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**Subject:** Greg Brown's Weekend Reading and Other Things.. 07/19/2015

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**Attachments:** David\_Brooks\_sickening\_Iraq\_apologia,\_How\_the\_New\_York\_Times\_hack\_just\_rewrote\_history\_SIMON\_MALLOY\_May\_19,\_2015.docx; Bush\_knew\_Saddam\_had\_no\_weapons\_of\_mass\_destructionSidney\_Blumenthal\_The\_Salo [REDACTED].\_6,\_2007.docx; Rick\_James\_bio.docx; Lester\_Holt\_Reflects\_on\_Rise\_to\_NBC's\_Anch\_=?UTF-8?Q?or\_Chair=5FEmily\_Steel=5FNYT=5FJune\_22,\_2015.docx?=: It's\_official,\_Latinos\_now\_outnumber\_whites\_in\_California\_JAVIER\_PANZAR\_LA\_Times\_July\_8,\_2015.docx; Iran\_Nuclear\_Deal\_Concludes\_In\_Historic\_Announcement\_Charlotte\_Alfred,\_Nick\_Robins-Early,[REDACTED],\_2015.docx; The\_Iran\_Nuclear\_Deal\_-\_A\_Simple\_Guide\_WILLIAM\_J\_[REDACTED] ANHA\_NYT\_July\_14,\_2015.docx; A\_historic\_deal\_The\_Economist\_July\_14,\_2015.docx

**Inline-Images:** image.png; image(1).png; image(2).png; image(3).png; image(4).png; image(5).png; image(6).png; image(7).png; image(8).png; image(9).png; image(10).png; image(11).png; image(12).png; image(13).png; image(14).png; image(15).png; image(16).png; image(17).png; image(18).png; image(19).png; image(20).png; image(21).png; image(22).png; image(23).png; image(24).png; image(25).png; image(26).png; image(27).png; image(28).png

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**DEAR FRIEND.....**

**BRAVO... Team Obama, Allies & Iran**

**Iran Nuclear Deal Concludes In Historic Announcement**



Inline image 1

After months and months of negotiation and to the cheers and celebrations of millions of revelers in the streets of Iran, the United States, five other world powers and Iran have signed an agreement that will prevent Iran from getting a nuclear weapon -- in exchange for the elimination of international financial sanctions. That deal was possible because of monumental diplomatic effort. It began when the Obama Administration forged a coalition of the world's major powers to invoke the sanctions in the first place. Then the United States persuaded those same powers to stick together until they got deal that actually cuts off all of the major pathways for Iran to obtain a nuclear bomb. Altogether an extraordinary achievement. And remember, the agreement was achieved because the administration successfully maintained a truly international sanctions regime that included Russia and China as well as the major European powers.

If the United States Congress derails a deal that is considered fair by the other permanent members of the UN Security Council and Germany, those international sanctions will collapse -- the moderate, pro-western forces in Iran will be discredited in Iran -- the hardliners in Iran will be empowered -- and Iran will be free to develop a nuclear weapon. That is exactly the opposite of what opponents of the deal say they want as an outcome. In the event that the U.S. Congress rejects the internationally negotiated agreement, we will not be able to just "*toughen our sanctions*" and force the Iranians to bend to our will. International sanctions were the vehicle that has brought Iran to the negotiating table. The Iranians faced sanctions from all of the world's major economies.

If the Congress stops the deal, the United States will be blamed for its failure -- not Iran -- and those international sanctions will simply disappear. And if international sanctions collapse, so will our leverage with Iran. Again, if this deal is stopped by Congress the moderate Iranians most likely will be marginalized even more than they are today, making any future negotiations more difficult. Whereas, on the other hand, Iran signs the deal and then cheats -- it will be Iran that wears the jacket -- and international action against Iran will once again be possible in order to enforce the deal's terms.

There is, of course, one other alternative: another Middle East War. The United States could try to eliminate Iran's nuclear capacity with a military attack. But as many military experts have attested, airstrikes will not be enough. If the United States takes unilateral military action against Iran, it will unify the country behind the hardliners in Iranian politics. What would be necessary would be a full-blown invasion -- regime change. And that is exactly what many of the leading opponents of the nuclear deal really want.

The same gang -- with the same worldview that brought us the war in Iraq -- are back. They were wrong last time -- and they are just as wrong this time. They were wrong about everything concerning Iraq and the Middle East -- from their claim that Saddam had nuclear weapons -- to their argument that the war would last months and we would be greeted as "*liberators*." They do not have an ounce of credibility. Why would anyone listen to them? By the way, that includes Israeli Prime Minister Benjamin Netanyahu, who actually testified before Congress at the time, pressing the U.S. to invade Iraq. The line that former President Bush famously muffed pertains: fool me once, shame on you; fool me twice, shame on me. Acting under the misguided leadership of the Neo-Con Republicans in 2003, the United States started a war that kicked over the sectarian hornet's nest that created a fertile field for the Islamic State, killed hundreds of thousands, wounded millions, displaced millions of refugees, and cost America trillions of dollars. And it is still not really over.

Just picture a war with Iran.

Iraq was a fragile, religiously-divided country of 33.4 million where the majority Shiite population had been oppressed by minority Sunni's for years. Iran is a much more homogeneous country -- and more than twice the size of Iraq - 77.4 million. In 2003 Saddam's Iraq had an army of 375,000 troops. Today Iran has an army of 545,000 well-trained troops and an active reserve of 1,800,000. No doubt the American military could "*defeat*" the Iranian army in the short-term military sense. But it could no more subdue Iran militarily than it could prevent an insurrection in Iraq. And the cost in lives and treasure would be enormous. If the United States took unilateral military action against Iran after having rejected a nuclear deal that was negotiated by the leading elements of the entire international community, the U.S. would be completely isolated internationally. And it would throw gasoline on the fire in the already smoldering Middle East. Want a sure way to create a whole new generation of young Islamic terrorists, intent on attacking the United States? Start another unilateral war against a major Muslim nation. Brilliant.

And most importantly -- we don't have to.

By organizing massive international financial sanctions and then holding a coalition together to negotiate a tough, enforceable agreement, the Obama Administration has prevented Iran from becoming a nuclear power and avoided a War. Of course there are those who say we shouldn't do any agreement with Iran until it stops being what they consider to be a "*bad actor*" in the region. With all due respect, that is simply a stupid position. Wouldn't you rather have a "*bad actor*" in the region without nuclear weapons than a "*bad actor*" with nuclear weapons?

We are not doing the Iranians a favor by signing a deal that prevents them from getting nuclear weapons and then eliminates economic sanctions that were put in place to achieve precisely that goal. It is in our interest to prevent Iran from getting a nuclear weapon without the necessity of a war. The deal that the international community has negotiated with Iran achieves the goal we sought out to achieve with the sanctions in the first place.

According to the terms of the "*Corker bill*" passed by Congress several months ago, sometime in the next 60 days, members of Congress will be faced with two of the most critical votes of their careers. First they will be asked whether or not to prevent the President from waiving the economic sanctions on Iran and therefore implementing the terms of the agreement negotiated in Vienna. If Republicans and some Democrats muster a majority of both Houses against implementing the deal, the president

will then veto that measure. If Congress fails to override that veto, the agreement will go into effect. For Congress to override a veto requires a two-thirds vote in both the House and Senate.

So one third of the members of one House of Congress will be what is needed to prevent another horrific "Iraq War" moment. Some Members of

Congress may think that it is in their short-term political interest to stop implementation of this agreement. Of course the polling shows that this evaluation is wrong, since most Americans support a negotiated agreement -- and oppose another war in the Middle East. But even if some Members of Congress convince themselves that there are short-term fundraising or political benefits for a vote to stop the deal -- they need to apply another more important test. Years from now, what will their grandkids think of their vote? If history is any guide, it is entirely possible that if somehow the agreement is actually blocked by Congress, the members whose votes are responsible will -- like their predecessors in 2002 -- regret those votes for the rest of their lives.

Like most agreements, this one isn't perfect as neither side is getting everything it wants. But what is undeniable, is that it at a minimum execution of the Agreement slows down Iran's nuclear weapon program with the potential upside of thawing hostilities between Iran and the United States. And yes, Iran is supporting hostilities in Syria, Iraq and elsewhere, but so are other countries in the Middle East, specifically Qatar and Saudi Arabia. Concurrently, some of the most effective forces fighting against our enemy ISIS, is being funded and supported by Iran. Policy in the Middle East is not black and white -- it requires nuance. And there is little nuance when countries are perpetually on the verge of war. Most of all, Congress doesn't understand nuance especially in a Presidential election cycle. And for the clowns in Congress who immediately rejected the Agreement before even reading it, to believe that they could do better is ludicrous.

## Joint Comprehensive Plan of Action

Here is the full text of the Iran deal

**Web**

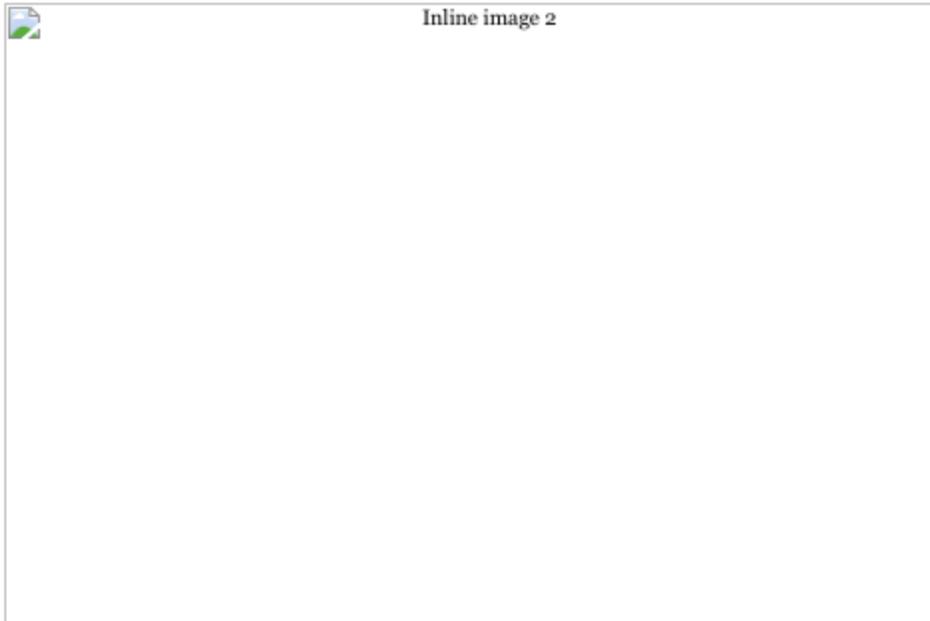
**Link:**

[deal-text.pdf](#)

After nearly four decades of hostilities between Iran and the U.S. we should do everything possible to support the success of this agreement because doing what we have been doing hasn't worked and starting a third war in the region would be a colossal mistake. Bravo team Obama, allied partners and Iran for choosing hope over war.

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## The Numbers of Modern Slavery



In this Nov. 29, 2014 image from video, a former slave from Burma who goes by the name Mozet, center, one of several slaves who escaped or ran away while Thai trawlers were docked at the Benjina port, cuts planks from a tree to earn money for food. Because the men were brought to Indonesia illegally — many after being tricked, sold or kidnapped by Thai brokers — they do not have any official documents and live in constant fear of being arrested.

One of the ugliest practices that is still widely used, although rarely mention, is the global slavery of men, women and children around the world. And since it is often hidden or obfuscated from world view little is known since these victims are the poorest of the poor, often with little or no education and few if any resources – hence no voice. In a recent **Washing Post** article by Glenn Wessler titled – ***Why you should be wary of statistics on ‘modern slavery’ and ‘trafficking’*** – one of the reasons is because this scourge is seriously under-reported.

“This report estimates that, based on the information governments have provided, only around 40,000 victims have been identified in the last year. In contrast, social scientists estimate that as many as 27 million men, women, and children are trafficking victims at any given time.”

–Introduction to the **State Department’s Trafficking in Persons** report, June 2013

“Our work with victims is the key that will open the door to real change –not just on behalf of the more than 44,000 survivors who have been identified in the past year, but also for the more than 20 million victims of trafficking who have not.”

– Introduction to the **State Department’s Trafficking in Persons** report, June 2014

Imagine that. In the space of one year, the number of victims of trafficking declined by 7 million in an official U.S. government report.

But not to worry. There's something called the Global Slavery Index (GSI), which received fawning publicity, including in *The Washington Post*. In 2013, the GSI, sponsored by the Walk Free Foundation, estimated that there were 29.8 million people in "modern slavery" around the world. In November 2014, the GSI unveiled what it described as a more precise estimate: 35.8 million people.

And as Wessler asks, *"That's an increase of 6 million people! What's going on here?"*

That's an increase of 6 million people! What's going on here?

## The Facts

Human trafficking — or, as some prefer, *"modern slavery"* — is a largely hidden crime, so data are relatively scarce. Note that in the State Department reports, there is a large gulf between the estimates of tens of millions of victims and the actual number of identified *"survivors"* — 44,000 at last count. (This number is also a bit dubious.)

Moreover, the numbers can vary dramatically depending on the definition — and increasingly, the definition has been stretched. A [REDACTED] protocol on trafficking, adopted in 2000, provided a definition of trafficking that for political reasons was kept deliberately vague: Trafficking must meet three conditions — an act (such as movement), means (coercion) and purpose (exploitation). Then, in what American University law professor Janie A. Chuang calls *"exploitation creep,"* trafficking over time has been recast to include all forced labor, even if a person does not change location, and then has been relabeled as *"modern slavery."*

When the State Department set up its office on trafficking in the early 2000s, the numbers were much more modest. The Department's 2002 report provided an estimate that *"at least 700,000, and possibly as many as four million men, women and children worldwide were bought, sold, transported and held against their will in slave-like conditions."* At the time, the George W. Bush administration was largely focused on highlighting anti-prostitution efforts.

The Obama administration broadened the focus on trafficking to include forced labor, including when no movement was involved — and officials began to label all trafficking as *"modern slavery."* A State Department official, who asked not to be identified, said that the 27 million figure used in the 2013 report came from an estimate by Kevin Bales, a professor at Britain's University of Hull and author of a 2007 book, ***Ending Slavery.***

Then, for the 2014 report, State Department officials decided to rely on a 20.9-million estimate issued in 2012 by the International Labor Organization because officials decided it was more reputable. (This figure was a huge increase from a 2005 ILO estimate of 12.3 million.) In an example of how definitions matter, 9.1 million of the estimated victims in the ILO report were moved internally or internationally. *"The majority, 11.8 million (56 percent), are subjected to forced labor in their place of origin or residence,"* the report said. *"The major problem we have always faced with human trafficking is finding good data,"* the State Department official said. *"For now, this is still a guesstimate, but the best guesstimate there is."* The official added: *"I noticed that media likes to cite the Global Slavery Index number of 35.8 million because it's much larger."*

This brings us to the Global Slavery Index. Bales no longer stands by his estimate of 27 million, saying it dates from the 1990s, and points to the GSI as more accurate. (He is the lead author.) But the **GSI** figure has come under attack from other researchers for having a murky, inconsistent and questionable methodology.

**The Walk Free Foundation**, founded in 2012 by Australian billionaire Andrew “Twiggy” Forrest, says it wants to eliminate slavery in a generation. The GSI not only provides a total but purports to show how many “slaves” are in each country. GSI relies on an expansive definition of slavery, but confusingly it relies on primary and secondary data that was collected under different definitions. The data are relatively sparse, but the GSI extrapolates from existing numbers to make calculations in what it deems are similar countries. Essentially, researchers extrapolated from 19 countries to come up with precise statistics for the 167 countries that make up the index.

Thus data for the United States is considered relevant to calculate Italy’s total of 11,400 slaves, for instance. South Africa’s number of slaves — supposedly 106,000 — was derived from the fact that GSI researchers decided the country is 70 percent “*Western Europe*” and 30 percent “*African*” (specifically, an amalgam of Ethiopia, Nigeria, Niger and Namibia).

In the most recent report, GSI began to introduce Gallup polling in selected countries. This is one reason why it says the number jumped by 6 million in one year: “The increase is due to the improved accuracy and precision of our measures and that we are uncovering modern slavery where it was not seen before.”

The polling was done face to face in seven countries, and 19 additional polls will be added to next year’s index, said Pablo Diego Rosell, a Gallup consultant. “In applicable countries, Gallup uses a network sampling methodology. Network sampling gathers information about an individual’s carefully defined family network, including those who may be living elsewhere,” he said. “This approach is most efficient in the countries that Walk Free prioritized for survey data collection, where modern slavery is either highly prevalent or has greater visibility.” In other countries, where he said slavery is not as visible, the index uses “non-survey methodologies.”

But Andrew Guth, who wrote critically of GSI’s methodology, notes that the Gallup polling, if taken as face value, demonstrated that the index’s previous estimates were wildly off course. Ethiopia turned out to have a prevalence level five times lower than the year before — and Nigeria was 10 times lower, while Russia was deemed to be two times higher. “*This simple comparison throws into question the reliability of their estimates and extrapolations of other countries whether from last year or this year,*” he said. “*Even their own data compared to itself is not reliable.*”

It is beyond the scope of this column to assess the merits of this debate, which largely is between experts such as Ronald Weitzer of George Washington University who advocate for careful studies of local problems and those such as Bales, who press for macro-level estimates. “*The challenge is that modern slavery is a hidden crime. Every country has made slavery illegal, so collecting data on this matter has not been easy,*” said Sheldon Zhang of San Diego State University, who consults for Walk Free. “*We should not abandon macro level estimation just because it is full of problems.*”

Weitzer says it is more than a philosophical debate but one with important consequences. *“It matters a great deal in terms of (1) whether human trafficking or modern slavery is indeed a huge problem and (2) all the money spent fighting the problem, and the proliferation of more and more laws and creation of police anti-trafficking units,”* he said. *“The bottom line would be: what is the source of the figures propounded by NGOs, governments, international organizations and some scholars.”*

## The Pinocchio Test

Clearly there is a problem with the numbers when the U.S. government cites a figure of 20 million and a well-funded, media-savvy organization touts a figure of “slaves” that is almost twice as high. Media organizations are complicit in fostering misperceptions by often citing these figures as established fact, without even an explanation or examination of the methodology. The numbers grow or shrink depending on the definitions that are used, and yet media reports rarely examine that aspect. (A rare exception is a 2007 article by our colleague Jerry Markon, who documented how few actual victims of human trafficking have been found. More recently, the Guardian has published articles critical of GSI.)

Advocates want to call attention to a serious problem and big numbers of course attract media attention. But these guesstimates remain too shaky to be cited without a healthy dose of skepticism. The estimates may be done in good faith, so these Pinocchios are for all-too-credulous acceptance of them. With this the Washington Post awarded its most egregious **Four Pinocchios**.



Inline image 1

As Wessler points out: **numbers matter**. Still this modern slavery does not include the tens of millions of children in poor countries working as much as 12 hours a day six days a week to supplement their family’s survival. Or the millions of migrant workers from Indian, Pakistan and elsewhere around the world, living in squalor, often making just several dollars a day which money is then deducted from their salaries to repay the middlemen and loan-sharks in their home towns and villages who arranged their visas and indentured employment. Modern slavery is alive and well. It is a scourge and blight in today’s society and like any other disease the world needs to work together to eradicate it numbers of not.

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## New Music Industry Revenue Figures Show an Illusion of Stability



Inline image 10

Today's modern technology isn't just changing lives, it's also changing people's entire philosophies and popular culture. For example, it's spawned a distinct difference between the younger generation and "*the rest of us*": Younger folks aren't as hung up on owning what comedian George Carlin famously dismissed as "*stuff*." From Zipcar, to Netflix (NFLX), to owning a house, today's "*on-demand*" culture has made many modern goods and services more convenient and more affordable than buying outright. One area where on-demand is proving increasingly popular is the music industry...

The days of spending ages at the local record store and owning a massive music collection are dwindling. A 2012 Nielsen study found that YouTube is the most popular way for the young to listen to and discover music. It's also leading to the rise of streaming, on-demand music services like Pandora (P), Spotify and iHeartRadio. In fact, they're growing faster than popular download sites like Apple's (AAPL) iTunes and Amazon (AMZN). Figures from the Recording Industry Association of America support this: Streaming services jumped by 58% last year to over \$1 billion in revenue, while music downloads only saw 8.6% growth to \$2.9 billion. In the meantime, the number of people buying music in the United States has remained flat for the last three years.

In today's mobile age, it's no surprise that smartphones and tablets are the main device for streaming music. And just as streaming music is usurping records and downloads, it's also replacing the car's AM/FM dial. Drivers are streaming music through the auxiliary jack on their phones. In a survey of 13 to 35 year olds who use streaming services, NPD Group found that more than half said they do most of their listening in the car. (Presumably, the ones under 16 weren't driving!) Car companies are taking notice. Thirteen automakers have at least one model that offers streaming music leader, Pandora. It's also in every BMW and Mini. Overall, streaming services now make up 15% of the global music market. But the move to streaming music in the United States has actually been pretty slow, compared to some other countries.

Sweden has undergone an extraordinary turnaround in the last decade. Once the home of rampant music piracy, epitomized by its notorious file-sharing site, The Pirate Bay, a massive 91% of Sweden's online music consumption now comes from paid subscriptions. The main reason? Sweden's streaming service, Spotify.

As the company's Chief Product Officer, Gustav Soderstrom, confirms: "Spotify really started to combat online piracy, so ■ say we didn't create a behavior that didn't exist, we just transferred it to a legal medium. It offered the same principle that you could get music for free, but all the music was licensed and it was better than piracy because you didn't have to wait for the whole file to download before you could listen to it."

The model is hugely popular. Worldwide, Spotify has more than 24 million "active" users – i.e., people who've used the service in the last 30 days. Of those, six million are "premium" customers, who pay \$10 a month for ad-free listening. And Spotify continues to grow. It recently announced expansion into Latin America, Asia and Europe. So what do these streaming music fans know that the rest of us don't?

If you read the terms and conditions on download music sites like iTunes and Amazon, ■ see what you're actually buying when Apple takes your 99¢. You're not actually "buying" the music at all. You're merely buying the right to "use" a song in your iTunes library. In other words, you can't resell or give away that song to anyone else. That's starting to sink in with consumers (leading to absurd rumors involving film star, Bruce Willis). After all, why buy a song that you don't truly own when streaming music gives you exactly the same thing for much less when amortized over time?

The rise of digital media has people asking what it means to "own" something intangible? Current music copyright laws focus tangible goods – vinyl, cassettes and CDs. And the courts seem content to rule in mind-bogglingly nonsensical ways. Take a company called ReDigi, which purports to be a digital marketplace for "secondhand" songs – i.e., music you no longer want.

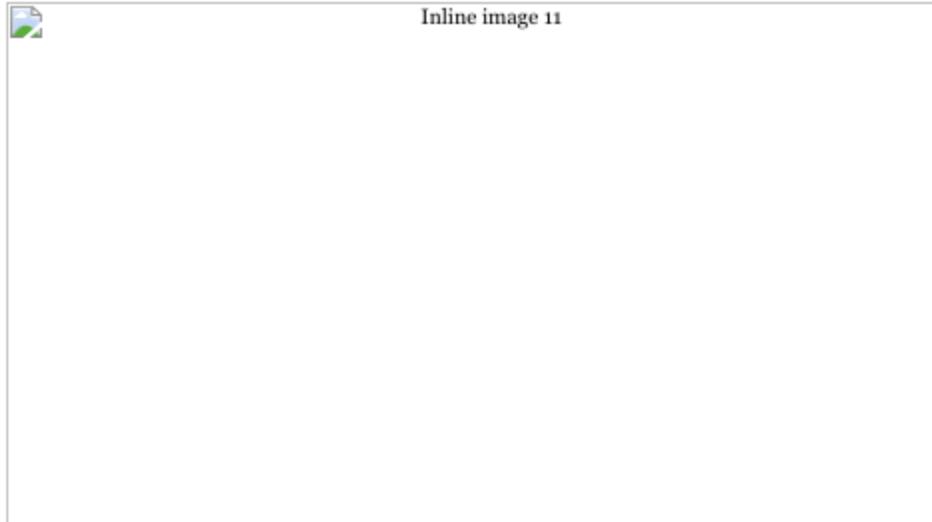
ReDigi's software has a unique way of verifying if a downloaded song was originally obtained legally, and then once re-sold in the secondhand marketplace, it erases all traces of the song on your synced devices and prevents you from reloading it afterwards. Soon after ReDigi launched, Capitol Records promptly sued the company for infringement. The judge in the case ruled that to resell a song, you have to sell the device it's stored on. Needless to say, ReDigi is appealing. So far streaming services have bypass all the legal confusion that plagues many in downloaded music.

The RIAA released its annual recorded music revenue figures for 2014. The numbers tell the story of changes in the digital music market that have been familiar for the past few years: on-demand music services up, digital radio up, CD sales even further down, ringtone revenue evaporating. The total revenues are flat, but as we'll see, that doesn't mean the music industry is now stable; not at all.

First, there's one surprise in the 2014 figures, at least to those who haven't been paying close attention: the resurgence of vinyl after its near death ten years ago. Vinyl (mostly LP) revenues are the fastest-growing segment of the industry. Revenue from LPs exceeded \$300 million and increased 50% over 2013, which is more than ad-supported on-demand music services such as YouTube and Spotify's free service. And the year-over-year growth of vinyl is increasing too. Vinyl could easily become a half-billion-dollar industry this year (though that's still tiny compared to vinyl's peak of nearly \$10 billion in 1978).

On the other hand, sales of downloads (albums and singles) have shifted into sharp decline, as the figure below shows. Downloads, mainly from Apple's AAPL +0.43% iTunes and Amazon MP3, are down 9%. The trend is clear: a certain segment of the population still likes owning music, but those people are finding that they like owning a physical object more, particularly one available in packaging that acts as a canvas for art, photos, lyrics, and liner notes, and doesn't require a magnifying glass. The market for turntables is growing accordingly, giving rise to two new types of designs that are available at affordable prices: models with built-in analog-to-digital converters and USB output cables for digitizing your vinyl on your PC, and retro-minimalist manual models that could be described as "Warby Parker for LPs."

#### RIAA revenues 2003-2014



Selected recorded music revenue streams, 2003-2014, \$million. Source: RIAA

As someone who has own 78s, 45s, LPs, 8-tracks, 4-tracks, cassettes, cds as well as purchasing thousands of songs on iTunes, many of which I previously purchased in other technologies and formats, I have yet to get into music streaming. And sill owning several hundred vinyl's I am glad to hear about their comeback so I guess I better buy another turntable since I gave my last one away in the 1990s. Obviously music does have a second act....

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## Even The Good Guys Are Rewriting History

And they can do so because no one paid for largest foreign policy mistake/disaster in U.S. history.



Inline image 1

One of my late father's favorite sayings was, "**history is always re-written by the winners.**" No place is this more evident than the current analysis of the War in Iraq which the Bush/Cheney Administration blames on bad intelligence from the CIA and other intelligence Agencies and Barack Obama. The fact that from the day that the Bush/Cheney Administration took office, their number one priority was overthrowing the government of Saddam Hussein which they called "*Regime Change*" and others referred to as "*gunboat diplomacy*", should make it easy for everyone to understand how we got into the Second War in Iraq. They (the neocons) wanted it and did everything possible to make it happen.

From the innuendos suggesting that Saddam Hussein was supporting al Qaeda and thus somehow connected to the 9/11 attacks, to accusations that he was developing a nuclear bomb and was months if not weeks away from developing technology that would allow him to blow up American Cities seven thousand miles away. And when this proved too bizarre the Bush/Cheney came up with the fuzzy moniker "*WMD*" (Weapons of Mass Destruction) that they somehow linked "*mushroom clouds over Washington*" and "*yellow cake*" from Niger which had already been proven false by the time that it was used, it should have been obvious to everyone that facts didn't matter and sooner or later war with Iraq was inevitable. These same people believed "**Curveball**" (Rafid Ahmed Alwan al-Janabi) the Iraqi defector and scammer who claimed that Saddam Hussein had mobile bio-weapons trucks and secret factories in the Iraqi desert. The fact that the only people who believe Curveball was UK's Prime Minister Tony Blair and the neocons around the Bush/Cheney Administration even though by then he had confessed to German intelligence he had lied, is often glossed over in this current reinterpretation of history.

The truth is that on Sept. 18, 2002, CIA director George Tenet briefed President Bush in the Oval Office on top-secret intelligence that Saddam Hussein did not have weapons of mass destruction. Bush dismissed this as worthless because the information came from Naji Sabri, Saddam's foreign minister and a member of Saddam's inner circle, which turned out to be accurate in every detail. Both the French intelligence service and the CIA paid Sabri hundreds of thousands of dollars (at least \$200,000 in the case of the CIA) to give them documents on Saddam's WMD programs. They wanted him to provide proof that Saddam had a nuclear program and could build a nuclear weapon within two years if were on the way to acquiring fissile material. Sabri told them that he couldn't. Also that

Saddam didn't have chemical or biological weapons either. Not to disappoint The Noss again, Tenet never brought it up again.

As a result, this intelligence was not included in the National Intelligence Estimate of October 2002, which stated categorically that Iraq possessed WMD. No one in Congress was aware of the secret intelligence that Saddam had no WMD as the House of Representatives and the Senate voted, a week after the submission of the NIE, on the Authorization for Use of Military Force in Iraq. The information, moreover, was not circulated within the CIA among those agents involved in operations to prove whether Saddam had WMD.

On April 23, 2006, **CBS's "60 Minutes"** interviewed Tyler Drumheller, the former CIA chief of clandestine operations for Europe, who disclosed that the agency had received documentary intelligence from Naji Sabri, that Saddam did not have WMD. *"We continued to validate him the whole way through,"* said Drumheller. *"The policy was set. The war in Iraq was coming, and they were looking for intelligence to fit into the policy, to justify the policy."*

Several former senior CIA officers have confirmed Drumheller's account to journalist Sidney Blumenthal (who wrote great piece in **Salon Magazine** in September 2007 – Bush knew Saddam had no weapons of mass destruction) and provided the background to the story of how the information that might have stopped the invasion of Iraq was twisted in order to justify it. They described what Tenet said to Bush about the lack of WMD, and how Bush responded, and noted that Tenet never shared Sabri's intelligence with then Secretary of State Colin Powell. According to the former officers, the intelligence was also never shared with the senior military planning the invasion, which required U.S. soldiers to receive medical shots against the ill effects of WMD and to wear protective uniforms in the desert.

Instead, said the former officials, the information was distorted in a report written to fit the preconception that Saddam did have WMD programs. That false and restructured report was passed to Richard Dearlove, chief of the British Secret Intelligence Service (MI6), who briefed Prime Minister Tony Blair on it as validation of the cause for war. Secretary of State Powell, in preparation for his presentation of evidence of Saddam's WMD to the United Nations Security Council on Feb. 5, 2003, spent days at CIA headquarters in Langley, Va., and had Tenet sit directly behind him as a sign of credibility. But Tenet, according to the sources, never told Powell about existing intelligence that there were no WMD, and Powell's speech was later revealed to be a series of falsehoods.

We have to wonder if the country has collective amnesia.

I say this because I understand why Dick Cheney, George Bush and the neocons are trying to rewrite history, blaming the single worse foreign policy mistake since the Civil War on intelligence failures by others. But when I see David Brook who is a conservative columnist at the New York Times employ the same excuse I truly get sick. Yes, Brooks was once an enthusiastic backer of George W. Bush's disastrous invasion of Iraq. ■■■ write columns for the **Weekly Standard** – the official journal of bankrupt neoconservative thought – glorifying Bush for his steely-eyed determination and tartly mocking the pansy liberals and other anti-war types who opposed Bush's righteous exercise in nation-building and freedom-spreading. *"History will allow clear judgments about which leaders and which*

*institutions were up to the challenge posed by Saddam,” Brooks prophesied in the March 2003 column, “and which were not.”*

As we now know not only did this prediction not pan out, the Iraq war ended up being a disaster. But contrary to Brooks’ assurance, the “*clear judgments*” about who was right and who was wrong about Iraq are still pending, as evidenced by the fact that so many people who got it so terribly wrong haven’t faced any real consequences. Let’s use Brooks himself as an example. He landed his plum gig on the Times op-ed page a few months after the war started and used his perch to continue singing the praises of Bush and the Iraq experiment, like in this September 2004 column predicting that Iraq’s elections would help undermine the insurgency. What judgment did Brooks face for being constantly and consistently wrong about Iraq? Well, he’s still writing for the Times op-ed page.

But, according to his latest Times column, Brooks claims to have learned from the mistakes he made about Iraq. You can’t undo the past, Brooks writes, but you can draw lessons from it:

The first obvious lesson is that we should look at intelligence products with a more skeptical eye. There’s a fable going around now that the intelligence about Iraqi weapons of mass destruction was all cooked by political pressure, that there was a big political conspiracy to lie us into war.

That doesn't gibe with the facts. Anybody conversant with the Robb-Silberman report from 2005 knows this was a case of human fallibility. This exhaustive, bipartisan commission found “*a major intelligence failure*”: “*The failure was not merely that the Intelligence Community’s assessments were wrong. There were also shortcomings in the way these assessments were made and communicated to policy makers.*”

There’s so much that’s wrong in these two paragraphs. Brooks’ argument that the invasion was just one big good-faith “*whoopsie*” on the part of the Bush White House was demolished just yesterday by his colleague Paul Krugman. The problem with the Iraq intelligence wasn't just a lack of “*skepticism*” on the part of the people consuming it – there was a concerted effort to twist and manipulate that intelligence to achieve the desired end of invading Iraq. And today the argument that the only reason why the United States and its allies got into the war was because of faulty intelligence is a continuation of the same pattern of lies. And for David Brooks who I respect and for the media to accept is as dishonest as the initial deception that got us into the war in the first place.

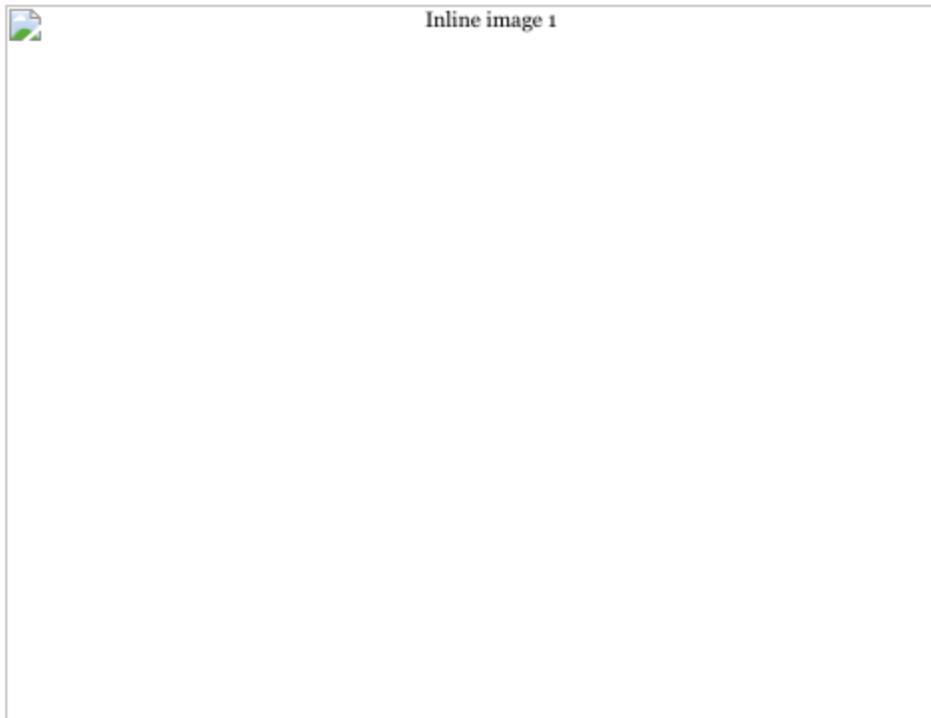
Today, Brooks now claims that “*the intelligence about Iraqi weapons of mass destruction was all cooked by political pressure*” is a “*fable.*” This is a dishonest and easily debunked straw man. No one is arguing that all the intelligence was cooked. There were definite failures within the intelligence community. The problem, again, is that those failures were compounded by the Bush administration spin and deception about aluminum tubes and secret Al Qaida connections. But, Brooks counters again, it’s just not true that the Bush people cooked some of the Iraq intelligence because the “*exhaustive*” Robb-Silberman report found that it was all just a series of errors.

This, again, is false. The Robb-Silberman report was not “*exhaustive*” – the commission was specifically instructed not to investigate how Iraq intelligence was manipulated by policymakers. That task fell to the Senate Select Committee on Intelligence, which found that George W. Bush and his closest advisers regularly made definitive statements about Iraq’s weapons programs and terrorism ties that were either unsubstantiated by available intelligence or didn’t reflect disputes within the intelligence community. Having exonerated the architects of the war – and, by extension, himself – of conscious wrongdoing, Brooks explains what he’s really learned from this ordeal: military interventionism is only slightly overrated as a policy. And he can say this because “**no one**” (leadership or supporters) has paid a price for the greatest foreign policy mistake/disaster in the country’s history.

As Simon Maloy recently wrote in Salon Magazine, we should go back to Brooks’ 2003 assurance that history will render its verdicts on those who endorsed the Iraq debacle and those who did not. History hasn’t yet allowed “*clear judgments*” on the backers of the Iraq misadventure because the people who should be feeling the sting of those judgments – like David Brooks – (*whom I respect*) – are doing their level best to water down and explain away the appalling conduct that led to the actual war. What makes Brooks’ column so galling is that he’s trying to present his self-serving exculpation of the Iraq war architects as a lesson learned. Brooks pretty clearly hasn’t learned a thing, and that’s to be expected when you suffer no consequences for being completely and catastrophically wrong. Ultimately, ***history is always rewritten by the winners.***

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## Another Milestone is Broken



A major barrier was broken in America and no one seem to notice... This was on the week of the mass shooting by 21-year-old Dylann Roff (*an avowed white supremacist*) at the Emanuel African

Methodist Episcopal Church in downtown Charleston, South Carolina, United States. The church is one of the United States' oldest black churches and has long been a site for community organization around civil rights. Nine people were killed, including the senior pastor and state senator, Clementa C. Pinckney. A tenth person was shot and survived. One day after the tragedy in Charleston this barrier that few people noticed was career journalist **Lester Holt** was made the permanent anchor of **NBC Nightly News**, with NBC moving the disgraced Brian Williams to its MSNBC cable network.

Having been born the year after Jackie Robinson broke the color barrier in Major League Sports when he played his first game as a Brooklyn Dodger and before Chuck Cooper became the first black player to be drafted when he was chosen by Boston; Nat "Sweetwater" Clifton became the first to sign an NBA contract when he signed with New York, and Earl Lloyd became the first to play in an NBA regular-season game because the schedule had his Washington team opening one day before the others, I never imagined the day when a person of color would host the Nightly News for one of the Big 3 Networks.

When I was growing up there was an informal "quota" of sorts on how many African-Americans could be on a team at one time... In Basketball it was 4 although most teams only had three or less and in Major League Baseball the "quota" was two and some teams having only one African American player. And although there were many African American medical doctor, dentist, engineers and scientist, I remember when whites didn't think that blacks had the intellect, talent and temperament to be quarterbacks in the NFL, pitchers in Major League Baseball or managers in either in Major League Baseball, Football or Basketball.

And although African Americans had been flying for their country since WWII and Tuskegee, the first Black person to travel in space was a Cuban, Arnaldo Tamayo Méndez on Soyuz 38 (September 18, 1980) curtesy of the USSR. Guion Bluford was the First African-American astronaut in space STS-8 (August 30, 1983). And no one noticed.... But when I remember when the New York Knicks played the Detroit Pistons on October 18, 1979 and everyone Black person I knew was calling friends to watch the game because all of the players on the floor were African Americans. We couldn't believe it...

There have been African Americans stars since the days of Benjamin Banneker, Sojourner Truth, Nat Turner, Frederick Douglass, Harriet Tubman, Booker T. Washington, George Washington Carver, Madame C.J. Walker (*the first Women millionaire in America*), W.E.B. DuBois, Scott Joplin, W.C. Handy, (*Known as "The Father of the Blues."*), Benjamin O. Davis Sr. (*First African-American general in the U.S. Army*), Jack Johnson (*First black heavyweight boxing champion of the world*), Eubie Blake, Mamie Smith (*First African American to make vocal blues recordings, in 1920*), Marcus Garvey, Bessie Coleman (*First black licensed pilot in the world*), Marian Anderson, Duke Ellington, Louis "Satchmo" Armstrong, Langston Hughes, Rosa Parks (*Dubbed the "Mother of the modern-day Civil Rights Movement"*), Joe Louis, Muddy Waters, Ella Fitzgerald. James Baldwin and Edward Brooke III (*First African American elected to the U.S. Senate*), Shirley Chisholm (*First African-American woman elected to Congress*) and Althea Gibson (*First African-American woman to be a competitor on the world tennis tour*).

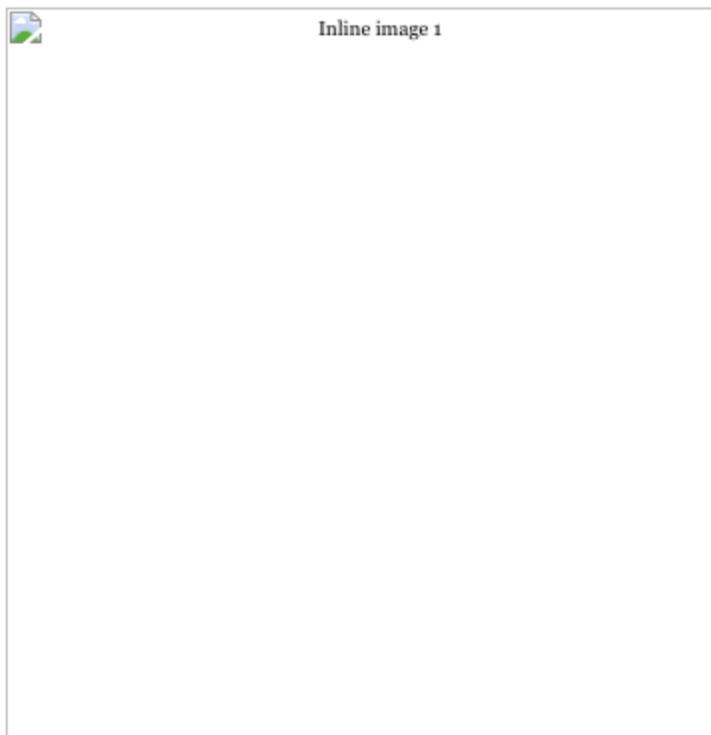
My generation has had Miles Davis, Malcolm X, Martin Luther King, Jim Brown, Wilt Chamberlain, Ray Charles, Colin Powell, Andy Young, John Coltrane, Jessie Jackson, Arthur Ashe, Wilt Chamberlin, Walter Payton, Stevie Wonder, Earvin "Magic" Johnson, Michael Jackson and Oprah. We have seen African Americans become the World's Most Love Athlete (**Muhammad Ali**), the Number 1 Rock Star in the World (**Jimi Hendrix**), the Number 1 Pop Star in the World (**Michael Jackson**), the

most successful and trusted person in media (**Oprah**) and the most powerful person in the world (**Barrack Hussein Obama our President**). So maybe it is understandable that there was little fanfare when Lester Holt took over as the anchor on NBC's Nightly News.

This is the chair of the legendary John Cameron Swayze, Chet Huntley, David Brinkley, John Chancellor, Tom Brokaw, Roger Mudd and for the last eleven years Brian Williams. Then after three months as the interim anchor, NBC announced that Lester Holt was made the permanent anchor. This was a position denied to Bryant Gumbel who took the Number 1 position away from *Good Morning America* when he co-hosted *The TODAY'S SHOW* on NBC. With this I would like to give a belated congratulations to Lester Holt for breaking this barrier with such ease and grace, that few people noticed. For more about Lester Holt, attached please find Emily Steel's **New York Times** article – ***Lester Holt Reflects on Rise to NBC's Anchor Chair***.

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## Greece Screwed Again



Already owed 322 billion euros the Euro Zone Partners bullied Greece in accepting a deal that would give them an additional 86 billion euros in return for tougher austerity measures and structural reforms. How stupid is this? Think about it, if someone can't repay 322 billion do you think that by giving 82 billion euros more is a solution? As someone commented, ***"The Greek debacle reminds me of the doctor who gave a patient six months to live.*** When he failed to pay the doctor's bill the doctor gave him another six months." Greece's economy has already contracted by more than 25%. So with less money coming in how the hell are they then going to repay a much larger loan? This is truly voodoo economics. And the EU, IMF and Germany should be ashamed.

One could understand if the money was being provided so that Greece could expand their industrial base, but to give them money to repay non-performing loans is an unsustainable proposition, as kicking the can down the road is just denying the inevitable. These banks made bad loans and should own up to it, instead of getting governments and the IMF to allow them to shift the burden elsewhere. Greece will need far bigger debt relief than euro zone partners have been prepared to envisage so far due to the devastation of its economy and banks in the last two weeks, a confidential study by the International Monetary Fund seen by Reuters.

The updated debt sustainability analysis (DSA) was sent to euro zone governments late on Monday, hours after Athens and its 18 partners agreed in principle to open negotiations on a third bailout program of up to 86 billion euros "*The dramatic deterioration in debt sustainability points to the need for debt relief on a scale that would need to go well beyond what has been under consideration to date - and what has been proposed by the ESM,*" the IMF said, referring to the European Stability Mechanism bailout fund. The fund released the document on Tuesday in Washington after it had been seen by Reuters and other news organizations.



The reality is that the Greek people have already suffered as well as make painful changes including raising the retirement age to 67 and cutting pensions by a third. Additionally, Greece's GDP has been reduced by 30%. Unemployment is now more than 25%, with youth unemployment 53.2%. With fewer and fewer opportunities young people are leaving the country in droves creating a brain drain that will further damage the economy. Raising taxes and reducing pensions which are the austerity measure demanded in this latest bailout agreement is only going to make things worse.

Although Germany and some of the other creditors are adamantly against writing off any of Greece's debt of more than \$330 billion, France and others have stressed the need to reduce Greece's debt payments to a more realistic and sustainable level, if not by forgiving any of the debt then by extending the payment schedule and cutting interest rates. But again, if we don't want to see another country becoming the next Greece, irresponsible lenders have to eat their bad loans. Again.... Let's stop blaming the victims and demand that like any other business, those who made bad decisions pay the price for their mistakes ***and this is my rant of the week.***

## WEEK'S READINGS

It's official: Latinos Now Outnumber Whites in California



Inline image 1

The demographers agreed: At some point in 2014, Latinos would pass whites as the largest ethnic group in California. Determining when exactly that milestone would occur was more of a tricky question. Counting people isn't like counting movie ticket receipts. The official confirmation had to wait until new population figures were released by the Census Bureau this summer. The new tally, released in late June, shows that as of July 1, 2014, about 14.99 million Latinos live in California, edging out the 14.92 million whites in the state.

The shift shouldn't come as a surprise. State demographers had previously expected the change to occur sometime in 2013, but slow population growth pushed back projections. In January 2014, the state Department of Finance estimated the shift would take place at some point in March. Either way, the moment has officially arrived. "This is sort of the official statistical recognition of something that has been underway for almost an entire generation," said Roberto Suro, director of the Tomás Rivera Policy Institute at USC.

California is now the first large state and the third overall — after Hawaii and New Mexico — without a white plurality, according to state officials. The country's Latino population is now 55.4 million. California and Los Angeles County have the largest Latino populations of any state or county in the nation, according to the new figures. The demographic shift has been a long time coming. In 1970, the 2.4 million Latinos in California accounted for 12% of the population, while the 15.5 million whites in the state made up more than three-quarters of residents, according to state figures. By 1990, the Latino population jumped to 7.7 million, or about 25% of the state's population.



Inline image 2

The Latino population is relatively young, with a median age of about 29, while the aging white population has a median age of 45. State demographers project Latinos will account for about 49% of Californians by 2060. I'm sure the people in Spain will be pleased to know they're not considered white by some dimwits in the USA. "It is going to accelerate," Suro said. "This is really the beginning of a new phase that will play out over another generation." A young Latino workforce helps the economy by backfilling retiring baby boomers, said John Malson, the chief demographer for the state finance department.

The continued influx and growth of Latinos in the United States is not being fueled exclusively by immigration but by second- and third-generation immigrants who are settling down and starting families, said Marcelo Suárez-Orozco, a professor and dean of education at UCLA's Graduate School of Education and Information Studies.

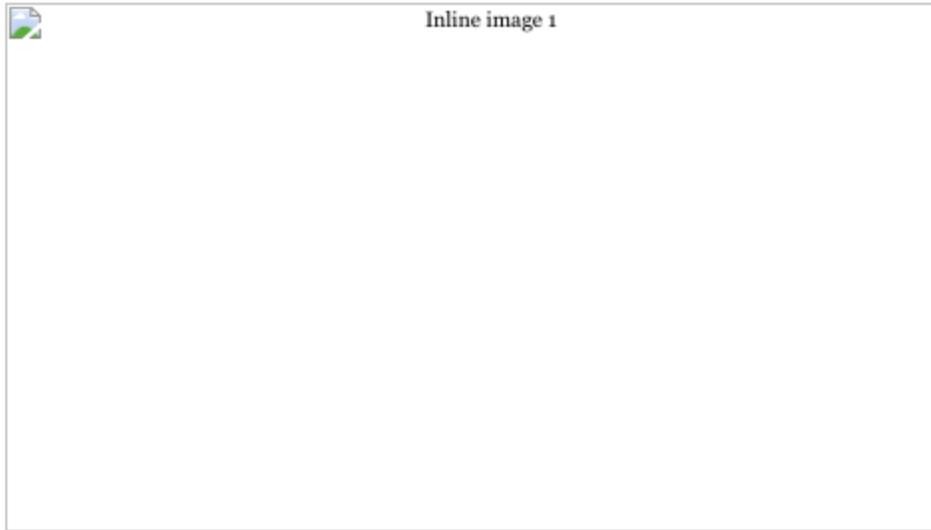
California is a harbinger of the national rise in Latinos. The nation's Latino population has grown 57% since 2000, when Latinos numbered 35.3 million. Latinos accounted for most of the nation's growth — 56% — from 2000 to 2010, according to the Pew Research Center. "Where L.A. goes is where the rest of the state goes and where the rest of the country goes," he said. "We announce, demographically speaking, the future for the rest of the country."

**Javier Panzar – Los Angeles Times – July 8, 2015**

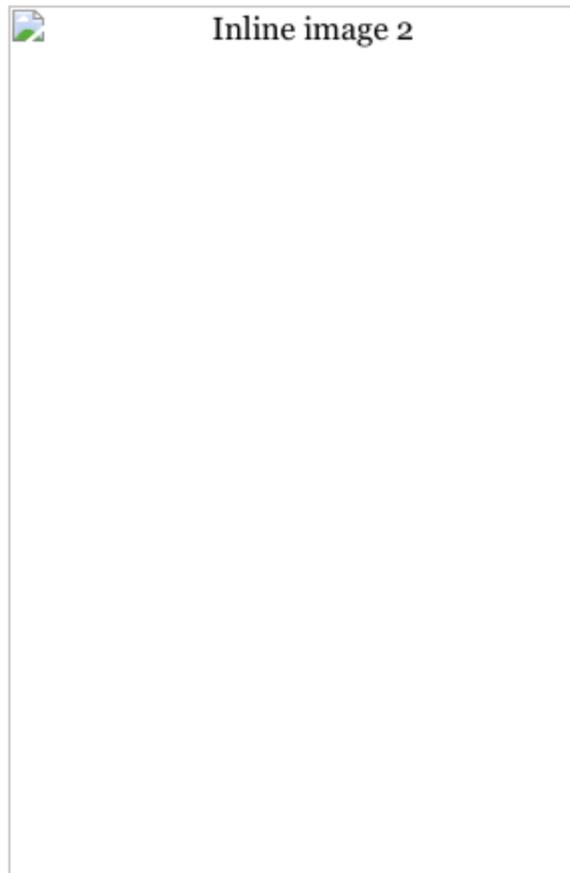
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## The Iran Nuclear Deal – A Simple Guide

By [WILLIAM J. BROAD](#) and [SERGIO PEÇANHA](#): July 14, 2015



Negotiators reached a historic accord on Tuesday to limit Tehran's nuclear ability in return for lifting international oil and financial sanctions. Here is a guide to the Iran nuclear deal.



An atomic bomb can be made from two types of radioactive materials: uranium or plutonium. The talks were aimed at curbing Iran's ability to put these two elements to use in weapons. In each case, the manufacturing starts with uranium ore.

Uranium mined from the earth is less than 1 percent U-235, the isotope that can be used to fuel reactors and make bombs. Centrifuges are needed to separate the U-235 from the rest of the uranium, in a process called enrichment. The other fuel that can be used to make a bomb, plutonium, is made by irradiating uranium in a nuclear reactor. The process transforms some of the uranium into plutonium.



Inline image 1

## Curbing the Uranium Path

During the enrichment process, centrifuges are used to raise concentrations of U-235. For most power reactors in the West, uranium is enriched up to 5 percent. Bomb grade is above 90 percent and Iran had been processing ore to 20 percent enrichment.

### **The agreement**

Iran has agreed to transform its deeply buried plant at Fordo into a center for science research. Another uranium plant, Natanz, is to be cut back rather than shut down. Some 5,000 centrifuges for enriching uranium will remain spinning there, about half the current number. Iran has also agreed to limit enrichment to 3.7 percent and to cap its stockpile of low-enriched uranium at 300 kilograms, or 660 pounds, for 15 years. That is considered insufficient for a bomb rush.



Inline image 2

## Curbing the Plutonium Path

Iran was constructing a nuclear reactor at Arak that would have used natural uranium to produce Pu-239, which can fuel bombs.

### **The agreement**

Iran has agreed to redesign and rebuild the Arak reactor so it will not produce weapons-grade plutonium. The original core of the reactor, which would enable the production of weapons-grade plutonium, will be made inoperable, but will stay in the country. Under the terms of the deal, the reactor's spent fuel, which could also be used to produce a bomb, will be shipped out of the country. Iran will not build any additional heavy water reactors for 15 years.



Inline image 3

The deal focuses on limiting Iran's ability to produce and maintain the fissile material needed to build nuclear weapons. Along the lines of the April framework agreement, Iran will cut its number of centrifuges — the devices used to enrich uranium gas — from 19,000 to 6,000. Its stockpile of enriched uranium will be reduced from about 10,000 kilograms to 300.



Inline image 1

## **Key Issues**

### **How to Ensure That Iran Won't Cheat**

More than twice the size of Texas in area, Iran poses many challenges for atomic inspectors who have to police the agreement and gain access not only to scientists, labs and factories, but also to many underground sites and military bases. Western allies say the new inspections must be far more intrusive than those in the past, given the deal's sweeping terms as well as Iran's history of evasions, stonewalling and illicit procurements. The principal concerns are how to detect cheating and covert sites.

### **The agreement**

Iran has agreed to provide the International Atomic Energy Agency greater access and information regarding its nuclear program, and to allow the agency to investigate suspicious sites or allegations of covert facilities related to uranium enrichment anywhere in the country. Inspectors will also have access to the supply chain that supports Iran's nuclear program, including uranium mines and mills, and to continuous surveillance of centrifuge manufacturing and storage facilities.



Inline image 4

## What Is the Timeline of the Agreement?

The deal requires Iran to reduce its current stockpile of low-enriched uranium by 98 percent, and limits Iran's enrichment capacity and research and development for 15 years. Some inspections and transparency measures will remain in place for as long as 25 years. According to President Obama: "This relief will be phased in. Iran must complete key nuclear steps before it begins to receive sanctions relief." Sanctions for arms could be lifted in five years, ballistic missiles in eight.



Inline image 5

## Extending the Breakout Time

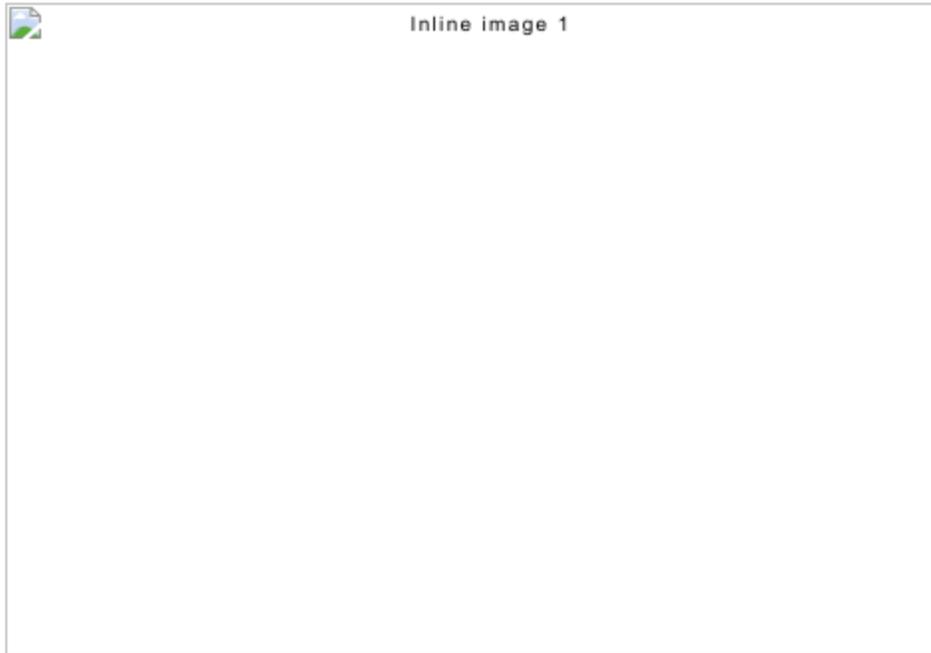
The agreement increases the "*breakout*" time — the amount of time it would take Iran to produce enough bomb-grade material for a singular nuclear weapon — to at least one year.



Inline image 6

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## The great unraveling of globalization



*Workers rest near a loaded cargo ship in China. As labor costs escalate in places like China, Thailand, Brazil and South Africa, companies are finding that making products in, say, the U.S. that are destined for North American markets is much more cost-efficient.*

Over the past quarter of a century, the word **Globalization** appeared to be the key to nirvana for American corporations and politicians who do their bidding. As someone who has been working overseas for more than four decades I remember when representing an American company placed you in a privileged position. Then I saw this privilege slowly ebb as countries in Africa, Asia, South America and Eastern Europe integrated younger homegrown educated generations into the ranks of workers taking over the jobs that were performed by Americans and European expats. This led to companies in these countries to develop skill sets comparable to the expats and well as equality for local companies in their respective countries. As a result more and more local companies in foreign countries are now providing goods and services that were being provided by foreign companies. More importantly these companies are joining the ranks of the Japanese, Korean and Hong Kong companies and are also fiercely taking market share away from American and European companies in their local markets. In addition many of these new foreign competitors enjoy the advantages of cheaper labor, less environmental regulations and market protection in their own countries enabling many of them to dump their products into Western countries.

In a recent **Washington Post** article by Jeffrey Rothfeder: One of the victims of the new paradigm appears to be Cisco whose chief executive John Chambers used the portentous phrase while telling analysts that sales in emerging markets were spiraling downward, forcing the networking equipment company to cut its three- to five-year revenue growth target: ***“We’re the canary in the coal mine.”*** It was meant to be a candid assessment of the instability in global markets. But rather than being the harbinger of danger, Cisco was just the latest victim of globalization, the tantalizing but perilous business principle that has — quietly — counted among its casualties some of the world’s largest companies. Indeed, although multinational executives avoid talking about it publicly, profits in global markets are underwhelming — and doing business internationally is full of unanticipated risks. *“Even for the most successful multinationals, profit margins in international markets are on average lower than margins in the domestic market,”* said Robert Salomon, a professor of international management at the NYU Stern School of Business. *“It’s the liability of foreign markets. By virtue of the fact that you are foreign, you are at a disadvantage.”*

That's a far cry from the way globalization was pitched, as the strategic imperative du jour nearly two decades ago. It was supposed to act like a rising tide, lifting all boats in poor and rich countries alike. Buoyed by hundreds of thousands of new assembly line jobs courtesy of multinationals in emerging nations, the middle class would swell, which in turn would propel higher local consumption. More factories would be needed to meet the demand, further raising local standards of living and handing the largest non-domestic companies a vast and enthusiastic new customer base. Meanwhile, in the United States and Europe, consumers would have their pick of inexpensive items made by people thousands of miles away whose pay was much lower than theirs. And in time trade barriers would drop to support even more multinational expansion and economic gains while geopolitical cooperation would flourish.

Western corporations — hoping to find new fast-growth revenue channels and inexpensive manufacturing opportunities to augment mature, developed economies at home — moved to set up shop in far-flung regions like China, Brazil, Russia and India, where the greatest GDP gains were anticipated, as well as in so-called second tier emerging nations such as Thailand, Malaysia, the Philippines and Nigeria. Yet despite all this activity and enthusiasm, hardly any of the promised returns from globalization have materialized, and what was until recently a taboo topic inside multinationals — to wit, should we reconsider, even rein in, our global growth strategy? — has become an urgent, if still hushed, discussion. *“We have believed for some time that a large global footprint is critical to our success and to the success of any company in the auto industry,”* said an international executive at a top-six multinational auto company. *“But given recent events, we can't help but wonder if we should be a little more hesitant, less eager and more discerning about where we invest our efforts.”*

Or put more diplomatically, General Motors President Dan Ammann told a Detroit investors conference in January that the Chinese auto market *“is maturing rapidly . . . [Its] rate of growth will decrease year-to-year.”* This is a surprisingly tepid forecast for an executive whose company has, in essence, gone all-in on globalization, and particularly in China. GM has invested upward of \$20 billion on joint manufacturing ventures there, and is No. 1 in auto sales in the country. However, in 2014 GM made \$2.1 billion in China, about a quarter of its earnings in North America, where it sold 130,000 fewer vehicles. The problem is, around half of the vehicles that GM sells in China are Wulings, inexpensive, low-margin minivans designed by one of General Motors' Chinese partners, targeted mostly at commercial buyers. Indeed, Chinese customers bought 1.6 million Wulings and only 79,000 high-profit Cadillacs in 2014.

The shortcomings of globalization manifest in any number of ways. For one thing, international trading patterns point to an increase in protectionist attitudes rather than a golden age of open borders. Between 1986 and 2005, global trade volume increased at a rate of about 2 to 3 times that of GDP growth, but the ratio since then has fallen dramatically (except for one year) and is now close to 1, according to research by UBS strategist Bhanu Baweja. Moreover, the recovery in world trade volume is much slower in this post-recession period than prior ones, Baweja said. Part of the problem is that the G-20 countries (the biggest economies and trading partners in the world) added more than 1,200 restrictive export and import measures since 2008 — 12 percent more in just the past year — despite a so-called standstill agreement.

Somewhat surprisingly, cross-border capital flows are equally anemic. Despite the common perception that multinationals these days manufacture their products anywhere but the West, global foreign direct investment (which reflects the amount that companies earmark for doing business in other countries) has fallen to a mere 2 percent of global GDP from 4 percent before the recession. Still,

the most tangible metric that belies the Pollyannaish depictions of globalization is corporate financial performance, which is also a window into the fundamentals of local economies. Although most companies don't separate out geographical earnings, revenue comparisons provide an apt picture — and few multinationals can boast big returns in global markets. (For U.S. companies, some of the recent revenue slippage can be attributed to the strong dollar; but considering that this pattern of low or no growth in emerging nations has been evident for a few years and that the dollar has consistently been strong against the Chinese renminbi, currency shifts are only a small part of the picture).

### Awaiting emerging markets

In the first quarter of 2015, for example, IBM revenue fell 3 percent in the BRIC (Brazil, Russia, India and China) countries. Caterpillar, which is a bellwether for global construction and agricultural activity, reported first quarter revenue shortfalls of 13 percent in Asia and 18 percent in Latin America. Meanwhile, Unilever announced a 2.4 percent revenue decline in 2014, chiefly driven by a steep drop in consumer activity in emerging nations, which are responsible for 60 percent of its sales.

Those vast new consumer markets in globalized nations have not emerged either. For example, Chinese household consumption accounts for about 34 percent of GDP — down four points in the past decade — compared to a healthier 70 percent in the United States. And Chinese consumer diffidence is not an outlier. *“Growth in consumer spending in 2014 hit multiyear lows in many countries,”* said Unilever CEO Paul Polman, analyzing his company's results. *“In South Africa, it is half to less than 2 percent, and in Brazil it had fallen to just 1 percent. There was no volume growth in these markets.”*

There are myriad reasons why these markets have lagged, some of them unique to specific countries or regions. For instance, China's one-child policy has produced a penurious generation of young adults who are the sole support for aging family members. And in parts of Southeast Asia and Africa the infrastructure in rural areas, where much of the population lives, is too primitive to support extensive retail activities. But equally problematic is that the growth of the middle class in China and most other developing economies has been slow. And these newly minted consumers face volatile, often expensive prices for housing, food and other staples. *“The biggest contribution to Chinese growth for many years has been government investments, about 50 percent of GDP, off the charts compared to any country in the world ever,”* said Geoffrey Dennis, UBS's head of global emerging markets strategy. *“The current structural reform program hopes to move more toward a consumer-supported economy. But that will take time.”*

### Targeted overseas

To protect the market share of domestic firms, emerging nations have attacked foreign multinationals. For example, in February, China levied a record \$975 million fine against U.S. chipmaker Qualcomm for violating the country's antimonopoly regulations by offering tiered prices for technology licenses based on volume, a common practice in global industries. This penalty will cut Qualcomm's 2015 earnings by as much as 58 cents a share, or 15 percent of its profits. In the past year, as many as 30 multinationals were placed under investigation — some were penalized and others raided — by Chinese government authorities for any number of dubious infractions. Among those in the crosshairs: drug maker GlaxoSmithKline (corruption), Apple (inadequate warranties), Microsoft

(monopolistic practices), and Audi, BMW and Daimler-Benz (price gouging). No surprise, then, that more than half of multinationals responding to a survey by the American Chamber of Commerce in China said that Chinese regulators “*targeted*” foreign firms and that laws and regulations favored domestic companies.

Last August, Russia shuttered four McDonald’s locations in Moscow, the chain’s busiest stores in the country, citing sanitary violations. Russian authorities produced little evidence; the step came after sanctions were imposed by the West for Russia’s role in destabilizing Ukraine.

“*Multinationals are very nervous now, and they should be,*” said Mark Leonard, co-founder of the European Council on Foreign Relations. In the past, only some sectors — mining, oil and gas, commodity companies — had to worry about geopolitics. Now companies that make fizzy drinks or handbags or chocolate are finding their supply chains, their markets, their operations completely blown apart by geopolitical risks and unfavorable treatment.”

## Electronic mercenaries

Less visible but arguably more harmful are cyber strikes. In 2013, at least 3,000 U.S. companies were victims of data theft and network disruptions, according to published reports. In some cases, the hackers are believed to have ties to rogue regimes in Asia and Eastern Europe and their aim appears to be to destabilize global commerce. One example: the digital break-in at Sony in November — which paralyzed the entertainment company’s computer systems and led to the release of sensitive e-mails and documents — was backed by the North Korean government, the Obama administration said.

That incident pales against other cybercrimes targeting multinationals. Possibly the biggest is an ongoing infiltration that began in late 2013 of a hundred of the largest financial services firms by cybercriminals from China, Russia and Ukraine. These hackers are essentially electronic mercenaries who are expanding their operations to Asia, the Middle East and Africa, according to Kaspersky Labs, a software security firm based in Moscow. In all, as much as \$1 billion may have been stolen from the banks in this digital heist, Kaspersky said.

Back on land in developing countries, so-called state-owned enterprises, or SOEs, pose competitive challenges. They are financially backed by central and local governments and are notorious for crony capitalism in which they gain access to local contracts, markets and capital unavailable to foreign firms.

Well over half of all companies in China, Russia, Indonesia, Malaysia and Vietnam, to name a few, count their governments as stakeholders. These enterprises — in mining, telecom, banking, construction, manufacturing and even retail — receive preferential treatment in lending rates, government investment and subsidies with little accountability for their results. Armed with cheap money, undisturbed by impatient investors and inured from the threat of failure if they underperform, SOEs are often guilty of “*overcapacity, inefficient cost control and slow industrial upgrading,*” said analyst Li Jin of the China Enterprise Research Institute. Indeed, the return on assets for Chinese SOEs is about 5 percent, less than half the return of private domestic companies, according to data compiled by the Carnegie Endowment for International Peace. These results would be even worse if multinationals weren’t forced to form joint ventures with state-owned enterprises.

## Coming back home

Given the failures of globalization, virtually every major company is struggling to find the most productive international business model. Several approaches have emerged. Reshoring — or relocating manufacturing operations back to Western factories from emerging nations — is one option. As labor costs escalate in places such as China, Thailand, Brazil and South Africa, companies are finding that making products in, say, the United States that are destined for North American markets is much more cost-efficient. The gains are even more significant when productivity of emerging countries is taken into account. For instance, despite significant activity by multinationals in Brazil and Mexico, the GDP per employed person in those countries hasn't budged since 1980. By way of comparison, in the United States during that period, productivity has nearly doubled. Moreover, new disruptive manufacturing technologies — such as 3-D printing, which allows on-site production of components and parts at assembly plants — make the idea of locating factories where the assembled products will be sold more practicable.

There is some debate about how much reshoring is actually underway. Anecdotally, there is evidence of its strength: GE, Whirlpool, Stanley Black & Decker, Peerless and many others have reopened shuttered factories or built new ones in the United States. Nonetheless, some economists argue that it is a drop in the bucket compared to the multinationals that fled a decade ago.

Still, recent data compiled by UBS negates the strength of this point. For one thing, U.S. manufacturing output has recovered faster since the recession than it had after other downturns; output is now about 97 percent of what it was in 2008; six years out in prior post-recession periods, output struggled to top 90 percent. Meanwhile, imports are lagging significantly compared to earlier post-recession eras. In addition, private sector business investment in the United States is growing at almost twice the rate of foreign direct investment by U.S. multinationals.

A few companies are choosing a relatively unorthodox globalization strategy, an approach that could be called localization. The motorcycle and auto manufacturer Honda has been in the forefront of this strategy, which involves setting up full-scale operations — factories, engineering sites, research facilities, suppliers and logistics channels — in regions around the world to provide customized products. In doing so, Honda has quietly remade itself from a Japanese multinational with smaller operations elsewhere into a company whose largest subsidiary is an autonomous U.S.-based producer of cars for the Americas, followed by similar operations in China, Japan, Thailand, Brazil and numerous other places, as well as separate businesses making motorcycles, power products and new technologies such as robots and alternative energy equipment.

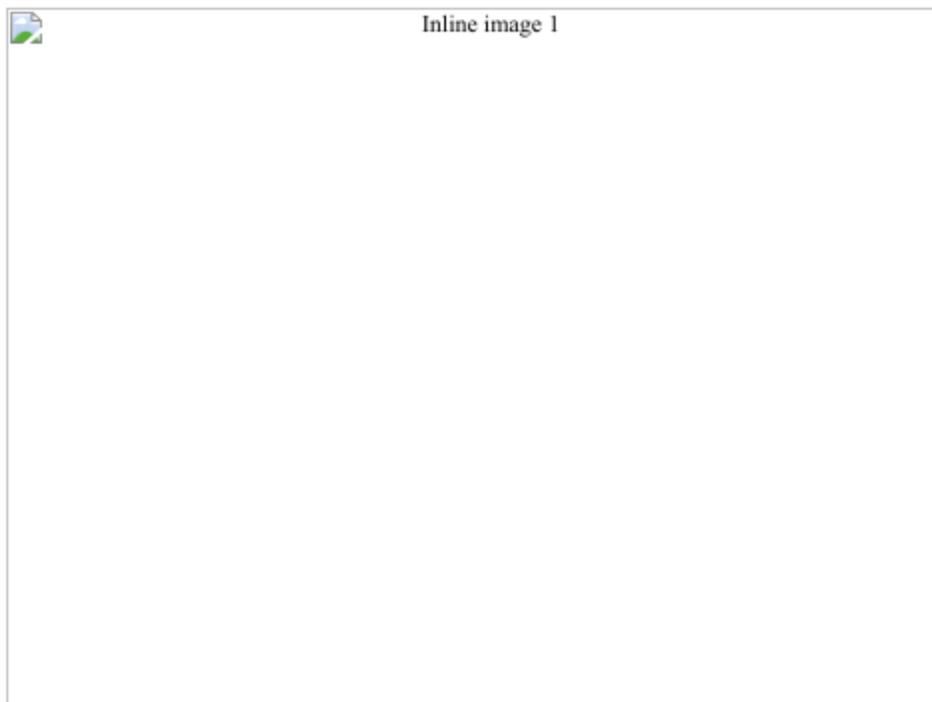
In the year-and-a-half since Cisco's Chambers made his comment about the deepening problems in emerging markets, the company has painstakingly attempted to rebuild its relationships in developing countries. Primarily, its management has worked more closely with governments and local businesses to assure them that Cisco is not in league with the National Security Agency in global eavesdropping schemes and that the technology company would be more sensitive to cultural differences. The strategy has produced some results. Instead of tumbling revenue in emerging markets, the company has eked out about 1 percent growth. *"It's a very dynamic situation,"* said Chuck Robbins, who heads Cisco's worldwide sales organization.

That's about the best way to sum up globalization now. Instead of flat and seamless, globalization is full of hurdles and obstacles. There's money to be made for multinationals the world over, but they are going to have to rethink their strategies for making it. Though presented as a way to eliminate economic disparities and magically expand multinational revenue streams, globalization is, simply put, still a barely profitable and perplexing strategy for most companies.

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## This is the best explanation of gerrymandering you will ever see

*How to steal an election: a visual guide*



Gerrymandering -- drawing political boundaries to give your party a numeric advantage over an opposing party -- is a difficult process to explain. If you find the notion confusing, check out the chart above -- adapted from one posted to Reddit this weekend -- and wonder no more.

Suppose we have a very tiny state of fifty people. Thirty of them belong to the Blue Party, and 20 belong to the Red Party. And just our luck, they all live in a nice even grid with the Blues on one side of the state and the Reds on the other.

Now, let's say we need to divide this state into five districts. Each district will send one representative to the House to represent the people. Ideally, we want the representation to be proportional: if 60 percent of our residents are Blue and 40 percent are Red, those five seats should be divvied up the same way.

Fortunately, because our citizens live in a neatly ordered grid, it's easy to draw five lengthy districts -- two for the Reds , and three for the Blues. Voila! Perfectly proportional representation, just as the Founders intended. That's grid 1 above, "perfect representation."

Now, let's say instead that the Blue Party controls the state government, and they get to decide how the lines are drawn. Rather than draw districts vertically they draw them horizontally, so that in each district there are six Blues and four Reds. You can see that in grid 2 above, "compact but unfair."

With a comfortable Blue majority in this state, each district elects a blue candidate to the House. The Blues win 5 seats and the Reds don't get a single one. Oh well! All's fair in love and politics.

In the real world, the results of this latter scenario are similar to what we see in New York, though there are no good examples of where a majority party gives itself a clean-sweep. In 2012, Democrats received 66 percent of the popular House vote. But they won 21 out of 27 House seats, or three more than you'd expect from the popular vote alone. And from a purely geometric standpoint, New York's congressional districts aren't terribly irregular -- at least not compared to other states.

Finally, what if the Red Party controls the state government? The Reds know they're at a numeric disadvantage. But with some creative boundary drawing -- the type you see in grid 3, "*neither compact nor fair*" -- they can slice the Blue population up such that they only get a majority in two districts. So despite making up 40 percent of the population, the Reds win 60 percent of the seats. Not bad!

In the real world, this is similar to what we see in Pennsylvania. In 2012, Democrats won 51 percent of the popular House vote. But they only won 5 out of 18 House seats -- fewer than one third. This was because when Pennsylvania Republicans redrew the state's Congressional districts, they made highly irregular districts that look like the one below, PA-7, one of the most geographically irregular districts in the nation.



Now, this exercise is of course a huge simplification. In the real world people don't live in neatly-ordered grids sorted by political party. But for real-world politicians looking to give themselves an advantage at redistricting time, the process is exactly the same, as are the results for the parties that gerrymander successfully.

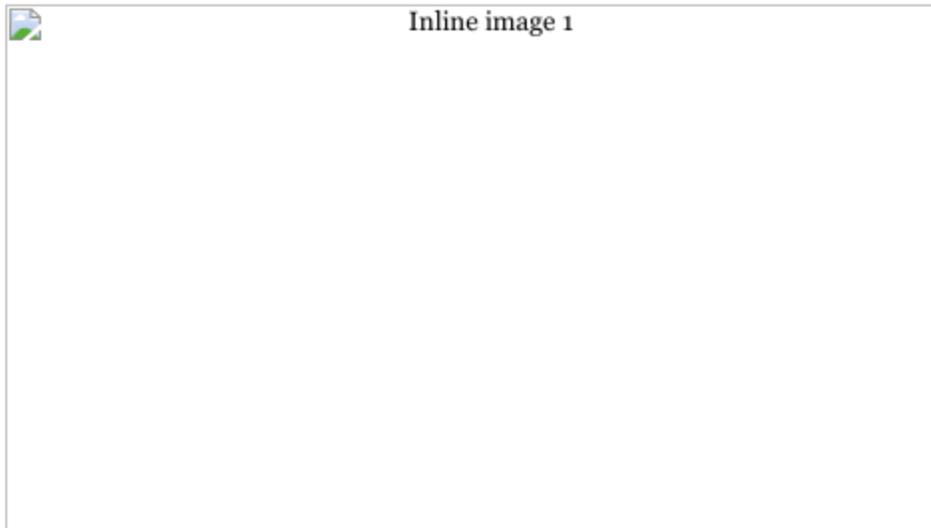
The easiest way to solve this issue, of course, would be to take the redistricting process out of human hands entirely. There is already software capable of doing just that -- good luck getting any politicians to agree to it, though.

Christopher Ingraham – The Washington Post – March 1, 2015

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## MELTDOWN – *After the Fall* – PART 4

The Final Episode



**Episode 4 Web Link:** <https://youtu.be/bZwMIIJLWOW>

In the final episode of **MELTDOWN**, Part 4 “*After the Fall*”, investigators begin to sift through the meltdown's rubble. Shaken world leaders question the very foundations of modern capitalism while asking: could it all happen again? We hear about the sheikh who says the crash never happened; a Wall Street king charged with fraud; a congresswoman who wants to jail the bankers; and the world leaders who want a re-think of capitalism. As one world leader handles the crisis through denial, other leaders try to re-think capitalism. Even though the causes of the 2008 meltdown are now clear, there is no magic formula to stop it from happening again. The world has to start planning for the next crisis, even as we recognize that this one is not over yet. But since few of the people who caused the greatest Financial Crisis since the Great Depression really paid no price and most people around the world who were not directly affected by the devastation of the crisis, it appears that we are destined to repeat this manmade travesty again.

Part 4 again chronicles some of the fraud and corruption in **The City**, the financial district of London England where during the boom, the wild partying and the flaunted excesses of the banking world became legendary. And the "*Deep Throat*" appeared, who began telling tales out of school that could get everyone in trouble. **City Boy's** monogamous column that appeared in a small local newspaper, soon attracted a wide following. Eventually City Boy was revealed to be a 35 year-old extremely successful investment banker, **Garrett Anderson**. He focused on false rumors, drugs, strip joints, sexism, racism and other libris sides of the underbelly of The City.

City Boy's revelations included, widespread amoral and criminal behavior in London's financial world. He wrote that traders would regularly conspire to circulate false rumors about a company in order to drive its stock price up or down, depending on the bets that they had placed. He said that every day traders were feeding inside information that would allow them to illegally profit from deals. And that mentality was all pervasive - insider trading and the spreading of false rumors was becoming more and more prevalent. And it was basically genuinely a Wild West casino. It was a get rich quick because the good times could stop rolling any minute, "*so we gotta make the money now.*"

But the low level fraud revealed in Britain was nothing compared to the behavior discovered at senior corporate levels in America. U.S. investigators discovered that criminal behavior is hard to prove when it involves some of the most powerful people on Wall Street. The first two U.S. executives charged with fraud were Ralph Cioffi and Matthew Tannin, who ran a giant hedge fund at America's fifth largest investment bank, Bear Stearns. They were among the top "*golden boys*" on Wall Street. But the failure of their investment fund in 2007 eventually led to the collapse of Bear Stearns and investors lost billions.

Investigators say that in 2007 the two discovered that their fund was melting down. Cioffi emailed Tannin, "*The WORRY for me that the SUB-PRIME LOSSES will be far WORSE THAN ANYTHING people have modeled.*" Meanwhile, Tannin brag that he was still finding suckers to invest in a fund that he knew was failing. "*BELIEVE IT or not, I've been ABLE to CONVINCED people to add MORE MONEY.*" This was reminiscent of the emails that we saw during the tech stock bubble where the analyst will go out and shell for some stock in an email tell his colleagues that the stock was crap. David Wessel from the Wall Street Journal, "*It's appalling that people making that much money and purport to be smarter than everybody else basically turn out to be nothing more than devious snake oil salesman.*"

At their trial Cioffi and Tannin hired a parade of high profile expert witnesses to testify that their actions were not illegal. Just one of those experts, **R. Glenn Hubbard** a former economic adviser to George W. Bush was paid \$100,000 for his testimony. The two were found not guilty although they still faced a wrath of civil charges of the Securities and Exchange Commission. The case was seen as a shocking demonstration of the power of Wall Street money. Robert Reich: "*If we have a Wall Street bank that can afford very, very clever litigation is that have an awful lot of firepower behind them, they can overwhelm the Securities and Exchange Commission. They can overwhelm other government agencies and they probably will. But that doesn't mean that they were playing the game straight. That doesn't mean they were following the intention of the law.*"

Soon after, a lot of investigators in the United States began focusing on the richest investment bank, Goldman Sachs. At a hearing of the Congressional Commission examining the meltdown, Chairman

Phil Angellides went after Goldman's CEO, Lloyd Blankfein for betting against his own customers in the market for a complicated financial products. He asked Blankfein, if he believed that what Goldman did was doing was ethical. Blankfein replied, *"The short answer is that this is the practice of a market maker and I would like to explain this."* Blankfein claimed that his bank was just putting together deals. Matching buyers who believed that prices were going up with sellers who believed that house prices would go down. He argued that it was completely normal for Goldman to take one side of the bet or lend money to the buyer or the seller. Blankfein, *"We provide unnecessary liquidity as market makers, to help insure that buyers and sellers can complete their transactions and securities markets can function efficiently."*

Phil Angellides, *"Goldman Sachs was not merely matching buyers and sellers. They were actively creating products for sale into the market place with Goldman Sachs reputation behind it. I believe that carries responsibility."* Goldman Sachs denied that responsibility. Blankfein said that betting against his own clients was okay because all parties knew what they were getting into. Phil Angellides, *"I just gonna be blunt with you.... it sounds send me a little bit like selling a car with faulty brakes and then buying insurance policy on the buyer of those cars."* Blankfein replied, that every purchaser of these types of assets were institutional professional investors who were dedicated most cases to this business. Angellides retorted, that these institutions included pension funds that held the life savings of many middle class and poor people.

But Blankfein's assertions were immediately contradicted by hey young Goldman trader named Fabrice Toure. A U.S. Senate Committee discovered emails in which Toure bragged that he was selling these complex financial products to unsophisticated investors. And as he called them *"... WIDOWS and ORPHANS that I ran into at the AIRPORT."* Goldman Sachs claimed that had no idea that the U.S. housing market was destined to collapse. But back in January 2007, FAB Toure wrote, *"The whole building is ABOUT TO COLLAPSE anytime now... and the only potential survivor is THE FABULOUS FAB... Standing in the middle of these COMPLEX, highly leveraged EXOTIC TRADES he created."* Fabrice Toure and Goldman Sachs were indicted for fraud by the US Securities and Exchange Commission.

Senate Investigating Committee Chairman Carl Levin then went after Toure's superiors at Goldman Sachs. Reading other emails which indicated that they knew they were selling faulty products to their own clients. Levin read one email dated June 22, 2007, *"Boy that Timberwolf was one s\*\*\*\*\* deal."* Levin then asked a Goldman Sachs executive, *"How much of that s\*\*\*\*\* deal did you sell to your client after June 22, 2007?"* The executive said that he didn't know, but that the price would have reflected the levels that they wanted to invest at the time. Levin to the executive, *"Should Goldman Sachs be trying to sell the s\*\*\*\*\* deals?"* Phil Angellides, *"We expect that when we go into a hardware store or when we going to a toy store for our children... when we buy products that the good products, and the people selling them stand behind them and that's the nature of responsibility in a society and in an economy."*

Goldman Sachs eventually settled its fraud case by paying an unprecedented \$550 million fine. But several members of the U.S. Congress send a letter to the Department of Justice officially requesting a criminal investigation of Goldman and its senior executives. Congresswoman Marcy Kaptur, *"One of the reasons why I'm interested in criminal proceedings because you can go after their bank accounts. You can actually pry open, claw open their personal accounts, their seven homes, their limousines, their yachts... I'm looking for justice for the American people."*

Only 2 days after Goldman Sachs was charged with fraud, Chairman Lloyd Blankfein authorized a \$5.5 billion package of new bonuses for his executives. That was somewhat galling to members of Congress who has seen the company benefit to the tune of several hundred billion dollars from the US government bailout. Kaptus, *"Goldman Sachs was not a normal bank it was a speculator in the market. How would it be if you went to Las Vegas and you gambled all your money away and then at the very end you said Oh my goodness... my bad behavior should be rewarded.... and you ask the government of the United States pay for your losses in Las Vegas that's a great deal..... and (Blankfein) that's what he did." "And then they not only took their losses and gave them to someone else, they pay themselves bonuses for doing it."*

The search for fraud and corruption was also underway in Europe wear some high level con artists we're going right back to business. In boom years Spain was widely referred to as the "**Miracle of Europe.**" There was one year when developers built more housing in Spain than France, Germany and several other European countries combined. But now it's now known that there was a great deal of greed and corruption beneath the surface. Among the brightest stars in Spain during the real estate boom was Francisco Hernando. A true Spanish success story, he lived a flamboyant lifestyle surrounded by his motorcycle racing, team his, corporate jets and his private yacht. And not just any yacht but a two hundred and thirty six feet long, costing eighty million dollars. The biggest, most expensive yacht in Spain.

In 2004 Francisco Hernando built what was supposed to be his crowning glory. The town of Seseña, one hour south of Madrid, a giant condominium development the size of a small city. Seseña contained 89-buildings with 13,000 apartments and the project was approved in record time. And the town bears his personal imprint, a community garden named after his wife Maria Audena. Also, near the entrance a 20 foot statue of his parents. At the gala unveiling of the project, Hernando was treated like a rock star by the Spanish media. But then a young reporter started to examine the story more closely. When she dug deeper into the story she discovered that the project was approved in record time with no provision for things like water, roads and health facilities all things required for families living there. She soon discovered that the Seseña project was arranged with massive bribes to the Mayor of the nearby town. The Mayor was arrested and as a result other journalists investigating Francisco Hernando previous projects, found the similar trail corruption and bribery.

Today, Hernando's showcase development Seseña is a ghost town. Without all the proper hookups for water and sewage very few people could actually moving in. There is just one empty building after another connected by deserted streets. And because of the meltdown the market for condominiums has collapsed. Francisco Hernando has evaded prosecution because Spanish police have not been able to prove that he was the source of all the bribes. He then moved his operations to Equatorial Guinea where he got involved in another scandal. Since then, criminal investigations in Spain has resulted in dozens of a arrests of government officials. In the city of Marbella, almost all of the town's council members were accused of accepting bribes by real estate developers. And because of the meltdown two-thirds of Spanish municipalities faced bankruptcy.

But the crash has been more spectacular in a bigger town Dubai.

Before the meltdown, Dubai had the biggest real estate Bonanza in the world. And then the market tumbled, losing 50 percent of its value and leaving Dubai virtually insolvent. Except that this did not upset Dubai's Supreme Leader, Sheikh Muhammad bin Rashid Al Maktoum. In January 2010 Sheikh

Mohammed gave a massive party to mark the opening of the world's tallest building the Burj Khalifa. Sheikh Mohammed calls himself Dubai's CEO. He claimed that he ran his government according to strict business principles. Government and business officials in Dubai have followed the Sheikh's lead, as Dubai's leading developer, Mohammed Al Abbar tried to portray Dubai's real estate crash, "as a good thing." And that the resetting of real estate prices, was good for the people and good for the city.

But at a closer look, everything is not as good as they look. Example: the new transit system which was built by a Japanese company. Except that after the crash, the government couldn't pay for it. Finally the Japanese were offered a few cents on the dollar, paid over a period of many years. Before the crash, Dubai was home to the greatest collection of building cranes, with many of the construction sites grinding to a virtual halt. The root of the Dubai bubble when real estate developers were spurred on by speculators who never intended to occupy the apartments and homes, only to flip them for profit. Many of the speculators buying 50 apartments at a time, prior to any building starting with a 5% deposit that they expected to flip in weeks if not days. And the government did everything to encourage this pyramid scheme. And to many critics, that was fraud.

Dubai in many ways was a state sponsored Ponzi scheme, that relied on more and more people are coming in to buy their properties. And in many cases, just deposits from people who had been there a little bit earlier, enabling it to keep on going. As the narrator described, "... The crash when it happened in Dubai, was like a game of musical chairs coming to an end... And the fools who were left.... with unfinished properties, and in some cases just patches of sand, unable to sell on the premium.... because they worthless by this stage."

In the ultimate denial of reality occurred when Dubai moved into its next mega real estate project called **THE WORLD**. It is a series of man-made islands off the coast, roughly in the shape of a world map. Developers are supposed to buy the islands and build hotels and tourist facilities on them. One Austrian developer bought the island Germany. Believing passionately in his project, his dream is to build condominiums and hotels that will be used year around by German tourists. But why would these tourists come to Dubai where the temperature can reach 40 degrees Celsius, which it does for months at a time? "Easy" the developer claimed, because he was going to air-condition entire streets. This developer's optimism seems hard to justify especially since the parent company of THE WORLD project, announced that it can't pay its debts.

The international skepticism about Dubai could only grow because of the governments very secret and even this ingenious about the state of its finances. Dubai's proposed island paradise with air conditioned streets maybe a harder sell then they imagined. These were people who were talking about building refrigerated beaches, so it's hard to believe that in the credit crunch real world the smart money is coming continue to come to Dubai or be invested in projects like THE WORLD. Especially, when scientists and saying that that sea levels could rise ten feet or more by the end of the century. Transparency, Due Diligence and Sustainability will be the watch words of the next decade and Dubai's exuberance probably won't fit.

While Sheikh Mohammed tried to pretend that the meltdown never happened, other world leaders are trying to get to the root of the problem. There have been very tough questions including one from an unexpected source. Queen Elizabeth who lived through the Great Depression, World War 2 and numerous financial collapses, found the 2008 meltdown especially troubling. A few weeks after the crash she decided to make her first ever visit to the London School of Economics. For the first a few

minutes she made polite conversation with her host and then surprise them with a tough question about the financial crisis. She asked, *"If they are all so smart, why did nobody notice it coming?"* The staff at the LSE somewhat surprised and wrote to the Queen that it was a failure of imagination.

Martin Wolf from the Financial Times, *"you will never foresee these things because the system is ultimately too complicated for anybody to really understand."* *"The economy is an extremely complex adaptive system and the most complex system that we know."* *"It has the complexity of billions of people engaged, using billions of products over time and space and because they are people they are subject to all the emotions that human beings have."* Such a system he claimed, *"will generate very complicated phenomena and often it will be very difficult to interpret them."*

In the United States, both government and the private sector searched for the reasons that caused the collapse. In the end, the biggest was that there was an environment of unbridled greed combined with a major failure of the U.S. regulatory system, starting with the Security and Exchange Commission. Robert Reich: *"The SCC was asleep at the switch. The Federal Insurance Corporation for much of the time was asleep. The Treasury for much of the time was asleep at the switch. But the drowsiness was all induced by this very powerful opiate called Market Fundamentalism. The idea that markets were basically perfect. They could do no wrong. That investors were smart. That smart investors would make all of the inquiries that they needed to make. That information was easily available to everyone. Therefore, there could not be any problem."*

In in Britain the government regulator is the **Financial Services Authority** which didn't do much better. They seemed easily foiled by legions of avaricious young smart alecks. The result as *City Boy* described, *"Britain private eyes the profits for a select few and nationalize the losses to everyone."* *"The idiots out there. The civilians."*

French Finance Minister Christine Lagarde played a key role in the search for effective financial regulations. Responding to *"You hear privately from businessman a lot that governments can pass any regulation they want we will always be able to outsmart government and politicians in particular."* Legarde responded, *"Thieves and cops."* *"It is human nature to try to overcome obstacles. When you are a child and you're told something is forbidden, you try to get around it. So it is the same. Government sets the rules and the corporate world pays tax specialist, lawyers and management consultants to find ways to circumvent the rules. Each side is constantly trying to outsmart each other. We are trying to anticipate the way the other side will try to bypass the rules in order to make them stronger. It's a never ending task."*

While back in the United States the quest for new financial regulation has been swayed by the pockets of Wall Street bankers. And although there was real anger at the banks after the meltdown and widespread, wanting to hold Wall Street accountable. Wall Street has used money to outflank almost every new proposed legislation that increases regulatory oversight. Consider this, on Capitol Hill Wall Street lobbyist out-number elected politicians five to one. Politicians are surrounded and outgunned. Yet somehow Wall Street says that, it lost when the financial reform package was eventually signed into law by Barack Obama.

Reich: *"I would be very skeptical of all Wall Street claims that they failed in terms of this new this financial package. Certainly, they have an interest in making the public feel that they failed. And*

certainly, members of Congress, Democrats and Republicans have an interest in making the public feel but they were very tough on Wall Street. That is certainly the rhetoric. But look carefully under the surface. Look at these 1500 pages. Look at how many loopholes are still there. Wall Street came out exceedingly well. They lost the rhetorical contest. They won the regulatory contest."

The search for new international financial regulations are proving equally difficult. Dominique Strass-Khan, French economist and former head of the International Monetary Fund: "The crisis also showed that some very risky behavior in the financial sector made financial risk to the whole system. And it is in the nature of the banking system to take risks and that's fine. But there is a limit to the kind of risk that you may take and if you make a profit, it's your profit and if you have losses it is a collective loss. So putting in place different kinds of regular regulations that that limit this appetite risk is also part of what has to be done and if we don't do any of this it means that we didn't learn from the crisis. And I can't imagine this will be the right attitude."

The failure to agree on new International Financial will allow big banks to play one country off another, where they can find the most relaxed regulations. Many believe that the competition between New York and London to be the financial capital of the world was a major contributing factor to the 2008 meltdown. Paul Martin, former Prime Minister of Canada: "Now the real problem we face going ahead, is that the same kind of pressure for where the financial capital of world is going to be, will come back once the memories of the crisis fade. Certainly Frankfurt and Paris are going to be back into the race. So will Tokyo. So will Singapore. So will Shanghai and so is Hong Kong. And what I think what will happen, is that at some point Shanghai and Hong Kong will combine and then you are really going to see a race for where the world's financial capital is going to be. Unless we have some kind of global oversight happens. It is going to be regulatory arbitrage.... and a race to the bottom."

Dominique Strass-Khan believes that the repeat of the Financial Crisis is inevitable. "I won't say that it can't happen again because it will happen again. I don't know, 2 years, 5 years, 10 years, 20 years, because there's no reason to believe that we have the silver bullet that makes it possible for us to avoid any kind of crisis in the global economy. The question is, to try to first prevent as much as possible and when we are unable to avoid the crisis to have rules to mitigate the effect of the crisis."

While politicians argued over regulations that might prevent the next global financial crisis, along came an explosion that made everyone think that it was already here. In the spring of 2010 the next global financial crisis had already started. The government of Greece had sunk dangerously into debt and no longer could pay its creditors. Demonstrations filled the streets of Athens, after millions lost pay and benefits. Many international investors believed that if Greece fell, other countries such as Portugal Spain Italy and Ireland would not be far behind. All of those countries found it very hard to borrow money. Reich: "Why should I lend you money when unless I trust that you are going to pay me back. If you show me that you are not reliable, I'm not going to trust you. Or I'm going to demand huge interest rates in terms of making my next loan to you. Sovereigns are no different from banks, no different from individuals. So we got to restore trust."

Trust was supposed to be restored in Greece and other weak European countries with a \$1,000,000,000,000 (trillion) bailout fund by the strongest European powers and the International Monetary Fund. Dominique Strauss-Kahn believed that the bailout was only a temporary solution to Europe's problems. "The problem with Europe is a bigger problem than the Greek crisis. The problem of Europe is the problem of low growth. The problem with Europe is the fact that there is no increase

in price productivity and that this huge set of countries accounting for close to one-third of the global GDP unable in the recovery to take advantage of the recovery."

So the recovery in most parts of the world has been funded by massive government spending. This was a way to quickly create jobs from everything from construction to engineering and thus alleviate the unemployment crisis. Conservatives believe that this type of recovery is moving a pain to a later date. Because those governments were taking on more debt that will be left to their children and grandchildren who presumably eventually will have to repay. And that debt used to finance the rescue today, which might not work, only puts the 'day reckoning' off for another couple of years.

But for some leaders such as Nicolas Sarkozy the global financial crisis has been a profound shock the radically transformed France's view of the world. Sarkozy had always been seen as a right-wing "free-enterpriser and pro-American." Then France was rocked by closures and labor upheaval. Some even kidnapping their bosses and turning to other forms of violence. So in September 2008, Sarkozy gave a speech that astonished his audience, "**Laissez-faire is over.** The and powerful marketing that always gets its way is over." Christine Lagarde: "I think everyone has changed in this crisis when the real estate and financial bubbles burst. It caused an examination of conscience... about the creation of wealth, how resources allocated, the sharing of wealth, how countries relate to each other what defines the well-being. On those issues we have all evolved, the President included." Sarkozy: "These are the basic principles on which I will not waver." President Sarkozy then asked some of the world's leading economist to come up with new ways of measuring growth and prosperity, to give greater consideration to environment and the quality of life and a rethinking of capitalism.

Christine Lagarde: "What gets measured gets done. If you can't measure something, you can't improve things because you have no basis of evaluation. So evaluation is extremely important. I'll give you an example. if you think water has no cost you will let all your taps run. But there is a cost; you're consuming water. For everything it's important to establish a value.... a price."

While many nations are rethinking capitalist in China is embracing it with a fervor that could prove dangerous. The Chinese economy has been surging ahead over the last decade and many economist believe that China can become a kind of engine that pulls the world out of recession. Chinese consumers are becoming richer and it's hope that they increased spending will kick-start the global economy. On the other hand there is widespread concern that the next real estate bubble that will lead to the next global meltdown is already inflating in China.

in the world's largest municipality Chung Ching you can see the construction of an endless supply of apartments right beside other apartment buildings that are largely unoccupied and seems eerily familiar to the 2008 meltdown in Dubai and elsewhere. The Chinese Communist Party however tends to conceal any unpleasant facts about their economy. As a result China watches have to revert on measures to try to get at the truth about the real estate bubble. One group looked at the use of electricity and found out that there was a lot of unused office space and estimated that there were 65 million empty apartments in China oral evidence of a very dangerous real estate bubble.

Paul Martin: In the next few years India and China will be taking over some of the top spots in the world's leading economies which only increases the worry about financial meltdowns starting there. Because if we are affected by the slowdown in in America or Europe imagine how much the world will

be affected if there's a slowdown of the two economies with two and a half billion people? Or what's going to happen when the hedge fund fails in India? What's going to happen when there is a mortgage meltdown in China? The effect on the rest of the world is going to be enormous. And the time to deal with those kind of issues is now. Before it happens. So if the Chinese banks are not transparent or the Indian financial institute industry has a set of regulations that at least live to a minimal world standard the rest of the world could be in a mess that makes the 2008 Financial Crisis look like a picnic.

By 2010 Canadians learned about the power and unpredictability of the financial crisis. Although Canada only had a small taste of the wrenching protest and disruption that became the hallmark of the financial collapse around the world. But it served as evidence that this truly global economic meltdown where the interconnectedness of the world economies and very few ways that bankers and economist had foreseen. And very few politicians knew how to deal with. Economic crises like the Great Depression go on for years. And just when you think it's over, along comes another relapse.

And even though the causes for the 2008 meltdown are now clear, there is no magic formula to stop it again. **The world has to start planning for the next crisis, even though we recognize that this one is not over yet. And the real shame is that although the Financial Crisis Meltdown took the world to the edge of the abyss nothing really has changed, as the power of the moneyed interest has won again.... and everyone should be extremely concerned...**

\*\*\*\*\*

## 29 Paraprosdokians

Apparently Winston Churchill loved Paraprosdokian (often misspelt as araprosdokians). These are figures of speech in which the latter part of a sentence or phrase is surprising or unexpected, and frequently humorous. Here are 29 to get you giggling.....

1. Where there's a will, *I want to be in it.*
2. The last thing I want to do is hurt you, *but it's still on my list.*
3. Since light travels faster than sound, *some people appear bright until you hear them speak.*
4. If I agreed with you, *we'd both be wrong.*
5. We never really grow up, *we only learn how to act in public.*
6. War does not determine who is right – *only who is left.*
7. Knowledge is knowing a tomato is a fruit. *Wisdom is not putting it in a fruit salad.*
8. They begin the evening news with “Good Evening”, *then proceed to tell you why it isn't.*
9. To steal ideas from one person is plagiarism. *To steal from many is research.*
10. Buses stop in bus stations. Trains stop in train stations. *On my desk is a work station.*
11. I thought I wanted a career. *Turns out I just wanted paychecks.*

12. In filling out an application, where it says, 'Emergency contact', *I put 'doctor'.*
13. I didn't say it was your fault, *I said I was blaming you.*
14. Women will never be equal to men until they can walk down the street with a bald head and a beer gut, *and still think they are sexy.*
15. Behind every successful man is his woman. *Behind the fall of a successful man is usually another woman.*
16. A clear conscience *is the sign of a fuzzy memory.*
17. You do not need a parachute to skydive *unless you want to do it again.*
18. Money can't buy happiness, *but it sure makes misery easier to live with.*
19. There's a fine line between cuddling and holding someone down *so they can't get away.*
20. I used to be indecisive. *Now I'm not so sure.*
21. You're never too old to learn *something stupid.*
22. To be sure of hitting the target, *shoot first and call whatever you hit the target.*
23. Nostalgia isn't what it *used to be.*
24. Change is inevitable, *except from a vending machine.*
25. Going to church doesn't make you a Christian *any more than standing in a garage makes you a car.*
26. Where there's a will, there are relatives.
27. If you would like to have a million dollars *then start with two million.*
28. During WWII Sir Winston Churchill address to congress began with: *"It has often been said that Britain and America are two nations divided only by a common language".*

And the finale:

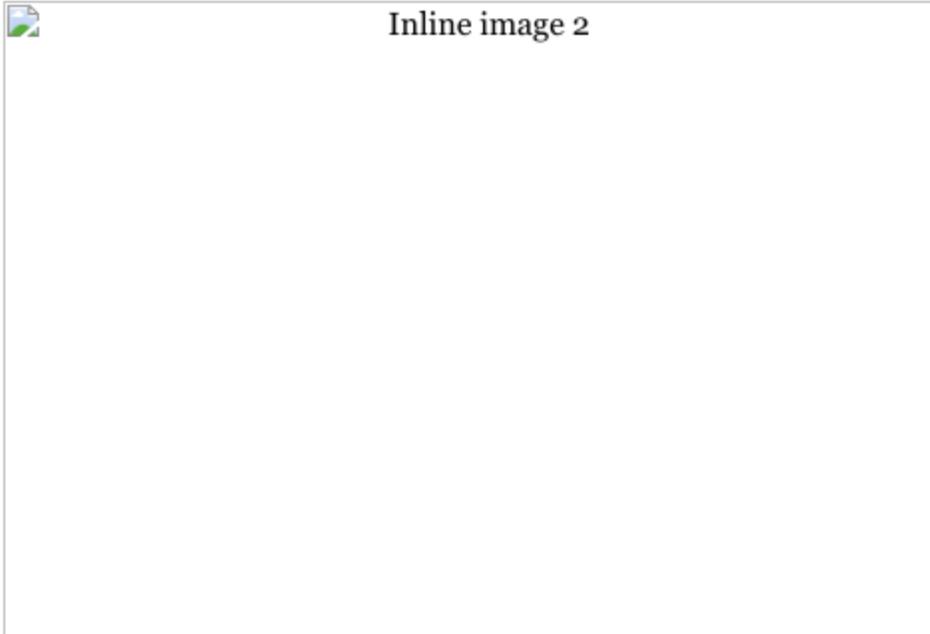
29. I am supposed to respect my elders, *but it's getting harder and harder for me to find one now.*

\*\*\*\*\*

Watch Badass Shucker Grant Lee Crilly show you How To Shuck An Oyster



Inline image 2



**Serve perfect, shell-free oysters on the half shell with this easy, safe method for shucking oysters.**

### Tips & Tricks: Best Way to Shuck an Oyster

Love fresh oysters, but can't deal with the frustrations that come with opening them? Often, shuckers approach their oysters from the back, using a special tool to crank open that thick, tough bit of business. Your arm gets sore, it takes forever, and annoying bits of shell get stuck in that beautiful bivalve meat.

You probably see where we're going with this: We've got a better way! By opening the oyster along the bottom right-hand side near the front, we can easily cut away the adductor muscle that attaches the meat to the top shell, then gently remove that top. If the traditional method is the equivalent to prying a door open with a crowbar, this method is akin to picking a lock—you'll feel less like a sweaty lout, more like a sexy spy. Then, just give the oyster meat a quick flip to detach it from the lower muscle and show off its smooth, clean underbelly, and you'll be serving the best-looking bivalves on the block. Block? How about the neighborhood? Neighborhood? How about the city? City, how about the—okay, okay, you get the picture. It's a picture of shell-free, sweet-looking oysters with which to wow your guests. All you need now is a bottle of bubbly and an appetite for some sublime sea creatures.

 Oyster

#### WHAT YOU'LL NEED:

- Fresh oysters, unshelled

- A small, strong knife, such as a paring knife

**Video Web Link:** <https://youtu.be/TZvf-8n1WDo>

In the above video web link, Grant Lee Crilly is a real mother shucker. At least, that's how Crilly is introduced in the latest **ChefSteps** YouTube video, called the "**Best Way To Shuck An Oyster.**"

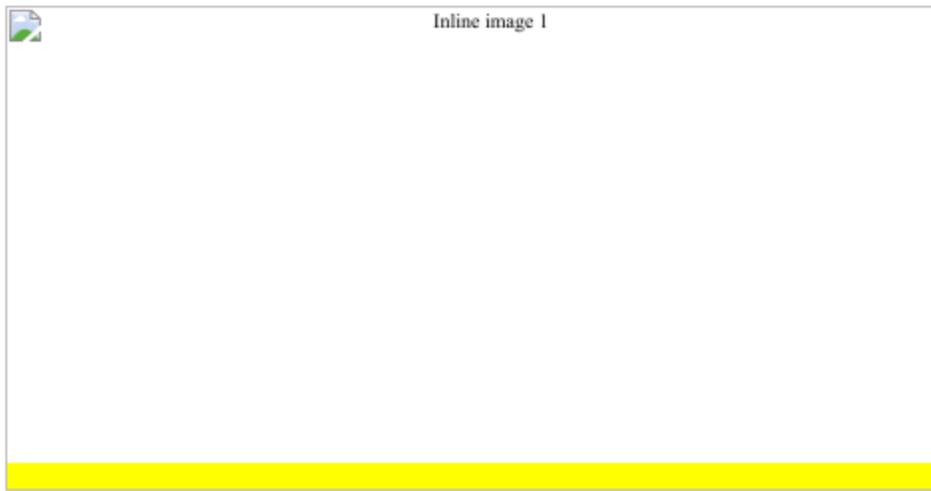
"*Shucking oysters sounds difficult, but the concept's pretty basic,*" says Crilly before diving into the delicious mollusks' shell. Using a knife and a little muscle, Crilly shows us how to be oyster opening pros in a little less than two minutes.

And if you need just a little more of an explainer, check out this handy, step-by-step oyster shucking guide that'll get you to the good stuff in no time.

## THIS PERSON WANTS TO BE PRESIDENT

### How Donald Trump Sees The Globe

A delusional billionaire's perception of a world map



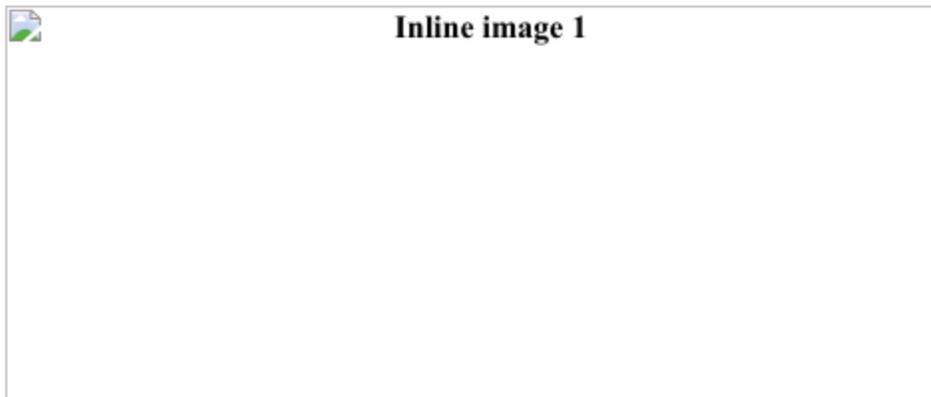
Over the centuries, countless cartographers have dedicated their lives to tirelessly assembling an accurate representation of our globe. Ignore those idiots: It's Trump time! Feast your eyes upon Aaron Nemo's estimation of the ultimate map as perceived by the lone presidential candidate ever to utter the phrase, "*Somebody's doing the raping.*" Published in the Huffington Post on July 8, 2015.

Let's remember that Donald Trump is both the Original Birther and King of the Outrageous Sound Bite whose celebrated the phrase "Your Fired" has filed bankruptcy four times – 1991, 1992, 2004 and 2009, yet somehow wants voters to believe that he can put the United States economically on stronger footing, defeat ISIS, stop illegal immigration and face down Vladimir Putin, Iran and China....

*This would be funny except that millions of potential voters as well as the American media are treating him seriously....*

## TRULY REMARKABLE ENGINEERING

Introducing **Spot** (the four-legged robot)



**Web Link:** <https://youtu.be/M8YjvHYbZ9w>

This robot can walk, trot, run, climb stairs and go up grassy hills without falling even when it is slightly pushed.

## THIS WEEK'S QUOTES



Inline image 2

## **BEST VIDEO OF THE WEEK**

So Beautiful and such A Star



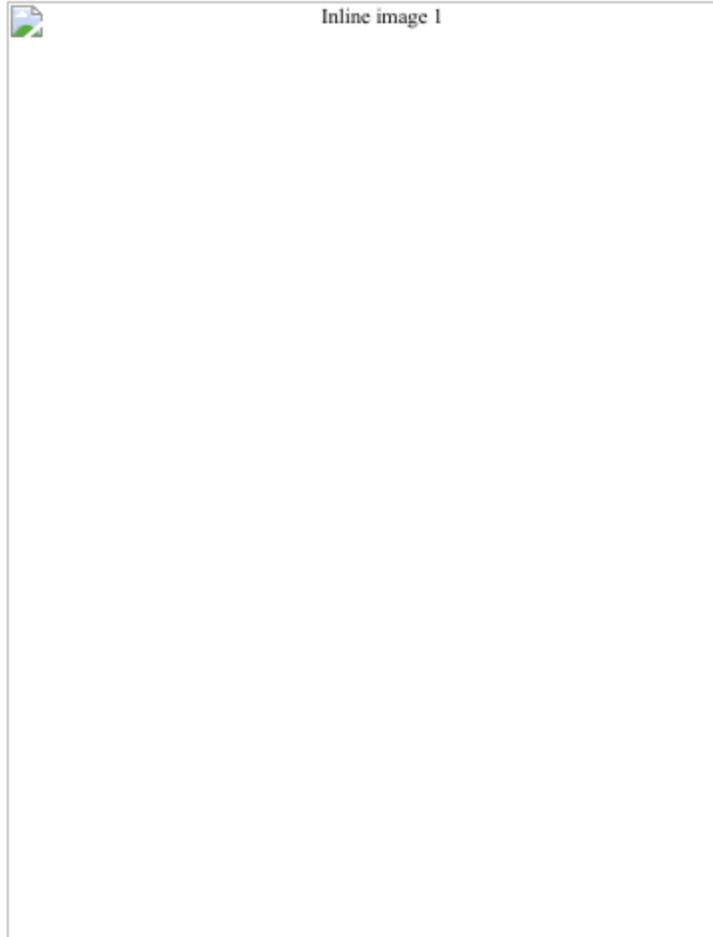
Inline image 1

WebLink <https://youtube/s3Nr-FoA9Ps>

Sophia Loren Mambo Italiano please enjoy.....

# THIS WEEK'S MUSIC

## Rick James



**Rick James** (born *James Ambrose Johnson, Jr.*; February 1, 1948 – August 6, 2004) was an American musician and composer. Influenced by singers such as Marvin Gaye and Smokey Robinson, James started singing in doo-wop and R&B groups as a teenager in his hometown of Buffalo, New York. After entering the U.S. Navy to avoid getting drafted, he deserted to Toronto, where he formed the fusion band The Mynah Birds, whose lineup once included Bruce Palmer, Neil Young, and Nick St. Nicholas. James' tenure with the group was interrupted after he was discovered recording with the group in Motown in 1966. Surrendering to military authorities, he served a one-year prison term. Upon release, James moved to California to resume his duties with the Mynah Birds, although the group eventually split. James began a series of rock bands in California and worked with Motown under the assumed name "Ricky Matthews" as a songwriter.

In 1977, he signed with the Gordy Records imprint of Motown as a recording artist, releasing his debut, *Come Get It!*, in April 1978. The album sold over two million copies and launched his career into the mainstream as a funk and soul artist. His most popular album, 1981's *Street Songs*, launched him into superstardom thanks to the hit singles, "*Give It to Me Baby*" and "*Super Freak*", the latter song

becoming his signature song for the rest of his life, and the basis of MC Hammer's biggest hit, "U Can't Touch This"; James eventually sued for back royalties. After being credited as writer of the song, James became the 1990 recipient of a Best R&B Song Grammy for composing the song. Due to this success, James was often called the "**king of punk funk**", for his mix of funk, soul and underground-inspired rock music. In addition to his own success, James emerged as a successful songwriter and producer for other artists, such as Teena Marie, The Mary Jane Girls, The Temptations, Eddie Murphy and Smokey Robinson.

An addiction to crack hampered his career by the late 1980s. In the 1990s, his legal troubles, which included assaulting two women while under the influence of crack, led him to serve a three-year sentence at California's Folsom State Prison and paying \$2 million to settle a civil suit. James was released on parole in 1996 and resumed his musical career releasing the album, *Urban Rhapsody*, in 1997. A mild stroke suffered during a concert in early 1998 interrupted his career for a brief time. James received new notoriety in 2004 when he appeared on an episode of Dave Chappelle's Chappelle Show in the Charlie Murphy "*True Hollywood Stories*" segment of the show, in which James' past wild lifestyle was satirized. James died later that year from heart failure at the age of 56.

If you were a baby boomer into R&B funk most likely you have partied to Rick James' jams. So if you would like to reminisce a bit about the good old 1970s and 1980s, ***I invite you to enjoy the music of The King of Punk Funk.... Mr. Rick James....***

Rick James – ***Mary Jane*** -- <https://youtu.be/y4JKOOGV35E>

Rick James – ***You & I and Mary Jane*** -- [https://youtu.be/1bNOVK\\_gzQA](https://youtu.be/1bNOVK_gzQA)

Rick James – ***Ghetto Life*** -- <https://youtu.be/2wWh-3ZN-g0>

Rick James – ***Give It To Me Baby*** -- [https://youtu.be/\\_fvDbyIE9oM](https://youtu.be/_fvDbyIE9oM)

Rick James – ***Summer Love*** -- <https://youtu.be/MB13t8gpyKc>

Rick James – ***Cold Blooded*** -- <https://youtu.be/ljnbMtHH1H8>

Rick James – ***Hard To Get*** -- <https://youtu.be/Fmuxwhl32as>

Rick James – ***Super Freak*** -- <https://youtu.be/gT65GFEMQ2s>

Rick James & Teena Marie – ***Fire and Desire*** -- [https://youtu.be/CPikYsi6\\_zU](https://youtu.be/CPikYsi6_zU) and (live at the BET Awards) <https://youtu.be/JhR6QquV9bM>

Rick James ft. Smokey Robinson – ***Glow*** -- <https://youtu.be/XpEAIpTmfFw>

Rick James – ***Fool on the Street*** -- <https://youtu.be/Tt3eOCTJcas>

Rick James ft. Smokey Robinson – ***Ebony Eyes*** -- <https://youtu.be/6bZSzs8h0Dg>

Rick James and the Temptations – ***Standing on the Top*** -- <https://youtu.be/N7741O4LS0c>

Rick James ft Billy Dee Williams – ***Tell Me (What You Want)*** -- <https://youtu.be/84pJpLC-7Qo>

Rick James – ***Bustin Out*** -- <https://youtu.be/Sjlr7YmKa3c>

Rick James – *Dance Wit Me* -- <https://youtu.be/DIGRWN26TAo>

Rick James – *Love Gun + Fool on the Street* -- <https://youtu.be/GF-FzRm8RsQ>

Rick James Last Performance – *Best of the BET Awards* -- <https://youtu.be/gT65GFEMQ2s>

*I hope that you have enjoyed this week's offerings and wish you  
and yours a great week and a wonderful summer.....*

Sincerely,

**Greg Brown**

--

Gregory Brown

