malibu and Modesto.

Question: Which side of that wall do you think Bill Maher and Jon Stewart will live on? You think Rachel Maddow, the lawyer's daughter, has been so much as downwind from a poor person not engaged as an intern at MSNBC? Don't bet on it.

We see the same dynamic at play across our politics: Public-school teachers are insistent on maintaining their monopoly status, but in big cities such as Chicago they are unusually likely to send their own children to private schools. Similarly, Barack Obama thinks that school choice is great — for his daughters, but not for yours. They can make a mess of your schools, your neighborhoods, your community — they don't live there.

That, too, is why conservatives favor government on the modest, manageable, local level. And that is why progressives want to centralize political power in Washington, and why they have more success in big cities such as Los Angeles and New York: If you were screwing the poor and the struggling while alleging to act on their behalf, would you be able to look them in the eye? Would you want to?

WSJ

Liberals Love the 'One Percent'

The left has a strange affection for Federal Reserve policy that has turbocharged inequality.

by Ruchir Sharma

Federal Reserve Chair [Janet Yellen](#) has said the central bank's goal is "to help Main Street not Wall Street," and many liberal commentators seem convinced that she is advancing that goal. But talk to anyone on Wall Street. If they are being frank, they'll admit that the Fed's loose monetary policy has been one of the biggest contributors to their returns over the past five years. Unwittingly, it seems, liberals who support the Fed are defending policies that boost the wealth of the wealthy but do nothing to reduce inequality.

This perverse outcome is not the Fed's intent. It has kept interest rates near zero in an effort to combat the great recession of 2008-09 and nurse the weak economy back to health. Many analysts will argue that the recovery might have been even worse without the Fed's efforts. Still, the U.S. economy has staged its weakest recovery since World War II, with output up a total of just 10 percentage points over the past five years. Meanwhile, the stock market has never been so high at this point in a recovery. This is the most powerful post-recession bull market in postwar history, with the stock market up by a record 135% over the past five years.

The Fed can print as much money as it wants, but it can't control where it goes, and much of it is finding its way into financial assets. On many long-term metrics, the stock market is now at levels that fall within the top 10% of valuations recorded over the past 100 years. The rally in the fixed-income market too is reaching giddy proportions, particularly for high-yield junk bonds, which are up 150% since 2009.

It's no secret who owns most of these assets. The wealthiest 1% of households, according to a study by Edward Wolff (National Bureau of Economic Research, 2012), now owns 50% of all financial wealth in the U.S., and the top 10% owns 91% of the wealth in stocks and mutual funds.

Over the past decade, easy-money policies also have fueled the rise of an industry that transforms raw commodities—from soybeans to steel and oil—into financial products, such as exchange-traded funds, that can be traded like stocks. Hundreds of billions of dollars have poured into these products. In many cases, large investors hold the commodities in storage, driving up demand and the price.

On average, prices for commodities from oil to coffee to eggs are up 40% since 2009, double the typical commodity-price rebound in postwar recoveries. Though rising prices for staples such as these are inconsequential expenses to the rich, they are burdens for the poor, who spend about 10% of their income on energy and a third of it on food. Meanwhile, since bottoming in 2011, median house prices have risen four times faster than incomes, putting homes out of reach for many first-time buyers.

Leading Wall Street figures such as Stanley Druckenmiller and Seth Klarman are warning that the Fed is blowing dangerous asset-price bubbles. These warnings—given political suspicion of the financial community—seem only to confirm liberal faith in the Fed. Economists including Joseph Stiglitz and Brad DeLong cling to the hope that at least some of the easy money helps to create growth and jobs. Yet the abnormally low cost of capital is giving companies another incentive to invest in technologies that replace workers, rather than hiring more workers.

Some liberals are skeptical even of the basic premise that easy money is fueling higher asset prices. As [Paul Krugman](#) put it, "for the most part" the money printed by the Fed is piling up in bank reserves and cash. While banks are generally reluctant to lend, the fact is that commercial and industrial loans in particular are increasing rapidly, and much of that credit is reportedly going to financial-engineering projects, like mergers and share buybacks, which do more to increase stock prices than to create economic growth.

There is no doubt that easy money is boosting the stock market. Low interest rates are driving investors out of money-market funds and into stocks, while they also allow wealthy investors to borrow money cheaply to buy more stocks. In the U.S., margin debt has more than doubled in the past five years to a record \$438 billion.

Many liberal economists note that dire warnings of how the Fed's money printing would lead to runaway inflation have not come true. Overall consumer prices are indeed contained and the mandate of a central bank has traditionally been to control consumer prices. But that target is out of date. In a global economy, rising competition has a restraining effect on consumer prices because producers can shop around for the lowest-cost country in which to make goods like clothes or flat-screen TVs. The effect on asset prices is the opposite, as the supply of houses and stocks is relatively limited, and because demand is rising, as investors seek higher returns than the near-zero interest rates they can get at the bank. That is why investors are bidding up asset prices, even as consumer prices remain stable.

There is a fundamental shift in the challenge facing central bankers, everywhere. Top Fed officials including former Chairman Ben Bernanke have argued that rising asset prices are less a risk than a plus, because the rising value of houses, stocks and bonds makes families feel wealthier, so they spend more and boost the economy. But monetary policy should encourage investments that will strengthen the economy and create jobs in the long term—not conjure an illusory "wealth effect" that is for now lifting mainly the wealthy.

Mr. Sharma is head of emerging markets and global macro at Morgan Stanley Investment Management and the author of "Breakout Nations: In Pursuit of the Next Economic Miracles" (Norton, 2012).

Times, UK via Real Clear Politics

[Laura Ingraham, Tea Party Giant Killer, Eyes Her Next Scalp](#)

by Toby Harnden



SHE has adopted a daughter from Guatemala and was a speechwriter under President Reagan, who introduced an "amnesty" for three million illegal immigrants in the 1980s.

With her striking good looks and her status as the most listened-to woman on American radio talk programmes, she might have seemed the ideal person to deliver a softer Republican message, as the party hopes to appeal to Hispanic voters.

Laura Ingraham is having none of it, however. Instead, she is fast becoming the most powerful conservative voice denouncing any compromise on immigration and calling for the deportation of the Latin American children who are amassing on the southern border of the United States.

At a raucous campaign event in Nashville last week, Ingraham accused President Barack Obama of "fomenting a crisis at our border that seeks to undermine the very fabric of American rule of law, our sovereignty, our national identity".

Her most withering contempt was aimed at her own party's establishment — the "good old boys" and "go along to get along Republican politicians doing backroom backslapping" with Democrats, being as effective as "beige wallpaper".

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Her appearance in Nashville was on behalf of Joe Carr, a rough-edged candidate from Tennessee who has support from the grassroots Tea Party movement. He is standing on a "no amnesty" platform to oust Senator Lamar Alexander, a genteel deal-maker on Capitol Hill, in an August 7th primary.

A bluegrass band entertained the crowd with favourites such as "Proud to be an American" and "He's in the Jailhouse Now" as well as a rendition of "Don't Fence Me In" — maybe an allusion to conservative demands for a stronger border fence.

Alexander has backed a compromise deal on immigration that could grant a "path to citizenship" for the estimated 12m illegal immigrants in America. But hard-line conservatives such as Ingraham and Carr are advocating mass deportations.

The immigration issue, considered by Americans to be the most pressing problem facing their country according to a recent Gallup poll, has been brought to the top of the political agenda by the presence of more than 50,000 children, mainly from El Salvador, Guatemala and Honduras, gathering at the border.

Republicans argue that lax immigration policies by Obama have led to the flood of child refugees because their parents know they have a strong chance of being allowed to stay in the country.

Carr claimed that big business wanted a "constant supply of uneducated, illegal labour so they can keep wages low and perpetuate their attack on the American worker, our dreams and our way of life".

Obama was "a tyrant in the White House", he added, and "if you expect me to go to Washington DC and hold hands around the campfire, roast marshmallows and sing Kumbaya, you're sending the wrong guy — I'm going up there to start a fight".

Ingraham, 50, has been branded a xenophobe because of the stand she has taken. The satirical comedian Stephen Colbert recently described her approach as "a tough love — or a very soft hate".

She said accusations of racism were a sign of panic among her opponents. "I stand a lot more for the suffering of the American people of every colour or background than they can ever claim to," she told The Sunday Times.

"Plus, the last time I checked, I had three children living in my home from pretty difficult backgrounds, one adopted from Guatemala and two from Russia. I don't wear that on my sleeve but, OK, I don't like Latino people? It's ridiculous. I cared enough about the region to rescue someone who was abandoned there."

Carr, who is lagging in the polls and is vastly outspent by Alexander, said Ingraham's support could be crucial. "For us to get her endorsement is huge. It's real important when you get somebody with a microphone that big. For crying out loud, her show's on more than 300 stations," he said.

Matt Studd, 57, a car haulage driver and Tea Party activist who was wearing a shirt emblazoned with the American flag and images of Iwo Jima and the US constitution, said that the intervention of Ingraham, a Catholic convert, had energised conservative voters: "She's awesome. She stands for the traditional Christian core values that we know she holds dear."

Republican leaders support centrist incumbents such as Alexander because they believe it is the easiest way to regain control of the Senate in November's mid-term elections. Candidates such as Carr, they fear, would alienate moderate voters.

Ingraham said this outlook was akin to living in the past, explaining that she sensed a profound shift in American politics with a new element — similar to Ukip in Britain — emerging on the right.

"There are Tea Party elements but it has kind of an independent, anti-corporatist streak, a populist strain running through it. There's a younger sensibility too," she said.

Republican grandees were foolish to believe that allowing illegal immigrants to stay was a way to attract new voters, she added: "You make real headway in the Latino, black and immigrant communities not by selling a policy that would lower their wages and burden their communities, but by economic rejuvenation. You have to be unafraid to say these things. UKIP's done that pretty well in Britain."

Ingraham hinted that her forays into Republican primary races this year could be the foundation for a political career of her own. "I've been approached by various people to get involved," she said. "I'm keeping an open mind about running for office in the future."

Atlanta Journal Constitution

[Embarrassing leaked campaign memo spells out Nunn's strategies, vulnerabilities](#)

by Kyle Wingfield

A hallmark of the primary season on the Democratic side was Senate candidate Michelle Nunn's studied determination not to define herself. As of today, that's no longer possible for her -- and it's her own campaign's fault.

A series of internal campaign memos, totaling 144 pages and covering everything from fund-raising goals and targets to staffing needs, was leaked to National Review, which [published it](#) today. The campaign itself reportedly uploaded the plan to the Internet back in December, before quickly taking it back down. But someone found it during that brief period and -- this is the impressive part -- had the patience to sit on it until after the GOP run-off was over.

While much of the plan details the mundane minutia of planning a year-long, statewide campaign, other parts of it are damaging to the Nunn campaign. National Review's Eliana Johnson, who wrote the publication's story about the memo, puts some of those problems right at the top:

"Michelle Nunn can come across as a 'lightweight,' 'too liberal,' not a 'real Georgian.' While she served as CEO for the Points of Light Foundation, the organization gave grants to 'inmates' and 'terrorists.' And her Senate campaign must feature images of her and her family 'in rural settings with rural-oriented imagery' because the Atlanta-based candidate will struggle to connect with rural voters.

"These may sound like attacks from the Senate candidate's Republican rival, but in fact, those are a few of the concerns expressed in her own campaign plan, which sources say was posted online briefly in December and appears to have been drafted earlier that month. Drawing on the insights of Democratic pollsters, strategists, fundraisers, and consultants, the document contains a series of memos addressed to Nunn and her senior advisers."

The news here isn't so much that Nunn is vulnerable on these points, but that the campaign is all too aware of them. You can expect Republican efforts to brand Nunn in the coming months to echo those descriptions.

Much worse is the way the document refers to problems stemming from Nunn's time as CEO of the Points of Light Foundation -- and not the one, already [verified by PolitiFact Georgia](#), that she took a hefty raise and promotion at a time when the organization was shedding employees. Rather, as Johnson writes:

"Though the campaign plan recommends emphasizing Nunn's accomplishments at the Points of Light Foundation, which she has done on the campaign trail, her strategists express enormous concern about attacks that might arise from her work there. She has served as CEO of Points of Light since 2007 and, according to the document, it has [made grants](#) to 'terrorists' and 'inmates' during her tenure. The document also makes reference to a [2010 audit](#) that concluded Points of Light's accounting system was 'not adequate to account for federal funds.'" (links original)

Those words "terrorists" and "inmates" come from the document itself. The former apparently refers to links between Points of Light and Islamic Relief USA, whose parent organization, Islamic Relief Worldwide, was [banned from Israel last month because of its reported ties to Hamas](#). The Nunn campaign says Points of Light simply "validated" Islamic Relief USA as a charity for

others to give to, resulting in \$33,000 in donations. (Note: The original text of this paragraph has been updated with [comment from the Nunn campaign](#).)

This may be of interest to the Jewish campaign donors the memo recommended Nunn court, with a message that as of its writing in December was described as to be determined. "Michelle's position on Israel will largely determine the level of support here," the plan stated. "There is tremendous financial opportunity, but the level of support will be contingent on her position. This applies not only to PACs, but individual donors as well." The Jewish community was one of two targeted for fund raising that didn't have a message already set by the campaign at that time, the other being trial lawyers and law firms. Other targeted groups were women, Georgia CEOs and business leaders, a national finance committee, young professionals, LGBT, and the tech community.

The list of vulnerabilities from Nunn's past and tenure at Points of Light, as outlined in the plan, includes: "grants to problematic entities, layoffs, liens (POL), POL audit/IG report, travel packages investigation, service awards to inmates (and) terrorists, Nunn's salary," as well as a list of potential attacks (named but not endorsed by the campaign) that "Nunn is too liberal, Nunn is a rubber stamp for Democrats, Nunn is Obama's/Harry Reid/Nancy Pelosi best friend, Nunn is not a 'real' Georgian, Nunn is a lightweight" and, somewhat out of place for that latter list, "conservation easements." Some of those issues and attacks were already known or obvious; others, such as the liens, IG report, travel packages investigation, service awards and conservation easements, are things that I, at least, hadn't heard about before. But we can expect to hear more about them in the months to come.

The memo also included a predictable list of national and international issues sure to come up during the campaign, from Obamacare to gun control.

To the degree voters think about the internal workings of a political campaign, they probably assume some version of this exists for every candidate. And they're probably right. But there's a difference between assuming campaign operatives think and talk this way, and seeing it all laid out in black and white. There's also the problem for the campaign of laying out a table of contents of issues for the GOP to research and use against Nunn, whereas they may have known about only certain of these things beforehand.

All in all, today was a very bad day for Michelle Nunn's candidacy and campaign.

National Review

Michelle Nunn's Campaign Plan

A leaked document gives the public a look.

By Eliana Johnson

Michelle Nunn can come across as a "lightweight," "too liberal," not a "real Georgian." While she served as CEO for the Points of Light Foundation, the organization gave grants to "inmates" and "terrorists." And her Senate campaign must feature images of her and her family "in rural settings with rural-oriented imagery" because the Atlanta-based candidate will struggle to connect with rural voters

These may sound like attacks from the Senate candidate's Republican rival, but in fact, those are a few of the concerns expressed in her own campaign plan, which sources say was posted online

briefly in December and appears to have been drafted earlier that month. Drawing on the insights of Democratic pollsters, strategists, fundraisers, and consultants, the document contains a series of memos addressed to Nunn and her senior advisers.

From all appearances, the document was intended to remain confidential. It outlines the challenges inherent in getting Nunn, who grew up mostly in Bethesda, Md., elected to the Senate in a state with a large rural population. Her father, Sam Nunn, was elected to the Senate when she was six, and Michelle Nunn attended Washington's prestigious National Cathedral School and then the University of Virginia and Harvard's Kennedy School of Government before returning to Georgia to do nonprofit work and, now, to seek higher office.

The documents reveal the campaign's most sensitive calculations. Much of the strategizing in the Georgia contest, as is typical in southern politics, revolves around race. But the Nunn memos are incredibly unguarded. One is from Diane Feldman, a Democratic pollster and strategist who counts among her clients Minnesota senator Al Franken, South Carolina representative James Clyburn, and former Los Angeles mayor Antonio Villaraigosa. Feldman, who did not return calls seeking comment, is frank in her characterization of the demographic groups — Jews, Asians, African Americans, Latinos, and gays — that are essential to a Democratic victory. The Nunn campaign declined to comment about the document on the record.

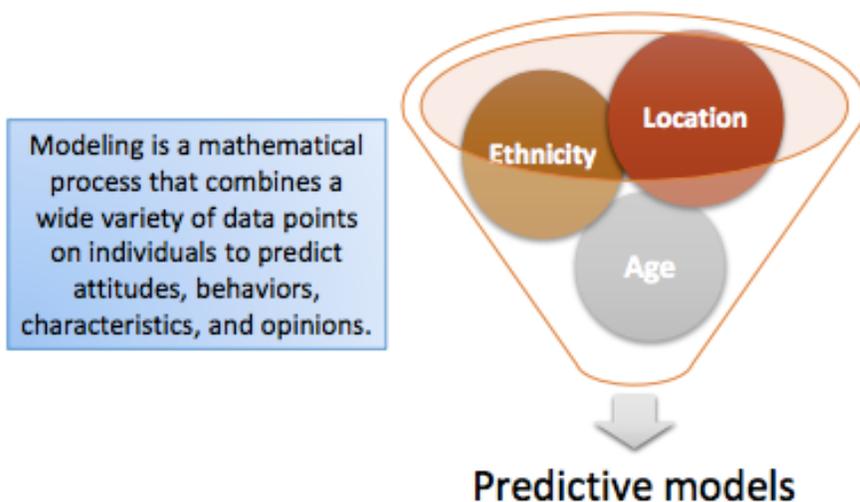
The campaign's finance plan draws attention to the "tremendous financial opportunity" in the Jewish community and identifies Jews as key fundraisers. It notes, however, that "Michelle's position on Israel will largely determine the level of support here." That's a position she has yet to articulate — her message on the subject is marked "TBD" in the document — and Israel goes unmentioned on her campaign website.

Jewish Community:

- **Opportunity:** Michelle's position on Israel will largely determine the level of support here. There is tremendous financial opportunity, but the level of support will be contingent on her position. This applies not only to PACs, but individual donors as well.
 - **Message:** TBD
 - **Potential Anchors:** Sheri and Steve Labovitz, Elaine Alexander, Jewish Democratic Women
 - **Projected Goal:** \$250,000

Asians are also identified as key fundraisers. The community is described as "very tight," one in which people work to "become citizens quickly." Nunn's strategists also say there is a "huge opportunity" to raise money from gays, bisexuals, and transgender individuals, who are described as having "substantial resources."

How Predictive Models Work



bluelabs
analytics.data.technology



This graphic, labeled “confidential and proprietary,” comes from the BlueLabs group, an analytics, data, and technology company founded by former Obama campaign staffers. It is included in the document’s “voter activation and mobilization” memo.

As southern whites have moved to the right, Democrats have been forced to cobble together a coalition of minority voters. Feldman recommends as a goal winning just 30 percent of the white vote while working to increase turnout among African Americans and Latinos. So while Jews, Asians, and gays are characterized as potential “fundraisers,” African Americans and Hispanics are the ones the campaign needs to get to the polls in historic numbers, the document makes clear.

“This constituency group is critical,” it says of the African Americans who make up much of Georgia’s Democratic base, adding that Nunn must win “a very high percentage of the African-American vote” and attract “a large number of voters who do not typically turn out in an off-election year.” The plan puts a particular emphasis on black clergy. It also highlights the need to “generate passion and enthusiasm” for Nunn in the black community. And it raises concern that Hispanics have not yet been “appropriately engaged” on her behalf.

That concern is reflective of the phenomenon that Bo Moore, who served as political director for former Georgia senator Paul Coverdell and as a strategist for Phil Gramm’s presidential campaign, describes as the “two Georgias”: Atlanta and the rest of the state. “Metro Atlanta is made up mostly of transplants from other parts of the country and then everything south and east of Atlanta is more traditional, rural, and southern,” he says. African Americans also constitute over half of Atlanta’s urban population.

The memos express concern that Nunn, who lives in an upper-class Atlanta neighborhood, will struggle to appeal to voters outside of the city. A document from the direct-mail firm Ambrosino Muir Hansen Crouse recommends sending small postcards featuring “Michelle and her family in rural settings with rural-oriented imagery” to “combat the notion that she is an Atlanta-based candidate uninterested in, or unfamiliar with, the rural parts of the state.”

To compensate for her difficulties with rural white voters, Nunn’s strategists emphasize the need to turn out blacks and Hispanics. “They know that in order to have a chance of winning, they’ve got to change the turnout from what it would ordinarily be in a midterm election,” Kerwin Swint, a professor of politics at Atlanta’s Kennesaw State University, said, when asked about the document’s conclusions. Former Democratic senator Max Cleland won 30 percent of the white vote when he ran unsuccessfully for reelection in 2002, but since then no Georgia Democratic Senate candidate has come within striking distance of that number: In 2008, Jim Martin won just 26 percent of the white vote and in 2004, Denise Majette won less than a quarter of it. As the daughter of an enormously popular former senator, though, Nunn has the potential to pull it off.

Her strategists are optimistic that the media won’t prove much of an obstacle. They write that at some point her opponent, who at the time the document was written had yet to be determined, will be “shoveling research” against her. But they say they anticipate they will often have “fair warning” about negative news stories and can work to “kill or muddy” them.

“I would love to know what kind of already-formed relationships they have in Atlanta and even in the national media that they’re planning on using as sources and conduits of information,” Swint says. “It’s certainly interesting to see it in writing like that.”

Democrats intensely recruited Nunn, and the seat, which is being vacated by Republican senator Saxby Chambliss, is widely considered their best pickup opportunity in the Senate of this election cycle. Though Nunn announced her candidacy last July, many of her positions have remained vague: She skipped most of the debates with her Democratic-primary opponents and artfully dodged questions on tricky political issues such as Obamacare.

Though the campaign plan recommends emphasizing Nunn’s accomplishments at the Points of Light Foundation, which she has done on the campaign trail, her strategists express enormous concern about attacks that might arise from her work there. She has served as CEO of Points of Light since 2007 and, according to the document, it has made grants to “terrorists” and “inmates” during her tenure. The document also makes reference to a 2010 audit that concluded Points of Light’s accounting system was “not adequate to account for federal funds.”

According to the IRS Form 990s that Points of Light filed in 2008 and 2011, the organization gave a grant of over \$33,000 to Islamic Relief USA, a charity that says it strives to alleviate “hunger, illiteracy, and diseases worldwide.” Islamic Relief USA is part of a global network of charities that operate under the umbrella of Islamic Relief Worldwide. Islamic Relief USA says on its website that it is a legally separate entity from its parent organization, but that they share “a common vision, mission, and family identity.”

Islamic Relief Worldwide has ties to Hamas, which the U.S. designates as a terrorist organization. In June, Israel banned the charity from operating in the country because, according to Israeli officials, it was funneling cash to Hamas. In 2006, Israelis arrested Islamic Relief Worldwide’s Gaza coordinator, Ayaz Ali. They said he was working to “transfer funds and assistance to various Hamas institutions and organizations.” Ali admitted to cooperating with local Hamas operatives while working in Jordan and, on his computer, Israeli officials found photographs of “swastikas

superimposed on IDF symbols,” and of Nazi officials, Osama bin Laden, and al-Qaeda in Iraq leader Abu Musab al-Zarqawi.

Islamic Relief USA highlighted the work of Islamic Relief Worldwide in Palestine in its 2012 annual report, in which it talks generally about the work of Islamic Relief charities in the region without drawing a distinction between the branches. The organization has raised eyebrows before. According to a 2012 report, its bank account was closed by UBS and it was “under constant scrutiny by other banks due to nervousness about counterterrorist regulations.” The group’s terror ties extend beyond Hamas, according to a former Israeli intelligence official. He says that Islamic Relief Worldwide’s country director in Palestine, Muneed Abugazaleh, met in April 2012 with Dr. Omar Shalah, a leader of the terror group Islamic Jihad and of the Riyadh al-Saleheen Charitable Society, which is affiliated with the group. He is also the brother of Ramadan Shalah, the leader of Islamic Jihad.

Nunn and the HandsOn Network, which operates under the umbrella of Points of Light, also heaped praise on a former death-row inmate even after his continued run-ins with the law. Shareef Cousin is one of the contributors to Nunn’s 2007 book, *Be the Change*, a collection of quotations and reflections from people who, according to Nunn, have embraced their “capacity to make a difference.”

Cousin’s inspiring story was bookended with troubling behavior. In 1996, at the age of 16, he became the country’s youngest-ever death-row inmate. His conviction was overturned in 1998, but he remained in prison until 2005 on a 20-year sentence for armed robberies he had pled guilty to before his murder trial. In 2008, while he was still on parole, Cousin pleaded guilty to using his boss’s Social Security number to obtain credit cards and then, according to the New Orleans *Times-Picayune*, using the cards for a “\$42,000 spending spree on audio equipment and a paint job for his car.” In August 2010, the HandsOn Network recognized Cousin as a “voice of change.”

Former president George H. W. Bush founded the Points of Light Foundation in 1987 to encourage volunteerism across the country. Since Nunn became the CEO in 2007, it has awarded grants to hundreds of charitable groups, and the campaign document raises alarm bells about “grants to problematic entities” and “notable line items” in its 990 forms. It has given money to organizations whose charitable missions appear questionable, including the International Mountain Bicycling Association, which sponsors gatherings of mountain-biking “thought leaders,” and the Lesbian and Gay Band Association, which seeks to foster a global network of lesbian and gay bands.

The Nunn campaign plan also contains details about messaging, fundraising, staffing, organization, and scheduling that are usually closely held. “All campaigns are kind of chaotic and mistakes happen,” says Bo Moore, the Georgia Republican strategist, of the document’s release online. “It was probably just an innocent mistake of the campaign.”

The document in its entirety can be viewed below.

Eliana Johnson is a national reporter for National Review Online.

Power Line

[Michelle Nunn's charity and Hamas](#)

by Paul Mirengoff

Democrats are hoping partially to offset the Senate seats they will lose in November by picking up a seat in Georgia. Their vehicle is Michelle Nunn, daughter of popular former Senator Sam Nunn.

Nunn is trailing Republican David Perdue in [most polls](#). However, she is running close enough to provide some hope for her beleaguered Party.

Since 2007, Nunn has served as the CEO of Points of Light, a charitable organization founded by George H. W. Bush to encourage volunteerism across the country. Noble in concept, Points of Light — like so many originally high-minded ideas and organizations — has been infected by a left-wing political agenda.

Thus, [Eliana Johnson](#) reports that under Nunn's leadership Points of Light has given money to some organizations that have less to do with fostering volunteerism than with fostering pet leftist causes. These include the Lesbian and Gay Band Association, which seeks to promote a global network of, yes, lesbian and gay bands.

Less innocently, they also include a group with ties to terrorists.

According to the IRS Form 990s that Points of Light filed in 2008 and 2011, the organization gave a grant of over \$33,000 to Islamic Relief USA, a charity that says it strives to alleviate "hunger, illiteracy, and diseases worldwide." Islamic Relief USA is part of a global network of charities that operate under the umbrella of Islamic Relief Worldwide. . . .

Islamic Relief Worldwide has ties to Hamas, which the U.S. designates as a terrorist organization. In June, Israel banned the charity from operating in the country because, according to Israeli officials, it was funneling cash to Hamas. In 2006, Israelis arrested Islamic Relief Worldwide's Gaza coordinator, Ayaz Ali. They said he was working to "transfer funds and assistance to various Hamas institutions and organizations."

Ali admitted to cooperating with local Hamas operatives while working in Jordan and, **on his computer, Israeli officials found photographs of "swastikas superimposed on IDF symbols," and of Nazi officials, Osama bin Laden, and al-Qaeda in Iraq leader Abu Musab al-Zarqawi.**

Not surprisingly, then, Islamic Relief Worldwide's ties to terrorists extend beyond Hamas:

According to a former Israeli intelligence official. . . Islamic Relief Worldwide's country director in Palestine, Muneed Abugazaleh, met in April 2012 with Dr. Omar Shalah, a leader of the terror group Islamic Jihad and of the Riyadh al-Saleheen Charitable Society, which is affiliated with the group. He is also the brother of Ramadan Shalah, the leader of Islamic Jihad.

The Nunn campaign is concerned, as it should be, about the political implications of Points of Light's financial contribution to Islamic Relief, USA. Eliana reports that an internal campaign strategy memo that was posted online (inadvertently, I assume) cites the contribution as a vulnerability.

One would hope so. Apart from being Sam Nunn's daughter, Michelle Nunn's tenure as CEO of Points of Light is just about her only credential for political office.

Nor has candidate Nunn been willing to take a stand on certain key issues, including Obamacare. For this, she has been criticized by the likes of Mika Brzezinski, Chuck Todd, and Stuart Rothenberg.

The fact that Points of Light, Nunn's only substantive calling card, has funneled money to an organization with ties to Hamas should certainly tarnish her reputation and harm her campaign, which probably has little margin for error.

IBD

Late Night

by Andrew Malcolm

Conan: New York Democrat Gov. Andrew Cuomo has been accused of ethics violations. If the charges prove true, the Governor of New York would be forced to step down and become the Governor of New Jersey.

Fallon: So, Montana Sen John Walsh - who's up for re-election - plagiarized his thesis. Even worse, it's mostly TRIPLE-spaced and he REALLY went in on the margins.

Conan: Obama is in Los Angeles today for a fundraising tour. I don't want to say traffic is bad, but right now I'm actually stuck on the freeway, Skyping this show from my car.

Fallon: I read about this woman in California who rented her home to a guy, but now the guy stopped paying rent. He refuses to leave. Then her friends were like, "Have you tried saying you love him?"

Meyers: A woman accused of shoplifting evaded mall police in California and escaped in her car after she lost her bra and shirt during an altercation with security guards. Witnesses describe the suspect as about 5'6", with brown hair, and eyes that are up here, buddy.

Meyers: A Japanese artist is launching a bonsai tree into space. Now if only he could think of something to yell during the launch.

Meyers: Senator Marco Rubio says Hillary Clinton is out of touch with voters and is a "20th century candidate." That's ridiculous! Hillary started campaigning way before the 20th century.

Fallon: Seventeen siblings from New Jersey just won \$20 million in the lottery. If I know siblings and if I know New Jersey, this should go *REALLY* well. They probably already have a reality show.

Fallon: This sibling-lottery win actually marks the first time a New Jersey family made that much money that didn't involve "waste management."

Conan: Scientists say chances are good the California drought will continue into the next year. Or as we say here in Hollywood, it's been renewed for another season.

Fallon: "Game of Thrones" announced that it's adding nine new characters for the next season. And they're already dead.

Meyers: Today is National Tequila Day. And that means tomorrow is Mysterious Leg Bruise Day.

Meyers: The “50 Shades of Grey” trailer premiered on the Today Show the other day. Pretty intense — Al Roker is still tied up in the green room.

Fallon: A new report says New York is the unhappiest city in America. That's not fair — I've seen plenty of New Yorkers smile. Usually it's when somebody trips on the street, but still, they're smiling.

Fallon: The next “Amazing Spider-Man” movie has been pushed back to 2018. The studio is waiting until everyone gets home from the last Spider Man movie.





The LITTLE DUTCH BOY.

