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Attachments: Obama_in_State_of_the_Union_makes_case_that_middle_class_is_job_one_Scott_Wilson_TWP_February_13_2013.pdf;
Wayne_LaPierre_More_Guns_Needed_For_'Hellish_World'_Filled_With_Hurricanes_Kidnappers_Drug_Gangs_Christina_Wilkie_Huff_Post_02_13_13.pdf;
Top_Ten_Mistakes_the_Bush_Administration_Is_Repeating_from_Vietnam.pdf;
A_Timeline_for_the_Iraq_War_Faiz_Shakir_ThinkProgress_2012.pdf;
The_Growing_Corporate_Cash_Hoard_Bruce_Bartlett_NYT_FEBRUARY_12_2013.pdf;
No_Marco_Rubio_government_did_not_cause_the_housing_crisis_Ezra_Klein_TWP_February_13_2013.pdf;
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Dear Friends.....

On Tuesday evening in his 1st *State of the Union Address* since reelection, President Obama challenged Congress to do whatever they can to assist the American middle class squeezed by rising costs and stagnant wages, making clear that he will devote much of his second term to closing the income gap between rich and poor. Obama called restoring the country's middle-class promise "*our generation's task*," casting the ability to work and prosper as a basic American principle in jeopardy because of a changing economy and partisan dysfunction in Washington. Arguing for an active government role to tackle inequality, Obama proposed a series of ways — some old, some new — to improve access to education and expand job training programs. He would raise the minimum wage to \$9 an hour — a nearly 25 percent bump — over the next three years. Not being saddled with the worry of a re-election the speech was a full-throated rebuke and disavowal of the conservative argument that government must shrink and cower. In particular it was a rebuke of the economic theory that a government's role in revival is to retreat and lift/relax regulations. It was an embrace of the country's growth and diversity and an elevation of those down on their luck. And it was a bring-it-on gesture to the gun lobby and the politicians who fear it.

Many of his previous economic plans have stalled in a divided Congress. But speaking from a position of political strength — and facing a deficit of less than \$1 trillion for the first time in his administration — Obama suggested that the American public supports many of his goals, even if many in the chamber do not. In an hour-long address focused tightly on domestic issues, Obama also announced that he will bring 34,000 American troops home from Afghanistan over the next year, cutting the U.S. presence there by almost half and concluding the U.S. military mission in Afghanistan by the end of 2014.

Throughout the speech, however, was a warning that the nation's progress, which he repeatedly called "*unfinished*," is in peril unless Obama and Congress can work together on the economy's behalf. "*We gather here knowing that there are millions of Americans whose hard work and dedication have not yet been rewarded*," he said. "... *It is our generation's task, then, to reignite the true engine of America's economic growth — a rising, thriving middle class.*"

With the President and congressional leaders unable to reach agreement on how to avert sequestrations — automatic government spending cuts — that starts in just a little over two weeks away — and which will fall hardest on those who can least afford them and could turn the economy into a tailspin. He called for *“bipartisan, comprehensive tax reform”* and emphasized that his proposals would not add to the \$854 billion deficit, only reallocate money already in the budget to finance them. *“But let’s be clear: Deficit reduction alone is not an economic plan,”* Obama said. *“A growing economy that creates good, middle-class jobs — that must be the North Star that guides our efforts.”*

The President is taking his message on the road over the next few days, visiting North Carolina, Georgia and Illinois to discuss various economic proposals. The proposals include spending \$40 billion to upgrade bridges as well as starting a fund, known as the Energy Security Trust, responsible for researching ways for more American cars and trucks to run on cleaner fuels. When Obama spoke Tuesday about immigration legislation, gun control and climate change — issues that rank high on his domestic agenda — he did so by connecting them directly to the American economy. He called on Americans to cut in half the energy wasted by homes and businesses in the next two decades, something that would benefit the environment as well as the economy. Green jobs, he said, will be the ones helping drive future employment growth. He seems to have decided to move beyond his political opponents and the pundits and talk directly to the American people.

The proposals include spending \$40 billion to upgrade bridges as well as starting a fund, known as the Energy Security Trust, responsible for researching ways for more American cars and trucks to run on cleaner fuels. When Obama spoke Tuesday about immigration legislation, gun control and climate change — issues that rank high on his domestic agenda — he did so by connecting them directly to the American economy. He called on Americans to cut in half the energy wasted by homes and businesses in the next two decades, something that would benefit the environment as well as the economy. Green jobs, he said, will be the ones helping drive future employment growth. In his most passionate moments, the President demanded action against gun violence as part of what he called *“building new ladders of opportunity”* for low-income communities aspiring to rise into the middle class.

Focusing on the poor, the President said, *“Tonight, let’s also recognize that there are communities in this country where no matter how hard you work, it is virtually impossible to get ahead. Factory towns decimated from years of plants packing up. Inescapable pockets of poverty, urban and rural, where young adults are still fighting for their first job. America is not a place where chance of birth or circumstance should decide our destiny. And that is why we need to build new ladders of opportunity into the middle class for all who are willing to climb them.”*

To address the tens of millions of working Americans living in poverty, the President proposed raising the minimum wage from \$7.25 to \$9 an hour over the next three years was among several new proposals that his advisers said were designed to close the income gap — and to *“tie the minimum wage to the cost of living, so that it finally becomes a wage you can live on.”* As part of his job training initiatives, Obama proposed spending what advisers estimated to be \$1 billion to build *“manufacturing institutes”* where private and public-sector agencies, including the Defense Department and Energy Department, collaborate to prepare workers for the challenges of the new economy. He also proposed a revamping of our educational system, from universal *“high quality preschool”* to a redesign of high schools *“so they better equip graduates for the demands of a*

high-tech economy” and changing the Higher Education Act “so that affordability and value are included in determining which colleges receive certain types of federal aid.”

The President also reiterated his desire to address problems in the U.S. voting system, typified in the last election by the hours-long wait some voters endured to cast ballots in crowded polling stations, many in urban areas. He mentioned the issue in his victory speech in November and on Tuesday announced a commission to study ways of making voting simpler. It will be chaired by the lead attorney from Obama’s past campaign, Bob Bauer, and his counterpart from Republican Mitt Romney’s, Benjamin Ginsberg.

Obama spent less time on foreign policy, emphasizing the continuing fight against al-Qaeda and the impending conclusion of the war in Afghanistan — America’s longest — at the end of next year. Playing to hawks, he also warned the leaders of Iran that *“now is the time for a diplomatic solution”* to avert a military confrontation over its uranium enrichment program. But many of his foreign policy ambitions appeared aimed at improving the nation’s economy, and he mentioned the tumultuous Middle East only in a brief passage, saying he would address the region further during a visit there next month.

As usual Republican lawmakers reacted coolly to Obama’s message, characterizing the program he outlined as a defense of big government at a time when they believe over-regulation and high taxes are keeping the economy down. *“But his favorite attack of all is that those who don’t agree with him, that we only care about rich people,”* said Sen. Marco Rubio, the Florida Republican who delivered the GOP response. *“. . . Mr. President, I don’t oppose your plans because I want to protect the rich. I oppose your plans because I want to protect my neighbors — hard-working middle-class Americans who don’t need us to come up with a plan to grow the government. They need a plan to grow the middle class.”* Both Rubio and Paul Ryan’s (representing the Tea Party) rebuttals showed that neither are *“ready for prime time”* and both men’s messages were repackaged arguments and failed Republican policies from the past. Nothing new.....

President Obama delivered a powerful State of the Union speech, conveyed with passion and emotion, with a vision of America’s future, and his second term, in which the country is not in perpetual war, government plays an expansive role, Congressional obstruction is named and shamed and he is bold and unapologetically progressive. It should be remembered for many things -- from the emphasis on greater gender equality to the moving tributes for inspirational citizens and the presence of families whose lives have been torn apart by gun violence. Hopefully the speech’s longer term impact and economic messages, including the urgency of growing America from the middle out will resonate loudly and durably both inside and outside Washington, DC. And as my twelve year old daughter would say.... He Rocked!

Leadership is defined not only by our words and our will, but by the very actions we take to back up our vision. Last night, President Obama delivered his State of the Union address (SOTU) to a nation that gave him the majority of its vote in 2012, and to a citizenry that is still overwhelmingly ready to continue moving forward. The president encouraged unity, economic growth, increasing the minimum wage, protecting voting rights, salvaging the middle class, combating climate change, enacting safe gun legislation, utilizing clean energy, educating our youth, bringing our troops home, immigration reform and much, much more. After his address, the president conducted a conference call with grassroots supporters, then took his message on a three-city tour. He backed his own words with action; now we, the people, must do the same. After all, movements begin in our

own homes -- they don't come from the White House. If we want to see real substantive change in our lives and in society, then each and every one of us has to make it happen, period.

"We may do different jobs and wear different uniforms, and hold different views than the person beside us," stated the president in his SOTU remarks.

But as Americans, we all share the same proud title -- we are citizens. It's a word that doesn't just describe our nationality or legal status. It describes what we believe. It captures the enduring idea that this country only works when we accept certain obligations to one another and to future generations, that our rights are wrapped up in the rights of others....

Perhaps nothing summarizes the task before us all more than these words. It is not enough for us to simply list our grievances, or acknowledge challenges that exist; we must consistently work and strive to create the progress we seek. The president is our leader, and while he may guide us in the right direction, it is incumbent upon all of us to work together, take concrete steps and create a society that is more fair and more just for all.

Rev Al Sharpton - this week

If you ask the average American, they will tell you that America is a righteous country seeking peace. But when you really look at its history, American has been in more wars in more places around the world than almost every other country since its birth. There have also been numerous wars in which it has interfered with and *"proxy wars"* such as the Iraq-Iran, Contras in Nicaragua, as well as the overthrow of democratically elected governments in Iran, Congo, Chile and in Central America. Here is just a sampling of US military operations since the American Revolution. And although many do not carry the word *"war,"* still tens of millions have been killed and trillions of dollars wasted. So why has America been in so many wars? And if you don't think so.... Just look at the sampling below:

American Revolutionary War (1775-1781)
Northwest Indian War (1785-1795)
Quasi-War aka Franco American War
First Barbary War (1801-1805)
Tecumseh's War
War of 1812 (1812-1815)
Second Barbary War (1815)
First Seminole War (1817-1818)
Arikara War
Winnebago War
Black Hawk War (1832)
Second Seminole War (1835-1842)
Mexican American War (1846-1848)
Navajo Wars
Cayuse War
Apache Wars
Yakima War
Rogue Rivers War
Puget Sound War
Third Seminole War
Second Opium War (1856-1960)
Reform War

Paiute War
American Civil War (1861-1865)
Dakota War of 1862
Colorado War
Snake War
Red Cloud's War
Comanche War (1868-1874)
Modoc War
Red River War
Black Hills War
Nez Perce War
Bannock War
Cheyenne War (1878)
Sheepeater Indian War
White River War

Overthrow of the Hawaiian Kingdom. (1893)
Second Anglo-Egyptian War (the Egyptian Expedition)
Colombian Civil War (the Burning of Colón) (1895)
First Samoan Civil War (1886)
Ghost Dance War
Chilean Civil War
Second Samoan Civil War (1898-1899)
Spanish American War (1898)
Philippines-American War (1899-1902)
Banana Wars (including the US occupation of Nicaragua, Haiti, Dominican Republic) (1898-1935)
Boxer Rebellion (doesn't actually have "war" in its name) (1899-1902)

Panama – US forces go in to protect American lives and property (1904)

Honduras – US go in to protect American Interest

China – US forces go in to protect American property (1914)
Mexican Revolution (1914-1917)
World War I (1917-1918)

Cuba – US forces go in to protect American business interest (1917-1922)
Russian Civil War (1918-1920)
World War II (1941-1945)
Cold War (not a "real/physical" war)
First Indochina War
Korean War (1950-1953)

Lebanon crisis (1958)

Bay of Pigs Invasion (1961)

Dominican Intervention (1965)
Vietnam War (1965-1975)
Laotian Civil War (1968)
Cambodian Civil War (1968)
Lebanese Civil War (1982-1983)

Operation Eagle Claw (1980)
Grenada Conflict (1983)
Beirut Conflict (1982-1984)

Panama Invasion – Operating Just Cause to capture President Manuel Noriega (1989-1990)
Iran-Iraq War
Gulf War (1990-1991)
Somali Civil War – Operation Restore Hope (1992-1993)
Bosnian War (1999)
Kosovo War (1996-1999)
War on Terror (2001–present)
War in Afghanistan (2001-War not ended yet)
Iraq War (2003-2011)
Second Liberian Civil War
Libyan Civil War (2011)

Again, there were/are numerous US military operations around the world not called ‘war’, of such as the US invasion of Panama, the US invasion of Grenada, the US invasion of the Dominican Republic, the Moro Rebellion, the Rio de Janerio Affair, the Oahu Expedition, and Battle of Kororareka, as well as the War on Poverty, the War On Drugs and the Indian wars and various slave rebellions prior to the Revolutionary War. One has to ask, why as a country that professes peace are we so preoccupied with war, winning and instilling our vision of democracy, when a 102 year old woman had to wait in a line to vote last November in Florida, that was designed to discourage her and others.

War with North Vietnam had been on the minds of Americans since the mid-1950s when a communist-led insurgency split the country and drove out the French colonial forces. President John F. Kennedy had sent military advisers and then troops into South Vietnam. After Kennedy’s assassination, what to do about the Vietnam War became a pressing matter of business for the new president, Lyndon B. Johnson.

In the 1950s and ’60s the dominant idea in foreign policy circles was *the Domino Theory*, which stated that if one nation fell to the communists, the surrounding countries would fall, too. That is what had happened in Eastern and Central Europe after World War II, and the West was worried that with communist governments already in place in North Korea and North Vietnam, a failure to come to the aid of South Vietnam would mean the collapse of that country as well as all its neighbors—Cambodia, Laos, Thailand, Malaysia, Indonesia, the Philippines, perhaps even Japan. Once the dominoes started to fall, there was no telling where they would stop.

As President Johnson and his White House advisers which included many members of the Kennedy administration—discussed what to do, they failed to ask two hard questions: First, if the worst happened and South Vietnam fell to the communists, was it likely that all of South Asia would fall too? And, second, if the United States did commit its troops to fight alongside the South Vietnamese army, would this combined force be able to win the war? According to Robert McNamara, who was LBJ’s Secretary of Defense, neither he, nor President Johnson, nor anyone in the White House asked those questions.

In a televised address to the nation on August 4, 1964, LBJ declared, “*I shall immediately request the Congress to pass a resolution making it clear that our government is united in its determination to take all necessary measures in support of freedom and in defense of peace in Southeast Asia.*”

Johnson was acting on high motives. A decade earlier the United State had been a signatory to SEATO (*Southeast Asia Treaty Organization*), in which the U.S., France, Great Britain, New Zealand, Australia, the Philippines, Thailand, and Pakistan pledged to prevent communism from gaining ground and spreading in South Asia. "America keeps her word," Johnson said. "A threat to any nation in that region is a threat to all, and a threat to us....This is not just a jungle war, but a struggle for freedom on every front of human activity."

The bill to commit more American troops to fight in Vietnam became known as the Gulf of Tonkin Resolution, named for an exchange of gunfire between U.S. and North Vietnamese ships in the Gulf of Tonkin a few weeks earlier. It passed the House of Representatives 416 to 0, and it passed in the Senate by a vote of 98 to 2.

But the war did not go well. No matter how many troops LBJ sent to Vietnam, the North Vietnamese were not defeated. As U.S. casualties mounted and Americans back home began to believe that the war was unwinnable, anti-war protests—some of them violent—erupted across the country, with demonstrators denouncing the president as a war-monger and a murderer of innocent Vietnamese civilians.

Johnson's decision to increase U.S. involvement in Vietnam hamstrung his presidency and ruined his reputation. The man who had brought about the passage of the Civil Rights Act and a host of new social programs as part of his War on Poverty was hounded from office.

By the time the United States withdrew from Vietnam in 1973, more than 1.5 million Vietnamese had died, more than 58,000 U.S. troops had been killed, more than 150,000 were wounded, and 2,000 were missing in action. With no clear goal other than to deny the Vietnamese for choosing their own leadership, based on a faulty 'Domino Theory' and not understanding that if democracy and free-trade is truly the best system of government over the long run it will win, the Vietnam War of choice it definitely one of the top three policy blunders in the country's history. So why didn't we learn from this and not repeat the same mistakes in Afghanistan and Iraq. And please remind anyone urging that America start a preempted war/attack against Iran or North Korea.

Last week, the **New York Times** published a chilling account of how indiscriminate killing remains bad policy even today. This time, it's done not by young G.I.'s in the field but by anonymous puppeteers guiding drones by remote control against targets thousands of miles away, often killing the innocent and driving their enraged families and friends straight into the arms of the very terrorists we're trying to eradicate.

The Times told of a Muslim cleric in Yemen named Salem Ahmed bin Ali Jaber, standing in a village mosque denouncing Al Qaeda. It was a brave thing to do -- a respected tribal figure, arguing against terrorism. But two days later, when he and a police officer cousin agreed to meet with three Al Qaeda members to continue the argument, all five men -- friend and foe -- were incinerated by an American drone attack.

The killings infuriated the village and prompted rumors of an upwelling of support in the town for Al Qaeda, because, **The Times** reported, "such a move is seen as the only way to retaliate against the United States." Our blind faith in technology combined with a sense of infallible righteousness continues unabated. It brought us to grief in Vietnam and Iraq and may do so again with President Obama's cold-blooded use of drones and his seeming indifference to so-called "collateral damage," otherwise known as innocent bystanders. By the standards of slaughter in Vietnam the deaths by drone are hardly a blip on the consciousness of official Washington.

But we have to wonder if each one -- a young boy gathering wood at dawn, unsuspecting of his imminent annihilation, the student picking up the wrong hitchhikers, that tribal elder standing up against fanatics -- doesn't give rise to second thoughts by those judges who prematurely handed our president the **Nobel Prize for Peace**. Better they had kept it on the shelf in hopeful waiting, untarnished. *Although I personally like President Obama, I disagree with his drone strategy and*

the culture in America that celebrates war, looking for wins and its blatant disregard for the immense suffering, destruction and death inflicted on millions, as a result of US military intervention around the world.

Research firm **Forrester** is telling everyone who is listening.... that mobile, social, cloud, and data are big freight trains of change that are crashing through old business models and old business practices. Mobile phones are already well on their way to replacing cameras, cash, maps, remote controls, handheld gaming systems, boarding passes, tickets, cash registers, calculators, notepads, and much more. And they're becoming globally ubiquitous: 1.6 billion phones were shipped last year and by the end of this year, 1.4 billion smartphones will be in use. So the question is not so much what smartphones can do, as much as it is what can they not do. And the strategic imperative for organizations is to understand how they are going to meet the challenge of that change.

Here are the top 10 implications for mobile, according to Forrester:

Mobile becomes a strategic priority

- 1. Marketers will realize that mobile requires a total shift in marketing approach.**
This is one of the reasons Google baked mobile into AdWords by default, one of the biggest changes in AdWords in five years.
- 2. Tablets will be the biggest short-term disruptors.**
Advertisers like marketing on iPhones and Android smartphones, but iPad ads command the biggest premium.
- 3. Mobile platforms will catalyze next-generation connected experiences.**
We'll see more technologies like fitness trackers that know what you're doing without you having to tell them, or a smartphone app that lets you control your home from Tokyo.
- 4. Smart apps powered by big data and sophisticated analytics will help us complete tasks.**
Think a Siri from Apple that is more than just a cute add-on and that actually becomes a valuable personal assistant.
- 5. Mobile will play a leading role in engaging consumers in emerging markets.**
75 percent of all new phones are being sold in Asia and Africa....

Mobile investments must rise

- 1. Mobile will require more formal organization, processes, governance.**
IT is getting fed up of supporting what it cannot manage.
- 2. Leading marketers will take back ownership of mobile from agencies and vendors.**
You can't outsource core, and mobile is becoming core. So you've got to learn from the best and bring at least some expertise in-house.
- 3. The role of mobile marketing manager will emerge. If Google needs a mobile marketing manager, why don't you?**

4. Finding the right strategic mix of staff will rise in importance. Even more than in other areas, you need the right blend of business, marketing, design, and technology expertise to succeed in mobile.

5. Spending will increase to enable mobile services. Mobile marketing has been a bit of a bargain, but as it's become core, that's changing. Technology and staffing costs are going up.

This week **Chris Matthews** started his **Hardball** television show on **MSNBC** with the following description of The NRA's Chairman, Wayne LaPierre. I would like to share it with you: *"Citizen LaPierre, who is this -- is he this screamer of fire in the theater, this tumbler of the lunatic fringe? Wayne LaPierre, watch him go to work. He just sent out a mass manifesto linking a lifeline from every spooked-out crowd in the country from one to the other, asking all to arm themselves while there's still time -- arm themselves. Afraid of looting after a storm? Get a gun. Upset by illegal immigration? Get a gun. Don't like crime or drugs? Get yourself a damn gun, man. That's the Wayne LaPierre message today. Worried about the debt crisis? Worried about the chaos that's coming afterward? You know the drill, get a gun. Arm yourself, America. It's not just a right, it's a duty. It's not just about Uncle Sam who's coming to get you in one of those black helicopters, it's that mob at the gate, headed over the Rio Grande as we speak, and right for your house up in Idaho, right as we speak. Lock and load. Do it now. There's not much time. They're coming for you. You think this is crazy? Well, this is Wayne LaPierre talking, the head of the NRA. And what's that tell you? It tells about a new division in America between the confident people who think he's nuts and the scared, the really scared, who are listening to him right now."* Matthews continuing: *"I have never heard this kind of talk. This talk is crazy. It's reign of terror talk, like from the French revolution. Get your gun. You're the one next. If you got any gripe in this country about illegal immigration, about the debt crisis, you better be armed and ready to fight."* **Like Matthews, I am disgusted with the idiocy, hypocrisy and cowardliness of our Politicians who allow someone like LaPierre and his organization to influence their policies that endanger our lives. If more guns was the answer to potential violence, every passenger would be allowed to bring a gun (or box-cutters) on an airplane....**

THIS WEEK'S READINGS

This past Wednesday Wayne LaPierre, CEO of the National Rifle Association wrote a commentary on the conservative news site – **The Daily Caller** – because of the dangerous threats of hurricanes, tornadoes, riots, terrorist, gangs and lone criminals that Americans should buy more guns. *"It's not paranoia to buy a gun. It's survival. It's responsible behavior, and it's time we encourage law-abiding Americans to do just that."* In dramatic language, LaPierre wrote that *"the American people clearly see the daunting forces we will undoubtedly face: terrorists, crime, drug gangs, the possibility of Euro-style debt riots, civil unrest or natural disaster. Gun owners are not buying firearms because they anticipate a confrontation with the government. Rather, we anticipate confrontations where the government isn't there -- or simply doesn't show up in time."*

Using New York City in the wake of Hurricane Sandy as an example of just such a disaster, LaPierre said: *"After Hurricane Sandy, we saw the hellish world that the gun prohibitionists see as their utopia. Looters ran wild in south Brooklyn. There was no food, water or electricity. And if you wanted to walk several miles to get supplies, you better get back before dark, or you might not get home at all."*

The problem with that is that in fact the opposite was true. . In the five days following Hurricane Sandy, there were no homicides at all in New York City -- which is unusual, considering historical data. And if my memory serves me correctly, since I was in New York at the time of the 9/11 terrorist attack against the

World Trade Center, there were no homicides and a significant lull in all types of crime for that similar period.

New York and its staunchly pro-gun-control mayor, Michael Bloomberg, together represent a bogeyman that LaPierre referenced throughout his diatribe. *"Michael Bloomberg and [progressive mega-donor] George Soros are each, individually, far wealthier than the entire National Rifle Association,"* LaPierre wrote. *"The hard truth is that due to Bloomberg, Soros, and the rest of their ilk, the dangers require that we increase our presence all across the country -- in Congress, the state capitols, and in your city and towns."*

Besides New York, LaPierre singled out the U.S.-Mexican border -- and Phoenix in particular -- as the other greatest source of danger to Americans. People need *"semi-autos,"* he wrote, in order to protect themselves from *"Latin American drug gangs [who have] invaded every city of significant size in the United States."*

When the fact/truth is that more than 50,000 people in Mexico have died by firearms, most of them coming across the border from the United States.

The border, he said, *"remains porous not only to people seeking jobs in the U.S., but to criminals whose jobs are murder, rape, robbery and kidnapping."* Phoenix, LaPierre added, *"is already one of the kidnapping capitals of the world."*

Here, too, statistics contradict his claim. A 2010 report by the FBI revealed that the U.S.-Mexican border is one of the safest areas in the United States, and among the nation's big cities, the four with the lowest violent crime rates were all in Mexican-border states: San Diego; Phoenix; El Paso, Texas; and Austin, Texas. In 2011, an investigation revealed that Phoenix police had grossly inflated the city's kidnapping statistics in order to get federal grant money.

LaPierre also invoked Islamic extremist groups: *"Ominously, the border also remains open to agents of al Qaeda and other terrorist organizations [and] when the next terrorist attack comes, the Obama administration won't accept responsibility. Instead, it will do what it does every time: blame a scapegoat and count on Obama's 'mainstream' media enablers to go along."* When the truth is that there is no evidence that any Islamic terrorist have ever entered the country by walking across the border from Mexico.

Still to combat these threats, LaPierre urged Americans to purchase firearms and join the NRA. *"We must reach out to the tens of millions of gun owners who are not yet NRA members -- to the gun owners who care about their own rights but who have been duped by Obama and the national media into believing that the Obama and Bloomberg gun controls will only affect other people. They are naively sitting on the sidelines, imagining themselves immune from the coming siege."*

When is this stupidity ever going to stop? When are our public officials enact sensible laws that regulate the ownership and use of guns, similar to driving privileges? When in a country that 10,000 people die each year from firearms, is buying a gun going to be more difficult than getting the right to purchase marijuana for medical purposes? And if the country would be safer if everyone had a gun, why not allow everyone to bring a holstered six-shooter on an airplane, because that is as ridiculous as what Mr. LePierre wrote this week in **The Daily Caller**? For more, please take a look at Christina Wilkie article in **The Huffington Post** -- **Wayne LaPierre: More Guns Needed For 'Hellish World' Filled With Hurricanes, Kidnappers, Drug Gangs.**

Over the past several months I have been seriously studying America's hawkish culture, that allows North Korea being touted as an imminent danger to the survival of America, when everyone knows it can barely feed its people and should anyone in circles of power in the US find evidence that it assisted a nuclear terrorist attack on our shores, the entire country of North Korea would ended up like Chernobyl. Since World War II, American politicians have used almost every opportunity they could, to orchestrate a military intervention. Considered by most historians, the Vietnam War is regard as the #2 blunder (if not #1) in the history of American international policy. But there is growing evidence that the Iraq War of choice may displace it as the #2 blunder in American history.

Like American military involvement in Vietnam, Iraq was also doomed from the start for many of the same reasons. Both were poorly managed on the ground and lacking apparent strategy but more importantly both were unnecessary blindly conceived ventures, without any clear goals. Any strategist will tell you the absence of a clear goal, behind a big decision always leads to a failure. In the case of Vietnam – the fact that our politicians and generals poured 10 million tons of bombs, sacrificed nearly 58 000 American lives, as well as more than a million combatants lives and another two million innocent Vietnamese citizens, just because America might lose its "face in the world," (which actually happen), was something bordering on insanity.

Hoping that the Russians would make the same mistake America armed and funded the Mujahadeen/Taleban when they were fighting the Russians. Once they force the Russians to abandon their military efforts, Afghanistan was ready to be rebuilt into a democratic society that could have been rebuilt as a pro-Western modern Islamic state. All it would have taken was an investment in infrastructure and education that would have been a tiny amount compared to the money America spent arming the Taleban. Instead, the moment that the Russians left the country, America left Afghanistan in the hands of religious extremists who felt they had been abandoned by the West after laying down their lives to protect the West against Communism. A decade later, that feeling was brought home in the 9/11 attacks. Again.... after the Russians withdrew, Afghanistan was ready and willing to become a modern pro-Western country. All it needed was a tiny amount of investment from the West. Instead it was left in the hands of extremists who turned their hatred on us.

It is written: *"the Vietnam War represented a colossal mistake for the United States, and that American policy was plagued persistently by errors, blunders, misperceptions, and miscalculations."* The amazing thing is that this same sentence is also a perfect description and interpretation of the Bush/Cheney military misadventure in Iraq fifty years later.

Clearly, the Vietnam War was a result of the Cold War. In the 1950s and '60s the dominant idea in foreign policy circles was the Domino Theory, which stated that if one nation fell to the communists, the surrounding countries would fall, too. This was based on what happened in Eastern and Central Europe after World War II, and the West was worried that with communist governments already in

place in North Korea and North Vietnam, a failure to come to the aid of South Vietnam would mean the collapse of that country as well as all its neighbors—Cambodia, Laos, Thailand, Malaysia, Indonesia, the Philippines, perhaps even Japan. The belief was that once the dominoes started to fall, there was no telling where they would stop.

As **Albert Einstein** once said, *“Insanity: doing the same thing over and over again and expecting different results.”* American military policies since World War II has been as series of misadventures, based on faulty premises, without any clear goals and with the bravado of a twenty-something year old mixed-marshall artist in a fight against someone half their size. (otherwise and ignorant bully) In an article in **The Independent Institute** by Ivan Eland – ***Top Ten Mistakes the Bush Administration Is Repeating from Vietnam***, he points out that if he had not skipped his current events classes while he was in college he might not have made the same assumptions and repeated the same blunders.

The Bush administration, almost from the start, has eschewed any comparison of Iraq with Vietnam, in addition to George W. other officials in his administration apparently never read the history of the nation’s heretofore worst war – making the same 10 major mistakes.

1. **Underestimating the enemy.** As in Vietnam, the superpower’s potent military has been astounded by the tenacity and competence of a nationalist rebellion attempting to throw a foreign occupier from its soil. For example, the U.S. military, a hierarchical organization, views the Sunni insurgency as disorganized and without a central command structure. Yet the insurgents are using this decentralized structure very effectively and are not threatened by any U.S. decapitation strike to severely wound the rebellion by killing its leaders.
2. **Deceiving the American public about how badly the war is going.** President Bush continues to talk of victory, and his chief military officer, Gen. Peter Pace, argued that the United States was making *“very, very good progress”* just two days before the more credible U.S. ambassador to Iraq warned that a civil war was possible in Iraq. President Lyndon Johnson painted an excessively rosy picture of U.S. involvement in Vietnam until the massive communist Tet offensive against the south in 1968 created a *“credibility gap”* in the public mind. The U.S. and South Vietnamese militaries successfully beat back the offensive, but the war was lost politically because the U.S. government lost the confidence of its own citizens. The Bush administration has fallen into the same trap by trying to “spin” away bad news from Iraq. Polls ominously indicate that Bush’s trustworthiness in the eyes of the American public has plummeted more than 20 points since September of 2003 to 40 percent.
3. **The Bush administration, like the Johnson and Nixon administrations, blames the media’s negative coverage for plunging popular support of the war.** Yet the nature of the press is that it would rather cover extraordinary negative events, such as fires and plane crashes, than more mundane positive developments. Vietnam demonstrated that normal media coverage of mistakes in war could undermine the war effort. The Bush administration should have expected such predictable media coverage.
4. **Artificial government statistics cannot be used to measure progress in a counterinsurgency war.** In Vietnam, the body counts of North Vietnamese/Viet Cong were

always much greater than U.S./South Vietnamese deaths. Lately, the Bush administration has touted that fewer U.S. personnel are dying in Iraq. But U.S. forces have been pulled back from the fight to reduce U.S. casualties and to train Iraqi forces. In guerrilla warfare, despite unfavorable statistics, as long as the insurgents keep an army in the field, they can win as the foreign invader tires of the occupation.

5. **The initial excessive use of force in counterinsurgency warfare instead of a plan to win hearts and minds.** The U.S. military, since the days of U.S. Grant, has used superior firepower to win wars of attrition against its enemies. In Vietnam, the U.S. military used such tactics initially, but later adopted a softer counterinsurgency strategy only after it was too late. The Bush administration initially blasted towns like Falluja into rubble and only now, in an attempt to reduce support for the guerillas among the already angry population, is converting to a strategy aimed at winning Iraqi hearts and minds.
6. **Failed “search and destroy” tactics belatedly gave way to the “inkblot” approach of clearing and holding ground.** In both Vietnam and Iraq, after search and destroy missions, enemy fighters merely returned to areas when “victorious” U.S. forces left. But not enough U.S. forces are in Iraq to make the “clear and hold” method work.
7. **“Iraqization” of the war parallels the unsuccessful “Vietnamization” in the 1970s.** The Nixon administration never fully explained how the less capable South Vietnamese military could defeat the insurgency when the powerful U.S. military had failed. The same problem exists in Iraq.
8. **As in Vietnam, there has been no “date certain” for withdrawal of U.S. forces.** President Bush recently implied that U.S. forces would be in Iraq when the next president takes office. Such an indefinite commitment of U.S. forces convinces more Iraqis that the United States is an occupier that needs to be resisted.
9. **Retention of incompetent policymakers.** Lyndon Johnson retained Robert McNamara, the inept architect of the Vietnam strategy, as Secretary of Defense until McNamara himself turned against his own war. Bush has kept the bungling Donald Rumsfeld on too long in the same position.
10. **Most important of all, starting a war with another country for concocted reasons, which did not hold up under scrutiny.** Lyndon Johnson used a questionable alleged attack by Vietnamese patrol boats on a U.S. destroyer to escalate U.S. involvement in a backwater country that was hardly strategic to the United States. Bush exaggerated the dangers from Iraqi weapons programs and implied an invented link between Saddam Hussein and the 9/11 attacks. In a republic, the lack of a compelling rationale for sending men to die in a distant war can be corrosive for the morale of the troops and public support back home.

And the fact that people like Senators Lindsey Graham and John McCain are suggesting that America make a pre-empted attack against Iran, shows that not only have they not learned from the misadventure in Vietnam, they have not come to terms like that America’s military interventions in Afghanistan and Iraq is as big as a blunder, if not bigger than the Russians made in Afghanistan and the US in Vietnam.

Like with Vietnam, the Bush/Cheney Administration promised the country a *"limited easy war."* But when we look at American's military involvement in Vietnam, like with both Afghanistan and Iraq it was actually doomed by the fact that the United States was engaged in a "limited war." In addition, all three wars were poorly managed on the ground, leadership lacked clear strategy, and first and foremost they were unnecessary, blindly conceived ventures. Useless wars. Vietnam started on the base of dubious arguments, and as Lyndon Johnson admits, without *"any plan for victory militarily or diplomatically."* As we know now, the lack of strategy led to something more alarming - lack of clear goal. And the lack of clear goal, behind a big decision, always leads to a failure.

It is easy for past decisions and former politicians to be criticized. Every generation judges its predecessors from the hillock of its position, but strangely enough every generation repeats one or another old mistake. The war in Vietnam started without a clear answer of "why" it was necessary and finished with a clear question *"how"* America *"lost her face in the world."*

At the time when the war started what America was doing was really important, and the stakes of how the United States were presenting in the eyes of the world seemed much higher than today. The fundamental reason for American involvement in Indochina was the demonstration of commitment. The United States felt obligation to act in every point of the world where a country or a nation was still hesitating to which of two camps (capitalist or communist) to stick. The fear of American government from a "domino effect," where the emerging post-colonial nations bend towards the Soviet Union, was incorporated in the American politics of *"containment."* Thus Indochina had the unfortunate fate to be chosen as a battlefield where Moscow and Washington could measure their brawns. In this war, such as in Korea ten years before, Kremlin acted indirectly, supplying the communist guerrilla and North Vietnamese Army with money and arms, while Washington acted openly starting a real intervention.

The actual value of Vietnam as a territory, economy or political presence on the world stage was insignificant. This has been proved after the war and this was not properly estimated by the American government at the time. When Vietnam finally became a communist state, the world system did not move even a bit. Indeed the event that shaken the world was the war itself and this *"cold blood"* conflict, far from the American shores, resonated unexpectedly hard in the United States and all over the western camp. Or if we return to the question that tormented Lyndon Johnson - how America will be perceived - the basic goal of Vietnam War was not achieved. The politics of *"containment,"* in the form of limited, dispassionate war, proved not to apply to Indochina.

The mistaken understanding of "limited war theory" by American leaders explains the character of Vietnam conflict and the reasons for its outbreak. The nature of Cold War required types of behavior appropriate for a world under the shadow of nuclear threat. In the bipolar world of the twentieth century the balance of power was important. The existence of weapons of mass destruction (WMD) made the opposing states careful in their actions. On the one hand WMD kept the existing *status quo* in a grip, on the other hand the U.S. and the Soviet Union were using every opportunity to change the balance of power in favorable direction (Or better, as J.L. Gaddis explains in his "Long Peace" - the Russians wanted to *change* the status quo, while the Americans were striving to save it). "Limited war" was considered as an instrument for accomplishing of such goal. Both powers regarded limited war option as a conflict, conducted on the world periphery [8](#) where the powers can check their

determination without entering in full-blown conventional war and where the high morale of their armies can be kept awake. Indeed the limited wars prove to be more risky and bloody than expected. And the problem was their character: in every unconventional war the enemy is ghostly, often regular troops have to fight guerrillas - a fight that exhausts the resources, the morale and power of the armies; the expected support from the native population is never certain and the limited war has complex goals, questionable justification and often turns into a bog, where the "invader" has little chance for easy and safe escaping. Thus the outcome of Vietnam War can not be regarded as a surprise as the outcome of Afghanistan war, conducted by the Soviet Union, was not surprise as well.

George Herring, in his book "*LBJ and Vietnam: A Different Kind of War*," gives a good, pragmatic explanation of the failure of American intervention. According to Herring the main cause for the American troubles was the character of the war. He says that this was a "guerilla type of war." America was not ready to lead a conflict "without distinct battle lines or fixed objectives." The limited war, he argues, has "complexity in establishing ends and formulating means." Herring says that the American government considered Vietnam initiative more as an "exercise" than as a real war. These factors had been reinforced with other reasons leading to failure: lack of clear strategy from the top; lack of talks for change of the existing strategy; lack of synchronous between the bureaucratic units; lack of imagination in conducting the war, although it was not a conventional conflict. The strategy did not change, even after reports such as the CIA conclusion in 1967 that the Rolling Thunder campaign "had not meaningfully degraded North Vietnam's material ability to continue the war." All these flaws were unfortunately mixed with the dominant character of the President Johnson. Johnson, says Herring, had the wrong feeling that he can control everything - from his ranch to his domestic and international politics. President's political style was a big factor for the outcomes of his political decisions. "*Johnson's middle-of-the-road approach, writes Herring, gave everybody something and nobody what they wanted.*"

Herring's theory about the failure of American actions in Vietnam is a highly pragmatic, in the style of "realpolitik," but not conflicting with the Loren Baritz's "socio-cultural" approach in his "*Backfire: A History of How American Culture Led Us into Vietnam and Made Us Fight the Way We Did.*" Indeed both theories give a more complete picture of American fiasco.

As it has been already said, Vietnam had the unfortunate fate to become a battlefield in the fight of global powers. It was not a strategically significant place where the result of the conflict can really turn the world balance of power. This fact means a lot, although it had been never admitted by Johnson's administration. The insignificance of Vietnam defined the American attitude to the Vietnamese people. The Vietnamese were not Germans, Russians or Italians. They were Asians with different culture and history, alien to the American society and culture. In addition to this missing emotional and cultural connection, Americans still treated the Asians from the position of the "white man's burden." Moreover, the Cold War was not only a conflict between two big powers; it was also a great ideological battle. Imperial interest of Soviet Russia was covered behind the ideology of Communism, while the America's national interest was traditionally concealed behind the idea of freedom. Russians were fighting for "justice and equality," Americans were defending the "democracy and freedom." This ideological battle was hardly suited to the realities of Cold War and the people on the frontlines quickly got disillusioned with the mass propaganda. The disillusionment and emotional disconnection of American soldiers

(and leaders) from the real fate of Vietnamese people, was the main reason, according to Loren Baritz, for the American failure in Indochina.

The United States explained their intervention as a liberating action. But neither the soldiers (at least after their contact with the reality), nor the Vietnamese believed in this justification. In his book Baritz cites Vice-President Humphrey who says that perhaps thousand times it was repeated that Americans were in Indochina because they wanted freedom for other people, not land or resources. Yet one American soldier recalled: "*The Vietnamese did not like us and I remember I was shocked. I still naively thought of myself as a hero, as a liberator. Every, every, every firefight that we got into, the ARVN (South Vietnam army) broke, the ARVN fucking ran.*"

Baritz says that North Vietnam finally won this war because it was able to accept "more death than we [the Americans] considered rational." In connection with this conclusion McNamara's viewpoint is interesting to be known. It shows how the American leaders build some form of "strategy" based on false predictions of Vietnamese behavior, misjudging important factors such as culture, political willingness and stakes (for the Vietnamese the fight was more than a "limited war"). In his book "*In retrospect: the tragedy and lesson of Vietnam*" McNamara writes: "The body count was a measurement of adversary's manpower losses; we undertook it because one of Westy's objectives was to reach a so-called crossover point, at which the Vietcong and North Vietnamese casualties would be greater than they could sustain. "*This guy McNamara,*" they [critics] said, "*he tries to quantify everything.*" Obviously, there are things you cannot quantify; honor and beauty, for example. But things you can count, you can count. Loss of life is one, when you are fighting a war of attrition." The "war of attrition" and "body count" was a measurement with critical importance, but as the history showed mostly for the Americans, not for their enemies. Actually these were the factors that ensured the communists' victory.

In these wars it was not the American superior technology, resources and power that failed. American "*cultural perceptions*" failed, argues Baritz. The reality finally proved that the American notions to play "*cold blood*" games on the world periphery, without considering or support from the local population, cost more than the U.S. can afford.

Also included is *A TIMELINE OF THE IRAQ WAR* by Faiz Shakir and published in **ThinkProgress**. Here are some of the highlights:

MARCH 19, 2003: Bush launches invasion of Iraq

MARCH 30, 2003: Donald Rumsfeld: We know where the WMD are

APRIL 9, 2003: Saddam Statue Toppled

APRIL 23, 2003: USAID Administrator Andrew Nastios Claims Rebuilding of Iraq Could Be Accomplished With \$1.7 Billion

MAY 1, 2003: Mission Accomplished

SEPTEMBER 3, 2003: Report shows Bush failed to plan

OCTOBER 19, 2003: Bush ignored the experts

DECEMBER 14, 2003: Saddam is captured

JANUARY 22, 2004: CIA officers warn of civil war

MARCH 5, 2004: Former chief U.N. weapons inspector declares Iraq war illegal

APRIL 28, 2004: Images of torture at Abu Ghraib are revealed

SEPTEMBER 7, 2004: Death toll of U.S. soldiers in Iraq reaches 1,000 [CNN.com, 9/8/04]

JANUARY 12, 2005: WMD search in Iraq is declared over

MARCH 19, 2006: “Complete victory” George Bush

MAY 20, 2006: Prime Minister Maliki oversees the formation of Iraq’s first permanent constitutional government since the fall of Saddam Hussein [Washington Post, 5/20/06]

MAY 25, 2006: Iraqi Prime Minister Maliki says Iraqi troops will be ready to handle security by end of 2007 [CNN, 5/25/06]

AUGUST 15, 2006: 3,438 Iraq civilians died in July, “the deadliest month of the war for Iraqi civilians.” [New York Times, 8/15/06]

AUGUST 16, 2006: 1,666 bombs exploded in Iraq in July, “the highest monthly total of the war.” [New York Times, 8/16/06]

AUGUST 19 2006: 1,249 days since the war began — the war in Iraq surpasses the length of WWII. [The Nation, 8/18/2006]

OCTOBER 11, 2006: 655,000: The number of Iraqis who have died since March 2003, according to a team of epidemiologists at Johns Hopkins University. [Washington Post, 10/11/2006]

OCTOBER 18 2006: Electricity levels in Baghdad at lowest since U.S. invasion.

OCTOBER 23, 2006: Sen. Arlen Specter (R-PA): “We have to face the fact that Iraq is a civil war.” [CNN, 10/23/2006]

NOVEMBER 5, 2006: Saddam sentenced to death by hanging.

NOVEMBER 29, 2006: Pentagon plans Iraq escalation.

JANUARY 3, 2007: Death toll of U.S. soldiers in Iraq reaches 3,000 [CNN, 1/3/07]

FEBRUARY 2, 2007: Iraqi civilian deaths hit monthly high.

FEBRUARY 2, 2007: Bush requests another \$100 billion for Iraq

FEBRUARY 21, 2007: Tony Blair announces a timetable for the withdrawal of U.K. troops from Iraq. [BBC, 2/21/2007]

MAY 5, 2007: 28 percent. President Bush's approval rating in a new Newsweek survey, "*an all-time low for this president in our poll, and a point lower than Gallup recorded for his father at Bush Sr.'s nadir.*" [Newsweek, 5/5/2007]

JUNE 7, 2007: 3,500: ABC World News host Charles Gibson takes a moment to note "*a sad milestone in Iraq,*" as the announcement of 6 more U.S. casualties in Iraq, ratcheted the total toll of the war to 3,500 troops who have died in Iraq since the war began. [ABC News, 6/7/2007]

JULY 6, 2007: Iraq war costs could top \$1.4 trillion. [Wired, 7/6/07]

AUGUST 7, 2007: Number of troops in Iraq reaches highest level of war, with approximately 162,000 forces currently on the ground. [MSNBC, 8/7/07]

AUGUST 16, 2007: Coalition death toll in Iraq hits 4,000. [CNN, 8/16/07]

SEPTEMBER 10, 2007: Poll: Nearly 70 percent of Iraqis say escalation '*has worsened*' their lives. [ABC News, 9/10/07]

NOVEMBER 6, 2007: 2007 is deadliest year for U.S. troops in Iraq.

JANUARY 1, 2008: Iraq Body Count: Iraqi civilian violence in 2007 still at 2005 levels.

MARCH 26, 2008: Heavy fighting continued for a second day in two of Iraq's largest cities, as Iraqi ground forces and helicopters mounted a huge operation to break the grip of the Shiite militias controlling Basra, and Iraqi forces clashed with militias in Baghdad. [New York Times, 3/26/08]

MARCH 27, 2008: President Bush, saying that "*normalcy is returning back to Iraq,*" argued Thursday that last year's U.S. troop "*surge*" has improved Iraq's security to the point where political and economic progress are blossoming as well.

AUGUST 27, 2008: Iraq's cabinet approved a \$3 billion oil service contract with China, the government of Prime Minister Nuri al-Maliki said, in a move that could signal the shape of anticipated future oil deals.

NOVEMBER 7, 2008: Iraq Repeats Insistence on Fixed Withdrawal Date.

FEBRUARY 6, 2009: President Obama Weighing Withdrawal Options.

MARCH 31, 2009: British Forces Transfer Command in Southern Iraq to U.S. as Bomb Kills 7 in North.

APRIL 30, 2009: Britain Ends Combat Iraq Operations

OCTOBER 25, 2009: Deadly Bombings Worst Iraq Attack In Two Years.

NOVEMBER 11, 2010: Sunni group walks out of Iraq parliament.

NOVEMBER 13, 2010: Iraq lawmakers approve deal to form new government.

DECEMBER 15, 2010: Security Council Removes Restrictions on Iraq.

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This week in the **New York Times**, Bruce Bartlett who held senior policy roles in the Reagan and George H.W. Bush administrations and served on the staffs of Representatives Jack Kemp and Ron Paul wrote – *The*

Growing Corporate Cash Hoard, writes how a growing number of major international corporations are stockpiling cash abroad, rather than bringing it home, paying taxes and distributing it to shareholder.

He cites as an example why investor David Einhorn sued Apple, in which his hedge fund has a large stake, over how the company can issue preferred stock. At the heart of the dispute is the \$137 billion pile of cash that Apple has accumulated, and whether it could be used to better reward shareholders. Mr. Einhorn's action highlights a growing problem: many corporations are holding vast amounts of cash and other liquid assets, using them neither for investment nor to benefit shareholders. These assets are largely earned and held overseas, and not subject to American taxes until the money is brought home.

Such tax-avoidance techniques, while legal, have come under increasing political attack. On Thursday, Senator Bernie Sanders of Vermont introduced legislation to end deferral and force multinational companies to pay taxes on their foreign-source income. According to the Federal Reserve, as of the third quarter of 2012 nonfinancial corporations in the United States held \$1.7 trillion of liquid assets - cash and securities that could easily be converted to cash. And by any measure, corporate cash holdings appear to be high and rising.

A 2007 study in the *Journal of Financial Economics* found that among multinational corporations, those facing higher repatriation taxes tended to hold more cash abroad than those facing lower tax burdens. Moreover, cash holdings tend to be higher in countries with low taxes than those with high taxes. Tax sensitivity appears to be more pronounced among technology-based companies. More recent research published by the National Bureau of Economic Research tested for the impact of taxes on corporate cash holdings by looking at companies that become multinational. They do not tend to increase their cash holdings afterward, thus undermining the tax-based explanation. But the study also finds that research and development intensity is a crucial factor.

The major role of R.&D. in large cash holdings may reflect the greater opportunities for tax avoidance among businesses that can easily transfer intangible property abroad without having to move production operations or jobs to other countries. It is a simple matter for companies holding patents, copyrights or trademarks to transfer them to foreign subsidiaries and realize the profits accruing to them in lower-taxed jurisdictions.

Bartlett: *"I had an experience with this phenomenon just recently. I needed a copy of Microsoft Word for a new computer and went to www.microsoft.com to buy it. But when I tried to pay for it, my credit card was rejected. When I checked with my credit-card company I was told that the charge appeared suspicious because it went to a company based in Luxembourg - a well-known tax haven. This technique is used by many technology-based companies. For example, The Wall Street Journal reported on Feb. 7 that the patent for the hepatitis C medication produced by California-based Gilead Sciences is domiciled in Ireland, another common tax haven. The home company thus pays royalties to its Irish subsidiary on sales of the drug in the United States, transferring profits from the United States to Ireland."*

While the prospects for individual income tax reform appear to be fading, Bartlett believes that those for corporate tax reform are more positive. The problem of deferral and the large amount of cash held abroad by multinational corporations based in the United States are key factors driving both parties toward action, possibly this year. Hopefully he is right.

This week Ezra Klein wrote in **The Washington Post** – **No, Marco Rubio, government did not cause the housing crisis** – In his response to the State of the Union, Sen. Marco Rubio said: “*This idea – that our problems were caused by a government that was too small – it’s just not true. In fact, a major cause of our recent downturn was a housing crisis created by reckless government policies.*” For obvious reasons, this argument is very popular on the right, but there’s precious little to back it up. The core claim can be a bit slippery, but it tends to go something like this: the existence and affordability goals of Fannie Mae and Freddie Mac (the GSEs) and the Community Reinvestment Act (CRA) were a major reason we had a subprime-driven housing bubble and then a crash. The only problem? Pretty much all the evidence on the housing crisis shows that that’s not true.

1. Private markets, rather than the GSEs, created the subprime mortgage boom.

The subprime mortgage boom and the subsequent crash are very much concentrated in the private market, not the public market. Subprime is a creature of the private label securitization channel (PLS) market, instead of the Government-Sponsored Entities (GSEs, or Fannie and Freddie). The fly-by-night lending boom, slicing and dicing mortgage bonds, derivatives and CDOs, and all the other shadiness of the mortgage market in the 2000s were Wall Street creations, and they drove all those risky mortgages.

2. The Community Reinvestment Act and the GSE’s affordability mission didn’t cause the crisis.

Many conservatives argue that the “*affordability goals*” of the GSEs, as well as the Community Reinvestment Act (CRA), which was created in the 1970s to make sure poor communities had access to credit, either directly or indirectly led to subprime loans. As for the GSE’s, in Jason Thomas and Robert Van Order’s – ***A Closer Look at Fannie Mae and Freddie Mac: What We Know, What We Think We Know and What We Don’t Know*** – the authors say that the affordability issue is a distraction, since subprime loans were only 5% of the GSEs losses and the GSEs bought the highly-rated tranches of mortgage bonds for which there was already a ton of demand.

3. There’s a lot of research to back this up and little against it.

The United States’ housing market is one of the most intensely studied capital markets in the world. What has other research found? From Mini: Did Fannie and Freddie buy high-risk mortgage-backed securities? Yes. But they did not buy enough of them to be blamed for the mortgage crisis. Highly respected analysts who have looked at these data..including the nonpartisan Government Accountability Office, the Harvard Joint Center for Housing Studies, the Financial Crisis Inquiry Commission majority, the Federal Housing Finance Agency, and virtually all academics, including the University of North Carolina, Glaeser et al at Harvard, and the St. Louis

Federal Reserve, have all rejected the Wallison/Pinto argument that federal affordable housing policies were responsible for the proliferation of actual high-risk mortgages over the past decade.

4. Conservatives arguments tend to blur the definition of subprime. Some, such as Ed Pinto of AEI, argue that the GSEs had huge subprime exposure if you create a new category that represents the risks of subprime more accurately. He created a new “high risk” category, which he then argues these high-risk loans were held by the GSEs. This argument blur categories together and obscures more than it reveals. David Min broke down the numbers, and there is more about this discussion here. Here’s a graphic from Min, comparing Pinto’s new “high-risk” category against subprime:

Even this new “*high risk*” category, introduced by AEI to supposedly show what the GSEs were taking on, shows that it isn’t anything like subprime and is instead comparable to the national average. If you then take the logical step and divide it by private label, the numbers are even worse. Private label loans “have defaulted at over 6x the rate of GSE loans, as well as the fact that private label securitization is responsible for 42 percent of all delinquencies despite accounting for only 13 percent of all outstanding loans (as compared to the GSEs being responsible for 22 percent of all delinquencies despite accounting for 57 percent of all outstanding loans).” The issue isn’t this fake “high risk” category, it is subprime and private label origination.

The Financial Crisis Inquiry Commission (FCIC) panel looked carefully at this argument and also ended up finding it doesn’t work. So those who blame the GSEs can’t get the numbers to work when they make up categories.

(Fun fact: These same conservatives sang a different tune before the crash. They argued that the CRA and the GSEs were getting in the way of getting risky subprime mortgages to risky subprime borrowers. See Should CRA Stand for ‘Community Redundancy Act? from Cato in 2000 or AEI’s Peter Wallison in 2004 arguing “*study after study has shown that Fannie Mae and Freddie Mac are failing to do even as much as banks and S&Ls in providing financing for affordable housing, including minority and low income housing.*”)

5. The government policy that likely made an impact were deregulatory actions.

In 2000, Congress passed the Commodity Futures Modernization Act, which deregulated the derivatives market, in a lame duck session as a rider to an 11,000 page omnibus appropriation bill. A banking capital “recourse rule” in 2001 allowed the ratings agencies and private bank risk modelers to decide what banks should hold against risk. In 2003 the OCC preempted and overruled Georgia’s new anti-predatory lending laws. Alan Greenspan refused to enforce regulations on, or even investigate the wrongdoing of, the new subprime market during the 2000s. The 2005 bankruptcy reforms in BAPCPA, widely viewed as friendly if not written by the financial industry, codified the market practice of letting derivatives go to the front of the line in bankruptcy, helping create the conditions for shadow banking runs.

These government actions all fall under the rubric of deregulation, or “*letting the market decide*” how to manage the rules of the financial sector, and they are more relevant to the actual crisis. Though these are government

policies, and they were reckless, I doubt they are what conservatives like Rubio mean. As such it is disingenuous for Rubio, other Conservatives and Wall Street including people like New York Mayor Michael Bloomberg who said on the television show CAPITAL in October 2011 – *“It was not the banks that created the mortgage crisis. It was, plain and simple, Congress, who forced everybody to go and give mortgages to people who were on the cusp....But they were the ones who pushed Fannie and Freddie to make a bunch of loans that were imprudent, if you will. They were the ones that pushed the banks to loan to everybody.”* To say that the government was responsible for the subprime bubble, when the big banks were calling an entire category of loans, "liar loans," Wall Street packaging them with enough good loans to mask the stink and the credit-rating agencies giving them a clean bill of health and everyone knows this, for both Rubio and Bloomberg (whom I personally like) to blame Fannie and Minnie or the government's attempt to extend the American Dream to as many Americans as possible, is wrong and a lie.

Everyone knows that politics is often ugly and the most recent example of this was the divisive filibuster vote on Chuck Hagel's nomination for defense secretary this week. And the ugliest of the really ugly this week, was Senator Ted Cruz, Republican of Texas who in addition to holding up a poster that said, *“In 2008 Senator Hagel voted against the Comprehensive Iran Sanctions, Accountability and Divestment Act in the Senate Banking Committee,”* while questioning Hagel as if he had laundered money for a drug cartel . Mr. Hagel, a former senator from Mr. Cruz's own party, was the victim of the first filibuster of a nominee to lead the Pentagon in Congressional history. The blockade was due in no small part to this very junior senator's relentless pursuit of speeches, financial records or any other documents with Mr. Hagel's name on them going back at least five years. Some Republicans praised the work of the brash newcomer, while many Democrats and the media openly said that Mr. Cruz had gone too far.

Without naming names, Senator Barbara Boxer, Democrat of California, offered a biting label for the Texan's accusatory crusade: McCarthyism. *“It was really reminiscent of a different time and place, when you said, ‘I have here in my pocket a speech you made on such and such a date,’ and, of course, nothing was in the pocket,”* she said, a reference to Senator Joseph R. McCarthy's pursuit of Communists in the 1950s. *“It was reminiscent of some bad times.”* For more information please feel free to look at Jonathan Weisman's op-ed in **The New York Times** – ***Texas Senator Goes on Attack and Raises Bipartisan Hackles.***

In just two months, Mr. Cruz, 42, has made his presence felt in an institution where new arrivals are usually not heard from for months, if not years. Besides suggesting that Mr. Hagel might have received compensation from foreign enemies, he has tangled with the mayor of Chicago, challenged the Senate's third-ranking Democrat on national television, voted against virtually everything before him — including the confirmation of John Kerry as secretary of state — and raised the hackles of colleagues from both parties.

He could not be more pleased. Washington's new bad boy feels good. *“I made promises to the people of Texas that I would come to Washington to shake up the status quo,”* he said in e-mailed answers to questions, in lieu of speaking. *“That is what I intend to do, and it is what I have done in every way possible in the responsibilities that have been granted to me.”*

In a body known for comity, Mr. Cruz is taking confrontational Tea Party sensibilities to new heights — or lows, depending on one's perspective. Wowed conservatives hail him as a hero, but even some Republican colleagues are growing publicly frustrated with a man who has taken the zeal of the prosecutor and applied it to the decorous quarters of the Senate. Senator Lindsey Graham, Republican of South Carolina, said that some of the demands Mr. Cruz made of Mr. Hagel were "out of bounds, quite frankly." Senator John McCain, Republican of Arizona, issued a public rebuke after Mr. Cruz suggested, with no evidence, that Mr. Hagel had accepted honorariums from North Korea. *"All I can say is that the appropriate way to treat Senator Hagel is to be as tough as you want to be, but don't be disrespectful or malign his character,"* Mr. McCain said in an interview.

Democrats were more blunt. *"He basically came out and made the accusation about money from North Korea or money from our enemies, and he just laid out there all of this accusatory verbiage without a shred of evidence,"* said Senator Claire McCaskill, Democrat of Missouri. *"In this country we had a terrible experience with innuendo and inference when Joe McCarthy hung out in the United States Senate, and I just think we have to be more careful."*

Mr. Cruz, a Canadian-born lawyer who won an upset primary victory last year, is adamant in his own defense. He said his focus at hearings had been on policy, not personality. With Mr. Hagel, whose nomination is set for a Senate vote the week of Feb. 25, he said his request for financial disclosures were backed by 24 other senators. As for his statement that Mr. Hagel may have received honorariums from nefarious sources, *"the suggestions I have made in my arguments have been merely to raise examples for why I believe Senator Hagel's financial disclosure is so important,"* he said.

To the growing core of ardent conservatives in the Senate, Mr. Cruz has offered a jolt of positive energy. *"If you don't ruffle any feathers, you're not doing anything right,"* said Senator Rand Paul, Republican of Kentucky, who garnered similar attention in his opening weeks in the Senate two years ago. Mr. Cruz was among the 22 senators who voted against reauthorizing the Violence Against Women Act, among the 34 who voted against raising the debt ceiling, among the 19 who tried to cut off military sales to Egypt, among the 36 who opposed a relief package for the regions hit by Hurricane Sandy, and among the three senators who voted against Mr. Kerry's confirmation. *"I was compelled to vote no on Senator Kerry's nomination because of his longstanding less-than-vigorous defense of U.S. national security issues,"* said Mr. Cruz, who also questioned the commitment of Mr. Kerry and Mr. Hagel to the armed forces, though both served in Vietnam. Mr. Cruz has no record of military service.

The fact that the Republican Establishment has not questioned the tone and tactics mirroring McCarthyism is beyond shame. Especially when Mr. Cruz was born in Canada of a Cuban father and an American mother, with an Ivy League education and background as a lawyer and unlike either Hagel or Kerry, did not spend one day of service in the American arm forces, this *"little man"* with the bravado of a mob enforcer, should be less aggressive when questioning men of "their" integrity, character and government service allegiance. And like Special Counsel for the Army Joseph N. Welch said to another bully and blowhard, Senator Joseph McCarthy 59 years ago, I ask Mr. Cruz and his supporters, ***"Have you no sense of decency, sir? At long last, have you left no sense of decency?"***

THIS WEEK'S QUOTE

"The families of Newtown deserve a vote," Obama said, much of the chamber coming to its feet. "The families of Aurora deserve a vote. The families of Oak Creek, and Tucson, and Blacksburg, and the countless other communities ripped open by gun violence — they deserve a simple vote."

President Obama 5th State of the Union, February 12, 2013

WORDS OF WISDOM

Remember, if a dog was the teacher you would learn things like:

- When loved ones come home, always run to greet them;
- Never pass up the opportunity to go for a joyride;
- Allow the experience of fresh air and the wind in your face to be pure DELIGHT.
- Take naps;
- Stretch before rising;
- Run, romp, and play daily;
- Thrive on attention and let people touch you;
- Avoid biting when a simple growl will do;
- On warm days, stop to lie on your back on the grass;
- On hot days, drink lots of water and lie under a shady tree;
- When you're happy, dance around and wag your entire body;
- Delight in the simple joy of a long walk;
- Be loyal;
- Never pretend to be something you're not;
- If what you want lies buried, dig until you find it;
- When someone is having a bad day, be silent, sit close by, and nuzzle them gently;

Fun Moscow Flash Mob

YOU WILL LOVE THIS - SO MUCH FUN!

<http://www.youtube.com/embed/KgoapkOo4vg?rel=0>

THIS WEEK'S MUSIC

This week I would like to share the music of Simon & Garfunkel, the American music duo consisting of singer-songwriters Paul Simon and Art Garfunkel. They formed the group Tom & Jerry in 1957 and had their first success with the minor hit "Hey, Schoolgirl". As Simon & Garfunkel, the duo rose to fame in 1965, largely on the strength of the hit single "The Sound of Silence". Their music was featured in the landmark film The Graduate (1967), propelling them further into the public consciousness.

They are well known for their vocal harmonies and were among the most popular recording artists of the 1960s. Their biggest hits – including *"The Sound of Silence"* (1964), *"I Am a Rock"* (1965), *"Homeward Bound"* (1965), *"Scarborough Fair/Canticle"* (1966), *"A Hazy Shade of Winter"* (1966), *"Mrs. Robinson"* (1968), *"Bridge over Troubled Water"* (1969), *"The Boxer"* (1969), and *"Cecilia"* (1969) – peaked at number one in several charts. They have received several Grammy Awards and were inducted into the Rock and Roll Hall of Fame in 1990 and the Long Island Music Hall of Fame in 2007.

Their sometimes rocky relationship led to their last album, *Bridge over Troubled Water*, being delayed several times due to artistic disagreements and as a result the duo broke up in 1970. It was their most successful album worldwide to date, peaking at number one in several countries, including the United States, and receiving 8× platinum certification from the Recording Industry Association of America, making it their highest-selling studio album in the U.S. and second-highest album overall. Simon & Garfunkel have, at times, reunited to perform and sometimes tour together. They have done so in every decade since the 1970 breakup, most famously for 1981's *"The Concert in Central Park"*, which attracted more than 500,000 people, making it the 7th-most attended concert in the history of music. In 2004, they were ranked No. 40 on Rolling Stone's list of the 100 greatest artists of all time.

Simon & Garfunkel – *The Sound of Silence* - Madison Square Garden -- <https://www.youtube.com/watch?v=L-JQ1q-13Ek>

Simon & Garfunkel – *Scarborough Fair* -- https://www.youtube.com/watch?v=Dau2_Lt8pbM

Simon & Garfunkel – *Bridge Over Troubled Water - Madison Square Garden* -- <https://www.youtube.com/watch?v=UVDg8fVC4EQ>

Simon & Garfunkel – *Mrs. Robinson & Not Fade Away* -- <https://www.youtube.com/watch?v=x1DAvHYyqJ4>

Simon & Garfunkel – *Kathy's Song* - <https://www.youtube.com/watch?v=9FE6JTtCLK0>

Simon & Garfunkel – *Me And Julio Down By The Schoolyard* -- <https://www.youtube.com/watch?v=H997IZkkO4Y>

Simon & Garfunkel – *The Boxer* -- <https://www.youtube.com/watch?v=HdP3nZMZQbs>

Simon and Garfunkel – *Old Friends + Bookends* -- <https://www.youtube.com/watch?v=uTFtz5hwO3w>

Simon and Garfunkel – *America* -- <https://www.youtube.com/watch?v=vCbO EZ8c8dM>

Simon & Garfunkel – *Homeward Bound* -- https://www.youtube.com/watch?v=Xs_YQ6JuNpA

Simon & Garfunkel – *The 59th Street Bridge Song (Feelin' Groovy)* -- <https://www.youtube.com/watch?v=TJBhdKrwTOc>

Simon & Garfunkel – *Cecilia* -- https://www.youtube.com/watch?v=_FNV5eBm8EY

Art Garfunkel – *I Only Have Eyes for You* -- <https://www.youtube.com/watch?v=1-ikfwXOtqE>

Paul Simon – *Still Crazy After All These Years* -- <https://www.youtube.com/watch?v=Ksa4VjKE3RY>

Paul Simon – *50 Ways To Leave Your Lover* -- <https://www.youtube.com/watch?v=MG-0BWL ybIQ>

I hope that you enjoyed this week's readings, music and other thinks and I wish you a wonderful week.....

Sincerely,
Greg Brown

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Gregory Brown
Chairman & CEO
GlobalCast Partners, LLC

