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**"Freedom of the Press belongs to those who own one."**

*A. J. Liebling of the New Yorker*

**June 29, 2004**



## **European Influence?**

# **Commentary**

**T**wo Swedish economists have completed a study on the relative wealth of European nations in comparison to the states of the United States. The results and an analysis were published in an editorial in the Wall Street Journal.

The analysis isn't pretty but it is revealing. The study was done on the basis of Gross Domestic Product (GDP), which is not the end-all and be-all of methodologies, but it is easily understood, and is a competent, if not complete, method of comparison.

In general, all but one European nation would rank below the average of U.S. States. Germany, in fact, ranks about equal to Arkansas, and France is not much better. France would rank well below the average U.S. State.

Some of the WSJ editorial comments as a result of the study are:

**"Higher GDP per capita allows the average American to spend about \$9,700 more on consumption every year than the average European. So Yanks have by far more cars, TVs, computers and other modern goods. 'Most Americans have a standard of living which the majority of Europeans will never come anywhere near,' the Swedish study says.**

**"But what about equality? Well, the percentage of Americans living below the poverty line has dropped to 12% from 22% since 1959.**

**In 1999, 25% of American households were considered 'low income,' meaning they had an annual income of less than \$25,000. If Sweden – the very model of a modern welfare state – were judged by the same standard, about 40% of its households would be considered low income.**

**“In other words, poverty is relative, and in the U.S. a large 45.9% of the 'poor' own their homes, 72.8% have a car and almost 77% have air conditioning, which remains a luxury in most of Western Europe. The average living space for poor American households is 1,200 square feet. In Europe, the average space for all households, not just the poor, is 1,000 square feet.”**

**The “European Union” has recently gone through some elections for the so-called European Parliament – only to find general ennui and a great deal of antipathy toward the whole “Union” process. It is highly likely that Britain will reject the entire process, leaving a reeling “union” to try to pick up the remaining pieces.**

**Germany, ranked somewhere and by some measure as the world's third-ranked economy (even though it ranks with Arkansas) has an “Army” of 270,000 but says it is exhausted with the effort of maintaining 2,000 troops and 7,500 non-combatants in Afghanistan, Kosovo and Bosnia.**

**The French have about 15,000 serving “abroad” with about 700 in Afghanistan. The largest French contingent serving outside of France is in the Ivory Coast – about 4,000 troops. (That should tell you something about the French view of the threats around the world!)**

**Last year, the U.S. spent \$417.4 billion on defense or about \$1,419 per capita. France's total spending was \$35 billion or about \$583 per capita, while Germany spent \$27.2 billion or about \$329 per capita according to the Stockholm International Peace Research Institute.**

**This economic bottom-dwelling combined with political disarray does not bode well for the premise of the “Union” – which is to provide a counterpoint for a perceived “American Hegemony.”**

**With neither economic or military presence, Europe must rely on their American East Coast sympathizers led by the French-looking and French-speaking Democrat party candidate, to carry the political load.**

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