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**Attachments:** A\_sweltering\_planet's\_agenda\_TWP\_Editorial\_January\_12,\_2013.pdf;  
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Ranks\_of\_working\_poor\_increasing\_Michael\_Fletcher\_TWP\_January\_16,\_2013.pdf;  
Thurgood\_Marshall\_-\_bio.pdf;  
America\_is\_not\_in\_decline\_or\_retreat\_EJ\_Dionne\_TWP\_January\_13,\_2013.pdf;  
Justice\_Clarence\_Thomas\_Breaks\_His\_Silence\_Adam\_Liptak\_NYT+January\_14,\_2013.pdf  
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China\_Begins\_to\_Lose\_Edge\_as\_World's\_Factory\_Floor\_Yajun\_Zhang\_WSJ\_January\_16,\_  
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Peter\_Diamandis\_Says\_Eight\_Technologies\_Are\_Making\_the\_World\_Better\_Steve\_Rosenb  
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What\_Is\_Driving\_Growth\_in\_Government\_Spending\_Nate\_Silver\_NYT\_January\_16,\_2013  
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Get\_stuck\_in\_but\_don't\_get\_stuck\_The\_Economist\_January\_19,\_2013.pdf;  
4\_Pinocchios\_for\_a\_slashing\_NRA\_ad\_on\_security\_at\_Sidwell\_Friends\_School\_Glenn\_Ke  
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## Dear Friends.....

This week I had the pleasure of both attending a talk and meeting its speaker, the visionary **Peter Dianmadis**, who is the *Founder and Chairman* of the **X Prize Foundation**, a nonprofit whose mission is simply "*to bring about radical breakthroughs for the benefit of humanity.*" By offering a big cash prize for a specific accomplishment, the **X Prize** stimulates competition and excitement around some of the planet's most important goals. The X Prize Foundation offers large cash incentive prizes to inventors who can solve grand challenges like space flight, low-cost mobile medical diagnostics and oil spill cleanup. Dianmadis is also co-founder and chairman of **Singularity University** which runs *Exponential Technologies Executive and Graduate Student Programs* on exponentially growing technologies.

[http://www.ted.com/talks/peter\\_diamandis\\_abundance\\_is\\_our\\_future.html](http://www.ted.com/talks/peter_diamandis_abundance_is_our_future.html)

Before the X Prize, Dianmadis ran a company that studied low-cost launching technologies and **Zero-G** which offers the public the chance to train like an astronaut and experience weightlessness. The X Prize's first \$10 million went to a space-themed challenge, and Dianmadis' goal now is to extend the prize into health care, social policy, education and many other fields that could use a dose of competitive innovation.

Onstage Diamandis begins by making a case for optimism under the title of his latest book "*Abundance*" -- that we/mankind will invent, innovate and create ways to solve the challenges that loom over us. Diamandis, "*I'm not saying we don't have our set of problems; we surely do. But ultimately, we knock them down.*" He then showed a video -- Announcer: *Threats, in the wake of Bin Laden's death, have spiked.* Announcer Two: *Famine in Somalia.* Announcer Three: *Police pepper spray.* Announcer Four: *Vicious cartels.* Announcer Five: *Caustic cruise lines.* Announcer Six: *Societal decay.* Announcer Seven: *65 dead.* Announcer Eight: *Tsunami warning.* Announcer Nine: *Cyber-attacks.* Multiple Announcers: *Drug war. Mass destruction. Tornado. Recession. Default. Doomsday. Egypt. Syria. Crisis. Death. Disaster. Oh, my God.*

Peter Diamandis: So those are just a few of the clips I collected over the last six months -- could have easily been the last six days or the last six years. The point is that the news media preferentially feeds us negative stories because that's what our minds pay attention to. And there's a very good reason for that. Every second of every day, our senses bring in way too much data than we can possibly process in our brains. And because nothing is more important to us than survival, the first stop of all of that data is an ancient sliver of the temporal lobe called the amygdala. Now the amygdala is our early warning detector, our danger detector. It sorts and scours through all of the information looking for anything in the environment that might harm us. So given a dozen news stories, we will preferentially look at the negative news. And that old newspaper saying, "*If it bleeds it leads,*" is very true. So given all of our digital devices that are bringing all the negative news to us seven days a week, 24 hours a day, it's no wonder that we're pessimistic. It's no wonder that people think that the world is getting worse.

Peter Diamandis: But perhaps that's not the case. Perhaps instead, it's the distortions brought to us of what's really going on. Perhaps the tremendous progress we've made over the last century by a series of forces are, in fact, accelerating to a point that we have the potential in the next three decades to create a world of abundance. Now I'm not saying we don't have our set of problems -- climate crisis, species extinction, water and energy shortage -- we surely do. And as humans, we are far better at seeing the problems way in advance, but ultimately we knock them down. So let's look at what this last century has been to see where we're going. Over the last hundred years, the average human lifespan has more than doubled, average per capita income adjusted for inflation around the world has tripled. Childhood mortality has come down a factor of 10. Add to that the cost of food, electricity, transportation, communication have dropped 10 to 1,000-fold. Steve Pinker has showed us that, in fact, we're living during the most peaceful time ever in human history. And Charles Kenny that global literacy has gone from 25 percent to over 80 percent in the last 130 years. We truly are living in an extraordinary time. And many people forget this.

And we keep setting our expectations higher and higher. In fact, we redefine what poverty means. Think of this, in America today, the majority of people living under the poverty line still have electricity, water, toilets, refrigerators, television, mobile phones, air conditioning and cars. While, the wealthiest robber barons of the last century, the emperors on this planet, could have never dreamed of such luxuries. Underpinning much of this is technology, and of late, exponentially growing technologies. My good friend Ray Kurzweil showed that any tool that becomes an information technology jumps on this curve, on Moore's Law, and experiences price performance doubling every 12 to 24 months. That's why the cellphone in your pocket is literally a million times cheaper and a thousand times faster than a supercomputer of the '70s. Now look at this curve. This is Moore's Law over the last hundred years. I want you to notice two things from this curve. Number one, how smooth it is -- through good time and bad time, war time and peace time, recession, depression and boom time. This is the result of faster computers being used to build faster computers. It doesn't slow for any of our grand challenges. And also, even though it's plotted on a log curve on the left, it's curving upwards. The rate at which the technology is getting faster is itself getting faster.

And on this curve, riding on Moore's Law, are a set of extraordinarily powerful technologies available to all of us. Cloud computing, what my friends at Autodesk call infinite computing; sensors and networks; robotics; 3D printing, which is the ability to democratize and distribute personalized production around the planet; synthetic biology; fuels, vaccines and foods; digital medicine; nanomaterials; and A.I. I mean, how many of you saw the winning of Jeopardy by IBM's Watson? I mean, that was epic. In fact, I scoured the headlines looking for the best headline in a newspaper I could. And I love this: "*Watson Vanquishes Human Opponents.*" Jeopardy's not an easy game. It's about the nuance of human language. And imagine if you would A.I.'s like this on the cloud available to every person with a cellphone.

Four years ago here at TED, Ray Kurzweil and I started a new university called Singularity University. And we teach our students all of these technologies, and particularly how they can be used to solve humanity's grand challenges. And every year we ask them to start a company or a product or a service that can affect positively the lives of a billion people within a decade. Think about that, the fact that, literally,

Diamandis says it's our moral imperative to keep exploring space -- and he talks about how, with the X Prize and other incentives, we're going to do just that. He says that in the future we will be more empowered as individuals to take on the grand challenges of this planet. That we have the tools with this exponential technology. That we have the passion of the DIY innovator. That we have the capital. And that we have three billion new minds coming online to work with us to solve the grand challenges, to do that which we must do. As such he believes that we are living into extraordinary decades ahead.

[http://www.ted.com/talks/peter\\_diamandis\\_on\\_our\\_next\\_giant\\_leap.html](http://www.ted.com/talks/peter_diamandis_on_our_next_giant_leap.html)

It is inspiring being in the presence of someone who has the curiosity of a child and the drive of an explorer. Having been someone who has always looked beyond the edge of the envelop, it was refreshing to meet a kindred spirit who reminded me that in 1986 a friend and I bought the Westar 6 telecommunications satellite after it was retrieved by NASA's Space Shuttle from the Merritt Underwriters at Lloyds of London.... before we had an orbital slot, engineering commence, funding to launch was secured or a business plan to implement, it was refurbished and relaunched on April 7, 1990 as Asat1 and today that company is **AsiaSat** – now the largest regional satellite system in Asia..... and to give substance to the business plan we became its first customer and today that company is **StarTV** – now the largest satellite broadcasting network on the planet. My father use to say, "*if you can see it, you can get there.*" People like Peter Diamandis inspire everyone around them of the possibilities of "*tomorrow*" -- and that tomorrow most likely will be more exciting than yesterday -- and most of all; *everything is possible if we only believe.... I invite you to be inspired.... I invite you to dream the impossible.... I invite you to believe in tomorrow....*

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One of my all-time heroes is **Thurgood Marshall** (July 2, 1908 – January 24, 1993) who was an Associate Justice of the United States Supreme Court, serving from October 1967 until October 1991. Marshall was the Court's 96th justice and its first African-American justice. Before becoming a judge, Marshall was a lawyer who was best known for his high success rate in arguing before the Supreme Court and for the victory in *Brown v. Board of Education*. He argued more cases before the United States Supreme Court than anyone else in history. He served on the United States Court of Appeals for the Second Circuit after being appointed by President John F. Kennedy and then served as the Solicitor General after being appointed by President Lyndon Johnson in 1965. President Johnson nominated him to the United States Supreme Court in 1967.

Of the three leading black figures of the civil rights movement in the last century were Martin Luther King, Malcolm X and Thurgood Marshall, who was the least well-known of the three. Martin Luther King Jr., with his preaching of love and non-violent resistance, and Malcolm X, the fiery street preacher who advocated a bloody overthrow of the system, are both more closely associated in the popular mind and myth with the civil rights struggle. But it was Thurgood Marshall, working through the courts to eradicate the legacy of slavery and destroying the racist segregation system of Jim Crow, who had an even more profound and lasting effect on race relations than either of King or X.

It was Marshall who ended legal segregation in the United States. He won Supreme Court victories breaking the color line in housing, transportation and voting, all of which overturned the 'Separate-but-Equal' apartheid of American life in the first half of the century. It was Marshall who won the most important legal case of the century, *Brown v. Board of Education*, ending the legal separation of black and white children in public schools. The success of the *Brown* case sparked the 1960s civil rights movement, led to the increased number of black high school and college graduates and the incredible rise of the black middle-class in both numbers and political power in the second half of the century.

And it was Marshall, as the nation's first African-American Supreme Court justice, who promoted affirmative action -- preferences, set-asides and other race conscious policies -- as the remedy for the damage remaining from the nation's history of slavery and racial bias. Justice Marshall gave a clear signal that while legal discrimination had ended, there was more to be done to advance educational opportunity for people who had been locked out and to bridge the wide canyon of economic inequity between blacks and whites. He worked on behalf of black Americans, but built a structure of individual rights that became the cornerstone of protections for all Americans. He succeeded in creating new protections under law for women, children, prisoners, and the homeless. Their greater claim to full citizenship in the republic over the last century can be directly traced to Marshall. Even the American press had Marshall to thank for an expansion of its liberties during the century.

Marshall's lifework, literally defined the movement of race relations through the century. He rejected King's peaceful protest as rhetorical fluff that accomplished no permanent change in society. And he rejected Malcolm X's talk of violent revolution and a separate black nation as racist craziness in a multi-racial society.

The key to Marshall's work was his conviction that integration -- and only integration -- would allow equal rights under the law to take hold. Once individual rights were accepted, in Marshall's mind, then blacks and whites could rise or fall based on their own ability.

Marshall's deep faith in the power of racial integration came out of a middle class black perspective in turn of the century Baltimore. He was the child of an activist black community that had established its own schools and fought for equal rights from the time of the Civil War. His own family, of an interracial background, had been at the forefront of demands by Baltimore blacks for equal treatment. Out of that unique family and city was born Thurgood Marshall, the architect of American race relations in the twentieth century.

After Marshall died in 1993 there was still no authoritative, thorough account of his life and the impact his work had on the nation. The combination of his reclusiveness and his standing in popular culture as an elderly, establishment figure blinded much of the nation to the importance of Marshall's work. Young people were especially uninformed about the critical role Marshall had played in making history.

## TIMELINE

- 1908 – Born July 2 at Baltimore, Maryland, United States.
- 1930 – Graduates with honors from Lincoln University (cum laude).
- 1934 – Receives law degree from Howard University (magna cum laude) and begins private practice in Baltimore, Maryland.
- 1934 – Begins to work for Baltimore branch of NAACP.
- 1935 – Working with Charles Houston, wins first major civil rights case, *Murray v. Pearson*.
- 1936 – Becomes assistant special counsel for NAACP in New York.
- 1940 – Wins *Chambers v. Florida*, the first of twenty-nine Supreme Court victories.
- 1943 – Won case for integration of schools in Hillburn, New York.
- 1944 – Successfully argues *Smith v. Allwright*, overthrowing the South's "white primary".
- 1946 – Awarded Spingarn Medal from the NAACP.[38]
- 1948 – Wins *Shelley v. Kraemer*, in which Supreme Court strikes down legality of racially restrictive covenants.
- 1950 – Wins Supreme Court victories in two graduate-school integration cases, *Sweatt v. Painter* and *McLaurin v. Oklahoma State Regents*.
- 1951 – Visits South Korea and Japan to investigate charges of racism in U.S. armed forces. He reported that the general practice was one of "rigid segregation."
- 1954 – Wins *Brown v. Board of Education of Topeka*, landmark case that demolishes legal basis for segregation in America.
- 1956 – Wins *Browder v. Gayle*, ending the practice of segregation on buses and ending the Montgomery Bus Boycott.
- 1957 – Founds and becomes the first president-director counsel of the NAACP Legal Defense and Educational Fund, Inc., a nonprofit law firm separate and independent of the NAACP
- 1961 – Defends civil rights demonstrators, winning Supreme Court victory in *Garner v. Louisiana*; nominated to Second Circuit Court of Appeals by President John F. Kennedy.
- 1961 – Appointed circuit judge, makes 112 rulings, none of them reversed on certiorari by Supreme Court (1961–1965).
- 1965 – Appointed United States Solicitor General by President Lyndon B. Johnson; wins 14 of the 19 cases he argues for the government (1965–1967).
- 1967 – Becomes first African American named to U.S. Supreme Court (1967–1991).
- 1991 – Retires from the Supreme Court.
- 1992 – Receives the Liberty Medal recognizing his long history of protecting individual rights under the Constitution.
- 1993 – Dies at age 84 in Bethesda, Maryland, near Washington, D.C.
- 1993 – Receives Presidential Medal of Freedom, posthumously, from President Bill Clinton.

***“I wish I could say that racism and prejudice were only distant memories. We must dissent from the indifference. We must dissent from the apathy. We must dissent from the fear, the hatred and the mistrust...We must dissent because America can do better, because America has no choice but to do better.”***

– **Thurgood Marshall**

And this is as true today as it was fifty years ago.....

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I first met **Charlie Rose** in the 1980s when he was an up and coming man-about-town in New York, working in television and drinking a bit too much. Since then he has become an acclaimed interviewer and broadcast journalist who has interviewed many of America's best thinkers, writers, politicians, athletes, entertainers, business leaders, ... This week **Charlie Rose** hosted a discussion on the current military conflict in Mali, with Max Boot of the **Council on Foreign Relations**; Peter Pham, director of the **Africa Center at the Atlantic Council** and Jennifer Cooke, director of the *Africa Program* at the **Center for Strategic and International Studies**.

<http://www.charlierose.com/view/interview/12740>

Mali, officially the Republic of Mali, is a landlocked country in West Africa and in the middle of the Sahara Desert. Mali is bordered by Algeria on the north, Niger on the east, Burkina Faso and Côte d'Ivoire on the south, Guinea on the southeast. It is Africa's third largest African producer of gold and once was involved in the slave trade, which persists to this day, with more than half of the population living below the international poverty line of \$1.25 a day. At its peak in 1300, Mali was one of the most expansive/largest empires in the world. In the late 19th century, during the Scramble for Africa, France seized control of Mali, making it a part of French Sudan. French Sudan (then known as the Sudanese Republic) joined with Senegal in 1959, achieving independence in 1960 as the Mali Federation. Shortly thereafter, following Senegal's withdrawal from the federation, the Sudanese Republic declared itself the independent Republic of Mali. After a long period of one-party rule, a 1991 coup led to the writing of a new constitution and the establishment of Mali as a democratic, multi-party state.

The conflict began in northern Mali in January 2012 and on 22 March 2012, a group of junior soldiers seized control of the presidential palace and declared the government dissolved and its constitution suspended. On 6 April 2012, rebels from the National Movement for the Liberation of Azawad (MNLA) declared the secession of a new state, Azawad, from Mali. Shortly after, the MNLA were sidelined by Islamist groups associated with Al-Qaeda[citation needed], and dropped their demands for secession. The soldiers who seized power allowed Dioncounda Traoré, the President of the National Assembly, to take office as head of state in accordance with the constitution, but they have continued to wield considerable power. And on January 11, 2013 the French military launched Opération Serval, intervening in the conflict with the interim government promising to hold national elections, after the rebellion is suppressed.

Having first worked in Africa since the early 1970s and visited Mali in the 1990s, I watched the discussion with much interest only to discover that these presumed experts truly had either no understanding of what actually was going on/regional dynamics or were pushing their own propaganda as the consensus of the panel is that the current conflict is a danger to the Western Powers because Islamists will turn Mali in a new base for international terrorism. The panelist used the usual code of al Qaeda, safe havens, insurgents, jihadists, criminal networks, ethnic divisions, possible attacks against the US, etc....

To underscore this theory, Jennifer Cook suggested the attack against the gas installation in Algeria internationalizes the Mali conflict, because foreign nationals were taken hostage. When the truth is that Mali and Algeria are totally different countries, and the conflict in Mali is about a bunch of local war lords trying to seize power against a weak central government. Ms. Cooke then goes on to suggest that this is somehow an amalgamation who have joined up together, when in reality they are individual warlords and groups, some

secular, some tribal. Realizing that this may be a bit much, she dials back explaining that they not monolithic, as each out for their own with the goal of ascendancy.... like crabs in a barrel. Peter Pham then suggests that the US should target suspected Islamist, to give the Western Powers time to install a friendly new national government. Supporting the other panelist, Max Boot liberally sprinkled "al Qaeda" as the reason for more American involvement.

**WHY?** If these experts are examples of whose advising America's foreign policy, it is easy to understand why our country is hated around the world. Do you think that people in Brazil, Japan, Iceland or New Zealand are worried about Malian jihadists.? The fact that it was American trained soldiers who overthrew Mali's democratically elected government, the current government is ripe with corruption and that successive governments have mismanaged the country's resources, it is understandable why this current insurgency is happening. And to frame this conflict as the bad against the good, Islamist against a central government.... which is universally acknowledged as corrupt.... While the smart thing to do is to wait until the dust settles and then work with the winner to do whatever we can to better the lot in life for the average Malian.

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Starting with yesterday's **National Day of Service**, this weekend Americans across the country will participate in service projects in their communities to celebrate the legacy of Martin Luther King, Jr. and all that he stood for..... As such, I would like everyone to remember his August 28, 1963 **I Have A Dream** speech as it truly symbolizes the promise of America.

*I have a dream.*

*My four little children will one day live in a nation where they will not be judged by the color of their skin but by the content of their character.*

*I have a dream today.*

**MLK**

<http://www.youtube.com/watch?v=smEqnklfYs>

Tomorrow, Barrack Hussein Obama will be sworn in for a second term as President of the United States in the country's 57<sup>th</sup> formal Presidential Inauguration ceremony since 1789. The official theme for the 2013 inauguration is "Faith in America's Future," commemorating the United States' perseverance and unity, marking the 150th anniversary of the Emancipation Proclamation and the placement of the Statue of Freedom atop the Capitol Dome in 1863.

Whether you are an American or voted for President Obama, this weekend is evidence that what I was taught in school in the 1950s and 1960s..... is true..... *everyone born in American has a possibility of becoming President....* Although the search for equality is still "a work in progress," and the inequality today includes gender, age, immigrants, children, haves and have-nots, the words of both Thurgood Marshall and Martin Luther King should serve as inspiration to all that..... The American Dream is Alive and Well.....

As the country celebrates the heritage of Martin Luther King this weekend and the 2<sup>nd</sup> Inauguration of President Obama today, on CBS's Sunday morning show, **FACE THE NATION** television columnist Tavis Smiley gave a commentary on MLK's legacy to remind everyone of its promise here and abroad, as there is so much more is left to do.

**(CBS News) Tomorrow's ceremonial presidential inauguration falls on a most auspicious day, in the view of our contributor Tavis Smiley:**

*"Barack Hussein Obama will be sworn in as president tomorrow for a second term, on the holiday honoring the person I have long regarded as the greatest American this nation has ever produced. Obama will be in the foreground, but Martin Luther King, Jr. is the backdrop.*

*I've heard people exclaim that President Obama is the fulfillment of Dr. King's dream.*

*Well, not exactly.*

*Obama might be a good down payment, but he is not the fulfillment of King's dream. We're still a long way away from that.*

*The interrelated triple threat of poverty, militarism and racism that King talked about still looms large in a yet-deeply-divided America.*

*In the spirit of MLK, it's time for President Obama to deliver a major policy speech on the eradication of poverty in America. He ought to tell us how the richest nation in the history of the world is going to confront the scourge of poverty.*

*In the spirit of MLK, President Obama should rethink the random use of his favorite weapon - the unmanned aerial vehicle, better known as "drones," which have killed too many innocent women and children.*

*In the spirit of MLK, President Obama should not continue to feel boxed in by his blackness, but feel liberated in a second term to find ways to push back on the most intractable issue in America -- racism.*

*The president wants to channel King so badly that he's decided to use Dr. King's Bible at the inauguration ceremony tomorrow.*

*Obama is a politician, and a pretty good one, but King was a prophet. And while I can appreciate the president's fascination with King's legacy of unarmed truth and unconditional love, I'm feeling some sort of way about King being used symbolically for public pomp and circumstance, but disregarded substantively when it comes to public policy.*

*Our future as a nation depends on how seriously we take the legacy of Dr. King: Justice for all, service to others, and a love that liberates people.*

*For all the dysfunction that our country is exhibiting at the moment, Dr. King reminds us that the time is always ripe to do right. We should never be afraid to do what's right, especially if the well-being of a person is at stake."*

*Society's punishments are small compared to the wounds we inflict on our soul when we look the other way.*

**Tavis Smiley**

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*"While the Poor and Middle Class fight for us in Afghanistan, and most Americans struggle to make ends meet, we mega-rich continue to get our extraordinary tax breaks. I would say that in a country with an average \$50,000 GDP per person, nobody should be hungry, nobody should lack a good education, nobody should worry about medical care and nobody should worry about their old age and that doesn't meet looking for an equality results, because you want great inequality results, you want the Steve Jobs just to be working in those garages, the Dave Packards, the Bill Gates and you name it... but you do not want anybody to go to bed hungry or having medical care denied to them or just the basics of life...."*

**Warren Buffet** (CBS Sunday Morning -- January 20, 2013)

***If we add PEACE to this, we will be well on our way in delivering the promises that Martin Luther King Jr challenged us 50 years ago.....***

**THIS WEEK'S READINGS**

# Economy Rankings - best & worse countries to do business

<http://www.doingbusiness.org/rankings#>

In the weblink above, please find an interactive chart by the **International Finance Corporation** and the **World Bank** based on their data – on doing business in 185 countries. Economies are ranked on their ease of doing business, from 1 – 185. A high ranking on the ease of doing business index means the regulatory environment is more conducive to the starting and operation of a local firm. This index averages the country's percentile rankings on 10 topics, made up of a variety of indicators, giving equal weight to each topic. The rankings for all economies are benchmarked to June 2012.

## Overview

*Doing Business 2013: Smarter Regulations for Small and Medium-Size Enterprises* assesses regulations affecting domestic firms in 185 economies and ranks the economies in 10 areas of business regulation, such as starting a business, resolving insolvency and trading across borders. This year's report data cover regulations measured from June 2011 through May 2012. The report marks the 10th edition of the *Doing Business* series. Over the past decade, these reports have recorded nearly 2,000 regulatory reforms implemented by 180 economies.

### Key findings:

- Poland was the global top improver in the past year. It enhanced the ease of doing business through four institutional or regulatory reforms, making it easier to register property, pay taxes, enforce contracts, and resolve insolvency.
- Besides Poland, nine other economies are recognized as having the most improved ease of doing business across several areas of regulation as measured by the report: Sri Lanka, Ukraine, Uzbekistan, Burundi, Costa Rica, Mongolia, Greece, Serbia, and Kazakhstan.
- Worldwide, 108 economies implemented 201 regulatory reforms in 2011/12 making it easier to do business as measured by *Doing Business*. Reform efforts globally have focused on making it easier to start a new business, increasing the efficiency of tax administration and facilitating trade across international borders. Of the 201 regulatory reforms recorded in the past year, 44% focused on these 3 policy areas alone. Read about reforms.
- Singapore topped the global ranking on the ease of doing business for the seventh consecutive year, followed by Hong Kong SAR, China; New Zealand; the United States; and Denmark. Georgia was a new entrant to the top 10. View the rankings.

The *Doing Business Project* provides objective measures of business regulations and their enforcement across 185 economies and selected cities at the subnational and regional level. *Doing Business* offers economic data from 2003 to the present. The data is presented in a variety of ways useful to researchers, policy makers, journalist and others.

The *Doing Business Project*, launched in 2002, looks at domestic small and medium-size companies and measures the regulations applying to them through their life cycle.

By gathering and analyzing comprehensive quantitative data to compare business regulation environments across economies and over time, *Doing Business* encourages countries to compete towards more efficient regulation; offers measurable benchmarks for reform; and serves as a resource for academics, journalists, private sector researchers and others interested in the business climate of each country.

In addition, *Doing Business* offers detailed sub-national reports, which exhaustively cover business regulation and reform in different cities and regions within a nation. These reports provide data on the ease of doing business, rank each location, and recommend reforms to improve performance in each of the indicator areas. Selected cities can compare their business regulations with other cities in the country or region and with the 185 economies that *Doing Business* has ranked.

The first *Doing Business* report, published in 2003, covered 5 indicator sets and 133 economies. This year's report covers 11 indicator sets and 185 economies. The project has benefited from feedback from governments, academics, practitioners and reviewers. The initial goal remains: to provide an objective basis for understanding and improving the regulatory environment for business around the world.

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The National Rifle Association (NRA) went to a new low when this week they released a television ad on gun-control measures and in a longer 4-minute video presentation that labeled President Obama as an “elitist” and “hypocrite” as his children are “*protected by armed guards at their school,*” and he said he was skeptical that armed guards were the “*only answer,*” First of all, the facts are completely wrong with Fact Checker giving both the ad and the 4 minute video **Four Pinocchios** (a complete falsehood.) **BIG LIE!**

Far from being elitist, Sidwell has a relatively small force of unarmed security guards which is not unusual for a school of its size. Moreover, the ad also suggests that Obama rejects out of hand boosting security at schools, when in fact his proposals include provisions that would provide funding for more school security. If the NRA is also trying to count Secret Service protection for Obama’s children as part of that force of armed guards, that’s even more ridiculous. As Fact Checker noted, such protection is mandated under federal law — and only exists for the president’s children. But the real big ugly demonstrates a level of insensitivity and disrespect that N.E.A. members wouldn’t tolerate in any classroom in America. And to include the President’s daughters, Malia, 14, and Sasha, 11, and suggesting that he holds their safety to a different standard than he is willing to offer for other children..... ***this was a new low, even for the NRA.***

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With global warming finally on the national agenda and scientists not knowing the extent that man-made emissions influenced the heat and calamitous drought. The NATIONAL Oceanic and Atmospheric Administration (NOAA) announced last week that 2012 was the warmest year on record in the contiguous United States. By far — a whole degree Fahrenheit. Predicting the consequences of a given temperature rise is also difficult. That’s an argument not for doing nothing but for managing the risks, spending now to avoid the likelihood of much greater costs later, as any good business would do in the face of certain threats of uncertain magnitude. Last week in an editorial – ***A Sweltering Planet’s Agenda – The Washington Post*** advocated implementing a national carbon tax.

The year offers a vision of what will happen more often on a planet that is heating — slowly and fitfully, not every year warmer than the last, but inexorably. Though scientist have a range of estimates, they still do not know exactly how sensitive the global climate system is to human carbon emissions and exactly how steep the long-term temperature line will be. As such **The Washington Post** believes that smartest hedge would be a national carbon tax. As it would marshal the market’s power to wring carbon out of the economy, putting decisions about the direction of energy and manufacturing in the hands of consumers and businesses that meet their demands, not Congress and interest groups that lobby lawmakers. Because when people must pay something for their pollution, they pollute less and invest in cleaner alternatives. A carbon tax would provide more certainty to industry and investors who currently can only guess at what climate policy will look like year to year.

Another consequence of a carbon tax might be more appealing to policymakers: revenue. Resources for the Future estimates that a tax set at \$25 per ton of carbon dioxide would raise \$125 billion annually — more than would be saved by eliminating the mortgage interest tax deduction. Even if much of that were rebated to ensure that low-income households weren't unduly hurt — the right policy — a sizable chunk would be left to shrink the deficit or ease the major tax reform that Washington’s leaders have been promising. Implementing a national carbon tax would be only one step toward addressing climate change, a problem that must ultimately be dealt with globally. But it would be a big one and it could be use to off-set the deficit

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In a recent UNICEF's report on child poverty in developed countries, it found that 30 million children in 35 of the world's richest countries live in poverty. Among those countries, the United States ranks second on the scale of what economists call “*relative child poverty*” -- above Latvia, Bulgaria, Spain,

Greece, and 29 others. Only Romania ranks higher, with 25.5 percent of its children living in poverty, compared with 23.1 percent in the U.S.

The term "*relative child poverty*" refers to a child living in a household where the disposable income is less than half of the national median income. Many critics argue that relative poverty isn't the same as real hardship, or absolute poverty. But the report brushes that away. Poverty is "essentially a relative concept," it says. For example, a little more than a century ago, the wealthiest people in the world didn't have cars. It concedes, however, that the measurement has some weaknesses. First, a child's well-being doesn't always correspond to the parents' income. Second, comparing the relative poverty rates of various countries doesn't make sense unless the countries have similar median incomes.

The report is scaled on "*child deprivation*." To measure this, researchers produced a list of 14 items found in most middle-class households and counted the number of children whose families couldn't afford them. The list included Internet connection, new clothes, three daily meals, two pairs of properly fitting shoes, and "the opportunity, from time to time, to invite friends home to play and eat." Ten percent of children in France lack at least two of these things, compared with a little more than 5 percent in the United Kingdom and less than 1 percent in Iceland. Romania lagged well behind most of the developed world, with nearly three-quarters of its children experiencing such deprivation. The U.S. didn't have enough data for a rating.

Danziger said he was especially impressed by a figure showing Canada and the U.S. have the same relative child poverty rate -- 25.1. The chart also showed that after government taxes, benefits and other social programs, Canada's child poverty rate drops to 13.1, while America's barely budges, hovering above 23.1 percent. "*Basically, other countries do more,*" he said. "They tend to have minimum wages that are higher than ours. The children would be covered universally by health insurance. Other countries provide more child care."

Some economists say that it is unfair to compare the U.S. to small, homogenous countries like Sweden and Luxembourg, but it's harder to write off Canada, he added. Or the United Kingdom. In a new book, Jane Waldfogel, a professor of social work at Columbia University, writes that the Labour Government's efforts to combat child poverty in the U.K. were "larger and more sustained than in the United States." Shortly after he became prime minister in 1997, Tony Blair found himself staring at a UNICEF report similar to this new one, except that England's child poverty ranking was much higher. So Blair's government instituted programs modeled after former U.S. President Lyndon Johnson's War on Poverty. The U.K. developed Sure Start -- an early-care program for low-income children similar to the U.S. Head Start. British families could apply for the Working Tax Credit, similar to the U.S. Earned Income Tax Credit.

The Labour Party spent more on these programs, even as the U.S. spent less, and within five years the number of children living in "absolute poverty" in the U.K. had fallen by half. According to the UNICEF report, 12.1 percent of British children now live in relative poverty -- nearly half the percentage of American children. As Waldfogel wrote in a 2007 article, the Labour government "boosted the share of the United Kingdom's gross domestic product being spent on public support for children by close to 1 percentage point, the equivalent of over \$20 billion per year extra today. If Washington budgeted an additional 1 percent of our GDP to eliminate child poverty, we would have about \$130 billion to work with." And children living in poverty could be cut in half. For more information feel free to take a look at **The Huffington Post** article – **Can government**

**spending lift poor children from poverty?** – by Saki Knafo. We have to ask why in the richest country in the world that we have millions of children living in poverty, when there is evidence proving that spending 1% more of our GDP for programs supporting children will substantially cut child poverty.....

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In **The Washington Post** this week – **Ranks of Working Poor Increasing** – by Michael Fletcher, according to a new report nearly a third of the nation's working families earn salaries so low that they struggle to pay for their necessities. The ranks of the so-called working poor have grown even as the nation has created new jobs for 27 consecutive months and is showing other signs of shaking off the worst effects of the recession. "Although many people are returning to work, they are often taking jobs with lower wages and less job security, compared with the middle class jobs they held before the downturn," according to a report released Tuesday by the Working Poor Families Project, a national initiative aimed at fostering state policies to help low-income working families.

Although more than 70 percent of low-income families and half of all poor families were working by 2011. The problem is they did not earn enough to cover their basic living expenses. "*We're not on a good trajectory,*" said Brandon Roberts, who manages the Working Poor Families Project. "*The overall number of low-income working families is increasing despite the recovery.*" Analyzing 2011 data from the Census Bureau's American Community Survey, the report said that 32 percent of working families earned salaries that put them below double the poverty threshold. For a family of four, double the poverty threshold was \$45,622. That percentage has crept up from 28 percent in 2007, the year the recession began. And 37 percent of the nation's children — 23.5 million — were part of working poor families in 2011, the report said, up from 33 percent in 2007. Nearly three in five low-income working families were headed by at least one minority parent, even though minorities headed 42 percent of all working families.

The growth in the ranks of the working poor coincides with continued growth in income inequality. Many of the occupations experiencing the fastest job growth during the recovery also pay poorly. Among them are retail jobs, food preparation, clerical work and customer assistance. At the same time, researchers have found that many jobs that do not require much in the way of educational credentials but pay relatively well have lagged in the recovery. They include carpenters, painters, real estate brokers and insurance professionals. Jobs typically filled by college graduates fared better than others during the downturn, helping to widen the gap between those at the top of the wage scale and those at the bottom. In 2011, the top fifth of working families had incomes that were 10.1 times greater than those in the bottom fifth of income earners. In 2007, the top fifth of working families earned 9.5 times those in the lowest fifth. Meanwhile, the best means for climbing the income ladder — improved education — is growing more uncertain and more expensive, the report said. Also, the federal government is facing huge budget deficits, meaning that policies that would help bolster working poor families, such as a higher minimum wage, are unlikely to be implemented. Still, Roberts said, "we have to be more aggressive" with policy. "*We're not talking about all families. We're talking about families that work, and they're falling behind.*"

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In an article this week in the **New York Times** — **Justice Clarence Thomas Breaks His Silence**, Adam LipLiptak wrote that one of the abiding mysteries at the Supreme Court is why Justice Clarence Thomas has failed to say a word in almost seven years of arguments. On Monday, when he finally broke his silence, the

mystery was replaced by a riddle: Just what did Justice Thomas say? It turns out it was a bit of banter/joke. At the time the justices were considering the qualifications of a death penalty defense lawyer in Louisiana, and Justice Antonin Scalia noted that she had graduated from Yale Law School, which is Justice Thomas's alma mater.

The fact that after seven years of silence Justice Thomas made a joke, it is not the issue today. It is that after replacing Throughout Marshall who for 24 was the moral compass in the Supreme Court, Thomas has contributed nothing other than saying me to along with the other Conservatives in the court. Political scientists who study the court say it has been more than 40 years since a justice went an entire term, much less seven years, without saying a word at oral arguments. Since a joke is not a question, it may fairly be said that he has still not asked a question for almost seven years, so his record still continues

Thurgood Marshall died on January 24, 1993, at the age of 84. He stands alongside Martin Luther King Jr. and Malcolm X as one of the greatest and most important figures of the American Civil Rights Movement. And although he may be the least popularly celebrated of the three, Marshall was arguably the most instrumental in the movement's achievements toward racial equality. Marshall's strategy of attacking racial inequality through the courts represented a third way of pursuing racial equality, more pragmatic than King's soaring rhetoric and less polemical than Malcolm X's strident separatism. In the aftermath of Marshall's death, an obituary read: "*We make movies about Malcolm X, we get a holiday to honor Dr. Martin Luther King, but every day we live with the legacy of Justice Thurgood Marshall.*" I wish that Justice Thomas understood this....

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As E.J. Dionne Jr wrote this week in **The Washington Post** – *America is not in decline or retreat* – The declinists are wrong as they underestimate the resilience of the American economy, the magnetism of our culture, the continuing appeal of the democratic idea and the difficulties our competitors, particularly China, confront. Some of this will play out in the confirmation hearing/battle over Chuck Hagel's nomination as secretary of defense and the related argument over how long American troops should stay in Afghanistan. And for those defense hawks who believe that President Obama's decisions to pull out of Iraq and now Afghanistan are naïve to believe that expanding our military efforts or staying will lead to some sort of a win. There are limits to what the United States or any major power can do halfway around the world. When the truth is that today our priority should be getting our domestic and economic act together. Even Republican by Richard Haass, President of the Council on Foreign Relations and a quintessential realist has just released a new book: "Foreign Policy Begins at Home: The Case for Putting America's House in Order." The truth is that preserving America's influence abroad depends on first restoring economic growth, upward mobility, fiscal stability and enhanced social solidarity at home. This will require a somewhat leaner defense budget for a time, but the idea that Obama will slash it indiscriminately is absurd.

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New data suggest that China is losing its competitive edge as a low-cost manufacturing base, with makers of everything from handbags to shirts to basic electronic components relocating to cheaper locales like Southeast Asia. The shift—illustrated in weakened foreign investment in China—has pluses and minuses for an economy

key to global growth. Beijing is trying to shift to higher-value production in hope of incomes rising. But a de-emphasis on manufacturing puts pressure on leaders to make sure jobs are created in other sectors to keep the world's No. 2 economy humming. Total foreign direct investment flowing into China fell 3.7% in 2012 to \$111.72 billion, the Ministry of Commerce said Wednesday, the first annual decline since the fallout from the global financial crisis in 2009. Economists say the drop in 2012 is partly cyclical, driven by slowing overall growth in China and Europe's prolonged debt crisis.

By contrast, foreign direct investment into Thailand grew by about 63% in 2012, and Indonesia investment was up 27% in the first nine months of last year. Coronet SpA, an Italian maker of synthetic leather with production in the southern Chinese province of Guangdong, plans a new factory in Vietnam to take advantage of lower labor costs and to be closer to its customers in the shoe and handbag businesses, many of which have already moved there. *"A lot of our customers are already moving a part of their business in Far Eastern countries with lower working cost,"* said Jarno Tagliarini, Coronet chief executive. *"Considering all the countries available, we think that Vietnam is the most developed one."*

Foreign capital helped build China into a low-cost manufacturing powerhouse and global growth engine. But its increasingly urban population now has higher expectations in terms of wages and working conditions and louder objections to the pollution that often comes with low-level manufacturing—demands that have eroded China's cost advantage. China's leaders are moving to shift the economy away from its traditional reliance on low-end manufacturing and heavy investment spending, seeking to build a stronger consumer base at home. A breakdown of Wednesday's figures suggests a tentative move in that direction: While foreign direct investment in manufacturing contracted by 6.2% in 2012, investment in the service sector excluding the property market rose 4.8%. *"We know we can't keep relying on a low-cost competitive advantage. We need to accelerate the value-added upgrading of our products,"* said Commerce Ministry spokesman Shen Danyang at a news briefing Wednesday. With the lion's share of investment in China now coming from domestic sources, the impact of falling foreign investment on growth will be limited. But an erosion of manufacturing's importance underlines the challenge for China's leaders in finding new sources of growth in domestic consumption and higher-level industry.

For China's neighbors, the trend means more opportunities. Southeast Asian nations, which claimed 2% of global foreign investment in the wake of the 1997 Asian financial crisis, now account for about 7.6%, approaching China's 8.1%, according to HSBCHSBA.LN +0.56% calculations. Asian firms accounted for much of the investment drop in China. Investment from 10 Asian economies — Hong Kong, Taiwan, Macau, Japan, the Philippines, Thailand, Malaysia, Singapore, Indonesia and South Korea—fell 4.8% last year and accounted for about 82% of the total. Hong Kong was the single biggest investor, reflecting in part money from mainland investors being recycled back into the country.

One country that could play a decisive role in speeding up the shift away from China is Japan. Japanese investment into China rose 16% from a year earlier, but worsening relations over a set of disputed islands could prompt Japanese firms to look elsewhere. In September, Japanese cars and businesses were ransacked by rioters in anti-Japan protests across China. Many Japanese companies are already looking for a second production base to hedge their China exposure. For example, while foreign investment into Vietnam declined by 15% in 2012, a reflection of macroeconomic challenges there such as high inflation, investment from Japan into Vietnam more than doubled due in part to Japanese companies' efforts to look for alternatives to China. In Thailand and Vietnam, Japan was the single largest source of investment last year. In Indonesia, it was second behind Singapore. In an October survey of Japanese companies by the government-linked Japan External Trade

Organization, 52% of respondents planned to expand business operations in China over the next one to two years, down from 67% in the survey the previous year.

A shift to other countries doesn't mean companies are abandoning China. In a survey of about 300 members of the American Chamber of Commerce in China, 58% said the country remains in the top three investment priorities, up from 47% in 2011. But only 20% said China was their No. 1 investment priority last year, compared with 31% in 2011. Many are also looking at moving from China's coastal manufacturing cities to its lower-cost inland regions. A poll in May by the Federation of Hong Kong Industries showed that about 10% of Hong Kong companies located in China's Pearl River Delta are considering a move to Southeast Asia due to rising costs, while 13% are considering moving to inland provinces. HSBC economist Trinh Nguyen estimates that Chinese manufacturing wages rose by around 20% per year between 2005 and 2011, giving companies a strong incentive to start looking elsewhere for labor-intensive production.

Not all of the shift out of China involves low-end industries such as garment-making. Wintek Corp., a Taiwanese company with about 50,000 workers globally that makes smartphone components for companies including Apple Inc. said in October it will invest \$930 million in four new plants in Vietnam to make displays and touch screens. A Wintek spokesman said the company is still committed to expanding its existing facilities in the southern Chinese city of Dongguan and the province of Jiangsu, two traditional hubs for Chinese manufacturing. "To mitigate the impact from rising labor and rental costs, we are producing more value-added products in our Dongguan and Jiangsu factories," he said. For more information please feel free to read the **Wall Street Journal** article – *China Begins to Lose Edge As World's Factory Floor* by Yajun Zhang.

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As Nate Silver wrote this week in the **New York Times** – *What is Driving Growth in Government Spending?* – The writer suggests that it is health care through Medicare and Medicaid, and other major social insurance and entitlement programs. Silver's focus is on how government has been spending its money in the present and the past, rather than evaluating any future budgets or projections. He looks at government spending as a share of the overall economy, specifically as compared to the gross domestic product based on the premise that in the long run, the overall economic health of the country is the most important constraint on fiscal policy. As a growing economy gives the country a lot of good choices: maintaining or expanding government programs, cutting taxes or holding them at a moderate level, reducing or managing the national debt. A stagnant economy means that everything gets squeezed.

The article uses a number of charts starting with one that shows the growth in federal government spending over the past hundred years as a share of gross domestic product spending is broken down into four major categories:

1. Entitlement programs, under which I classify government expenditures on health care programs; pensions and retirement programs like Social Security; and welfare or social insurance programs like food stamps and unemployment compensation.
2. Military spending
3. Interest on the national debt

4. Infrastructure and services, under which I include everything else -- the pot that is often referred to as discretionary spending: education spending; fire services, police and the criminal justice system; spending on physical infrastructure including transportation; spending on science, technology, and research and development; and the category called "general government," which largely refers to the cost of maintaining the political system (like salaries for public officials).

The most striking feature of the chart is the extraordinary amount of military spending during World War II (and to a lesser extent, during World War I). Even after World War II, however, military spending constituted the outright majority of federal government spending until 1969. Military spending makes up closer to 24 percent of federal expenditures today. And although it is close to the all-time low of 1998-2001 as a result of the cold war peace dividend, it was driven up after the September 11<sup>th</sup> attacks.

Silver would like you to believe that military spending in the United States has generally been rising relative to inflation and remains very high relative to most other nations and that over the longer term, it has fallen slightly relative to the gross domestic product, and substantially relative to other types of government spending. But this is a lie. US military spending is 4.7% of the country's GDP, while it is only 1.4% in Canada, 2% in China, 3.9% in Russia, 2.6% in the UK, 1.3% in Germany and 1% in Japan. In the world's top 15 military spenders, only Saudi Arabia's 8.7% of GDP is higher than in the US and the US military spending is larger than the combined military budgets of the other 14 countries with a population of more than 3 billion.

Another surprise is how little we are paying in interest on the federal debt, even though the debt is growing larger and larger. Right now, interest payments make up only about 6 percent of the federal budget. In addition, they have been decreasing as a share of the gross domestic product: the federal government spent about 1.5 percent of gross domestic product in paying interest on its debt on 2011, down from a peak of 3.3 percent in 1991. As a result of the current low interest rate we are now spending less than 2 percent of the principal annually to service our debt, down from a peak of close to 7 percent in the early 1980s. The problem is that interest rates will not always be this low forever.

One of the misnomers is that federal spending on physical infrastructure and on services provided directly by the government like policing and education has grown out of control when in fact, federal spending on these categories has declined somewhat as a share of the gross domestic product over the past 40 years. Federal expenditures in these areas totaled only about 2.5 percent of gross domestic product in 2011 -- considering that they make up some of the most traditional functions of government (along with defense). Part of this is because many of these services are financed and provided for by state and local governments, which spend most of their money in these areas. As a result most of the growth in federal government spending relative to inflation -- and essentially all the growth as a share of the gross domestic product -- has been because of the increased expense of entitlement programs.

While most discussions of government spending focus on what the federal government spends, state and local governments are a bigger part of the picture than you might think. Their collective spending is now the equivalent of about 15 percent of the gross domestic product, not counting money which is granted to them by the federal government for programs administered by states and localities. (By comparison, federal government spending, including grants to the states and interest on the national debt, has recently been about 24 percent of the gross domestic product.) The states also spend their money much differently than the federal government: principally on infrastructure and on services like policing and education. Although states and localities spend

some on entitlement programs, and their expenditures in this area have been increasing, federal expenditures have accounted for most of the growth. However, states and localities pay for essentially nothing that would be classified as military spending. They also accumulate relatively little debt, so they don't pay much in the way of interest; many states are required by law to balance their budgets, or routinely do so as a matter of custom.

As Silver points out, the flip side is that states and localities have very limited ability to engage in stimulative spending during economic downturns. Instead just the opposite is true: recessions reduce their tax base, so they either have to increase tax rates or cut services to keep their budgets balanced. The federal government provided various grants to the states in the stimulus package it passed in 2009, offsetting some of the states' expenses, but these programs have since largely expired, and many states and municipalities have had to cut their budgets or raise taxes since then. Partly as a result, about 500,000 local and state government jobs have been lost since 2009, even as private-sector employment has (somewhat) recovered.

The [usgovernmentspending.com](http://usgovernmentspending.com) data classifies three subcategories of entitlement programs. Spending on welfare programs like food stamps and unemployment insurance is the most cyclical - or technically the most countercyclical, since much of it kicks in automatically during an economic downturn. Spending on retirement programs, principally Social Security, is the steadiest, but it has been increasing faster than the rate of gross domestic product growth and considerably faster than inflation. And health care spending has been increasing at the fastest rate. Specifically, overall government spending on entitlement programs increased at a 4.8 annual rate in the 40 years between 1972 and 2011, net of inflation. Health care spending increased at 5.7 percent per year (and federal government spending on health care increased at a 6.7 percent pace). In contrast, the gross domestic product grew at a rate of 2.7 percent over this period, with tax revenues increasing at about the same rate as the G.D.P.

Spending on infrastructure and government services, excluding defense, has kept pace with gross domestic product growth. (Spending on infrastructure and services by the federal government specifically has lagged gross domestic product growth somewhat, growing at 1.8 percent per year.) Also, most of the subcategories of infrastructure and services spending that [usgovernmentspending.com](http://usgovernmentspending.com) tracks have decreased slightly as a share of the gross domestic product, including spending on transportation, education, science and technology. The major exception is spending on the category they describe as "protection," reflecting the increase in the criminal justice apparatus, which has grown at 4.8 percent per year.

Total government spending - including federal, state and local spending - rose to about 39 percent of the gross domestic product in 2011 from about 30 percent in 1972. So we have a 9 percent increase to account for, which is equal to about \$1.3 trillion per year in current dollars. Spending on entitlement programs was about \$500 billion per year in 1972 in today's dollars. If it had increased at the same rate as the gross domestic product, it would now be about \$1.4 trillion. Instead, it is now about \$2.9 trillion per year. What this means is that there has been about a \$1.5 trillion increase in entitlement spending above and beyond gross domestic product growth. This is actually slightly larger than the overall increase in government spending relative to gross domestic product. Conservatives will tell you that all of the increase in spending relative to economic growth, and the potential tax base, has come from entitlement programs, and about half of that has come from health care entitlements specifically.

The growth in health care expenditures, for better or worse, is not just a government problem: private spending on health care is increasing at broadly the same rates and is eating up a larger and larger share of economic

activity. And although Conservatives that it is an entitlement problem, the reality is that our healthcare system is broken. US healthcare expenditures is 17.4% of the GDP while, Canada, Germany, Switzerland, Norway, France, Italy and Denmark healthcare expenditures are around 11% of GDP and less. Silver suggests that reining in entitlements is the Rubicon that has to be crossed and resolved, while I believe that we should institute a national health service, which would reduce health costs both privately and publicly, lessening the burden of the cost of healthcare for the Middle Class and providing overall better health care to everyone.

As for military spending, my belief that we should cut it in half, as just the thought of engaging in two simultaneous conflicts is out-right stupid. Also, the idea of being the world's police force, is a luxury that we can no longer afford. The upside of staying out of regional or national conflicts that it reduces the potential of becoming embroiled in Iraqi type situations because is General Powell warned President Bush, "when you break it you own it." I would use half of the savings to rebuild the country's infrastructure which would create jobs here in America and use the rest to reduce the deficit. Then the decision comes down to either raising taxes, by really closing loopholes and changing the tax structure (such as treating capital gains the same as earn income) that will increase fairness and allow the lowering of the overall tax rate. And then raise the entitlement age to 67 and later on to 70 and employ means testing.

We live in the richest country in the world. At the same time we have 46 million people living in poverty with almost 22% of the country's children living in poverty. At the same time we are building schools in Afghanistan, while American students ranked 25th in math, 17th in science and 14th in reading in the 37 OECD countries. Obviously we can and should cut the US military budget in half. Especially since this will not cause us to be any less safer. And by changing the tax structure and reducing loopholes, we can both increase revenue and lower the top rates favored by most conservatives and others.

And yes I agree with Nate Silver that there is a declining level of trust in government since the 1970s. But I disagree that government's entitlement programs, which are the safety net for the elderly, our children and the poor is the only albatross strangling the country's economy -- when instituting a national health service, raising the eligibility age for social security, making real changes in the federal tax code and reducing military spending by 50% will enable government to go back to building roads, dams and airports, as well as providing more shared services like schooling, policing and national parks. And yes, the federal government should provide insurance "*of last resort*" in times of need for everyone in the country. Just let's not make it a business for profit, which is why I dislike the Individual Mandate and Insurance Exchanges in Obamacare.

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This past week France sent troops and warplanes to Mali and launched an air offensive aimed at ousting the Al Qaeda-linked Islamists who control much of the northern part of the country. Considering that it is a brief police action the French Foreign Minister, Laurent Fabius, told [Al Jazeera](#), "*it is a question of weeks.*" But like most of these mopping up actions, the French soon found out that the Islamist rebels were far better equipped and prepared than had been anticipated and subduing/defeating them would not be easy. Adding to this escalating quagmire was the hostage taking of a group of foreign nationals (including Americans) at huge gas facility in neighboring Algeria in retaliation for France's involvement in Mali. Now people are asking is France in over its head? And will it pull the United States down with it?

The situation in Mali dates back to March of last year, when, in a surprise coup, low-ranking government soldiers overthrew the former Malian President Amadou Toumani Toure. Since then, the country has been broken in two, with the lawless north [slipping into](#) a hell of medieval-era punishments like flogging, stoning, and even, reportedly, amputations, all dictated by a severe form of Sharia law practiced by the Islamist radicals who now dominate the area. France, the United States, and other Western powers have been nervously watching this unfold, concerned that Mali would become the next major organizational hub and training ground for Al Qaeda. They hoped that the nations of West Africa would intervene on the Malian government's behalf, but as those countries dragged their feet about doing so, and as the Islamist rebels continued moving steadily into the southern part of Mali, it began to seem that if someone did not take action to halt their advance, it would be too late to stop them.

France is not totally alone. The United Nations Security Council has approved a force of more than three thousand soldiers from African countries—including Nigeria, Senegal, Burkina Faso, and Togo—but they need to be trained first, and are not expected to be ready to deploy before September. Nigerian troops, however, are now scheduled to begin arriving in Mali immediately, and soldiers from other countries may be there soon, too. And the United States and other Western countries are contributing intelligence and logistical support. And if African history is an example the fight will be ugly, as the . , Islamists have managed to gain ground, defeating Malian soldiers and opening a southern front just two hundred and fifty miles from the capital, Bamako, even with the French offensive. The French are saying that the Islamists are using child soldiers, which will pose a tactical and ethical quandary for French and allied forces. But then this is normal warfare in Africa.

Though spirits were raised in the south by the arrival of outside help, Malians are already suffering from the escalation of the fighting. Eleven civilians were reportedly killed in the first city that France bombed; three of the dead were children who “threw themselves into a river and drowned while trying to avoid the falling bombs,” the mayor of the town told the **Associate Press**. France wants this to end with a stable government in Bamako and the eradication of terrorist groups in the north. But the French [now concede](#) that they underestimated the strength of their opponents, and the government, which initially said that it would only provide air support, has now announced that it would send ground troops and triple the size of its deployment to twenty-five hundred personnel. Soon, the government may have to deal with a populace that's unhappy with the idea of sending its soldiers to risk their lives fighting in an unfamiliar area that's larger even than Afghanistan.

Even before its citizens were taken hostage, the U.S. had been considering ways to aid the Malian government and the French, including sending “*transport or refueling planes,*” according to **The Washington Post**. In the wake of the attack in Algeria, for which Al Qaeda of the Islamic Maghreb has taken responsibility, there will be pressure to do more. The outgoing U.S. Defense Secretary, Leon Panetta, has already raised the possibility that the American response to the incident might include military action. For now, at least, the rebels seem confident that they can deal with any foreign intervention. Oumar Ould Hamaha, who leads one of the many Islamist groups operating in the north, claimed that he hoped for a French ground invasion. “*I would advise France not to sing their victory song too quickly,*” Hamaha said. “*They managed to leave Afghanistan. They will never leave Mali.*”

Like Darfur, Somali, and the DRC the current conflict in Mali could fester into a full blown quagmire that has the potential of spreading into neighboring countries, dragging in other European countries and create enormous hardship on the local population, as well as causing the death of tens if not hundreds of thousands of innocent people. For additional information please feel free to look at Alexis Okeowo's article – *THE NEXT QUAGMIRE?* – in *The New Yorker* and *GET STUCK BUT DON'T GET STUCK* – in *The Economist Magazine* this week.

## QUOTE OF THE WEEK

*None of us got where we are solely by pulling ourselves up by our bootstraps. We got here because somebody - a parent, a teacher, an Ivy League crony or a few nuns - bent down and helped us pick up our boots.*

**Thurgood Marshall**

## THIS WEEK'S MUSIC

This week I would like to share the music of **Kenny Gamble and Leon Huff**, whom I worked with over several years in the 1970s.... *Please enjoy.....*

Kenneth Gamble (born August 11, 1943, Philadelphia, Pennsylvania) and Leon A. Huff (born April 8, 1942, Camden, New Jersey) are an American songwriting and record production team who have written and produced over 170 gold and platinum records. They were pioneers of Philadelphia soul and the in-house creative team for the Philadelphia International Records label. On March 10, 2008, the team was inducted into **The Rock and Roll Hall of Fame** in the non-performer category.

Kenneth Gamble's childhood in Philadelphia shaped his adult life: he recorded himself on various arcade recording machines, assisted the morning show DJs on WDAS, operated a record store, and sang with The Romeos. In 1964, before there was "**Gamble & Huff**" there was "**Gamble & Ross.**" Gamble was discovered and managed by Jerry Ross when Gamble was only 17 years old and they collaborated for many years. Gamble teamed up with Leon Huff (keyboards) for the first time on a recording for Candy & The Kisses. Ross then signed Gamble to **Columbia Records** in 1963 as a solo recording artist, releasing "*You Don't Know What You Got Until You Lose It*". **Gamble & Ross & Huff** collaborated on the hit song "*I'm Gonna Make You Love Me*", recorded by Dee Dee Warwick and later by Diana Ross & The Supremes and The Temptations. In 1967 they produced their first Top 5 hit: "*Expressway To Your Heart*" by The Soul Survivors. Working for **Atlantic Records**, the team worked with Archie Bell & the Drells, Wilson Pickett, Aretha Franklin, Dusty Springfield,

and The Sweet Inspirations. They also produced Mercury Records artists Jerry Butler and Dee Dee Warwick, scoring numerous hits along the way.

With a solid track record now behind them, Gamble and Huff formed **Philadelphia International Records** in 1971 as a rival to Berry Gordy and Motown. They originally approached **Atlantic Records**, which passed on the deal as being too expensive. CBS Records, headed at the time by Clive Davis, backed the venture and distributed Philadelphia International's records. Aided and abetted by in-house arrangers Thom Bell, Bobby Martin (musician), and Norman Harris, Philadelphia International released a number of the most popular soul music hits of the 1970s, including "*If You Don't Know Me by Now*" by Harold Melvin & the Blue Notes, "*Back Stabbers*", "*For the Love of Money*", and "*Love Train*" by the O'Jays, and the Grammy-winning "*Me and Mrs. Jones*" by Billy Paul. According to an interview on BBC Radio Four on 28 June 2006, Gamble and Huff were inspired to write Me and Mrs. Jones after seeing someone they knew who appeared to be involved in an affair, meeting a woman in a cafe frequented by the songwriters.

Gamble and Huff's Philadelphia soul sound evolved from the simpler arrangements of the late-1960s into a style featuring lush strings, thumping basslines, and sliding hi-hat rhythms — elements that soon became the distinguishing characteristics of a new style of music called disco. By 1975, **Philadelphia International** and the Philadelphia soul genre it helped define had largely eclipsed Motown and the Motown Sound in popularity, and Gamble and Huff were the premiere producers of soul. Nearly all of the **Philadelphia International** records featured the work of the label's in-house band of studio musicians, **MFSB** (*Mother Father Sister Brother*). MFSB cut a number of successful instrumental albums and singles written and produced by the Gamble & Huff team and arranged by Bobby Martin including the 1974 #1 hit, "*TSOP (The Sound of Philadelphia)*", now best known as the theme song from the American television show, Soul Train.

Through the 1970s, Gamble and Huff continued to work with some of the biggest acts in the music industry, and Gamble in particular began his continuing work to clean up the inner cities and help Americans of African descent youth. He also contributed his time and energy to the **T.J. Martell Leukemia Foundation** and **The AMC Cancer Research Center and Hospital**. His charitable works and civic efforts continue today. He has served on the board of directors for the **Philadelphia Music Foundation**, which honors the artists, songwriters, and producers from Philadelphia. His Universal Companies have opened a restaurant, a bookstore, a mosque, low-income housing, and several charter schools. These buildings, mostly built by locally hired labor, have served as the beginnings of a resurgence in the neighborhood. He also helped start the "*Clean Up The Ghetto*" project, which involved the youth of blighted communities helping with the clean-up and repair of damaged or neglected properties. P.I.R recorded a song using many of their popular artists in support of the project. Started in Philadelphia, "*Clean Up The Ghetto*" spread to Los Angeles, Atlanta, and Chicago, and similar events have been held throughout the country.

In 1975, Philadelphia International became involved in a payola-related scandal; Gamble was fined and Huff was not. By the late 1970s, however, the popularity of the Philadelphia soul sound began to decline. Disco had suffered a backlash, R&B was going back toward the ballad, and rock had returned to the American charts. Still, the label had its share of late 1970s success. Among the later hits were "*Enjoy Yourself*" by The Jacksons in 1976, and "*Ain't No Stopping Us Now*" by McFadden and Whitehead in 1979. One song they wrote, called "*My Mood*" was adopted in 1980 as the close of WRC's Friday Night 6pm newscasts. As of 2008, WRC still uses this music.

In 1982, **Philadelphia International's** biggest star, former Blue Notes singer Teddy Pendergrass, became paralyzed from the waist down in a car accident, and the future of the label came to be in doubt. That year, Philadelphia broke its ties with CBS and made a new deal with EMI. Although the hits had by now dried up, Gamble and Huff continued to write and produce for the label's artists.

1990 finally saw Gamble and Huff recognized with a Grammy Award for Best R&B Song, awarded for Simply Red's cover of the Blue Notes' 1972 hit "*If You Don't Know Me By Now*". In 1999, Gamble and Huff were honored with the **Grammy Trustees Award**, joining musical luminaries like Frank Sinatra, The Beatles, and Walt Disney. Their career output of over 3,000 songs places them among the most prolific professional songwriters of all time. Today, Kenneth Gamble continues to write, often with Leon Huff, and Philadelphia International continues. He still lives in South Philadelphia, and remains active in his community. Gamble owns the shuttered **Royal Theater** and surrounding properties.

On September 19, 2005 Gamble and Huff were inducted into the **Dance Music Hall of Fame** for their outstanding achievements as producers at a ceremony held in New York City. Gamble worked as a music instructor at Raising Horizons Quest Charter School. He went on to found the Universal Bluford Charter School. In 2008, Gamble and Huff were the first recipients of the newly created "**Ahmet Ertegun Award**" by the **Rock and Roll Hall of Fame**. The award replaces the former "*non-performer*" inductee category. On May 20, 2009, Gamble & Huff were named BMI Icons at the **57th annual BMI Pop Awards**. Together, the duo has collected an astounding **86 BMI Pop and R&B Awards**.

Billy Paul – *Me and Mrs. Jones* -- <http://www.youtube.com/watch?v=n2v98PGBZH4>

The O'Jays – *For The Love of Money* -- <http://www.youtube.com/watch?v=Ll3uipTO-4A>

Teddy Pendergrass – *Close the Door* -- <http://www.youtube.com/watch?v=Ykp9QSY-feg>

Teddy Pendergrass – *Turn off the Lights* -- <http://www.youtube.com/watch?v=DSrEdpW3PoM>

The Soul Survivors – *Expressway To Your Heart* -- <http://www.youtube.com/watch?v=GQpTEaPFHXQ>

Laura Nyro and Labelle – *Gonna Take A Miracle* -- <http://www.youtube.com/watch?v=5CoN9PyoU80>

Harold Melvin and the Blue Notes – *If You Don't Know Me By Now* -- <http://www.youtube.com/watch?v=p65sBNxoLbA>

Jerry Butler – *Only The Strong Survive* -- <http://www.youtube.com/watch?v=FdB8EOSCnoY>

INTRUDERS – *COWBOYS TO GIRLS* – 1968 -- <http://www.youtube.com/watch?v=t70IBcxYzdk>

The Jacksons – *Show you the way to go. Live 1977* -- <http://www.youtube.com/watch?v=8JsMxP6u8mY>

The Three Degrees – *When Will I See You Again* -- <http://www.youtube.com/watch?v=B7sfs4gWI0E>

Mcfadden and Whitehead – *Aint No Stopping Us Now* -- <http://www.youtube.com/watch?v=DY0tsKCB4lc>

Lou Rawls – *Lady Love* -- <http://www.youtube.com/watch?v=a-CwWMXpsX0>

Archie Bell & The Drells – *Tighten Up* -- <http://www.youtube.com/watch?v=diadZbYpvGk>

MFSB – *TSOP* - <http://www.youtube.com/watch?v=Pfs1y6L3E7k>

O'Jays – *Live In Concert* -- <http://www.youtube.com/watch?v=qE8HOqjA2Fw>

In closing I sincerely hope that you enjoyed this week's offerings and wish you a great *Martin Luther King Holiday* and wonderful and successful week, as well as *PROPS* and *PRAYERS* to our 44th President, Barrack Hussein Obama and his family.....

Sincerely,

Greg Brown

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