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Bitcoin\_Is\_No\_Longer\_a\_Currency\_Matthew\_O'Brien\_The\_Atlantic\_April\_11,\_2013.pdf;  
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## DEAR FRIEND.....

Reflecting on his legacy Former President George W. Bush described his tenure in the White House during an interview with the **Dallas Morning News** published last Sunday, saying that he was comfortable with his decision-making regarding the Iraq War and had few regrets. *"I'm confident the decisions were made the right way,"* Bush explained. *"It's easy to forget what life was like when the decision was made."* The former president's comments come just weeks after an emotional observance of the 10th anniversary of the Iraq invasion. Bush, former Vice President Dick Cheney and other members of the administration who played integral parts in the war received heavy criticism over that period.

Prior to the second Iraq War, the Vietnam War was widely viewed as the biggest disaster in American military history. Not only was the conflict poorly executed by America and its local allies, but domestic support for the war effort collapsed, leading to a stark defeat of American strategy. No matter how President Bush tries to spin it, characterizing his invasion of Iraq as a victory or a good thing, is ridiculous when in fact, the Iraq war and subsequent occupation may ultimately come to be regarded as a bigger mistake than Vietnam was.

Vietnam may have been divided between North and South, but it encompassed an ancient culture with common language and traditions. At that time our reasons for defending it were grounded in a national strategy called containment that was embraced by both political parties as a necessary response to communist aggression. Iraq, in contrast, is a country of warring ethnic and sectarian communities, and our military involvement there resulted from an ad-hoc response to faulty intelligence in the aftermath of the 9-11 attacks.

The first lesson we learned after toppling Saddam Hussein was that our main reason for invading the country — Iraq's nuclear-weapons program — didn't exist. We soon determined that another big reason for going, the supposed presence of Al Qaeda elements, was totally imaginary. But the really big and enduring lesson was that the Iraqis were not by nature a peaceful people — they had longstanding scores to settle, not only with each other but also with us, and they proved remarkably

persistent in pursuing that purpose. And if anything, our presence helped spur recruiting by sectarian militias and local supporters of Al Qaeda who weren't operating during Saddam Hussein's regime.

When the immediate rationales for invading Iraq were revealed as misguided, the Bush Administration then defaulted to the argument that a brutal dictator was being deposed to make way for the first real democracy in the Arab world. That certainly was a laudable objective, but it begged the question of how Saddam had managed to remain in power for decades. The short answer was that only an authoritarian leader could have controlled the centrifugal forces inherent in the country's political culture. Saddam was more brutal than he needed to be, but partly because he feared what would happen to his own sectarian community if the majority Shiites ever came to power (the Kurds mainly wanted independence).

Now the Shiites are in power, although prime minister Nouri al-Maliki has made an effort to include members of the other two major communities — Sunni Arabs and Kurds — in his coalition. We can take a little satisfaction from the fact that the most recent elections were probably the fairest in Iraqi history. On the other hand, Maliki would not have won a second term without backing from Shiite firebrand Moktada al-Sadr, so optimism is not indicated. **The New York Times** recently noted Maliki's increasing "*authoritarian tendencies*," but that may reflect no more than his efforts to survive in a very tough neighborhood. He needs to marginalize his enemies and find as many friends as he can. And now it appears that the single biggest reason why the war and occupation may prove to have been a huge mis-step for America, is that Iran now has a foothold in Iraq. And the one local government currently run by Shiites that Maliki can turn to Iran for help when the Americans are gone — a Shiite theocracy.

And for those who are concerned about Iranian influence in one of the Arab world's premier oil-producing states aside from 4,480 deaths, 32,000 wounded, more than 100,000 Iraqi civilians deaths and millions more refugees, a recent Harvard study attempted to put the human cost of Bush's wars in context, explaining that the expense of covering residual health issues for young soldiers injured in Iraq, as well as Afghanistan, will continue to weigh on the system long after the official end of those engagements. According to the paper, the cost of Iraq and Afghanistan together could end up running somewhere between \$4 to \$6 trillion. And for President Bush, Vice President Cheney or any other members of their administration and supporters to claim that they are comfortable with disastrous War in Iraq, is beyond belief.... But then as my father use to say, "*history is always re-written by the winner.*"

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With shouts of "*Shame on you!*" echoing in the chamber, the U.S. Senate failed to muster sufficient support Wednesday for a gun-buyer background check bill that's supported by nearly 90 percent of Americans. It also voted down other key measures and counter-proposals, defeating a string of amendments in a series of procedural votes that likely doomed any major legislation to curb gun violence.

**In response:** Wednesday President Barack Obama delivered a fired-up statement in the Rose Garden of the White House in response to the a gun-buyer background check bill amendment in the US Senate which failed 54 to 46, falling short of the 60-vote threshold needed to break a filibuster of the measure. The President's anger was apparent during his remarks -- "*The gun lobby and its allies willfully lied about the bill.*" The President said the failure of the background check bill "*came down to politics*" and "*all in all, this was a pretty shameful day for Washington,*" urging Americans to pressure their elected representatives to do the right thing to at least pass laws that might make it more difficult for criminals and people with severe mental illness to buy guns. Please feel free to read the President's speech below.

Video: <http://on.aol.com/video/obama--nra-willfully-lied-517748614>

**THE PRESIDENT:** A few months ago, in response to too many tragedies — including the shootings of a United States Congresswoman, Gabby Giffords, who's here today, and the murder of 20 innocent schoolchildren and their teachers -- this country took up the cause of protecting more of our people from gun violence.

Families that know unspeakable grief summoned the courage to petition their elected leaders -- not just to honor the memory of their children, but to protect the lives of all our children. And a few minutes ago, a minority in the United States Senate decided it wasn't worth it. They blocked common-sense gun reforms even while these families looked on from the Senate gallery.

By now, it's well known that 90 percent of the American people support universal background checks that make it harder for a dangerous person to buy a gun. We're talking about convicted felons, people convicted of domestic violence, people with a severe mental illness. Ninety percent of Americans support that idea. Most Americans think that's already the law.

And a few minutes ago, 90 percent of Democrats in the Senate just voted for that idea. But it's not going to happen because 90 percent of Republicans in the Senate just voted against that idea.

A majority of senators voted "yes" to protecting more of our citizens with smarter background checks. But by this continuing distortion of Senate rules, a minority was able to block it from moving forward.

I'm going to speak plainly and honestly about what's happened here because the American people are trying to figure out how can something have 90 percent support and yet not happen. We had a Democrat and a Republican -- both gun owners, both fierce defenders of our Second Amendment, with "A" grades from the NRA — come together and worked together to write a common-sense compromise on background checks. And I want to thank Joe Manchin and Pat Toomey for their courage in doing that. That was not easy given their traditional strong support for Second Amendment rights.

As they said, nobody could honestly claim that the package they put together infringed on our Second Amendment rights. All it did was extend the same background check rules that already apply to guns purchased from a dealer to guns purchased at gun shows or over the Internet. So 60 percent of guns are already purchased through a background check system; this would have covered a lot of the guns that are currently outside that system.

Their legislation showed respect for gun owners, and it showed respect for the victims of gun violence. And Gabby Giffords, by the way, is both — she's a gun owner and a victim of gun violence. She is a Westerner and a moderate. And she supports these background checks.

In fact, even the NRA used to support expanded background checks. The current leader of the NRA used to support these background checks. So while this compromise didn't contain everything I wanted or everything that these families wanted, it did represent progress. It represented moderation and common sense. That's why 90 percent of the American people supported it.

But instead of supporting this compromise, the gun lobby and its allies willfully lied about the bill. They claimed that it would create some sort of "big brother" gun registry, even though the bill did the opposite. This legislation, in fact, outlawed any registry. Plain and simple, right there in the text. But that didn't matter.

And unfortunately, this pattern of spreading untruths about this legislation served a purpose, because those lies upset an intense minority of gun owners, and that in turn intimidated a lot of senators. And I talked to several of these senators over the past few weeks, and they're all good people. I know all of

them were shocked by tragedies like Newtown. And I also understand that they come from states that are strongly pro-gun. And I have consistently said that there are regional differences when it comes to guns, and that both sides have to listen to each other.

But the fact is most of these senators could not offer any good reason why we wouldn't want to make it harder for criminals and those with severe mental illnesses to buy a gun. There were no coherent arguments as to why we wouldn't do this. It came down to politics — the worry that that vocal minority of gun owners would come after them in future elections. They worried that the gun lobby would spend a lot of money and paint them as anti-Second Amendment.

And obviously, a lot of Republicans had that fear, but Democrats had that fear, too. And so they caved to the pressure, and they started looking for an excuse — any excuse — to vote “no.”

One common argument I heard was that this legislation wouldn't prevent all future massacres. And that's true. As I said from the start, no single piece of legislation can stop every act of violence and evil. We learned that tragically just two days ago. But if action by Congress could have saved one person, one child, a few hundred, a few thousand — if it could have prevented those people from losing their lives to gun violence in the future while preserving our Second Amendment rights, we had an obligation to try.

And this legislation met that test. And too many senators failed theirs.

I've heard some say that blocking this step would be a victory. And my question is, a victory for who? A victory for what? All that happened today was the preservation of the loophole that lets dangerous criminals buy guns without a background check. That didn't make our kids safer. Victory for not doing something that 90 percent of Americans, 80 percent of Republicans, the vast majority of your constituents wanted to get done? It begs the question, who are we here to represent?

I've heard folks say that having the families of victims lobby for this legislation was somehow misplaced. “A *prop*,” somebody called them. “*Emotional blackmail*,” some outlet said. Are they serious? Do we really think that thousands of families whose lives have been shattered by gun violence don't have a right to weigh in on this issue? Do we think their emotions, their loss is not relevant to this debate?

So all in all, this was a pretty shameful day for Washington.

But this effort is not over. I want to make it clear to the American people we can still bring about meaningful changes that reduce gun violence, so long as the American people don't give up on it. Even without Congress, my administration will keep doing everything it can to protect more of our communities. We're going to address the barriers that prevent states from participating in the existing background check system. We're going to give law enforcement more information about lost and stolen guns so it can do its job. We're going to help to put in place emergency plans to protect our children in their schools.

But we can do more if Congress gets its act together. And if this Congress refuses to listen to the American people and pass common-sense gun legislation, then the real impact is going to have to come from the voters.

To all the people who supported this legislation — law enforcement and responsible gun owners, Democrats and Republicans, urban moms, rural hunters, whoever you are — you need to let your representatives in Congress know that you are disappointed, and that if they don't act this time, you will remember come election time.

To the wide majority of NRA households who supported this legislation, you need to let your leadership and lobbyists in Washington know they didn't represent your views on this one.

The point is those who care deeply about preventing more and more gun violence will have to be as passionate, and as organized, and as vocal as those who blocked these common-sense steps to help keep our kids safe. Ultimately, you outnumber those who argued the other way. But they're better organized. They're better financed. They've been at it longer. And they make sure to stay focused on this one issue during election time. And that's the reason why you can have something that 90 percent of Americans support and you can't get it through the Senate or the House of Representatives.

So to change Washington, you, the American people, are going to have to sustain some passion about this. And when necessary, you've got to send the right people to Washington. And that requires strength, and it requires persistence.

And that's the one thing that these families should have inspired in all of us. I still don't know how they have been able to muster up the strength to do what they've doing over the last several weeks, last several months.

And I see this as just round one. When Newtown happened, I met with these families and I spoke to the community, and I said, something must be different right now. We're going to have to change. That's what the whole country said. Everybody talked about how we were going to change something to make sure this didn't happen again, just like everybody talked about how we needed to do something after Aurora. Everybody talked about we needed change something after Tucson.

And I'm assuming that the emotions that we've all felt since Newtown, the emotions that we've all felt since Tucson and Aurora and Chicago — the pain we share with these families and families all across the country who've lost a loved one to gun violence — I'm assuming that's not a temporary thing. I'm assuming our expressions of grief and our commitment to do something different to prevent these things from happening are not empty words.

I believe we're going to be able to get this done. Sooner or later, we are going to get this right. The memories of these children demand it. And so do the American people.

## **President Barack Obama**

*We have to ask ourselves why there are people in America who believe that everyone in the country should have access any type of guns, including military grade assault weapons and ammunition which are use in the killing and wounding of tens of thousands of people in America each year, (without background checks), when during this week no one thought that it was odd to completely shutdown a city of more than a million people during a police hunt for one 19 year-old suspect, who was possibly wounded.*

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We also have to ask ourselves if the recent mayhem in Boston and the Newtown massacre four months ago is the *new normal*. From Columbine to 9/11 to Fort Hood to Aurora to Oak Creek and the many other events that were lost in the back pages of history, such as the mass shootings at the Empire State Building, Clackamas, Seattle University, Oikos University in Oakland, Miami and Chardon, Ohio.... all which happened last year. Obviously these types of bedlam have happened before, otherwise "*going postal*" would not be part of the lexicon in the US. However, between the daily car chases being shown on the local news, and the fact that it appears that an Elvis impersonator in Mississippi who sent poison letters to President Obama and Senator Roger Wicker last week almost went unnoticed, maybe there is a *new normal*. Obviously, Columbine was a wake-up call for most of America and 9/11, followed by anthrax scares, interrupted by a plane crash in Queens and then by a would-b shoe and

underwear bombers -- a cascade that somehow has left several generations forever aware that the unthinkable is possible.

But the intensive search that unmasked the two main perpetrators (*26-year-old Tamerlan Tsarnaev and 19-year-old brother Dzhokhar Tsarnaev*) of the Boston bombing and the gun fire captured on cell-phone by local residents in Watertown, (*just across the Charles River from Boston*), on Thursday night, causing government officials to place the entire city of Boston on lock-down while police and authorities mounted an intense manhunt for Dzhokhar, after his older brother was killed -- it all seemed usual for every television network and Internet blog to follow it detail to detail, making it the *new normal*, as they try to explain, compile and often softening the violence which dilutes the intensity of the panic, allowing us to wake up to the latest news updates, press briefings and commentary from experts and government officials as if we have learned something.

While the truth is that over and over all that we seem to have learned -- is that we can't protect our children, that crazies will be crazy, that we can't guarantee tomorrow, that we should treasure today because tomorrow is not guaranteed as some sort of violence, mayhem of police chase might happen in your neighborhood. But what does this mean. This is not the first time we have been knocked off our feet, and we are not the first generation to pick ourselves back up. That is normal. We will mourn and grieve and re-calibrate. And like the Canadian Mounties' motto, "*we always get our man,*" once identified, it was just a matter of time before the Tsarnaev brothers were captured and/or killed and within 48 hours of their identification both happened. Following this, we will demand of our government for more protection. Then after a safe distance, we will try to assign the blame on Islamic crazies, mental illness or brainwashing in Chechnya. And then we will demand that any prescribed changes not affect our lives. This is the *new normal*, with the only difference from our past is that today it is televised live..... Making it more familiar than ever. We live in a selfish violent culture embraced by ignorance, anger, greed and intolerance, with an obvious disregard of the greater good, and until we change this nothing else will. *The new normal.*

## THIS WEEK'S READINGS

The week environmental writer James Grubel, reported in **Reuters – *Summer Ice Melt In Antarctica Is At The Highest Point In 1,000 Years, Researchers Say*** – that the summer ice melt in parts of Antarctica is at its highest level in 1,000 years, adding new evidence of the impact of global warming on sensitive Antarctic glaciers and ice shelves. Researchers from the Australian National University and the British Antarctic Survey found data taken from an ice core also shows the summer ice melt has been 10 times more intense over the past 50 years compared with 600 years ago.

"It's definitely evidence that the climate and the environment is changing in this part of Antarctica," lead researcher Nerilie Abram said. Abram and her team drilled a 364-metre (400-yard) deep ice core on James Ross Island, near the northern tip of the Antarctic Peninsula, to measure historical temperatures and compare them with summer ice melt levels in the area. They found that, while the temperatures have gradually increased by 1.6 degrees Celsius (2.9 degrees Fahrenheit) over 600 years, the rate of ice melting has been most intense over the past 50 years.

That shows the ice melt can increase dramatically in climate terms once temperatures hit a tipping point. "*Once your climate is at that level where it is starting to go above zero degrees, the amount of melt that will happen is very sensitive to any further increase in temperature you may have,*" Abram said. Robert Mulvaney, from the British Antarctic Survey, said the stronger ice melts are likely responsible for faster glacier ice loss and some of the dramatic collapses from the Antarctic ice shelf over the past 50 years. If this is true we may be pass the tipping point and who knows what the real

consequences will be but if scientists are right the world's oceans will rise to unprecedented levels creating havoc to island nations and coastal areas around the world.

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In 2009 the Federal Communications Commission (FCC) started the process of creating a **National Broadband Plan** by holding thirty-six public workshops held at the FCC and streamed online, which drew more than 10,000 in-person or online attendees, provided the framework for the ideas contained within the plan. These ideas were then refined based on replies to 31 public notices, which generated some 23,000 comments totaling about 74,000 pages from more than 700 parties. The FCC also received about 1,100 ex parte filings totaling some 13,000 pages and nine public hearings were held throughout the country to further clarify the issues addressed in the plan which was released in 2010. And although broadband has spread across most populated areas in America, not one American city made the list of "fastest cities in the world" and as Blair Levin and Ellen Satterwhite wrote this week – in **The Washington Post** – *The fastest way to speedy networks: ignore Uncle Sam* – there is no prospect of any joining the list in the foreseeable future.

In 2012 the fastest city in the US is Boston at 8.4 Mbps; fractionally ahead of North Bergen, NJ for average connection speed. Jersey City, NJ came in third at 8.3 Mbps, Monterey Park, CA fourth at 8.2 Mbps and Clifton, NJ fifth at 8.0 Mbps. And the fastest county in the world based on the average connection speed, was South Korea coming in at 17.5 Mbps, in contrast the US ranked 13 at 5.8 Mbps. In terms of the fastest cities in the world, Taegu, South Korea ranked first at 21.8 Mbps. In general, Akamai found that cities in the Asia Pacific region held 69 of the top 100 spots on the list of fastest cities in the world. Japan tops the list with 61, while there are 22 from the US. Needless to say this should obviously concern us as the list means far more than simply being the fast. America needs a critical mass of communities with world-leading bandwidth in order to develop the human capital required to design, build, operate and, above all, innovate on top of the best networks in the world.

Like electricity a century ago, broadband is a foundation for economic growth, job creation, global competitiveness and a better way of life. It is enabling entire new industries and unlocking vast new possibilities for existing ones. It is changing how we educate children, deliver health care, manage energy, ensure public safety, engage government, and access, organize and disseminate knowledge. Fueled primarily by private sector investment and innovation, the American broadband ecosystem has evolved rapidly. The number of Americans who have broadband at home has grown from eight million in 2000 to nearly 200 million last year. Increasingly capable fixed and mobile networks allow Americans to access a growing number of valuable applications through innovative devices.

But broadband in America is not all it needs to be. Approximately 100 million Americans do not have broadband at home. Broadband-enabled health information technology (IT) can improve care and lower costs by hundreds of billions of dollars in the coming decades, yet the United States is behind many advanced countries in the adoption of such technology. Broadband can provide teachers with tools that allow students to learn the same course material in half the time, but there is a dearth of easily accessible digital educational content required for such opportunities. A broadband-enabled Smart Grid could increase energy independence and efficiency, but much of the data required to capture these benefits are inaccessible to consumers, businesses and entrepreneurs. And nearly a decade after 9/11, our first-responders still lack a nationwide public safety mobile broadband communications network, even though such a network could improve emergency response and homeland security.

Last week Google announced that it is bringing its Google Fiber product to Austin, the news that the North Carolina Next Generation Network (NC NGN) project had eight bidders, and similar projects in

communities including Chattanooga, Chicago, Seattle and Gainesville, suggest that local leaders are starting to crack the code for how to drive network upgrades in their communities. What these efforts have in common is leadership that understands that world-leading connectivity is the foundation for future economic development and competitiveness. Though still nascent, anecdotal evidence is mounting of success stories, from the bond rating increase Kansas City received (thanks in part to Google Fiber), to the miraculous turnaround of Chattanooga, which as Tom Friedman reports has changed the city from “*a slowly declining and deflating urban balloon, to one of the fastest-growing cities in Tennessee.*”

Local leaders are learning to build agreements with private enterprise that work for both the private and public interests. These efforts lower deployment and operating costs as well as risk, while at the same time creating numerous public benefits including attractive service levels and reasonable consumer pricing. These agreements, in effect, are new versions of the social contracts that enabled phone companies and cable companies to build out their networks in the last century. While the network upgrade may seem to be only about speed, in actuality it will also drive other public improvements as well. Expectations are that the upgrade Kansas City is now enjoying will result in increased adoption of information technologies, more effective government use of broadband for education, health care, public safety and other public goods – as well as creating competition.

Even with government assistance this type of build out does not work without private sector entities willing to find a way to provide abundant bandwidth. Google deserves much praise for leading the charge, and the fact that the Research Triangle’s NC NGN project received a number of bids – including from the incumbent cable provider Time Warner Cable – suggests others are finally starting to figure out the new math. Without a doubt, the build out of world class broadband should be a priority in every community in America. And although companies such as Google and Time Warner are leading the charge and the article suggesting that the private sector not wait – for the universal deployment of state-of-the-art broadband – federal, state and local governments have to do everything that they can to make its development attractive to the private sector, even if this means direct investment and/or tax support. For more information, please feel free to read the Executive Summary of the ***National Broadband Plan***.

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For decades, pharmaceutical companies have deployed an array of tactics aimed at preventing low-cost copies of their drugs from entering the marketplace. And now the latest strategy is to use creative interpretations of drug safety laws to make them illegal. The Federal Trade Commission recently weighed in on a legal case over the tactic involving the drug maker Actelion, and earlier this month a federal suit was filed in another case in Florida. “*We definitely see this as a significant threat to competition,*” said Markus Meier, who oversees the commission’s health care competition team.

The new approach is almost elegant in its simplicity: brand-name drug makers are refusing to sell their products to generic companies, which need to analyze them so they can create the copycat versions. Traditionally, the generic drug makers purchased samples from wholesalers. But because of safety concerns, an increasing number of drugs are sold with restrictions on who can buy them, forcing the generic manufacturers to ask the brand-name companies for samples. When they do, the brand-name firms say no. Brand-name companies say they are protecting themselves – and patients – in case the drugs are somehow used improperly. They say no law requires one company to do business with another. While advocates for generic drugs say the practice could limit access to the low-cost drugs, which they say have saved more than a trillion dollars over the last decade. They say the companies that have most aggressively pursued the tactic tend to be those with drugs that are nearing the end of their patent life.

**We are talking about huge dollars.** *Example:* Actelion, a Swiss company, is withholding samples of its flagship product, Tracleer, which treats a lung disorder. Its patent is set to expire in 2015. The company's other product in question, Zavesca, has a patent that expires later this year. Tracleer costs about \$79,000 a year, while Zavesca costs about \$229,000.

The issue has its roots in a 2007 law that allowed the Food and Drug Administration to require detailed safety programs for drugs with serious side effects or the potential for abuse. In many cases, those programs simply direct the company to educate doctors or patients about risks. But in other cases, they require that distribution be limited to approved pharmacists and health care providers. About 70 drugs carry mandatory drug safety plans, and of those, 34 have more restrictive requirements, according to the F.D.A. Although the 2007 law said the programs should not be used to block development of generic drugs, brand-name companies said the language was vague and began restricting access to drug samples soon after it was passed.

In 2009, generic companies began complaining that Celgene had refused to sell them samples of Thalomid, the drug better known as thalidomide that is now used to treat cancer and leprosy, and a related drug, Revlimid. Lannett, a generic company, sued Celgene, claiming its practices were anti-competitive, and the case was settled. The trade commission and the Connecticut attorney general started investigations, which Celgene has said are still under way.

At least one company, Gilead Sciences, explicitly restricts access to samples. Pharmacies and other institutions that buy its drug Letairis, which treats a serious lung condition, must agree not to *"use product in clinical trials or other studies without the prior written consent of Gilead Sciences,"* according to an order form sent to customers by Accredo, a specialty pharmacy that distributes Letairis for Gilead. A spokesman for Gilead declined to comment.

Brand-name manufacturers are also limiting access to drugs even when the government does not require it. In a federal lawsuit filed April 1 in Florida, Accord Healthcare, an Indian generics manufacturer, said the drug company Acorda refused to turn over samples of its multiple sclerosis drug Ampyra, even though there are no restrictions on its distribution. In a letter to Accord from Acorda that was submitted to the United States District Court for the Southern District of Florida, in Fort Lauderdale, Acorda echoed other companies' positions and said it was under no obligation to sell its products to another manufacturer. Apotex, a Canadian company, said the drug maker Novartis denied it access to Tasigna, a leukemia drug, until Apotex threatened to sue. Another company, Lundbeck, has so far declined to provide Apotex with samples of the drug Xenazine, which treats a movement disorder caused by Huntington's disease. Julie Masow, a spokeswoman for Novartis, said Apotex ultimately purchased samples of Tasigna through the drug's sole distributor. She said the delay was the result of a misunderstanding, adding *"generic companies are free to buy Novartis products through distribution channels."*

Representatives of brand-name manufacturers say there are good reasons to restrict drugs to approved pharmacies or health care providers. Lundbeck said it sells Xenazine, also known as tetrabenazine, to a limited network of specialty pharmacies because it treats fewer than 25,000 people nationwide. *"Not many retail pharmacies would stock the product for so small a patient population,"* said Sally Benjamin Young, a spokeswoman for Lundbeck. She said Lundbeck was seeking guidance on the issue from regulators because *"it is not clear under the applicable laws and regulations that Lundbeck is permitted to sell tetrabenazine to any person or entity without a prescription."*

Some within the industry have been forthright about how these drug safety programs can be turned to a company's advantage. At a conference in 2010, one speaker delivered a presentation that listed "life cycle management options" as one benefit of such safety programs. **"Life cycle management"** is industry jargon for maximizing the length of a brand's patent life. Obviously safety should be the #1 priority in the manufacturing pharmaceuticals. And it is important that drug companies protect their intellectual property. But generic drugs are generally much cheaper than their branded counterparts

allowing more people to have access to these life saving medicines. See Katie Thomas' article in the **New York Times** — *Drug Makers Use Safety Rule to Block Generics*.

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This week in **The Washington Post** Richard Cohen wrote — *The gun bill's misdirection* — he points out that the Senate's gun control bill would do absolutely nothing to avoid another Newtown massacre. Yes it would expand background checks and increase the penalty on illegal gun sales. But remember — that the Bushmaster XM15-E2S rifle belonged to Nancy Lanza, the mother of 20 year-old Adam Lanza. It was purchased perfectly legally. A shotgun was used by Adam to kill her. It too was legal. He then used the Bushmaster at the school, reloading frequently. For some reason, he didn't always expend all 30 rounds in the magazine but rather paused to reload. He also had two of his mother's handguns, one of which he used to kill himself. The guns, after all, were not even his, so a background check of Adam would never happen under the proposed law.

The other pertinent mass murder, the killing of 12 people in an Aurora, Colo., movie theater, also entailed the use of legally purchased weapons — a Remington Model 870 shotgun, a Smith & Wesson M&P 15 semi-automatic rifle and two Glock handguns. James Holmes bought them all — and 6,000 rounds for the Glocks and the Smith & Wesson — while he was seeking psychiatric treatment and undergoing a clear psychological breakdown. Yet since he had never been convicted of a felony or involuntarily institutionalized, he was entitled to his weapons — and would be under the proposed bill. So much for background checks.

As Cohen says, every little bit helps. And if background checks can be extended to gun shows and private-party transactions, this would be a benefit. So would better mental health programs. But unless a patient comes to see a shrink armed like Pancho Villa, crossed bandoleers on the chest and two pistols on the hips, nothing is likely to be done. Mental health experts are far from expert in predicting violent behavior. Both Holmes and Lanza had been seen by experts — and Holmes's university psychiatrist had, in fact, alerted campus police. They did nothing.

Obviously The Newtown and Aurora tragedies are, in fact, anomalies. They get our attention, but the real threat to us all is day-in-day-out gun violence. Having an estimated 310 million firearms around is a prescription for mayhem. The truth is that being killed by an assault rifle as rare as death by a lightning strike. Handguns are a different story. Lets imagine them under the seat of the car that is cut off or in the waistband of some kid who can't tell the difference between a "diss" and a lethal threat. The sheer ubiquity of guns is frightening.

New York City has half the suicide rate of the nation a whole. Could this be because New Yorkers are jolly, happy-go-lucky types, singing "Zip-a-Dee-Doo-Dah" as they pack themselves into the subway? Nay. It is because very few New Yorkers have guns. In New York, only 12 percent of residents who commit suicide use a gun. (They prefer hanging.) While west of the Hudson, the number is a robust 51 percent. "People who have ready access to guns are more likely to kill themselves with guns than people who do not," said Thomas Farley, the city's commissioner for health (and tautologies), in a news release. Usually, it's a good thing to make it difficult for people to kill themselves. In the morning, inevitably, the sun comes up.

In 1959, Gallup reported that 60 percent of Americans favored a total handgun ban. Nine years later, Milton Eisenhower, Dwight's younger brother and the former president of Johns Hopkins University, proposed the confiscation of nearly all handguns. Today, only 24 percent of Americans would support such a ban. The Milton Eisenhowers of our own time read the polls and go quiet or cheer the mere consideration of a bill that would do very little. You could call it a beginning but, as we all must know, it is really the end.

And the argument that everyone in America should be armed for self-protection is a fairy tale as Nancy Lanza was killed by her own gun and so are hundreds of Americans each year. Finally the 2<sup>nd</sup> Amendment myth, that we (*Joe/Jane public*) need access to firearms to insure that an overbearing government doesn't take away our freedoms — when the truth is that the only way to protect our collective liberty is with the ballot box and free speech under the 1<sup>st</sup> Amendment. If we really want to end gun violence, we need to get rid of guns.

Anything less is smoke and mirror.... And a watered down Public Safety Second Amendment Bill will do nothing to make sure that Newtown, Aurora, Oak Creek, Carson City, Grand Rapids, Tucson, Manchester, Fort Hood, Binghamton, DeKalb, Omaha, Blacksburg, Meteor, Wakefield, Honolulu, Fort Worth and Littleton/Columbine.... How many more mass shootings or simple homicides by firearms do we need before Americans and our elected officials see that gun violence has to seriously be addressed and more guns are not the answer. As for those of you who believe that having a gun in one's home provides protection, the CDC did a comprehensive study that concluded that having a gun in one's home increased by three times the chances that someone in that home would die, ie Nancy and Adam Lanza. The truth is that other than gang violence or the occasional crazed person going postal, most people are killed by people who they know and many by family members, which should end the myth of gun ownership for self-protection. We don't allow people to keep hand grenades, dynamite or poison gas in their homes, so why in the 21st Century are we afraid to ban guns which kill more people than any of the aforementioned combined?

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As Arianna Huffington wrote this week in the **Huffington Post** — ***The Jobs Crisis: It May Not Be "Breaking News," But It's Definitely "Broken News"*** — one of the major stories — our still broken economy — has been lost in the media, and this was before the tragic bombings in Boston which now dominates the headlines and lead stories. Yes, gun control, immigration and the current North Korean machinations are important, as Arianna Huffington points out, on the news programs last Sunday, virtually unmentioned was the economy and the long-term jobs disaster that's been enveloping the country for five years now. It is hard to believe that what the Center on Budget and Policy Priorities calls the *"longest, and by most measures worst economic recession since the Great Depression"* didn't warrant a mention on shows ostensibly devoted to the biggest news stories last Sunday.

And just because it is not new news it doesn't mean our broken economy should not be a top priority. Think about it, there were only 88,000 new jobs were produced last month, and the only reason the unemployment rate ticked down to a still-alarming 7.6 percent is because so many people left the work force altogether, which sent the labor force participation rate down to 63.3 percent, the lowest point since 1979. If we were to include in the calculations those who have given up looking for work, the unemployment rate would actually be 9.8 percent. As of February, there were 12 million workers officially unemployed, but only 3.9 million job openings, which means a little over three unemployed job seekers for every open job. And of the nearly nine million jobs lost during the recession, only about six million have been recovered, leaving us with nearly three million fewer jobs than we had at the beginning of the economic downturn. At the current rate of growth, we're not due to get back to full employment until around 2020.

And even for those who have found jobs, it's still a **"BROKEN"** story. As Jed Graham of **Investor's Business Daily** writes, *"As bad as the current job recovery has been -- and it's by far the weakest since World War II -- the recovery in wages has been far worse."* Graham notes that in the last recession, in 2001, the wage recession lasted only two and half years, much less than the four-year jobs recession that accompanied it. In that recession, at the point where we are now, relative to the start of our current recession, wages were up 8 percent over their previous high. But not this time. Graham cites a study last year that found that low-wage jobs made up 21 percent of this recession's losses but a

whopping 58 percent of the recovered jobs. Which is one reason why real annual median household income continues to fall, most recently to just over \$45,000 -- down from around \$51,144 in 2010.

The America's middle-class jobs have been decimated since 2007, replaced largely by low-wage jobs. According to the Federal Reserve Bank of San Francisco, when middle class workers lose their jobs and find new ones at lower wages, over the next 25 years they'll earn an average of 11 percent less than workers who kept their jobs. And since our so-called recovery started, almost 40 percent of new jobs have come in low-wage areas like food service, retail and clerical jobs. For the long-term unemployed, the situation is verging on hopeless. According to **The Atlantic's** Matthew O'Brien, the long-term unemployment picture is "the scariest thing in the world." It's an alternate economy, he writes, that's "horribly dysfunctional" -- and comes with consequences for the entire country. "The worst possible outcome for all of us is if the long-term unemployed become unemployable," he writes. "That would permanently reduce our productive capacity."

In fact, given our lack of recovery so many years after the start of the recession, that permanent reduction might already be happening. In the last quarter of last year, our actual GDP was around \$975 billion less than the potential GDP our economy has the capacity for. Nearly a trillion dollar gap. A consequence is that there are currently 46 million Americans living in poverty, over 16 million of them children. "Yet," as **HuffPost's** Jennifer Bendery writes, *"the issue has all but disappeared from the legislative agenda in Congress as lawmakers focus squarely on deficit reduction. President Obama, too, has been largely silent on the issue, and has even proposed cutting Social Security -- a key tool for combating poverty."* To Rep. Marcia Fudge, an Ohio Democrat who is also chairwoman of the Congressional Black Caucus, it's "unfathomable" that the issue isn't "at the top of everybody's priority list." Though it's a bit more fathomable when it's not at the top, or even the bottom, of any of our Sunday news shows.

We have to make sure that poverty and the jobs crisis is a national priority and not just how big of an austerity hit that we are going to impose on ourselves. According to the CBO, the sequester and payroll tax hikes could cut growth by 1.5 percent over the course of this year. *"Unless the government takes steps to boost growth, we will be seeing millions of people needlessly denied employment for over a decade,"* writes Dean Baker. *"That should be the central focus of everyone in Washington."* Somehow it is hard to imagine our jobs disaster will get the attention -- and the solutions -- it deserves if our media doesn't think it's a story worth telling. Arianna Huffington: *I know it's not "BREAKING NEWS!" but it's "BROKEN NEWS" to the tens of millions whose lives are still being turned upside down by it.*

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This week Burton Newman starts his article -- ***The NRA's Fraud: Fabrication of Second Amendment Rights*** -- in **The Huffington Post** with the **Second Amendment in the U.S. Constitution** -- ***"A well-regulated Militia being necessary to the security of a free state, the right of the people to keep and bear arms shall not be infringed."*** Following the Sandy Hook massacre, gun rights, gun laws and the Second Amendment have been the subject of a national dialogue. Any discussion of these topics is severely tainted by calculated messaging by the NRA to deceive and mislead our citizens to believe that the Second Amendment grants far reaching gun rights which have not and do not exist. The Second Amendment became part of our constitution in 1791.

For well over two centuries the Supreme Court never decided that the Amendment granted a constitutional right to individuals to bear arms. The widely held notion that such a right existed was a myth fabricated by the NRA for its own self interest and for the corporate profits of gun manufacturers. This fabrication altered the mindset of most Americans to accept fictional Second Amendment rights that permitted the proliferation of all manner and kind of dangerous weapons. We became a gun culture run rampant. The gun manufacturers reaped enormous profits as gun sales soared. In 2011 industry wide gun sales were \$4.3 billion. Misconceptions generated by the NRA created a warped interpretation of Second Amendment that generated these sales.

The fraud perpetrated by the NRA is patent. We do not heed the warnings of prominent citizens such as former attorneys general Nicholas Katzenbach, Ramsey Clark, Elliot L. Richardson, Edward Levi, Griffin B. Bell and Benjamin R. Civiletti. The joint statement in the Washington Post of these former attorneys general in 1992 reads as follows: *"For more than 200 years, the federal courts have unanimously determined that the Second Amendment concerns only the arming of the people in service to an organized state Militia: it does not guarantee immediate access to guns for private purposes. The nation can no longer afford to let the gun lobbies' distortion of the constitution cripple every reasonable attempt to implement an effective national policy towards guns and crime."* In a **PBS News Hour** interview in 1991, former Supreme Court Chief Justice Warren Burger referred to the NRA Second Amendment myth as *"one of the greatest pieces of fraud, I repeat the word fraud, on the American people by any special interest group that I have ever seen in my lifetime."*

The opinions of these distinguished legal scholars had no bearing on NRA propaganda that continued unabated. During the weeks before the 2000 general election, a self-anointed constitution "scholar," Charleton Heston, ceremonial president of the NRA, flooded the airways to urge voters to support candidates who would protect and preserve Second Amendment rights. Little did most Americans realize that such rights did not exist. The NRA's reading of the Second Amendment was purely fictional and unsupported by the law of the land. Candidates for public office both state and federal reaped in political contributions from the NRA. These elected officials feared the wrath of the NRA should they stray from the NRA's Second Amendment myth. A norm evolved offering sanctity to gun owners and manufacturers. Gun manufacturers and the NRA prospered and profited. As one gun manufacturing executive states the equation, the NRA *"protects our Second Amendment rights and those rights protect the ability to buy our products."* Elected officials stand idly by while gun deaths and massacres escalate without lasting public outcry or meaningful legislative efforts.

The statistics are staggering. The depth of lost life is evident by comparing deaths in foreign wars and firearm deaths of citizens within our borders. In all foreign wars during our history about 650,000 soldiers died. In the 45 years since Robert Kennedy and Martin Luther King were assassinated in 1968, there have been over 1.3 million deaths in our country caused by firearms. The fraud perpetrated by the NRA as recognized by former Chief Justice Burger is linked to these deaths. The blood of thousands upon thousands of Americans permanently stain the hands of NRA CEO Wayne LaPierre.

To understand how the NRA gained such power and influence on our citizenry let's start in 1871 when the NRA primarily devoted its efforts to gun safety. Following enactment of new restrictive gun laws requiring gun licensing and taxes, a 1977 coup within the NRA membership led by militants resulted in a new harder edged and more aggressive NRA. The truth mattered not. The edifice of the NRA headquarters would now bear an abbreviated version of the Second Amendment: *"The Right of the People to keep and Bear Arms Shall not be infringed."* The NRA amended the Constitution unilaterally to avoid even a hint that the language pertaining to a Militia had any meaning. The law of the land spoke otherwise.

In 1939 the Supreme Court issued the Miller decision. The justices ruled that *"the Second Amendment must be interpreted and applied with the view of its purpose of rendering effective Militia."* That was the state of Second Amendment law until the 2008 Heller decision. Prior to Heller, the Supreme Court never recognized that individuals had an individual right to keep and bear arms. It was the NRA propaganda, not the law of the land, that led the cry for unlimited gun ownership and protection of gun owner rights. The NRA myths allowed the cycle of expanded gun sales and NRA power to purchase political influence. Democrats and Republican alike announced their allegiance to the Second Amendment and the public grew to believe that the NRA view of the Second Amendment was consistent with constitutional law. The NRA controlled too many elected officials to allow for protection of our citizens from gun violence, gun deaths and unspeakable gun horrors in schools and public places.

The NRA myths were disseminated on other fronts. Articles appeared in NRA publications and rewrote history by declaring that *"Armed citizens [were] unregulated except by his own ability to buy a gun at whatever price he could afford."* This credo became an NRA rallying cry. The NRA poured millions upon millions of dollars into congressional and state legislative campaigns. Gun owners and manufacturers poured more money into the NRA. The revisionist view of Second Amendment rights gained momentum in 1982 when a Senate judiciary subcommittee issued a report about the discovery of "long lost proof" of an individual's constitutional right to bear arms. The chair of the subcommittee was Utah Senator Orrin Hatch. The *"proof"* has never surfaced.

For over three decades the NRA funded legal research, legal seminars and pushed for law review articles supporting individual rights to bear arms. This and the NRA persuasion of elected officials led to a dramatic shift in Second Amendment legal views. In 2003 the NRA established a \$1 million chair at George Mason University law school. The views of NRA supported professors and legal scholars were relied on in the 2008 Supreme Court decision finding an individual right to bear arms for the first time.

What did the Supreme Court say in the 2008 Heller decision? The Court held that there existed an individual right to bear arms only for traditional purposes such as self-defense in the home. The Court declared that the Second Amendment should not be understood as conferring a *"right to keep and carry any weapon whatsoever in any manner whatsoever and for whatever purpose."* The Court gave examples of firearms laws presumed to be lawful. These included laws prohibiting firearm possession by felons, mentally ill persons and possession of firearms in sensitive places such as schools and government buildings. The Court found that conditions on the commercial sale of firearms were presumptively lawful. The Court said this list was not exhaustive; and found that the Second Amendment is consistent with laws banning firearms that are *"dangerous and unusual."*

The ruling in Heller was a departure from the 1939 decision in the Miller case where the court stated that the *"obvious purpose"* of the Second Amendment was to ensure effectiveness of the stated Militia. However, even with this departure the decision in Heller is limited in its scope. The only right specifically mentioned in the Supreme Court's opinion is the right of an individual to possess a gun for self-defense in the home.

Did this limited decision stop the NRA from its propaganda campaign? Of course not. On Meet the Press on March 24, 2013, Wayne LaPierre declared to the nation that under the Heller decision it would be an *"absolute abridgment"* of constitutional rights to regulate assault weapons. That myth, heard by millions, was intended to again mislead the country into believing that there are sweeping Second Amendment rights that cannot be regulated. Nonsense. The very language of the Supreme Court opinion in Heller calls out LaPierre as a liar.

Newman: How can the American people be educated to understand the true meaning of the Second Amendment consistent with the Supreme Court's interpretation of that Amendment? Such an education process could lead to sweeping reform of state and federal regulation of firearms. But how is the mindset of the American people to be changed? The same way our mindset about drunk driving and smoking changed over time. Let's take a look at the circumstances involved in smoking. Smokers 35 years ago would never have believed there would be no public smoking. When harms caused by drunk drivers and tobacco users were known in clear terms, the mindset of the public changed. New reforms, enforcement of laws and demands for a safer society became reachable goals. The change in that mindset did not take place in a day a week or a year. Nor will the change in the mindset regarding Second Amendment rights change overnight. But it is the education of the citizenry and the education of our lawmakers that is necessary in order for the calculated messaging of the NRA to be known for what it is: Lies, myths and fictions that have harmed and killed our citizens and will continue to do so until an enlightened view of the very limited scope of Second Amendment rights is known, understood and acted upon.

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In **The Atlantic** this week, Matthew O'Brien starts his article – ***Bitcoin Is No Longer a Currency*** – with the following “*Bitcoin might be a bubble or it might be THE FUTURE, but there's one thing it's not: a currency. It's a tech stock . The question is whether it's Pets.com or Paypal.*” Not knowing what Bitcoin was.... ***I did some research.***

Bitcoin (BTC) is a digital currency which was first described in a 2008 paper by pseudonymous developer Satoshi Nakamoto, who called it an anonymous, peer-to-peer, electronic payments system. Bitcoin creation and transfer is based on an open source encryption protocol and is not managed by any central authority. The creation of new bitcoins is automated and may be accomplished by servers, called bitcoin miners that run on an internet-based network and confirm bitcoin transactions by adding codes to a decentralized log, which is updated and archived periodically. Each bitcoin is subdivided into 100 million smaller units called satoshis, defined by eight decimal places.

Bitcoins can be transferred through a computer or smartphone without an intermediate financial institution. Interested parties can authenticate the ownership of bitcoin balances by using dedicated servers (the bitcoin miners) to authenticate the bitcoin transaction log using a public-key encryption scheme. Each 10-minute portion or "block" of the transaction log also allows for a predetermined number of new bitcoins to be awarded to miners based on computational data added to the log and confirmed by other miners. The creation of a new bitcoin is thus a special case of a transaction in which the new bitcoin deemed issued in exchange for solving a computationally intensive encryption problem. The number of newly created bitcoins per period depends on how long the network has been running. Currently, 25 new bitcoins are generated with every 10-minute block. This will be halved to 12.5 BTC during the year 2017 and halved continuously every 4 years after until a hard limit of 21 million bitcoins is reached during the year 2140.

Bitcoin is accepted in trade by various merchants and individuals in many parts of the world. Although bitcoin was initially promoted as a digital currency, many commentators currently reject that claim due to bitcoin's volatile market value, relatively inflexible supply, and minimal use in trade.

Or as O'Brien described – Bitcoin is supposed to be the online currency that will free us from state-backed ones. It's a cryptographically-sophisticated virtual currency you can use to buy real things over peer-to-peer networks without leaving a trace in the real world. The idea is to create money that central banks can't debase and governments can't tax. In other words, digital gold. Actually, make that anonymous digital gold.

Okay, but where do Bitcoins come from exactly? Well, that's where the 21st-century alchemy comes in. Like gold, there's a limited supply of Bitcoins that grows at a limited rate. Anyone can "mine" for new Bitcoins by running a computationally-taxing program on their computer that spits out a lot of garbage, and, maybe, a little (virtual) gold. But there aren't many new ones to be found. And there won't be any after 2040. That's when the system is expected to hit its self-imposed limit of 21 million Bitcoins.

In other words, Bitcoin has a massive deflationary bias. Its money supply is mostly fixed, but the menu of things it can buy is growing. The same amount of money chasing more goods means money will be worth more. Or, put another way, prices will fall in Bitcoin terms. And that's why it's not a currency, and won't be one until it has a central bank.

As O'Brien points out: Deflation is toxic for any economy, but particularly for an alternative one like Bitcoin. No matter what kind of currency we're talking about, deflation causes hoarding -- why buy something today if you can buy it for less tomorrow? -- that crushes economic activity. The question is what to do about it. In his classic essay on the Capitol Hill babysitting co-op, Paul Krugman explained that the easiest solution is to just increase the supply of money to meet the increased demand for

money. In other words, get that printing press going! That stops hoarding, which gets people buying again, which sets off a new virtuous cycle.

But what if you can't print more money? Then the hoarding feeds on itself. With a normal currency, say the dollar, the prices of everything else will keep falling, since everything else is priced in dollars. Falling wages will make debts that aren't falling harder to pay back, which will force more people into bankruptcy -- and then increase demand for dollars even more. In other words, it creates a depression. But with an alternative currency, say Bitcoin, the price of everything else will stay the same, since everything is still priced in dollars, and the price of Bitcoin itself will go up. The increasing price of Bitcoin will increase demand for Bitcoin -- it's a speculative bubble -- just as hoarding is reducing supply. In other words, prices will go vertical.

That's why the most mesmerizing site on the internet right now is Mt. Gox. It's the former Magic The Online Gathering Online Exchange (get it, M-T G-O-X) that has gone from being the go-to-place to trade fantasy cards to the go-to-place to trade Bitcoin -- or to gawk at its epic price swings. It's hard to remember now, but Bitcoin was mostly boring before the last few months. Aside from a brief surge above \$30 in mid-2011, its price didn't move around too much. It was the province of libertarian-leaning hackers and not really anyone else, which kept it trading in a narrow band around \$10.

O'Brien again: Every bubble has a story, and Bitcoin has been no exception. Prices quickly doubled, then tripled, and finally quadrupled in early 2013 as more and more companies began accepting Bitcoin payments. This made some sense if you thought the digital currency was moving from the far fringes to the not-quite-as-far fringes as a payment system. But what happened next did not make much sense at all. The new story was that the botched Cypriot bank bail-in scared so many people into thinking their deposits weren't safe that they moved into Bitcoins instead. Prices quadrupled *again* -- from \$65 to \$266 -- in just three weeks. Then it halved in a half a day from a high of \$266 on Wednesday, it collapsed to \$105, rebounded to \$180 and the collapsed again to \$120, which happens with early adopters cash out their winnings in an illiquid market.

Let's remember, Bitcoin is supposed to be a safe haven from supposedly unreliable fiat currencies. In theory it is supposed to be a hedge, like gold. But the bubble affect makes Bitcoin look more like a tech IPO circa 1999 instead of a currency. Looking at how Bitcoin operates, it is clear that it is a commodity and not a currency. As a currency needs a relatively stable value to function as a medium of exchange. If it goes up too much, everyone will hoard it. If it goes down too much, nobody will want it. In 2013, Bitcoin's annualized volatility has been 105 percent -- compared to 5.5 percent for the dollar and 8.5 percent for the euro.

As such it is easy to say that Bitcoin does not operate like currency. It is more akin to a tech IPO, circa 1999. Remember money (in the case of a dollar) is suppose to buy roughly the same amount of stuff from day-to-day, if not year-to-year, even through inflation. It trades like a stock or commodity, without a central bank over-site whose job is to do whatever it can to insure a predictably. So when Bitcoin is hoarded it loses its value as a stable currency. As such, the purpose of it as a currency is a false assumption -- when the truth is that it is just another dotcom play. . It has no fixed value and in recent days it has been crashing after a spectacular rise in terms of dollars. Such volatility makes it useless as a means to do transactions or as a solution to the Federal Reserve's depredations against the dollar.

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Let's start with the universal assumption that government indebtedness matters and that government borrowing can crowd out private investment, dragging down economic growth. In 2010 Carmen Reinhart and Kenneth Rogoff, both from Harvard University, wrote a paper saying that when government debt exceeds 90% of GDP, it slows down economic growth to a snail's pace. Conservatives used the 90% figure as ammunition in political their arguments promoting austerity. Paul Ryan, a

Republican congressman, cited their “conclusive empirical evidence” in a budget plan calling for swingeing cuts to public spending. In a February letter to European Union finance ministers Olli Rehn, the vice-president of the European Commission, touted the “*widely acknowledged*” 90% limit as a reason to press on with European fiscal cuts. Such rhetoric has helped to make the Reinhart-Rogoff number the subject of bitter dispute. And this week a new piece of research poured fuel on the fire by calling the 90% finding into question.

The 2010 calculation was a relatively simple one. The authors had already drawn on two centuries of public-debt data for their seminal 2009 financial history, “*This Time is Different*”. In their paper Ms Reinhart and Mr. Rogoff sorted the figures into four categories of indebtedness and took average growth rates for each. They found that public debt has little effect on growth rates until debt reaches 90% of GDP. Growth rates then drop sharply. Over the entire two-century sample (from 1790 to 2009), average growth sinks from more than 3% a year to just 1.7% once debt rises above the critical level. In a shorter post-war sample the decline is more dramatic; average growth drops from around 3% to -0.1% after the 90%-of-GDP threshold is attained. Hence 90% debt-to-GDP became the tipping point for economic growth to stall, forcing the hard choices of austerity, inflation or default.

But in a new paper, by Thomas Herndon, Michael Ash and Robert Pollin of the University of Massachusetts, Amherst, sought to replicate the Reinhart-Rogoff result for the post-war period. They reckon that mistakes in the analysis led Ms Reinhart and Mr Rogoff to understate average growth at high debt levels. A coding error in their Excel spreadsheet sliced several countries out of the data set. Several critical years of post-war data from New Zealand were left out, thereby omitting a time in which both its debt level and growth rate were high. And the authors reckon the Reinhart-Rogoff method of calculating average growth gave outsize weight to unrepresentative data points (including one year of abysmal New Zealand data). Taken together, the authors of the new paper reckon that average post-war growth above the 90% threshold ought to have been reported at 2.2% rather than -0.1%.

Both sets of authors turn up a negative association between debt and growth. But whereas the Reinhart-Rogoff work suggests a sudden jolt to growth once debt attains a certain (90%) level, Messrs Herndon, Ash and Pollin reckon growth rates merely ease downward. To make their point, they divide countries with a debt-to-GDP ratio above 90% into two subcategories: those below 120% of GDP and those above. The average growth in the 90-120% bucket is 2.4%; growth for countries with debts over the 120% threshold sinks to 1.6%. That makes the relationship look linear.

The fact that it appears that Reinhart-Rogoff's numbers are off, has been labeled in the press as The Excel Mistake. In a statement to the **Huffington Post**, a spokesperson for Microsoft, maker of Excel, admits mistakes happen from time to time. “*We acknowledge that one point of the study reveals that people make mistakes on their spreadsheets, but recognize that while no one likes to make mistakes, customers tell us that Excel is a critically important tool to help them discover, visualize and share important data.*” **But the BIG UGLY** is that this little Excel mistake helped entire countries justify slashing budgets and subsequently inflicting widespread pain in various countries around the world. This is what's happen when numbers, formulas and data are used to address issues that require the recognition that the human costs the greater good are more important, since truth is relevant to what we know at the time and if the numbers or facts are wrong, people end up doing the wrong things. For more information please see the article in The Economist – The 90% Question.

Reinhart and Rogoff aren't the only highly-educated people to be brought down by some complicated data. JPMorgan's \$6 billion trading loss can be blamed in very small part on a spreadsheet mistake that undervalued the risk of the trade, according to Bloomberg. A NASA rocket was once destroyed thanks to a missing hyphen too. So that little spreadsheet mistake? When it comes to the economy, it can mean job loss, less money for education, police protection, healthcare, maintenance of infrastructure or a cut in social services. Our politicians keep latching onto false assumptions, whether they be rounding errors, The Domino Effect, unsubstantiated WMDs, 90% Debt-to-GDP tipping point,

the War On Drugs or the theory that Guns Don't Kill. Instead of playing politics that reward political cowardliness and hiding behind false conjectures — instead we need to concentrate on the Greater Good, Noblesse Oblige because in a fair and just society it is our obligation to do everything that we can — to protect those of us who are less fortunate.

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Overshadowed by the Boston Bombing was the explosion in West, Texas that as of the release of this Weekend's offerings has killed at least 14 and injured more than 200, with several dozen people still unaccounted — *three-times the cartilage in Boston*. As such this West, Texas explosion is now entering a dark pantheon of events in Texas, ones that will surely lead to debates in the state about government regulation and oversight — or the lack thereof. About what "*public safety*" really means, implies, entails. About Texas' passionate history of pushing back at what some see as big-government intrusion — a trend that traces back to the regulation-free days of wildcatting in the oil patches. Like previous industrial explosions, there will be demands that Texas be willing to scrutinize companies so tragedies like the one in West never occur again. So if history is any guide, lawmakers and officials will still err on the side of industry and less so on the side of public safety. And there will be another West in the years to come.

On April 16, 1947, in a Gulf Coast community called Texas City, a crowd of people had slowed to watch — and approach — pretty puffs of smoke in the town's industrial area. Several 100-pound bags of ammonium nitrate fertilizer were on fire in a ship down on the waterfront. (*Anhydrous ammonia, not ammonium nitrate, was the fertilizer in the West disaster.*) Unsuspecting residents stared and waited for the firemen to perform their usual heroics. They had faith it would all turn out fine. Industrial fires periodically occurred and they were often easily, quickly, extinguished by the local fire department. But this one was different. Without warning, a mammoth explosion rocked the area for several miles, instantly killing scores of onlookers, including children. Known as the Texas City Disaster, it was at the time the deadliest industrial disaster in the world's most industrialized nation. It quickly consumed as many as 26 members of the fire department — as local lore goes, the one surviving member happened to be out of town. In total, nearly 600 people died and about 5,000 were injured. People were coated by oil and gas. At least 63 of the dead were so horribly mutilated that they could never be identified.

Each of the 51,502 bags of fertilizer on the ship was marked in the same innocuous way: "*FERTILIZER (Ammonium Nitrate)*." There was also a marking indicating that the goods were "*Made in U.S.A.*" Nowhere on the bags were warning labels, no images of skulls and crossbones. The people who died in Texas City simply had faith that the city, state and federal officials would keep them from being harmed. They assumed their safety was being regulated. It was not. But it wasn't until six decades later, in 2011, that the United States Department of Homeland Security announced proposals to oversee the sale of ammonium nitrate and require anyone selling, buying or transporting 25 pounds of the fertilizer to officially register with the agency. This move came 16 years after Timothy J. McVeigh, a disgruntled Army veteran, used ammonium nitrate to take down a federal office building in Oklahoma City, killing 168 people.

As Bill Minutaglio points out in his op-ed in the New York Times this week — Texas on Fire, Again and Again — It's impossible to determine what should have been done to prevent is impossible to say. But for one thing for sure as many of the people who survived the explosion said they wanted most: simply to have been warned by state and federal officials that dangerous chemicals, explosive fertilizers, were near their homes, schools and churches. It's a situation similar to Texas City — as locals officials were well aware that schools and homes were close to the big fertilizer tanks. Citizens of West of course knew about the plant, too — as one man told The Wall Street Journal: "*It was always just there. You never thought about it.*" They lived in neighborhood, built a school across the street and casually walk and drive by it every day.

Sixty-six years after the Texas City Disaster, it is finally time for this pathological avoidance of oversight to end in Texas. To understand how deep the state's regulatory resistance runs, one need only to listen to the state's attorney general, Greg Abbott, who often spearheads the Lone Star state's rebuffs to federal imperatives. Earlier this year he was asked what his job entailed. "I go into the office in the morning," he replied. *"I sue Barack Obama, and then I go home."* Long ago in Texas City, many of the residents were men and women with callused hands. They were patriots with enduring faith that America was, really, the safest place on earth. That the men in charge had put every safeguard in place. Perhaps in West, there were some who still had unblinking faith in the muscled-up industrial soul of Texas, that it had been scrutinized to the right degree, and that the lawmakers in Austin had made sure of it. It is time for Texas to invite the deep scrutiny, the careful oversight, that those people deserve.

**THE BIG UGLY** about the explosion in West, Texas is that the West Fertilizer Co. failed to disclose it had unsafe stores of explosive substance and that last year it had been storing 1,350 times the amount of ammonium nitrate that would normally trigger safety oversight by the U.S. Department of Homeland Security (DHS). And they only say (*HAD BEEN*) because of criminal liability, let's assume that it has a similar amount on site at the time of this latest explosion. A person familiar with DHS operations said the company that owns the plant, West Fertilizer, did not tell the agency about the potentially explosive fertilizer as it is required to do, leaving one of the principal regulators of ammonium nitrate — which can also be used in bomb making — unaware of any danger there.

Fertilizer plants and depots must report to the DHS when they hold 400 lb (180 kg) or more of the substance. Filings this year with the Texas Department of State Health Services, which weren't shared with DHS, show the plant had 270 tons of it on hand last year. A U.S. congressman and several safety experts called into question on Friday whether incomplete disclosure or regulatory gridlock may have contributed to the disaster. *"It seems this manufacturer was willfully off the grid,"* Rep. Bennie Thompson, (D-MS), ranking member of the House Committee on Homeland Security, said in a statement. *"This facility was known to have chemicals well above the threshold amount to be regulated under the Chemical Facility Anti-Terrorism Standards Act (CFATS), yet we understand that DHS did not even know the plant existed until it blew up."* Needless to say company officials are lawyering-up and not returning calls, with the only statement being released on late Friday by plant owner Donald Adair released expressing sorrow over the incident but saying West Fertilizer would have little further comment while it cooperated with investigators to try to determine what happened.

Firms are responsible for self reporting the volumes of ammonium nitrate and other volatile chemicals they hold to the DHS, which then helps measure plant risks and devise security and safety plans based on them. Since the agency never received any so-called top-screen report from West Fertilizer, the facility was not regulated or monitored by the DHS under its CFAT standards, largely designed to prevent sabotage of sites and to keep chemicals from falling into criminal hands. The DHS focuses *"specifically on enhancing security to reduce the risk of terrorism at certain high-risk chemical facilities,"* said agency spokesman Peter Boogaard. *"The West Fertilizer Co. facility in West, Texas is not currently regulated under the CFATS program."* The West Fertilizer facility was subject to other reporting, permitting and safety programs, spread across at least seven state and federal agencies, a patchwork of regulation that critics say makes it difficult to ensure thorough oversight.

An expert in chemical safety standards said the two major federal government programs that are supposed to ensure chemical safety in industry — led by the Environmental Protection Agency (EPA) and Occupational Safety and Health Administration (OSHA) — do not regulate the handling or storage of ammonium nitrate. That task falls largely to the DHS and the local and state agencies that oversee emergency planning and response. More than 4,000 sites nationwide are subject to the DHS program. *"This shows that the enforcement routine has to be more robust, on local, state and federal levels,"* said the expert, Sam Mannan, director of process safety center at Texas A&M University. *"If information is not shared with agencies, which appears to have happened here, then the regulations*

*won't work.*" It is speculated that the death toll in West, Texas could easily double and possibly triple as more bodies are discovered, making the death toll, ten times that of the Boston Bombings. And even if this number is less, the fact that the company hid such huge amounts of ammonium nitrate is immoral especially knew that not knowingly people lived next door and children went to school across the street — an although not with malice, this is as criminal as the action of the Boston bombers.

## THIS WEEK'S QUOTES

"And that's what the perpetrators of such senseless violence -- these small, stunted individuals who would destroy instead of build and think somehow that makes them important -- that's what they don't understand. Our faith in each other, our love for each other, our love for country, our common creed that cuts across whatever superficial differences there may be -- that is our power, that's our strength."

"Tomorrow, the sun will rise over Boston. Tomorrow, the sun will rise over this country that we love. This special place. This state of grace."

### President Obama

(Speaking to an interfaith gathering at the Cathedral of the Holy Cross in Boston on April 18, 2013)

## THIS WEEK'S MUSIC

On Friday evening when I told a dear friend that I was thinking about making this week's music around Barbara Streisand, her response was "*how boring*"..... and that "*if I really wanted to shake things up, I should chose a theme such as ugly people – starting with Janis Ian's **Seventeen**.*" So this week's music selections includes music about those of us who are less fortunate or for one reason or another felt that their size, nose, hair, completion, race, awkwardness, gender, orientation, physical disability, depression, station in life, lack of self-esteem or a job is or has been a barrier to their development, opportunities, belief in life or love, and those of us who are or have been change by them.... We salute you..... and please enjoy....

Janis Ian — *At Seventeen* -- <https://www.youtube.com/watch?v=yjn9oKaO-3E>

Randy Newman — *Short People* -- <https://www.youtube.com/watch?v=1NvgLkuEtkA>

James Blunt — *You're Beautiful* -- <https://www.youtube.com/watch?v=BCT4wRJhPlw>

Dave & Brian — *Ugly People* -- <http://www.youtube.com/watch?v=PhDaxeWP0eA>

AGING "Male" ROCKSTARS "*Then & Now*" -- <http://www.youtube.com/watch?v=bskfEFo9x5k>

Rickie Lee Jones — *Ugly Man* -- [https://www.youtube.com/watch?v=NeNjrGtw\\_Gw](https://www.youtube.com/watch?v=NeNjrGtw_Gw)

Nina Simone — *Four Women* -- <http://www.youtube.com/watch?v=ryFq7V3Utlc>

Arrested Development — *Mr. Wendal* -- <https://www.youtube.com/watch?v=wyDjRd0Tjss>

Harry Chapin — *Taxi* -- <https://www.youtube.com/watch?v=c5dwksSbD34>

The Beatles — *Eleanor Rigby* -- <https://www.youtube.com/watch?v=OaRNrDaoMqw>

Gil Scott-Heron — *Pieces Of A Man* -- <https://www.youtube.com/watch?v=2VqGWfq0Btg&list=RD02OLdOJBZRgMs>

2pac — *Dear Mama* -- <https://www.youtube.com/watch?v=pBtJYgd2OXI>

Billy Stewart — *Fat Boy* -- <https://www.youtube.com/watch?v=W9FwdROZciQ>

The Ohio Players — *Jive Turkey* -- <https://www.youtube.com/watch?v=sOFHhs2d8VM>

Sugababes — *Ugly* -- <https://www.youtube.com/watch?v=4nD2vZfdzGg>

Suzanne Vega — *Luka* -- <https://www.youtube.com/watch?v=VZt7J0iaUD0>

Neil Young — *Old Man* -- <https://www.youtube.com/watch?v=221mohEolWc>

SUSAN BOYLE FINAL PERFORMANCE 30 MAY 2009 -- <https://www.youtube.com/watch?v=YhV4uELlphM>

Billy Joel — *Just The Way You Are* -- <https://www.youtube.com/watch?v=ounJsgomcv8>

Joe Cocker — You Are So Beautiful -- <https://www.youtube.com/watch?v=wIDmslyGmGI>

Stevie Wonder — *Ribbon In The Sky* -- <https://www.youtube.com/watch?v=zO2-kIqsGL4>  
*I hope that you enjoyed this weekend's offerings and wish you a wonderful week....*

Sincerely,  
Greg Brown

--  
Gregory Brown  
Chairman & CEO  
GlobalCast Partners, LLC

