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**Subject:** Greg Brown's Weekend Reading and Other Things.... 03/03/2013

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**Attachments:** Austerity, Italian Style Paul Krugman NYT February 24, 2013.pdf;  
The GOP revival must go beyond joining Twitter Stuart Stevens TWP February 24, 2013.pdf;  
Blaming the Tea Party=Controlled GOP for Sequestration Isnt Partisan, Its Factual+Michelle Bard Huff Post 02 24 2013.pdf;  
The true national debt Robert Samuelson TWP February 24, 2013.pdf;  
Why Obama Must Meet the Republican Lies Directly, Robert Reich Huff Post 02-25-13.pdf;  
What Should the Republican Party Stand For Molly Ball The Atlantic 02 26 13.pdf;  
Ending the permanent crisis BJ Dionne TWP February 27, 2013.pdf;  
Congress's Power to Protect the Vote NYT Editorial February 27, 2013.pdf;  
Moyers & Company Fighting Creeping Creationism March 1, 2013.pdf;  
The Return of the Euro Crisis Robert Samuelson TWP February 28, 2013.pdf;  
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Dionne Warwick bio.pdf; As the Cuts Hit Home NYT editorial March 1, 2013.pdf

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## DEAR FRIENDS.....

As many of you know, I am a huge fan of Bill Moyers and this week on his show **MOYERS & COMPANY, *Fighting Creeping Creationism*** -- he interviewed 19-year-old anti-creationism activist Zack Kopplin, who from the time he was a high school senior in his home state of Louisiana, has been speaking, debating, cornering politicians and winning the active support of 78 Nobel Laureates, the American Association for the Advancement of Science, the New Orleans City Council, and tens of thousands of students, teachers and others around the country, challenging education laws that encourage teaching creationism alongside evolution, and supporting school vouchers to transfer taxpayer money from public to private schools, where religious fundamentalists backed by the right wing can push a creationist agenda. Also on the program was journalist and historian Susan Jacoby who talked with Bill about the role secularism and intellectual curiosity have played throughout America's history -- a topic explored in her new book, ***The Great Agnostic: Robert Ingersoll and American Freethought***.

[REDACTED]

**ZACK KOPPLIN:** Evolution and climate change aren't scientifically controversial, but they are controversial to Louisiana legislators. And basically, everyone who looked at this law knew it was just a backdoor to sneak creationism into public school science classes.

**BILL MOYERS:** And...

**SUSAN JACOBY:** I never do debates about the existence of God. Why would you do that? Who are you going to convince? I like to talk about public issues.

Creationists say/believe that the earth is less than 10,000 years old. And when confronted with scientific evidence that the earth is millions of years old and evolution of the species they then say that we were created in our present form by intelligent design which is dressed up to look like it's scientific, but it's really not.

In 2008, Governor Bobby Jindal, a very smart man and Brown University biology major and Rhodes Scholar signed the Louisiana Science Education Act and since then voiced support for intelligent design creationism and he has defended the law every since. Working with Louisiana State Senator Karen Carter Peterson, who represents a district in New Orleans (one of the few votes against the law when it first passed) Kopplin and others have tried to get the bill repealed. The latest findings from Gallup last June are that 46 percent of Americans believe in creationism. 32 percent believe in evolution guided by God. I guess they would call that a form of intelligent design. While only 15 percent believe in evolution without God's help. The Catholic Church accepts a point somewhere in between – Pope John Paul II said there is no conflict between evolution and the doctrine of faith. Suggesting: "We think God started evolution. And it's run the way scientists say it's run." Then how do they explain as the Bible suggests that the earth is about 9,000 years old and was created in six days. And this is what Bobby Jindal and religious fundamentalists would like taught along science in our public schools instead of evolution, embryology and the big bang theory.

Since America's beginning, every generation has had to engage in the battle over freedom of religion and freedom from religion -- whether it's Roger Williams fighting Puritan intolerance in New England, the deism of Jefferson and Thomas Paine in the early days of independence, or a man you may never have heard of – an orator so famous in the 19th century that standing-room-only crowds turned out wherever he went -- just to hear him speak. He captivated audiences -- with his wit and warmth -- and enraged them, too, with his outspoken views on evolution, religion and reason, the separation of church and state, and women's suffrage. Robert Ingersoll was his name and he's the subject of a new biography by scholar and journalist Susan Jacoby.

Robert Ingersoll was one of the most famous orator and towering public intellectual between the end of the Civil War and the beginning of the 20th century. Although there were newspapers, the chief form of mass entertainment was lecturing, especially for those who wanted to be well informed. Ingersoll started starts speaking out on behalf of separation of church and state, against what religion was silent about, about slavery for so long, and what religion was still silent about, about what needed to be done to provide true equality and education for former slaves. He is an active Republican. He had strong political ambitions. But he decides that speaking out on behalf of reason, on behalf of Darwin's theory of evolution, against attempts to introduce more religion into government, that this is more important to him than his political ambitions.

Ingersoll was one of those indispensable people, who keep an alternative version of history alive. He revived the memory of Thomas Paine. The historical reputation of Thomas Paine so famous, say, by 1800 because of the role he played in the revolution. "*These are the times that try men's souls.*" Paine was driven out of England, charged with treason, for writing ***The Rights of Man***. His book ***The Age of Reason***, which was published in 1793, the first part of it, in which he put forward the astonishing idea that the Bible was written by men, not actually directly handed down by God. ***The Age of Reason*** was published when he was in jail in France under the Jacobins, for opposing the execution of Louis the XVI, because he didn't believe in capital punishment as no free thinkers ever have. Teddy Roosevelt, the future president, wrote a biography in which he called Paine "*a filthy little atheist, which esteems a dirty bladder of water*" -- bladder meaning a sack to carry in, not bladder

the organ in the body – *“as something to throw on all religion.”* It was Ingersoll who revived Paine's reputation.

Ingersoll was one of the truly freethinkers, *“One of the most important champions of reason and secular government in American history.”* He raised the issue of religion, the role of religion and championed the separation of church and state. Most people don't realize that the Constitution doesn't mention God. It was said that, *“Under this constitution, an atheist, a Jew, or God help us even a universalist could become president,”* which was true in theory. He said the glory of the founding generation was that they did not establish a Christian nation. And he praised those founders who wrote our Constitution for establishing the *“first secular government that was ever founded”* in the world at a time when government in Europe was still based on union of church and state. Because they knew that the recognition of a Deity would be seized by fanatics and zealots as a pretext for destroying the liberty of thought.

In the centennial address he gave in Peoria, Illinois, on the centennial of the Declaration of Independence in 1876 Ingersoll quoted, *“the first secular government, the first government that said every church has exactly the same rights and no more. Every religion has the same rights and no more. In other words, our fathers were the first men who had the sense, the genius to know that no church should be allowed to have the sword.”* With the Puritans hating other religions forcing Anne Hutchinson and Roger Williams to flee to Rhode Island and the Mormons being chased all the way across the country, the framers of the Constitution understood that best way to avoid religious domination is to not allow it and not privileging Protestant Christianity over Quakers, Baptists, Catholics, Lithuanians, Episcopalians, Jews, etc

In America we live in a pluralistic society soaked in religiosity. We live in a country where after knocking out an opponent, time and again the winning fighter starts the interview with, *“first of all I like to thank my Lord and Savior Jesus Christ....”* What does he say when he looses? Does it mean that God didn't like the fighter who was knocked out? You have to also ask, if there is this all good, all powerful, all loving god, how come kids are shot in Newtown? How come people when I was young died of polio-- a child I knew? How come? *“Why should people suffer?”* How does one come to grips with evil, in a world created by an all-powerful God? And God giving us free will is not a satisfactory answer to me. Robert Ingersoll said of Thomas Paine, *“His life is what the world calls failure and what history calls success.”* Can the same thing be said of The Great Agnostic? It is difficult to talk about religion as one person's conviction can be another's skepticism. As such, the framers of the Constitution were wise to keep church and state separate -- and I would add, out of our public schools..... *If you get a chance I urge you freethinkers to watch the show or read the attached transcript.*

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Unlike Congressional Republicans, Republican Governors are forced to show leadership, as they have actual responsibilities of providing services and balancing budgets, which often necessitates compromised even among ideologically hard –liners such as Florida Gov. Rick Scott who last week broke with party orthodoxy -- joining six other Republican governors -- and agreeing to accept the Medicaid expansion funded by Obamacare. Recently a number of prominent conservatives with national profiles (Louisiana's Bobby Jindal, South Carolina's Nikki Haley, and Wisconsin's Scott Walker) have made it clear that they had little use for the congressional GOP's approach, which has mainly consisted of sitting on its collective hands, blaming the White House, and waiting for the cuts to take effect. As such this is a split between the Republicans who are charged with governing and those who have dug in as a pure opposition party.

These GOP governors don't have the luxury of taking symbolic stands on principle; they have budgets to balance, deadlines to meet, and constituents to serve. From Wisconsin's Walker to Virginia's McDonnell to Nevada's Brian Sandoval, many have raised taxes when that was what it took to run their states the way they saw fit. They don't have the luxury of saying no to federal handouts -- since the economic collapse of 2008, states have relied heavily on federal funds, whether in the form of unemployment benefits to their struggling populations or the massive, direct federal grants of the 2009 stimulus bill, which kept teachers employed and road projects going at a time when state budgets were hard pressed. Now, it's the federal funds imperiled by Friday's sequestration deadline -- from defense-contractor jobs to kids in Head Start preschool -- that the GOP governors can't afford to do without.

Right now the greatest strength that the GOP has is its governors. Currently Republican Governors rule 30 states and many like Christie, Sandoval, McDonnell, and New Mexico's Susana Martinez, are overwhelmingly popular even though their states went for Barack Obama in the last two presidential elections. More and more they are at odds with congressional Republicans, example -- a couple months ago, it was New Jersey Gov. Chris Christie chewing out House Speaker John Boehner for holding up Hurricane Sandy aid to his state. Their frustration is real and goes beyond routine .-bashing to score political points. It's indeed, the party's future may hinge on which faction prevails -- these state executives, whose responsibility is to govern has made them pragmatists, while the .-legislators, many of whom seem content to serve solely as an alternative and obstacle to the Democratic White House and Senate. It would be so much better for the country if Congressional Republicans would think and act more like most Republican governors. When it comes to leadership over ideology

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One of the greatest new additions to the US Senate this year in the new Senior Senator from Massachusetts, Elizabeth Warren who on Tuesday showed why big banks are not her biggest fans during her grilling of Federal Reserve Chairman Ben Bernanke about the risks and fairness of having banks that are *"too big to fail."* Warren (D-Mass.) questioned Bernanke during his latest semiannual appearance before the Senate Banking Committee to discuss the economy and monetary policy. Warren pressed the Fed chairman about whether the government would bail out the largest banks again, as it did during the financial crisis. *"We've now understood this problem for nearly five years,"* she said. *"So when are we gonna get rid of 'too big to fail?'"*

Warren also asked whether big banks should repay taxpayers for the billions of dollars they save in borrowing costs because of the credit market's belief that they won't be allowed to fail, repeatedly citing a recent Bloomberg View study estimating that the biggest banks essentially get a government subsidy of \$83 billion a year, nearly matching their annual profits. Though Bernanke questioned the accuracy of the \$83 billion figure, he admitted that big banks get some subsidy. But he said the market was wrong to give banks any subsidy at all (in the form of lower borrowing costs), insisting that the government will in fact let banks fail. The 2010 Dodd-Frank financial reform law has given policymakers the tools to safely shut down big, failing banks, he claimed.

But when repeatedly pressed by Warren, Bernanke's confidence seemed to waver. *"The subsidy is coming because of market expectations that the government would bail out these firms if they failed,"* Bernanke said. *"Those expectations are incorrect. We have an orderly liquidation authority. Even in the crisis, we -- uh, uh -- in the cases of AIG, for example, we wiped out the shareholders..."* "Excuse

me, though, Mr. Chairman," Warren said. "You did not wipe out the shareholders of the largest financial institutions, did you, the big banks?" "Because we didn't have the tools," Bernanke replied. "Now we could -- now we have the tools."

Later, when pressed again by Warren, Bernanke suggested that the government's tools to wind down a big bank that is failing were still a work in progress -- or at least that financial markets have not yet been convinced of their power. "Some of these rules take time to develop -- um, uh, the orderly liquidation authority, I think we've made progress on that," he said. "We've got the living wills -- I think we're moving in the right direction ... We do have a plan, and I think it's moving in the right direction." "Any idea about when we're gonna arrive in the right direction?" Warren said.

"It's not a zero-one kind of thing," Bernanke stammered in response. "Over time we will see increasing, uh, increasing market expectations that these institutions can fail."

He later added, "As somebody who's spent a lot of late nights dealing with these problems, I would very much like to have confidence we can close down a large institution without causing damage to the economy." Bernanke suggested that banks would eventually lose some of the benefits of size and would shrink themselves voluntarily -- news that might surprise JPMorgan Chase CEO Jamie Dimon, who was again extolling the benefits of his bank's size even as Bernanke spoke. Warren also pointed out that big banks are probably loath to give up any market subsidy -- \$83 billion or otherwise. "Big banks are getting a terrific break, and little banks are just getting smashed," Warren said. "I agree with you 100 percent," Bernanke said. **Boy could we use more people in Congress like Elizabeth Warren, who truly represents the interest of The People.**

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In an editorial this week in the *New York Times* — **Congress's Power to Protect the Vote** — they address the outrageous suggestion that Supreme Court Justice Antonio Scalia said about Section 5 which is the central provision of the **Voting Rights Act of 1965** that it is a "perpetuation of racial entitlement," and that minority voters in covered districts are getting something they do not deserve — protection of their right to vote. For some reason Conservatives believe that just because we have an African American President and therefore voter protection is on longer needed. When the truth is actually the opposite. Remember Republican efforts in Pennsylvania, Ohio and elsewhere to suppress voter access in urban areas and the 6 to 8 hour voting lines in inner city neighborhoods in Florida in the 2012 election. If anything the Voting Rights Act of 1965 should be expanded beyond the seven states, as there is undeniable evidence proving that it worked as Mississippi has the highest voting rate for African Americans in the country and Massachusetts has the worse record. NYT: Congress exercised its constitutional authority in carefully and deliberately renewing Section 5. If the Supreme Court substitutes its judgment for Congress's, it will enable state and local governments to erode nearly half a century of civil rights gains. I would suggest if the Supreme Court decides that it is unfair to the states that is currently covered, Congress should expand the ACT nationwide. Voting is not and entitlement — it is a right guaranteed by the Constitution and whether you are a minority in Florida or a white Conservative in Wyoming, it is a right that everyone should vigorously support.

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Speaker [John A. Boehner](#) this week decided that the best way to negotiate with President Obama over the fiscal issues currently facing the country was to not negotiate, pledging not to raise taxes even though every major economist will tell you that we can't grow the country's economy by cuts alone. Being told by many House Republican that the consequences of allowing the sequester to take effect could be less damaging than the consequences of going back on his promise not to allow any new tax revenues Boehner has now dug himself into a corner, refusing to even discuss an increase in revenue and insisting in his typical colorful language that it was time for the Senate to produce a measure aimed at the cuts.

*"The revenue issue is now closed,"* Mr. Boehner said Thursday, before the House left town for the weekend without acting on the cuts and a Senate attempt to avert them died. Mr. Boehner said the dispute with Democrats amounted to a question of *"how much more money do we want to steal from the American people to fund more government."* *"[redacted] for no more,"* he said. While the frustrations of Congressional Democrats and Mr. Obama with Mr. Boehner are reaching a fever pitch, House Republicans could not be more pleased with their leader. *"We asked him to commit to us that when the cuts actually came on March 1, that he would stand firm and not give in, and he's holding to that,"* said Representative Steve Scalise, Republican of Louisiana and chairman of the conservative Republican Study Committee. *"I think Friday will be an important day that shows we're finally willing to stand and fight for conservative principles and force Washington to start living within its means. And that will be a big victory."*

The most striking and disconcerting thing about the latest round in the budget war is that the debate within the Republican Party is proceeding on the basis of completely false premises. I don't mean false in the sense of wrongheaded policy beliefs. Republicans are debating their strategy as if President Obama's offer consists solely of making rich people pay more taxes and he is *"the enemy."* They won't acknowledge his actual offer, which includes large cuts to retirement programs. It's crazy. –

**Jonathan Chait** has a good post up about how Republicans don't really care about tax reform. [redacted] go further and say they aren't all that interested in deficit reduction, either. Let's review the contours of the current dispute between President Obama and House Republicans over ending the sequester. Here is what the president has put on the table:

- 1.** Cancel the sequester by substituting a combination of spending cuts and tax increases. Obama has proposed more spending cuts (\$930 billion) than tax increases (\$680 billion), and that's *before* you add to the spending cuts \$200 billion in foregone interest payments.
- 2.** The tax cuts proposed by the president would not be a rate increase, but rather a limit on tax deductions to 28 percent of income for high earners. Obama has advocated this change since 2009.
- 3.** In addition, the president proposes to close various tax loopholes, as yet unspecified, to reach \$580 billion.

4. The remaining \$100 billion in revenue would come from applying to income-tax-bracket thresholds (which rise with inflation) the same "chained" Consumer Price Index that Obama would use to lower Social Security payments. Since the chained CPI rises more slowly than the conventional CPI, taxpayers would reach higher-rate brackets more quickly than in the past. (Liberals can take only limited "what's-sauce-for-the-geese-is-sauce-for-the-gander" delight in this, because chaining income-tax brackets is also regressive. The biggest increase is for incomes between \$30,000 and \$40,000, and the increase for incomes above \$500,000 is negligible.)

The House counteroffer is ... actually, there *is* no House counteroffer, unless you count a sequester-replacement bill the House passed last May that eliminates the sequester's defense cuts and replaces them with domestic cuts. The House hasn't bothered to re-pass the bill since the new Congress began in January. (The Senate, being majority Democrat, is largely a bystander to this dispute, though it's worth noting that yesterday a Democratic bill to replace the sequester, which combined spending cuts with revenue increases, would have passed if it hadn't gotten filibustered by the GOP.) And House Speaker John Boehner won't support the president's offer because it includes a tax increase. Which part of the tax increase does he object to?

It can't be the deduction limit, because, according to *The New York Times*, Boehner as recently as December 17 was willing to support that.

It can't be the \$100 billion raised by switching to a chained CPI, because, according to CNN, Boehner supported that in December, too.

By process of elimination, it must be getting rid of tax loopholes.

But wait. Didn't Boehner give a speech this week saying tax reform was one of his *highest priorities*? He's reserved the designation "HR 1" for an income-tax-reform bill. The animating idea of tax reform is to swap lower tax rates for getting rid of loopholes. If Obama wants to eliminate loopholes *now*, shouldn't Boehner be in favor of that? Actually, no, because Boehner wants to eliminate loopholes *and* lower rates. Never mind that doing so would likely eliminate any deficit-reduction benefit from eliminating the loopholes, and that reducing the deficit is the only thing any serious-minded person is supposed to care about these days.

It would be absurd to think the "reform" part of tax reform consists in lowering marginal rates. You might have a case if rates were unusually high, but in fact they're quite low by historic standards. As a percentage of GDP, tax revenue hasn't been this low since 1950! (The fiscal cliff deal bumped the top rates up, but only a little, and only on very high incomes.) Boehner could try arguing that taxes are too *progressive*, and that what's needed is a tax system that's nicer to rich people and meaner to poor people. But Mitt Romney didn't have much luck with that gambit in 2012.

Inescapable conclusion: The GOP is not interested at all in tax reform, and it's only mildly interested in deficit reduction. It is mainly interested in tax reduction. All you need to do is look at the history of the past thirty-two years. The GOP has intermittently been interested in lowering the deficit whenever a

Democrat was in the White House, but it has *always* been interested in lowering taxes. It has *never not* wanted to lower taxes. That's how they got so low! The sequester can't be stopped because John Boehner thinks taxes are too high. But as we have seen, America's real problem is that taxes are too *low*. Historically low tax receipts go a long way toward explaining why the federal government is so broke right now. And the Republicans' refusal to acknowledge this is pretty much the whole problem.

## THIS WEEK'S READINGS

Two months ago, when Mario Monti stepped down as Italy's prime minister, **The Economist** opined that "*The coming election campaign will be, above all, a test of the maturity and realism of Italian voters.*" The mature, realistic action, presumably, would have been to return Mr. Monti — who was essentially imposed on Italy by its creditors — to office, this time with an actual democratic mandate. As Paul Krugman wrote this week in the **New York Times** — *Austerity, Italian Style* — things aren't looking good as Mr. Monti's party appears likely to come in fourth; running well behind the former Prime Minister Silvio Berlusconi who has been convicted of fraud, and also behind comedian, Beppe Grillo, "*whose lack of coherent platform hasn't stopped him from becoming a powerful political force.*"

Krugman: *For Mr. Monti was, in effect, the proconsul installed by Germany to enforce fiscal austerity on an already ailing economy; willingness to pursue austerity without limit is what defines respectability in European policy circles. This would be fine if austerity policies actually worked — but they don't. And far from seeming either mature or realistic, the advocates of austerity are sounding increasingly petulant and delusional.*

*Consider how things were supposed to be working at this point. When Europe began its infatuation with austerity, top officials dismissed concerns that slashing spending and raising taxes in depressed economies might deepen their depressions. On the contrary, they insisted, such policies would actually boost economies by inspiring confidence.*

*But the confidence fairy was a no-show. Nations imposing harsh austerity suffered deep economic downturns; the harsher the austerity, the deeper the downturn. Indeed, this relationship has been so strong that the International Monetary Fund, in a striking mea culpa, admitted that it had underestimated the damage austerity would inflict.*

*Meanwhile, austerity hasn't even achieved the minimal goal of reducing debt burdens. Instead, countries pursuing harsh austerity have seen the ratio of debt to ██████ rise, because the shrinkage in their economies has outpaced any reduction in the rate of borrowing. And because austerity policies haven't been offset by expansionary policies elsewhere, the European economy as a whole — which never had much of a recovery from the slump of 2008-9 — is back in recession, with unemployment marching ever higher.*

*Outside observers are terrified about Italy's election, and rightly so: even if the nightmare of a Berlusconi return to power fails to materialize, a strong showing by Mr. Berlusconi, Mr. Grillo, or both would destabilize not just*

*Italy but Europe as a whole. But remember, Italy isn't unique: disreputable politicians are on the rise all across Southern Europe. And the reason this is happening is that respectable Europeans won't admit that the policies they have imposed on debtors are a disastrous failure. If that doesn't change, the Italian election will be just a foretaste of the dangerous radicalization to come.*

As bad as sequestration, the debt ceiling debacle and congressional gridlock in America appears, Italy's dysfunction and Europe's austerity failure and even worse, European leaders refusal to acknowledge the failure, makes me believe that there is a new normal going around and America may not be as bad as people say.

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As dysfunctional as American politics are today with the sequester it pales in comparison to Italy. In an op-ed this week in **The Washington Post**, Robert Samuelson – *The return of the euro crisis* – in Italy's latest election in which a new political party, headed by a professional comedian named Beppe Grillo, received 26 percent of the vote and business tycoon and former prime minister, Silvio Berlusconi, repeatedly pronounced politically dead, rose from the grave and almost won.... Samuelson called the outcome, "*a mix of absurdity and anarchy.... quashing any optimism.*" As important is the messages that it sent. . "*The election wasn't just anti-austerity. It was also anti-German,*" says David Smick, editor of the **International Economy magazine**. Italian voters rejected both Europe's main response to high government debt — cut spending, raise taxes — and a major rebuke to German Chancellor Angela Merkel, who was the main architect of the austerity policies.

The resentment of austerity is no mystery. The Italian economy has contracted for six consecutive quarters; it is now 7.8 percent below its peak in the third quarter of 2007, reports economist Martin Schwerdtfeger of TD Economics. In 2013, the economy will shrink another 1 percent, he forecasts. Unemployment in December was 11.2 percent, up from 2007's 6.1 percent (annual average). This, too, will probably worsen in 2013. The point: Italians haven't gotten much return on their austerity, while taxes have gone up. The value-added tax (a sales tax) is scheduled to rise from 21 percent to 22 percent; there's a new tax on homes. Welfare benefits went down. The eligibility age for pensions (once 65 for men and 60 for women) is being raised to 67 by 2022. And yet, the debt picture hasn't improved. Interest payments and a contracting economy (gross domestic product) mean that the debt burden is worsening, notes Jeffrey Anderson of the Institute of International Finance, an industry think tank. Debt rose from 120 percent of GDP in 2011 to 127 percent in 2012, says the Organization for Economic Cooperation and Development.

Without stronger economic growth, Italy can't generate jobs and the tax revenues to shave the debt. Even before the financial crisis, growth was dismal, averaging less than 1 percent annually from 2001 to 2008. What obstructs it, many economists argue, are protections for firms and workers that provide privileges for some but discourage — or prevent — expansion. One example is Article 18 of Italy's labor law, which makes it hard for firms to fire workers. "*If you can't fire, you won't hire,*" says Matthew Melchiorre of the Competitive Enterprise Institute, a free-market think tank. Firms have an incentive to stay small. Italy has the largest share of employment in micro-firms (less than 10 workers) in the European Union, he says. At least 28 service sectors — taxi drivers, pharmacists, lawyers, accountants — enjoy licensing and other restrictions that limit competition. Rome has 2.2 taxis for each 1,000 people, much fewer less than Paris (7.7) or London (8.1), says Melchiorre. Italy's recent government under Mario Monti curbed some of these restrictions but was stymied in enacting more sweeping overhauls. Some economists believe that major "*structural*" changes would accelerate growth, but estimates of how much are mostly guesswork. And although the day after the election, the rate on Italy's 10-year government bonds rose from 4.5 percent to 4.9 percent — a large one-day move, but still well below last summer's peak of 6.6 percent.

Needless to say, if financial markets decide that Italy's situation is slipping out of control, it will slip out of control. Interest rates will rise; the debt burden will increase. At some point, Italy — the eurozone's third-largest economy — might need a bailout. Spain — the fourth-largest — might, too. The amounts required would dwarf the rescues of Greece, Portugal and Ireland. Agreement would be hardly guaranteed. As conditions for aid, the ECB and Germany have insisted on precisely the austerity and structural changes that Italian voters just rejected. Could Italy, backed by other debtor nations, force changes in old policies and, if not, Europe's future remains in play. And the European political, business and media elites who convinced themselves that the worst had passed last year have only themselves to blame for writing loans that countries and people couldn't afford and expecting them to **swallow the entire pill themselves**

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In response to a cover story in **The New York Times Magazine** last week on Republicans and their problem with technology, one quote that caught everyone's eye was, "*Romney's senior strategist Stuart Stevens, may well be remembered by historians as the last guy to run a presidential campaign who never tweeted,*" Stevens wrote an op-ed this week in **The Washington Post** — The GOP revival must go beyond joining Twitter — which is just another excuse by many Republicans for the shellacking that they received last November's election. To set the record straight, Stevens says that he has had a Twitter account right after the service was initially launched. But he is missing the point.

I agree with Stevens that this last election or any other will be won because as he put it, someone won the **Facebook** war, and the same is true for **Twitter**. Last week on **NBC's 'This Week With George Stephanopoulos,'** Newt Gingrich said — *I think the way Stuart just said it is exactly right. The technology problem is a culture problem. I mean the Democrats had 54 data analysts and were hiring Ph.Ds in advanced math because they were using the most advanced decision processes in the country. They were bringing in behavioral scientists. They were trying to figure out how you talk to 311 million people and do so in a way that you can survive 8 percent unemployment and get re-elected and it worked.*

*Now, I think it's actually -- he's right in a sense it's a cultural problem. None of our consultants would have imagined hiring 54 people in the decision area, none of them would have imagined having 24 people did nothing full time except e-mails and then blind tested the best e-mails to see which ones worked. I mean, this -- they are a Super Bowl team that we ought to respect deeply. And we are currently a mid-level college team floundering around and I agree. It's not just -- you can't just go out and buy this, this is a fundamental rethinking of how you relate to the American people. And, frankly, most of them -- ■■■ embarrassed to say I thought election day ■■■ win. I couldn't imagine this economy and Obama getting re-elected and that made me think if your airplane hits the mountain maybe you better buy new radar.*

And Newt is wrong too..... In reality both men are really saying that Democrats only won because they pandered to certain voting groups. Stevens suggested that because the Democratic Party favored gay marriage and supported contraception it somehow pandered to younger voters..... and that more African Americans in Ohio voted for President Obama in 2012 than in 2008 was due to Obamacare..... and that Hispanics voted overwhelmingly Democrat because of Obamacare and not immigration. With guys as tone-deaf like Stuart Stevens around him, it's no wonder why Mitt Romney was blindsided by his election loss.

African Americans voted in mass numbers and were willing to wait for hours, because they understood that Republican efforts to suppress the vote was to deny their vote, no matter coded the wording was. Concurrently, Hispanics understand that self-deportation and border security are not terms of endearment. Democrats appealed to issues that appealed to the young, people of color and people who supported income equality, gay and women's rights, as well as an economy that grows bottom up instead of trickling down, as thirty-plus years of Reaganomics has proven a disaster for the Middle Class. Mitt Romney and his supporters pooh-pooh President Obama as a community organizer. But if they think that they can employ his methods, without embracing his message is another recipe for failure in future elections.

As I said last week in my Weekly Readings: ....for those Conservatives who retain their skepticism about government intervention and believe that letting markets direct economic resources to grow the economy they should remember that in his first Inaugural Address, Reagan famously said that **"government is not the solution to our problem; government is the problem."** The less famous yet crucial beginning of that sentence was **"in our present crisis."** Not only Republicans, both parties need new policies and solutions for today's problems which are much different than three, two and one decade ago... And as Albert Einstein would say, *"to say and do the same things again and again and expecting different results..... is insanity."*

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This week in **The Huffington Post**, Mitchell Bard wrote – ***Blaming the Tea Party-Controlled GOP for Sequestration Isn't Partisan, It's Factual*** – that the Republican policy position on sequestration is irrational. First of all there is near universal agreement that the deep cuts from the sequester that are due to take place in a few days will be damaging to the economy, costing in the neighborhood of a million jobs (based on a nonpartisan estimate) and threatening our economic recovery (*the Congressional Budget Office estimates growth to be reduced by 0.6 percent*). While the Republicans in Congress are nevertheless willing to take the pocketbooks of the American people hostage, all to try and ransom spending and entitlement cuts that would, in the opinion of many economists, cause further economic damage to all but the wealthiest Americans.

You would think that after a majority of voters just three-and-a-half months ago rejected the very economic policies the Republicans are blackmailing the country to implement. And President Obama got nearly five million more votes than Mitt Romney (*and 126 more electoral votes*), the Democrats picked up two seats in the U.S. Senate in a year in which the Democrats had far more seats to defend, and Democratic House candidates received more votes than Republicans. There would seem to be no argument for the Republicans to threaten the country over rejected policies. But the decision of Republicans in Congress to continue an ideology-first, country-second approach to governing is, in its own way, extremely logical, even calculating. Thanks to gerrymandering, a large amount of Republican House members represent solidly red districts, so they have little to fear from a Democratic challenger, nor do senators in solid red states. But the same cannot be said about competition from the Tea Party right.

The fear is not abstract. The Tea Party has routinely challenged Republican incumbents, even staunchly conservative ones, who even emitted a whiff of being somewhat reasonable. Conservative standard-bearer Orrin Hatch narrowly survived a Tea Party challenge last year. Hatch wasn't as fortunate as his fellow conservative from Utah, Bob Bennett, who lost to his primary challenger in 2010, just as conservative Indiana senator Richard Lugar lost in 2012 to the now infamous Richard Mourdock, he of rape from pregnancy "is something that God intended to happen" fame. The Tea Party primary challenge has become such a threat to mainstream Republicans that Karl Rove started the Conservative Victory Project to help GOP incumbents ward off less electable primary opponents.

When you consider how few people actually vote in midterm primaries (*voter turnout for the 2010 primaries was only 17.8 percent*), it means a narrow slice of the population, residing on the far right of the political spectrum, is dictating how Republicans in Congress are proceeding. No wonder John Boehner is insisting on cuts to entitlements and other programs mainly aimed at working and middle class Americans, all while protecting the wealthy from any tax increases, to avert sequestration. A big chunk of his caucus is made up Tea Party ideologues, and the rest are in danger of being *primaried* if they don't do the Tea Party's bidding.

So what is the result of all this madness? Well, for one, the Republican party, at a federal level, has become a toxic brand. Beyond the election losses in November, polling data shows that the majority of the American people are not with the GOP. According to a recent Bloomberg poll, only 35 percent have a positive image of Republicans (the same poll shows a 55 percent approval rating for the president), and only 44 percent believe the GOP policy of cutting spending and taxes -- the thing Republicans say is so important they will blackmail the country to get it -- will create more jobs than the infrastructure investments proposed by the president.

But more importantly, Republicans in the House and Senate, afraid of primary challenges and, in some cases, the product of them, have handed their party over to the lunatic fringe. They have placed a purist, anti-government, anti-taxes, pro-wealthy, anti-middle class, Ayn Randian ideal above the practical, compromising, hard work of actually governing. They have created a toxic atmosphere in Washington, in which damaging the country (again, we are talking about a million people losing their jobs) is preferable to working with a president they irrationally despise and compromising to move even an inch closer to where the majority of voters stand on the issues.

**Simply put, the Tea Party-controlled Republicans in Congress are driving us over an economic cliff. And until we get away from the "blame everyone," "it's both sides" false equivalency of shying away from telling the truth about the GOP's suicide mission, pretending the same thing is happening on both sides (David Brooks's pathetic attempt to draw a false equivalency was so loathsome, he felt the need to walk back his characterization of the president's position the next day), the dysfunction in Washington will continue. The only way things will get better is if we cast off the fear of seeming partisan and let the truth and facts drive the debate.**

The bottom line is that the Republicans are demanding spending cuts that were soundly rejected by the voters in November, and to get them, they are threatening to allow the sequestration cuts to go

forward, which will be bad for the American people. (Let's remember that the sequestration cuts are the result of the Republicans holding the country hostage last year over the debt ceiling.) And a major driving force behind the Republicans' refusal to compromise--again, against the wishes of a majority of Americans--is a fear of losing their seats to Tea Party challengers. Which means we, as a country, are being held hostage by a small number of far-right ideologues whose views have been rejected, again and again, by a majority of voters (and not just by Democrats, when you consider GOP losses in red state Senate races like Indiana and Missouri).

If the sequester goes forward, and the country pays the price, everyone has a responsibility to stand up and point a finger at the reason for our government's epic dysfunction. If John Boehner, Mitch McConnell and their Republican colleagues in the House and Senate have any sense at all, they'll duck at that moment. Because this fabricated, unnecessary national disaster will be on them and their inability/lack of desire to do what is best for Americans, not what is best for the Tea Party.

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Joining the chorus of people fed up with Republicans attempt to obstruct anything supported by the Obama Administration, whether it be the nomination of Chuck Hagel to providing disaster relief to victims of Hurricane Sandy to the continual manufacturing of self-imposed destructive budget showdowns, this week in **The Washington Post**, E.J. Dionne wrote – **Ending the permanent crisis** – asking where is the old formula held that when government was divided between the parties, the contending sides should try to “*meet in the middle.*” Donne’s solution is – President Obama should demand the repeal of all artificial deadlines and tell both houses of Congress that he won’t make further proposals until each actually passes a replacement to the sequester – not a gimmick or something that looks like an alternative, but the real thing. With everyone on the record, normal discussions could begin, and Washington would no longer look like the set of a horror movie in which a new catastrophe lurks around every corner.

Dionne believes that in the Senate one way to stop the abuse of the filibuster is to let a plan pass by simple-majority vote, as “*misuse of the filibuster is a central cause of Washington’s contorted policy making.*” And “*et’s end the permanent budget crisis by governing ourselves though the majorities that every sane democracy uses.*” He also points out, “*the air of establishment Washington is filled with talk that Obama must “lead.” But Obama cannot force the House Republican majority to act if it doesn’t want to. He is (fortunately) not a dictator.*” In a candid interview Monday with Ezra Klein on MSNBC, Ben Domenech, a conservative blogger, said the new tea party Republicans in the House don’t want their leadership to sit down with Obama to talk because “*they have their doubts about the ability of Republicans to negotiate any better situation.*” . Domenech added that many conservatives “*don’t buy this distinction between smart cuts and dumb cuts,*” a distinction that is not “*all that critical.*”

House Speaker John Boehner keeps saying that the House has twice voted for ways to replace the sequester. What he doesn't say is that those votes were held in the last Congress, so the bills are dead. If they are so good, why doesn't the speaker bring them up again and pass them now? The answer is almost certainly that he doesn't have the votes One proposal Republicans are floating would give

Obama more flexibility to administer the sequester. Thus, a party that says it can't trust Obama enough to negotiate with him would trust him so much as to grant him exceptional power. The contradiction is so glaring that Republicans are split on the idea, and it's foolish anyway. As a senior administration official suggested, it's like being told that two of your fingers will be cut off but you could choose which fingers. How is it a "concession" to ask Obama to organize the cuts he says would be a disaster? The nation is exhausted with fake crises that voters thought they ended with their verdict in the last election. Those responsible for the Washington horror show should be held accountable. And only one party is using shutdowns, cliffs and debt ceilings as routine political weapons. And this is not me being partisan.

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Included this week is an op-ed from **The Washington Post** by Conservative columnist Robert J. Samuelson – ***The true national debt***. Starting with the question: How big is the national debt? First of all it is not a easy question, because it depends on what is included, as such Samuelson reckons that the national debt could be anywhere from \$11 trillion to \$31 trillion by my reckoning. The differences mostly reflect explicit and implicit "off-budget" federal loan guarantees. And in another economic downturn, these could result in large losses that would be brought "on budget" and worsen already huge deficits. Ergo..... the danger.

Broadly conceived, the national debt covers all debts for which the federal government assumes final responsibility. For politicians, the appeal of "off-budget" programs is that they allow the pleasure of spending without the pain of taxing. But they also create massive exposure for government. Below are five estimates of the national debt. Samuelson compare each with the national income (gross domestic product), which is the economic base to service debts. In fiscal 2012, GDP was \$15.5 trillion. He starts by saying that a debt ratio exceeding 90 percent slows economic growth. And using his calculations the United States already exceeds this threshold on four of my five measures.

**(1)** Treasury debt held by the public: \$11.3 trillion, 73 percent of GDP for fiscal 2012. This is the most common measure of the national debt. Reflecting past annual deficits, it represents what must be borrowed through sales of Treasury bills, notes and bonds. In 2007, the figures were only \$5 trillion and 36 percent of GDP. Today's levels — as a share of GDP — are the highest since World War II's immediate aftermath.

**(2)** Gross federal debt: \$16 trillion for 2012, 103 percent of GDP. This definition includes the "debt held by the public" (above) plus the Treasury securities issued to government trust funds, the largest being Social Security. Economists dislike this debt concept, because the trust-fund Treasury securities represent one part of the government owing another. It's comparable to lending yourself money. Congress could cancel these debts, though it almost certainly won't. The trust-account Treasury securities represent political commitments more than financial obligations.

**(3)** Federal loans and loan guarantees: \$2.9 trillion in 2011, 19 percent of GDP. The government makes or guarantees loans to college students, farmers, veterans, small businesses and others. The face value of most of these loans don't show up in the budget, but the government is on the hook if

borrowers default. Adding this debt (19 percent of GDP) to gross federal debt produces a total debt ratio of 122 percent of GDP.

(4) Fannie and Freddie: \$5.1 trillion, 33 percent of GDP. The government wasn't legally required to cover the debts of these “*government sponsored enterprises*” — the major lenders to the housing market — but almost everyone assumed it would if they got in trouble. That happened in September 2008. With Fannie and Freddie, the total debt ratio rises to 155 percent of GDP.

(5) The Federal Deposit Insurance Corporation: \$7.3 trillion, 47 percent of GDP. That's the insurance protection on bank accounts up to \$250,000. Including the FDIC brings the total debt ratio to 202 percent of GDP.

So the most expansive measure of national debt (\$31 trillion) is nearly three times the conventional estimate (\$11 trillion). Almost all the items on my list — whether Treasury bonds or bank deposits — are ultimately legal obligations of the federal government. Note: They differ from Social Security and Medicare benefits, which are often called “*debts*.” They aren't. Congress can alter the benefits anytime it chooses, as well as print currency to cover the shortfall until inflation begins again.

But when you realize that the government has instituted a number of policies that mitigate the danger that these numbers on their own suggest. Because there are a number of federally backed credit programs confer huge benefits. The FDIC's insurance prevented a depositors' panic in the financial crisis. It also has a \$25 billion insurance fund to cover payments. Second, most federally backed credit goes to private borrowers who should be able to repay. Lax credit standards may produce some defaults, but in normal times they should be a tiny fraction of the total. Indeed, estimates of possible losses are contained in the official budget. Usually, these programs aren't a major drain on taxes. By contrast, borrowing to cover budget deficits is not automatically self-liquidating.

Also, the numbers are misleading. Take for instance **America's** national debt is 102.9% of GDP, while **Japan** is 229.8% of GDP, **Italy** is 120.1% of GDP and **Greece** is 163.3% of GDP. **Germany, UK, France** and **Canada** national debt's are between 81.5% to 86.3% of their GDPs.

While **Zimbabwe** national debt is 70.3%, **Mexico** 43.8%, **Venezuela** is 45.5% and **Vietnam** is 38%. Obviously the US economy is in better shape than **Zimbabwe, Vietnam** and **Mexico**. And **Singapore's** economy which has a national debt ratio 100.8% of GDP has a stronger economy than **Vietnam** or **Spain** which is 68.9%. And although **Germany** and **France's** national debt ratio is significantly lower than the US, being tied to the single Euro currency, they have much less flexibility to tweak their economies and they are saddled with the weak economies of Greece, Italy, Spain, Ireland and Portugal. ***With this in mind.... yes..... it is good to know the numbers, but the numbers don't come anywhere close to show the strength of a country's economy and even if you believe Samuelson's numbers, the US's economy is not nearly as bad as most other countries.***

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The week in **The Huffington Post**, Robert Reich wrote – *Why Obama Must Meet the Republican Lies Directly* – that he believes that the White House is wrong believing that the best way to strengthen its hand in the upcoming "sequester" showdown with Republicans is to tell Americans how awful the spending cuts will be, and blame Republicans for them. And like Robert Reich, I feel that this won't work as these tactical messages muddies the larger truth that the Republicans' austerity economics and trickle-down economics have failed and saying anything less is a bold-face lie.

With Conservative Tea-Party members suggesting that the sequester may be a good thing even if half of the cuts going in affect on Friday are Military because they believe that Americans won't feel the pain in weeks if not months while domestic discretionary spending will begin immediately. The problem is that Conservatives believe that these cuts will hurt the Democratic base/47% (as there will be sharp reductions in federal aid to poor schools, nutrition assistance, housing assistance, and the like), and for some reason their constituents won't see or feel these cuts.

To further cover themselves Republicans are trying to dodge the blame by giving President Obama authority to shift spending and find the cuts himself, thereby making the White House appear even more culpable. Additionally, after Friday's sequester comes the showdown over continuing funding of the government beyond March 27, which most likely will result in another fight over the debt ceiling.

Robert Reich: The White House must directly rebut the two big lies that fuel the Republican assault -- and that have fueled it since the showdown over the debt ceiling in the summer of 2011.

The first big lie is austerity economics -- the claim that the budget deficit is the nation's biggest economic problem now, responsible for the anemic recovery. Wrong. The problem is too few jobs, lousy wages, and slow growth. Cutting the budget deficit anytime soon makes the problem worse because it reduces overall demand. As a result, the economy will slow or fall into recession -- which enlarges the deficit in proportion. You want proof? Look at what austerity economics has done to Europe.

The second big lie is trickle-down economics -- the claim that we get more jobs and growth if corporations and the rich have more money because they're the job creators, and job growth would be hurt if their taxes were hiked. Wrong. The real job creators are the broad middle class and everyone who aspires to join it. Their purchases keep economy going. As inequality continues to widen, and income and wealth become ever more concentrated at the top, the rest don't have the purchasing power they need to boost the economy. That's the underlying reason why the recovery continues to be so anemic.

These two lies -- austerity economics and trickle-down economics -- are being told over and over by Republicans and their mouthpieces on Fox News, yell radio, and the editorial pages of the *Wall Street Journal*. They are wrong and there are dangerous. Yet unless they are rebutted clearly and forcefully, the nation will continue to careen from crisis to crisis, showdown to showdown. And we will have almost no chance of reversing the larger challenge of widening inequality.

As such, I agree with Robert Reich that President Obama has use the bully pulpit to confront these lies directly, instead of letting micro-tactics get in the way of the larger truth. And he's blurring his message with other messages -- about gun control, immigration, and the environment. All are important, to be sure. But none has half a chance unless Americans understand how they're being duped on the really big story.

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A week ago at the Republican National Committee's winter meeting in Charlotte this week slowly coming to the realization that preventing President Obama and Democrats from doing things they don't like doesn't constitute a governing platform

Republicans are trying to refashion the party in the wake of their 2012 defeat. Except that they are having a problem agreeing on what the party's positive agenda ought to be. . Should the GOP take a more moderate position on immigration reform, which is popular with the public as a whole and could help the GOP with Hispanics? How about gun control, where large public majorities disagree with NRA-style Second Amendment absolutism? Are hardline Republican stances on gay marriage and abortion alienating young voters and women? Taxes and spending have been the party's traditional strength, but Obama had the public on his side in raising taxes on the wealthy, and he used Paul Ryan's proposals for trimming entitlements as a bludgeon in the presidential campaign. And when it comes to a foreign policy, Republicans are all over the map.

During the event, journalist Molly Ball asked a cross-section of GOP leaders from all over the country: What did they think the party ought to stand for? If they recited the mantra of "smaller government, lower taxes," she tried to get them to say what significant parts of the government ██████████ reduce and whose taxes they would cut. Feel free to see her article in **The Atlantic** – *What Should the Republican Party Stand For?* – Without any bias comments from me, here are some of the answers that she was given..... so that you can draw conclusions.

**Dana Randall, South Dakota national committeeman:** "In South Dakota, they're spending money to chase elk out of a national park, when they could be making money off people to hunt them. Our national forests could be handled more responsibly. After 9/11, they built all these fancy fences around the airport in Aberdeen, but the fence is hanging open!"

**Jay Shepard, Vermont national committeeman:** "I have a bit of an issue with the idea that we have to stand for something specific on every issue. Why do we have to be the pro-life party, when a huge number of Republicans are pro-choice? Why are we the only party having this discussion? You can get six Republicans talking about immigration reform and you'll hear eight opinions. We need to let people know we're not always top-down."

**Mark Willis, Maine national committeeman:** "A noninterventionist foreign policy, the abolition of the TSA, and ending the Federal Reserve."

**Newt Gingrich, former House speaker:** "We need to stand for the kind of problem-solving that leads to more economic growth, more jobs and more take-home pay. A health system that enables people to have the longest life at the lowest cost. It's going to take a decade or more of inventing big, conservative solutions .... House Republicans ought to hold hearings focused on waste and specific scandals. A lot of Republicans, frankly, spent the last two years saying, 'Oh, gee, we don't have to do much because after Obama loses we'll be in charge.' Well, now that world has ended."

**Dave Agema, Michigan national committeeman:** "Traditional family values. Fiscal conservatism, yet willing to help those in need. That's what we really are. We should have a basic safety net, but too often it becomes a hammock. Our values are what make America great -- a mom and a dad. Look what we have today with all these broken families. They have a much higher possibility of being poor."

**Saul Anuzis, former Michigan Republican Party chairman:** "The opportunity society -- the argument Ronald Reagan, Jack Kemp and Newt Gingrich used to make. There's a desire for it. People are just scared right now, so they want

a bigger social safety net .... I don't think we can win being the party of 'no.' We've got to do something more."

**Steve Scheffler, Iowa national committeeman:** "We need to stand by our principles and not deviate. Mitt Romney had a mushy message. He didn't say anything but 'We need to get rid of Obama.' We need to talk about restoring fiscal sanity to the budget, but we can't talk about it in generic terms."

**Curly Haugland, North Dakota national committeeman:** "We need to reaffirm our vision of every individual in America being allowed to keep the fruits of their labor, and refute this socialism or fascism or whatever you want to call it that Obama has instituted. We should be cutting spending on this green energy. It's a disaster. There are windmills all over Iowa and North Dakota and South Dakota. It's ideology, not economics. It's a redistribution of wealth to produce something of almost no value. Wind power is practically worthless."

**Mike Duncan, Kentucky national committeeman, former RNC chairman:** "The trade-offs EPA is making on coal-fired power plants are costing jobs all over the country. Coal mine jobs, utility jobs, and they're costing people money through higher electric prices. When Nixon started the EPA in 1970, the air was terrible. Now, we've reduced 85 percent of the particulates in the air, and the amount being argued about is so small."

**Jim Bopp, Republican National Conservative Caucus, Indiana:** "Smaller government, lower taxes, so we can have more economic vitality. Yes, in this election, voters favored Obama on higher taxes on upper-income people, and he's now got that. But that's why we have periodic elections. Did he think when the people spoke in 2010 that that was the be-all and end-all?"

**Ari Fleischer, former White House press secretary:** "Inclusiveness. We don't have to agree on every issue. We need to say to people we disagree with on certain issues, 'We welcome you.' ... There are people who need government, and we should recognize that. We want there to be fewer and fewer people needing government, but we have to recognize that some people do."

**Glenn McCall, South Carolina national committeeman:** "There are things we could cut in the Department of Education, even Defense. I served in the Air Force for 24 years. There's waste and abuse in every agency. In corporate America, you make cuts because you have to, and people whine and cry, but you get by."

**Bobby Jindal, Louisiana governor:** "Education policy. We need to be fighting for real choice, where the dollars follow the child instead of the child following the dollars. We need to be fighting to simplify our tax code, getting rid of all those distortions and loopholes. I've proposed getting rid of the income tax in Louisiana."

**Lenny Curry, Florida Republican Party chairman:** "There has to be some level of taxation or you get anarchy. It's up to Congress and the president to make those decisions. We have to fix the debt problem, and that is going to have to

include reforming Medicare and Medicaid. We want them to exist in the future, but they have to be reformed. What we don't need to be is the party that stands in the middle of the road yelling, 'Stop, this is bad.'

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This week in **The Huffington Post**, Robert Reich wrote – ***The Sequester and the Tea Party Plot*** – describing a plot to undermine the government of the United States, to destroy much of its capacity to do the public's business, and to sow distrust among the population. Already, Tea Party Republicans are crowing about the "sequestration" cuts that began on Friday. *"This will be the first significant tea party victory in that we got what we set out to do in changing Washington,"* says Rep. Tim Huelskamp (Kan.), a Tea Partier who was first elected in 2010. And they now see sequestration is only the start. What they really want to do is not just simply change Washington but to eviscerate the U.S. government. In the words of Grover Norquist -- *"drown it in the bathtub,"* -- slashing Social Security and Medicare, ending worker protections we've had since the 1930s, eroding civil rights and voting rights, terminating programs that have helped the poor for generations, and making it impossible for the government to invest in our future.

Sequestration grew out of a strategy hatched soon after they took over the House in 2011, to achieve their goals by holding hostage the full faith and credit of the United States -- notwithstanding the Constitution's instruction that the public debt of the United States *"not be questioned."* To avoid default on the public debt, the White House and House Republicans agreed to harsh and arbitrary "sequestered" spending cuts if they couldn't come up with a more reasonable deal in the interim. But the Tea Partiers had no intention of agreeing to anything more reasonable. They knew the only way to dismember the federal government was through large spending cuts without tax increases. Nor do they seem to mind the higher unemployment their strategy will almost certainly bring about. Sequestration combined with January's fiscal cliff deal is expected to slow economic growth by 1.5 percentage points this year - dangerous for an economy now crawling at about 2 percent. It will be even worse if the Tea Partiers refuse to extend the government's spending authority, which expires March 27.

A conspiracy theorist might think they welcome more joblessness because they want Americans to be even more fearful and angry. Tea Partiers use fear and anger in their war against the government -- blaming the anemic recovery on government deficits and the government's size, and selling a poisonous snake-oil of austerity economics and trickle-down economics as the remedy. They likewise use the disruption and paralysis they've sown in Washington to persuade Americans government is necessarily dysfunctional, and politics inherently bad. Their continuing showdowns and standoffs are, in this sense, part of the plot.

These people aren't interested in a so-called "grand bargain" of "balanced" spending cuts (including cuts in the projected growth of Social Security and Medicare) combined with tax increases on the wealthy. So far, though, he has agreed to a gross imbalance -- \$1.5 trillion in cuts to Republicans' \$600 billion in tax increases on the rich. These people aren't really serious about deficit reduction, when in fact the Tea Partiers now running the GOP are serious only about dismembering the government.

Nor do they accept that the budget deficit isn't the largest economic problem facing the nation, when in reality the largest problem is continuing high unemployment (some 20 million Americans unemployed or under-employed), declining real wages, and widening inequality. And deficit reduction now or in

the near-term will only make these worse. Today the deficit is now down to about 5 percent of GDP -- where it was when Bill Clinton took office. And it is only projected to mushroom in later years mainly because healthcare costs are expected to rise faster than the economy is expected to grow due to the American population is aging. These trends have little or nothing to do with government programs. In fact, Medicare is far more efficient than private health insurance.

As such I agree with Reich that the President forget about a "*grand bargain*." In fact, he should stop talking about the budget deficit and start talking about jobs and wages, and widening inequality - as he did in the campaign. And he should give up all hope of making a deal with the Tea Partiers who now run the Republican Party. And instead, the President should let the public see the Tea Partiers for who they are -- a small, radical minority intent on dismantling the government of the United States. As long as they are allowed to dictate the terms of public debate they will continue to hold the rest of us hostage to their extremism. I urge my Republican friends to challenge this fringe element in your party that is hell bent on making the government smaller at the peril of seriously damaging the quality of life for tens of millions of our fellow citizens and the institutions that provide support, so that they can feel bigger.....

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In a **New York Times** editorial this weekend — *As the Cuts Hit Home* — the House Republicans cheered when their leader, John Boehner, made it clear that deep, automatic spending cuts would begin as scheduled on Friday considering it some sort of victory when they should be ashamed, because as the cuts take effect, they will inflict widespread hardship. But some Americans will be hurt more than others, and the people who will be hurt the most are those who are already struggling. In the months ahead, an estimated 3.8 million Americans who have been unemployed for more than six months face a cut in federal jobless benefits of nearly 11 percent — or about \$32 a week — all from the recent average weekly benefit of \$292. And an estimated 600,000 low-income women and toddlers will be turned away from the federal nutrition program for women, infants and children, known as WIC. The director of the Congressional Budget Office estimates that the sequester could cost 750,000 jobs in 2013 alone, as well as cause the country's GDP to decline by .6%. If this is a victory, it is not a victory for the country or the American people.

**NYT:** It should not be this way. Deficit reduction should not occur on the backs of the poor and vulnerable. At the insistence of Democrats, most major programs that help the needy have been exempted from the cuts, including food stamps and Medicaid. Democrats also won exemptions for beneficiaries of programs that are not explicitly aimed at low-income Americans but that are crucial to keeping many retirees out of poverty or near-poverty, notably veterans' pensions, Social Security and Medicare. Still, smaller, vital programs will fall under the knife, in part because they are in spending categories deemed dispensable under the unthinking rules for across-the-board cuts.

**FEDERAL UNEMPLOYMENT BENEFITS:** By the end of the fiscal year, on Sept. 30, the Labor Department estimates that \$2.3 billion will be cut from federal jobless benefits. Those benefits provide 14 to 47 weeks of aid after state-provided benefits run out, generally after 26 weeks. The support is critical. The share of

unemployed workers who have been out of work for more than six months was 38.1 percent in January, with the worst levels of long-term unemployment occurring among workers 45 or older. That group is likely to have substantial family and financial obligations, even as it is often shunned by employers. According to an Urban Institute survey last year, workers in their 50s are about 20 percent less likely to be rehired than workers ages 25 to 34. It will probably take the states, which administer the benefits, at least until April to make the program changes. While that will postpone the immediate pain, it means that the cuts, when they come, will be concentrated over an even shorter period.

**NUTRITION AID:** The federal government has yet to issue specific guidance on how states should handle an estimated cut to the WIC program of \$340 million this fiscal year. Little will happen until April, but, after that, priority is likely to be given increasingly to pregnant and breast-feeding women and to infants, while women not breast-feeding are put on an indefinite wait list, along with many children over 1 year old. The cutbacks to mothers would affect African-Americans disproportionately, because their breast-feeding rates are lower than other groups'. The cuts in aid to children will fall disproportionately on Hispanic families, who tend to have more children.

So when Speaker John Boehner said after his Congressional leaders met with President Obama on Friday: *"Let's make it clear that the president got his tax hikes on Jan. 1. This discussion about revenue, in my view, is over."* — He is misleading people by characterizing the American Taxpayer Relief Act as a "tax hike." When in reality, much of what it did was allow 18 percent of the Bush tax cuts — mostly those affecting the wealthiest Americans — to expire while permanently locking in a whopping 82 percent of them. If you remember, this was the story that Republican leaders were spinning two months ago. But of course, this misrepresentation fits with the tired trope of Democrats as tax-and-spend liberals. It also completely ignores that it was Bush-era spending that dug the ditch we're in. Republicans have defined their position, regardless of how reckless: austerity or bust. However, as economists have warned, austerity generally proceeds — and, in fact, can cause — bust. Just look at Europe. Republicans are so dizzy over deficits and tax reduction, and the real big ugly in the room — to make Obama a failed President, at any cost — they cannot — or will not — see it.

You have to believe that there are some adults in the Republican Party, who are concerned about the pain that these cuts will cause to the poor and less fortunate and the damage that they could possibly do to our fragile economic recovery. As columnist Charles Blow wrote this weekend — *"they're still trying to sell cut-to-grow snake oil: cut spending and cut taxes, and the economy will grow because rich people will be happy, and when rich people are happy they hire poor people, and then everyone's happy."* There is undeniable proof that this doesn't happen. In today's world, economies grow because of innovation, skilled labor and extracting resources. Taxes have little to do with it... The truth is that these cuts are real. The pain that they will cause average Americans and the poor will be real. Therefore, why are the Republicans so happy when they should be ashamed?

**QUOTE OF THE WEEK**

*Religion is an organization for the perpetuation of its own values.*

Robert Ingersoll

## THIS WEEK'S MUSIC

This week I would like to share the music of Dionne Warwick (born Marie Dionne Warrick; (who was born on my birthday December 12<sup>th</sup> in 1940) She is an American singer, actress and TV show host, who became a United Nations Global Ambassador for the Food and Agriculture Organization, and a United States Ambassador of Health. Having been in a partnership with songwriters Burt Bacharach and Hal David, Warwick ranks among the 40 biggest hit makers of the entire rock era (1955–2012), based on the Billboard Hot 100 Pop Singles Charts. As of January 2013, Warwick ranks second behind only Aretha Franklin (who has a total of 88 charted Billboard singles) as the most-charted female of all time with 56 of Dionne's singles making the Billboard Hot 100 between 1962 and 1998. Her hits include "Walk On By," "Alfie," "A Say A Little Prayer," "Do You Know the Way to San Jos This Girl's in Love with You"e," "I'll Never Fall in Love Again," "Then Came You" and "That's What Friends Are For" with Elton John, Gladys Knight & Stevie Wonder.

On Wednesday, September 17, 1969, CBS Television aired Dionne Warwick's first television special entitled "The Dionne Warwick Chevy Special." Dionne's guests were Burt Bacharach, George Kirby, Glen Campbell, and Creedence Clearwater Revival. And in 1971, Dionne Warwick left the family atmosphere of Scepter Records for Warner Bros. Records, for a \$5 million contract, the most lucrative recording contract ever given to a female vocalist up to that time, according to Variety. In January 1980, while under contract to Arista Records, Dionne Warwick hosted a two-hour TV special called Solid Gold '79. This was adapted into the weekly one-hour show Solid Gold, which she hosted throughout 1980 and 1981 and again in 1985-86. And for those who didn't follow her music Dionne Warwick will be remembered for the Psychic Friends Network's infomercials which she was the spokesperson. The 900 number psychic service was active from 1991 to 1998. According to press statements throughout the 1990s, the program was the most successful infomercial for several years and Warwick earned in excess of three million dollars per year as spokesperson for the network.

Dionne Warwick — *Walk on By* -- [REDACTED]

Dionne Warwick — *What The World Needs Now Is Love* - Live 1993 -- [REDACTED]  
[v=bH9sBgekZ0](#)

Dionne Warwick — *Anyone Who Had A Heart* -- [REDACTED]

Dionne Warwick's — *A House is not a Home* -- [REDACTED]

Dionne Warwick with Stevie Wonder, Luther Vandross & Whitney Houston — *That's What Friends Are For* - [REDACTED]

Dionne Warwick with Burt Backarach — *Alfie* -- [REDACTED]

Dionne Warwick — *Trains And Boats And Planes* -- [REDACTED]

Dionne Warwick — (Theme from) *Valley of the Dolls* -- [REDACTED]  
[v=G7yMhMaHTmY](#)

Dionne Warwick — *Do You Know the Way to San Jose* -- [REDACTED]

Dionne Warwick — *Make It Easy On Yourself* -- [REDACTED]

Luther Vandross & Dionne Warwick ~ medley ~ -- [REDACTED]

DIONNE WARWICK — *THE LOOK OF LOVE* -- [REDACTED]

I hope that you have enjoyed this week's Weekend Readings and I wish you a great week.... And for my Republican friends I didn't mean to bash you this much but I truly believe that the Congressional Republican leadership have descended in the partisan sport of being obstructive with the goal of giving the other guy a black eye.... When we desperately need leadership who will embrace, support and enact solutions even if it means giving the President a win....

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