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DEAR FRIEND.....

Whether you loved her or loathe her or had no opinion of her at all, one thing beyond dispute is that Margaret Thatcher transformed Britain. Margaret Thatcher ruled the United Kingdom for 11 remarkable years, imposing her will on a fractious, rundown nation -- breaking the unions, triumphing in a far-off war, and selling off state industries at a record pace. Without a doubt she left behind a leaner government and more prosperous nation by the time a mutiny ousted her from No. 10 Downing Street. Margaret Hilda Thatcher, Baroness Thatcher, LG, OM, PC, FRS (née Roberts, 13 October 1925 – 8 April 2013) was a British politician who was Prime Minister of the United Kingdom from 1979 to 1990 and the Leader of the Conservative Party from 1975 to 1990. She was the longest-serving British Prime Minister of the 20th century and is the only woman to have held the office. A Soviet journalist called her the "*Iron Lady*", a nickname that became associated as a grudging testament to her ferocious will, determination, uncompromising politics and leadership style. She was underestimated at first -- by her own party, by the media, later by foreign adversaries, but they all soon learned to respect her. As Prime Minister, she implemented policies that have come to be known as *Thatcherism*.

Originally a research chemist before becoming a barrister, Thatcher was elected Member of Parliament (MP) for Finchley in 1959. Edward Heath appointed her Secretary of State for Education and Science in his 1970 government. In 1975 Thatcher defeated Heath in the Conservative Party leadership election to become Leader of the Opposition and became the first woman to lead a major political party in the United Kingdom. She became Prime Minister after winning the 1979 general election. After moving into 10 Downing Street, Thatcher introduced a series of political and economic initiatives to reverse what she perceived to be Britain's precipitous national decline. Her political philosophy and economic policies emphasized deregulation (particularly of the financial sector), flexible labor markets, the privatization of state-owned companies, and reducing the power and influence of trade unions. Thatcher's popularity during her first years in office waned amid recession and high unemployment, until economic recovery and the 1982 the relatively quick triumph of British forces in the Falklands War brought a resurgence of support, resulting in her re-election in 1983, tripling her majority in the House of Commons.

She is perhaps best remembered for her hard-line position during the pivotal strike in 1984 and 1985 when she faced down coal miners in an ultimately successful bid to break the power of Britain's unions after a 51 week strike – with the miners returning to work with no concessions. It was a reshaping of the British economic and political landscape that endures to this day. It is for this that she is revered by free-market conservatives, who say the restructuring of the economy led to a boom that made London the rival of New York as a global financial centre. The left demonized her as an implacably hostile union buster, with stone-cold indifference to the poor. But her economic philosophy eventually crossed party lines: Tony Blair led a revamped Labour Party to victory by adopting some of her ideas.

Thatcher was re-elected for a third term in 1987, but her Community Charge (popularly referred to as "poll tax") was widely unpopular and her views on the European Community were not shared by others in her Cabinet. She resigned as Prime Minister and party leader in November 1990, after Michael

Heseltine launched a challenge to her leadership. After retiring from the Commons in 1992, she was given a life peerage as Baroness Thatcher, of Kesteven in the County of Lincolnshire, which entitled her to sit in the House of Lords.

For admirers, Thatcher was a saviour who rescued Britain from ruin and laid the groundwork for an extraordinary economic renaissance. For critics, she was a heartless tyrant who ushered in an era of greed that kicked the weak out onto the streets and let the rich become filthy rich. *"Let us not kid ourselves, she was a very divisive figure,"* said Bernard Ingham, Thatcher's press secretary for her entire term. *"She was a real toughie. She was a patriot with a great love for this country, and she raised the standing of Britain abroad."* As the first -- and still only -- female prime minister in Britain's history Thatcher often found feminists tiresome and was not above using her handbag as a prop to underline her swagger and power. A grocer's daughter, she rose to the top of Britain's snobbish hierarchy the hard way, and envisioned a classless society that rewarded hard work and determination.

She formed a deep attachment to Ronald Reagan, whom she called *"Ronnie"* -- some spoke of it as a schoolgirl crush. Still, she would not back down when she disagreed with him on important matters, even though the United States was the richer and vastly stronger partner in the so-called *"special relationship."* Like Reagan, Thatcher seemed motivated by an unshakable belief that free markets would build a better country than reliance on a strong, central government. Another thing she shared with the American president: a tendency to reduce problems to their basics, choose a path, and follow it to the end, no matter what the opposition. She was at her brashiest when Britain was challenged. When Argentina's military junta seized the remote Falklands Islands from Britain in 1982, she did not hesitate, even though her senior military advisers said it might not be feasible to reclaim the islands. She simply would not allow Britain to be pushed around, particularly by military dictators, said Ingham, who recalls the Falklands War as the tensest period of Thatcher's three terms in power. When diplomacy failed, she dispatched a military task force that accomplished her goal, despite the naysayers. She trusted her gut instinct, famously concluding early on that Soviet leader Mikhail Gorbachev represented a clear break in the Soviet tradition of autocratic rulers. She pronounced that the West could *"do business"* with him, a position that influenced Reagan's vital dealings with Gorbachev in the twilight of the Soviet era. As prime minister, she sold off one state industry after another: British Telecom, British Gas, Rolls-Royce, British Airways, British Coal, British Steel, the water companies and the electricity distribution system among them. She was proud of her government's role in privatizing some public housing, turning tenants into homeowners.

Thatcher survived an audacious 1984 assassination attempt by the Irish Republican Army that nearly succeeded. The IRA detonated a bomb in her hotel in Brighton during a party conference, killing and injuring senior government figures, but leaving the prime minister and her husband unharmed. She won a third term in another landslide in 1987, but may have become overconfident when she trampled over cautionary advice from her own ministers in 1989 and 1990 by imposing a hugely controversial *"community charge" tax that was quickly dubbed a "poll tax"* by opponents. It was designed to move Britain away from a property tax and instead imposed a flat rate tax on every adult except for retirees and people who were registered unemployed. That decision may have been a sign that hubris was undermining Thatcher's political acumen. Tens of thousands of protesters took to the streets in London and other cities, leading to some of the worst riots in the British capital for more than a century. The shocking sight of Trafalgar Square turned into a smoldering battleground on March 31, 1990, helped convince many Conservative figures that Thatcher had stayed too long.

With tens of thousands of protesters taking to the streets in London and other cities, leading to some of the worst riots in the British capital for more than a century -- For Conservatives in Parliament, her removal was a question of survival. They feared vengeful voters would turn them out of office at the next election, and for many that fear trumped any gratitude they might have felt for their longtime leader. Eight months after the riots, Thatcher was gone, struggling to hold back tears as she left

Downing Street after being ousted by her own party. It was a bitter end for Thatcher's active political career -- her family said she felt a keen sense of betrayal even years later. In 1992, she was appointed in the House of Lords, taking the title Baroness Thatcher of Kesteven.

Thatcher wrote several bestselling memoirs after leaving office and was a frequent speaker on the international circuit before she suffered several small strokes that in 2002 led her to curtail her lucrative public speaking career. Denis Thatcher died the following year; they had been married more than a half century. Thatcher's later years were marred by her son Mark Thatcher's murky involvement in bankrolling a 2004 coup in Equatorial Guinea. He was fined and received a suspended sentence for his role in the tawdry affair. She suffered from dementia in her final years, and her public appearances became increasingly rare. British media reported that Thatcher had been staying at the Ritz -- where she died Monday -- because her Belgravia home did not have an elevator and she was having difficulty getting around. She is survived by her two children, Mark Thatcher and Carol Thatcher, and her two grandchildren. Having never met Margaret Thatcher personally, I only know from friends who did, she was disarmingly engaging at a dinner table and as Prime Minister she would do whatever was required to make sure that British companies prevailed over their foreign competitors, even if it meant a personal call or visit by the PM. Like Winston Churchill and FDR, Margaret Thatcher was a transitional world leader who operated heads and shoulders over her peers and her adversaries..... and if you can, I urge that you Google some of her legendary debates in the House of Commons, where she was a *Woman among boys*.....

This week on **PBS's *Moyers & Company***, Bill Moyers essay was — ***The United States of Inequality***. The unprecedented level of economic inequality in America is undeniable. In an extended essay, Bill shared examples of the striking extremes of wealth and poverty across the country, including a video report on California's Silicon Valley. There, Facebook, Google, and Apple are minting millionaires, while the area's homeless — who've grown 20 percent in the last two years — are living in tent cities at their virtual doorsteps. *“A petty, narcissistic, pridefully ignorant politics has come to dominate and paralyze our government,”* says Bill, *“while millions of people keep falling through the gaping hole that has turned us into the United States of Inequality.”*

BILL MOYERS: No one stopped to point out that when the market goes up, it can mean companies have fired workers in order to increase investor profits. Sure enough, the latest figures show employment has barely risen and more rank-and-file Americans have gone missing from the job market altogether. The Commerce Department reports that personal income fell 3.6 percent in January — that's the sharpest one-month dive in twenty years. It sure seems like the Roaring 20s all over again -- people at the top living it up while those down below lose their livelihood.

Which brings us to our nation's capital -- rich in alabaster symbols of representative government yet shamelessly cynical in writing laws and bending rules to favor the one percent. And that includes the tax code.

So on Monday, when you send in your tax returns, think about this. Corporate profits are at record highs. But have those companies invested that in new jobs? No. Did they at least give their workers a bump in pay? Hardly. Surely they shelled out a little more in taxes to help refurbish the social structure — highways, bridges, schools, libraries, parks — where they do business! Guess again. Corporations are sitting on \$1.7 trillion of cash. Look at this report just published by PIRG -- the Public Interest Research Group -- on how average citizens and small businesses have to make up the \$90 billion giant companies save by shifting profits to offshore tax havens. Among the 83 publicly traded corporations named: Pfizer, which for the past five years reported no taxable income in the US, even as it made 40 percent of its sales here.

Microsoft, which avoided \$4.5 billion in taxes over three years by shifting its income to Puerto Rico. Citigroup, which maintains 20 subsidiaries in tax havens and has over 42 and a half billion dollars sitting off-shore. Taxes collected here at home? Zero.

It's not only corporations stashing their swag abroad. The Center for Public Integrity in Washington and its International Consortium of Investigative Journalists recently got their hands on two and a half million files from offshore bank accounts and shell companies set up around the world by the wealthy. Among those documents are the names of 4,000 Americans who hid their money in secret tax havens. Here's how they do it:

FEMALE VOICE: You can easily set up a secret company using one of hundreds of off-shore agents. Let's look at the British Virgin Islands, home to half a million offshore companies. That's about 40 percent of the offshore companies on the planet. You can buy a ready-made shell company or create your own secret company from scratch in about three days, for just over \$1,000. You may be asked to produce documents to establish your identity and they might check your name in a database, to see if you're a terrorist. But don't worry, while the system may catch the big fish, it still lets scores of fraudsters and criminals slip through the net.

BILL MOYERS: So it shouldn't surprise us to learn that the United States collects less in taxes as a share of its economy than all but two other industrialized countries. Only Chile and Mexico collect less. Chile and Mexico. Right now a powerful group of CEO's, multi-millionaires and billionaires are calling on Congress to fix the debt. And their enablers in both parties are glad to oblige. Okay. But why not fix the debt by raising more taxes from those who can afford to pay? Close the loopholes. Shut down the tax havens. Cancel the Mitt Romney Clause Congress enacted, allowing big winners to pay a tax rate far less than their chauffeurs, nannies, and gardeners.

Instead, as we speak, our political class in Washington is attempting to fix the debt by sequestration – Washington doublespeak for bleeding services for veterans and the elderly, the sick and poor, for kids in Head Start.

Marching in lockstep beneath a banner that now stands for “*Guardians of Privilege*” -- GOP -- Republicans refuse to raise revenues, while Democrats have a president whose new budget contains gimmicks that could lead to cuts in Social Security. Social Security! The one universal safety net -- and a modest one at that – and yet the main source of purchasing power for millions of aging Americans. This, from a Democrat – the heir of Franklin Delano Roosevelt who pulled us to our feet when the Great Depression had America on its knees.

FRANKLIN DELANO ROOSEVELT: This Social Security measure gives at least some protection to thirty millions of our citizens who will reap direct benefits through unemployment compensation, through old-age pensions and through increased services for the protection of children and the prevention of ill health.

BILL MOYERS: But those were the days when our political system rallied to the defense of everyday Americans. Now a petty, narcissistic, pridefully ignorant politics has come to dominate and paralyze our government, while millions of people keep falling through the gaping hole that has turned us into the United States of Inequality. Warren Buffett, the savviest capitalist of them all, may have written this era's epitaph: “*If there was a class war, my class won.*”

I hate to be the person who is always yelling fire, but the rising inequality in America is a cancer eating our country. People will tell you that it doesn't matter, but they are usually so high up the ladder they can't even see those at the bottom. And many at the bottom are so brainwashed by ignorance push by messengers working for those at the top, who tell them that their sorry lot in life is a result of benefits given to minorities, immigrants taking their jobs and left-wing liberals pushing social policies that

favor people who are not like them. **As Deep Throat use to say, “follow the money.”** The top 1% controls almost 40% of the wealth in America. The combined wealth of the Walton Family (WalMart) controls more wealth than the bottom 40 million Americans. Each Koch Brother (David & Charles), who control Koch Industries (the 2nd largest privately owned business in America) focusing in the Energy Sector, saw his investments grow by \$6 billion in one year, which is three million dollars per hour based on a 40-hour 'work' week. .And, US corporations have amassed \$1.7 trillion in cash which much of it is held off-shore. Obviously the game is rigged in the favor of the Very Rich and Largest Corporations. In 2012 there were 12,389 lobbyist registered in Washington, DC dispensing \$3.3 billion. In addition to campaign contributions to elected officials and candidates, companies, labor unions, and other organizations spend billions of dollars each year to lobby Congress and federal agencies. Some special interests retain lobbying firms, many of them located along Washington's legendary K Street; others have lobbyists working in-house. **And almost none of them are working for you or me or the greater good of this country.**

One of the big uglies in America is that the United States is the world's leader in incarceration with 2.2 million people currently in the nation's prisons or jails -- a 500% increase over the past thirty years and more than 600% over the past 40 years. We lock up our citizens 5 to 8 times more than other industrialized nations (such as United Kingdom, France, Italy and Germany) and up to 32 times higher than nations with the lowest rates such as Nepal, Nigeria and India. These trends have resulted in prison overcrowding and state governments being overwhelmed by the burden of funding a rapidly expanding penal system, despite increasing evidence that large-scale incarceration is not the most effective means of achieving public safety. By 2007, states spent more than \$44 billion on incarceration and related expenses, a 127% from 1987, over the same period while spending on higher education rose just 21%. The US prison population rose by 700% from 1970 to 2005 a rate far outpacing that of the general population and crime rates.

- ➤ 1 in every 106 White males age 18 or older are incarcerated.
- ➤ 1 in every 36 Hispanic males age 18 or older are incarcerated.
- ➤ 1 in every 15 Black males age 18 or older are incarcerated.
- ➤ The US imprisons the most women in the world.

As you can see from the statistics above, African Americans in the US are six times as likely to be incarcerated as whites; Latinos over twice as likely. If the US enacted the reforms necessary to reduce its disproportionate minority confinement by just 50%, the incarceration rate would drop to approximately 491 and put the US fifth in the world instead of first.

Men make up 90 percent of the prison and local jail population, and they have an imprisonment rate 14 times higher than the rate for women. And these men are overwhelmingly young: Incarceration rates are highest for those in their 20s and early 30s. Prisoners also tend to be less educated: The average state prisoner has a 10th grade education, and about 70 percent have not completed high school. Incarceration rates are significantly higher for blacks and Latinos than for whites. In 2010, black men were incarcerated at a rate of 3,074 per 100,000 residents; Latinos were incarcerated at 1,258 per 100,000, and white men were incarcerated at 459 per 100,000.

The International Centre for Prison Studies has produced a report tabulating the number of women in prisons around the world (2006). The following data is derived from that report and from international US Census figures with additional sources as noted (US Census Bureau, 2006). The US has 183,400 women in prison—at least 3 times more than any other nation. Apart from the US, the nations that incarcerate the most women are Russia (55,400), Thailand (28,450), India (13,350), Ukraine (11,830), and Brazil (11,000). In fact, the US incarcerates more women by over 60,000 than

the rest of these nations combined. The incarceration rate of women is higher in the US than other representative nations—123 per 100,000 of the US female population. Next is Thailand, 88; Russia, 73; England and Wales, 17; South Africa, 14; France, 6; and India, 3 (Office for National Statistics, 2006; Her Majesty's Prison Service, 2006).

The US incarcerates the largest number of people in the world.

Compared to the world's other most populous countries, the 2.2 million people currently incarcerated in the US is 153% higher than Russia, 505% higher than Brazil, 550% higher than India, and over 2,000% higher than Indonesia, Bangladesh, or Nigeria.

Incarceration rates in the US are four to five times the world average.

- ➤ 943 Rate in the United States.
- ➤ 166 Average rate worldwide.
- ➤ 135 Average rate among European Union member states
- ➤ 96 Average rate of the Group of Seven: Japan, Germany, United Kingdom, France, Italy, and Canada (US excluded).
- ➤ 152 Rate in Rwanda, where nearly 80% (53,000) of the prison inmates are being held for crimes relating to the 1994 genocide.
- ➤ 133 Average rate in Iran and Iraq.
- ➤ 100 Average rate of incarceration among nations noted by Amnesty International as having some of the most urgent human rights abuse issues (Uzbekistan, Iraq, Myanmar, and Sudan) (Human Rights Watch, 2006).
- ➤ 823 Estimated rate in the feared GULAG of the Soviet Union in 1950 under Stalin.
- ➤ The rate of incarceration of prisoners in China is one-fourth the rate for prisoners in state or federal facilities in the US.

If the rest of the world followed the US lead on incarceration policies and practices, the total number incarcerated worldwide would increase five-fold from 9.2 million to 47.6 million.

Some US states imprison six times as many people as do nations of comparable population.

Current Prison Populations in Example States vs. Countries of Similar Size *2006

- ➤ New York: 92,769 - verses - Australia: 25,353
- ➤ Massachusetts: 22,776 - verses - Hong Kong: 11,521
- ➤ Illinois: 64,735 - verses - Ecuador: 12,251
- ➤ Florida: 148,521 - verses - Sri Lanka: 23,163
- ➤ California: 246,317 - verses - Poland: 86,820
- ➤ Texas: 223,195 - verses - Malaysia: 35,644

The causes for the over-reliance on imprisonment in the US are multi-fold. Crime rates, occasional spikes in certain types of crime (both actual and perceived), media coverage of the worst cases, public perceptions, political opportunism, and misdirected laws, policies, and practices certainly play roles.

The findings reported in this fact sheet suggest that it is time for a serious review of US incarceration policies and practices. Over a quarter of a century ago, NCCD president Milton Rector wrote, *"The rate of imprisonment in the United States, which takes pride....in its protection of liberty and freedom, is considerably higher than the rate in any other industrialized nation. To ignore it is to condone the fragrant waste of money and lives and the crime-producing effects of needless imprisonment; to allow it to continue would be irresponsible support of....leaders....who perpetuate the myth that more imprisonment."*

With only 5% of the world's population the U.S. has 25% of the world's prison's population. And nearly half of all people in State prisons are locked up for nonviolent offences. ***Americans should ask themselves how did we become a police state..... Yes, I said it.... A POLICE STATE... I grew up thinking that only the Russians, Nazis and Fascists had police states.*** The worse thing about this syndrome is that it is creating a growing underclass of dysfunctional uneducated untrained angry group of American who can't get jobs, live in everlasting poverty generation to generation, don't (and in many cases can't) vote, with no way out of the malaise of being members of a permanent underclass.

As someone who has suffered two serious strokes and now take 11 pills a day (prescription medication & supplements) *and (before my strokes, I loathe even taking an aspirin)*, I found it interesting when I discovered that last year doctors wrote more than 4 billion prescriptions to treat everything from ADHD to anxiety, pain, depression to trouble with sleeping.... With this evidence, it is clear that we are now are living in a pill nation/society..... More than 15,600,000 Americans are taking pills, just for pain (Hydrocodone, Oxycodone & Fentanyl) are the most prescribed.

Add to this, today 5 million Americans take a sleep-aid – Another 18 million take antidepressants – These drugs are leading to addiction and taking people into places they thought that they would never ever go – 2.1 million Americans are addicted to prescription meds – ERs treat more than 1.4 million Americans for prescription drug overdoses each year – More than 38,000 Americans die from prescription drug overdoses -- a increase of more than 5 times over the past decade – More than 100 people die from drug overdoses every day in the United States. Hence this is an epidemic.... and its growing.....

The most commonly misused drugs:

- Anti-Anxiety
- Sleeping Pills
- Pain Relievers
- Antidepressants

Most people take medicines only for the reasons their doctors prescribe them. But an estimated 20 percent of people in the United States have used prescription drugs for non-medical reasons. This is prescription drug abuse. It is a serious and growing problem. "It's absolutely an epidemic." We are a country that turns to drugs for solutions more than any other industrialized wealthy countries in the world do. Something changed in the 1990s when it became legal for drug manufactures to advertise creating a sense on the part of many patients that "oh I said that ad on television, I think that I should be on that medicine. Experts don't know exactly why this type of drug abuse is increasing. The availability of drugs is probably one reason. Doctors are prescribing more drugs for more health problems than ever before. Online pharmacies make it easy to get prescription drugs without a prescription, even for youngsters.

As a result the demand for these advertised drugs skyrocketed. The prescription drug industry says that these ads only inform consumers of the help that is available to them. *"All the research in the world doesn't do any good if the people who could benefit from it don't know about it"* says John Castellani spokesperson for the Pharmaceutical Research and Manufacturers. Some people like myself, can honestly say that meds have saved their/our lives. While many others are trying to kick their addiction to prescription meds so that they can resume their normal lives - *"because life without the use of drugs is amazing"* said one former addict. Almost all medicines have benefits and risks but the risks can often outweigh the benefits. So anyone who is addicted should try to get help and should talk with their doctor about alternative treatments.... Also it is important to understand that almost all of these medications can be dangerous, especially when combined to treat another problem or side affect.

I took a random look at two of my prescription medications. **The first was for the daily maintenance treatment of gout and discovered that the common side effects were:** Severe skin reactions; Chills; Sleepiness; Yellowing of eyes or skin; Stomach discomfort or pain; Diarrhea; Baldness, Liver Inflammation; Nose Bleeding; Headache: Itching: Liver problems; A small hemorrhage; Burning pain, tingling, or numbness; Change in taste, Severe skin, itching with patches, Numbness or tingling in hands and feet; Changes in urination frequency or amount; Indigestion, Nausea, Vomiting. **And these side effects were mild compared to my High Blood Pressure Medication:** Shortness of breath; Fast or irregular breathing; Fever; Joint Pain: Fast pulse: Lightheadedness or fainting: swelling of face, Hives & Itching, Low blood pressure, Cough, Skin rash, Nausea, Change in taste, Headache; Unusual tiredness or weakness; Swelling of the extremities; Joint Pain; Muscle pain; Impotence; Burning pain, Decreased sexual desire; Rapid heart rate, Stomach discomfort of pain; Blurred vision; Confusion; Constipation; Depression; Dry mouth; Indigestion; Drowsiness; Hot sensation and redness of face; Difficulty falling asleep; Itching; Muscle cramps; Feeling of general discomfort; Nervousness; Dizziness upon standing; Dizziness when getting up; Inflammation of the sinuses; Sweating; Loss of consciousness (fainting); Urinary tract infection; Vomiting; Muscle weakness; Diarrhea; Flu-like symptoms; Dizziness. **And these are just two of the five prescription medications that I take every day, (probably for the rest of my life), in addition to vitamins and supplements.**

Having been prescribed a Statin Medication last July, (while spending four days in the ICU at Cedar Sinai Hospital in Beverly Hills, CA), which produced severe side effects of extreme pain, nocturnal cramping, blurring my vision, asthenia, lowering my blood pressure and shutting down several important internal organs..... in affect slowly killing me.... I can attest that prescription drugs are no joke, even when prescribed by a physician. As such, the current epidemic of the abuse of prescription medications is as dangerous as heroin, if not more. This is especially true with children who might not be able to protest as vigorously as I was able to.... Today, we often use prescription medications to treat symptoms, such as depression, when psychiatric treatment might be better -- as at least it tries to solve the root problems, instead of minimizing symptoms. Today's pill culture is killing tens of thousands of Americans and maybe hundreds of thousands when medication mishaps by physicians, hospitals and patients themselves are included. Add to this, is the fact that this culture has bled into our teenager's generation. There are no quick fixes with health and although prescription medications are mind-mindbogglingly important and necessary for many of us, their misuse can be as much of a curse as their value. And if four billion prescriptions in one year isn't a signal that prescription medications are being misused.... Then nothing is..... And one of the way to fix this epidemic is to stop the advertising of pharmaceuticals as deodorants or hair products – and through stringent regulatory controls and with stiff penalties. **We have a prescription drug epidemic in America which needs to seriously be addressed.**

Being a loyal **NBC** viewer I often start my day around 6am with local news on the **LA NBC** station as background, which then morphs into **The Today Show** and at 10am the **Kathy Lee & Hoda Show**.... Again, all of this is background to my responding to emails, reviewing documents, writing my Weekend Readings and speaking with business associates around the world. On Friday while I was going through my normal business activities, Kathy Lee and Hoda did a segment on a new euphemism for the female orgasm – “*Going to Poughkeepsie.*” Growing up in Mount Vernon, New York, I remember Poughkeepsie being the last commuter stop of the Metro North/New York Central's Hudson Line from Grand Central Station in Manhattan. As a teenager in the 1960s, it was the city where guys could meet coeds from Vassar College.

See segment: [REDACTED]

As a man who loves women and doesn't read **COSMO** to broaden my understanding I did a bit of research on “*Going to Poughkeepsie*”. In-addition to my limited knowledge above, I discovered that

the word Poughkeepsie comes from the Delaware Indian word meaning "safe and pleasant harbor" and that one of the city's main thoroughfares is Hooker Avenue. Nevertheless, we have to now ask if the new phrase for discovering the elusive female pleasure spot is, "*Finding the Poughkeepsie Gypsy*". The fact that there are many slang words for the male orgasm but very few for the female version may have given Kathy Lee and Hoda the need to create a new term. "*Poughkeepsie is not just a city,*" Kathy Lee cooed. "*It's a state of mind.*" **Now Smile.....**

We should ask ourselves why are we taking North Korean leader Kim Jong-un seriously. The U.S. military recently announced that North Korea has the capability of launching a nuclear weapon atop a missile and that the young, untested, unstable, paranoid and trigger-happy young North Korean leader is as labile to use it against the United States, feeding an American media frenzy looking for any stories to replace the absence of Lindsey Lohan and the Kardashians in their headlines. Making matters worse, someone in Washington thought that it would be a great idea to respond by staging military exercises with thousands of troops, huge artillery ensembles, stealth bombers and dozens of naval support vessels right across the border from North Korea – further inflaming an already ridiculous situation. With all of these moving pieces in an inflamed atmosphere, couldn't the paranoid regime in the North confuse our harmless show of force "exercises" with an initiated first strike – causing a full-fledged war?

Obviously, an intelligent, rational, and balanced American president would realize -- even if he had only an introductory course in abnormal psychology -- that we should stop these military maneuvers, now, immediately, and without equivocation. And it is no less important to expose the complicity of the U.S. media in its obsessive preoccupation with North Korea's paranoia and militarism, while dismissively failing to mention that we are, in fact, provoking this pre-psychotic mental case into acting out. If Barrack Obama wants to be seen as a rational, intelligent, and insightful American president, he should immediately cease and desist from rattling the cage of the extant mental case which is North Korea. Yes, North Korea has a nuclear weapon and yes, it marches to a different drummer, but it is truly akin to the story, "*The Mouse That Roared*". And amping-up hysteria against North Korea's ridiculousness could easily lead us down the slippery-slope of WMD's and another *Operation -- Liberation*. Finally, we have to ask why a 28 year old Korean who is a fan of Dennis Rodman, NBA and American rap music is threatening to launch a missile against us, especially since it would be the end of North Korea and its existing leadership. And when we figure this out, we should change our activities that contribute to this hostility in North Korea, the Middle East and elsewhere around the world.

A recent column of Malcolm Berko regarding Social Security as an "entitlement" explains well what an entitlement is. I have reprinted this in total. You have probably heard the rants and shouts about reducing "entitlements", this column will clarify this issue.

Taking Stock

Dear Mr. Berko:

I have been a widower for four years and helped raise six children, each of whom is mostly self-sufficient. My wife and I were very active in raising our children. I began taking Social Security at 70. I really don't need this entitlement. Starting in 1968, I had a good job for 40 years. We lived within our means. We saved money. My wife worked part time as a legal secretary for 30 years. We did well with investments. The checks have come in handy for a new air conditioner, a large screen TV, airfare and gifts for my children and grandchildren, and I hope to help some of them with their college costs. I could spend less and bragged about this to my pastor (shouldn't have). Now he's nicely suggesting that I give up this entitlement so the government can give it to people who need it. And I am almost

embarrassed that I get \$2,200 every month. ■ aware that Congress wants to reduce this entitlement and that there will be a means test to qualify. I would like to hear your thoughts.

-SG, Oklahoma City.

Berkos reply: Stop referring to Social Security as an “entitlement”. SS is not an “entitlement. Every time you or your spouse earned a paycheck, the employer sent Social Security 6.2 percent of it to an account under your or her name. And each time you or your spouse earned a paycheck, the employer also sent SS a matching amount to your account. That’s 12.4 percent per paycheck. And your spouse never received a shilling of it. You earned it, you paid for it. It’s your money. It’s not an entitlement. The word “*entitlements*” is government speak for the federal programs from which lots of folks receive support that they don’t pay for. However Congress is ill-advised to call Social Security an entitlement. Calling SS an entitlement is purposefully disparaging and places it on the same common field as food stamps, job training, free cellphones, etc.

And as congress continues to call SS an entitlement, folks like you, who have 40 years of contributions, will begin to believe it’s an entitlement, making it easier for Congress to take it away from you. Assume your average annual income between 1968 and 2008 was \$35,000 a year, In those 40 years, you and your employer probably contributed \$5,250 annually to your Social Security account. That’s \$210,000. If these contributions were compounded at 4 percent annually for 40 years, your security account would be \$625,000. Do you consider this an entitlement? I don’t. It belongs to you. Some of it is even taxed. Entitlements are not taxed. Take your checks as long as the Social Security Administration sends it to you. If you kick the bucket at age 83, then what hasn't been paid to you accrues to SS. Be mindful that the average life expectancy in the U.S. is 79 years, so most retirees collect benefits for less than 15 years. And there’s a lot left over.

During the past 50 years. More than 100 million workers have been putting billions in to the system. I’ve tried to find out how much all employees and employers have contributed to the social Security trust fund since 1963. The Congressional Budget Office can’t tell me. But an educated guess places the number between \$53 trillion ■ trillion. And if a half-trillion a year has been paid out each year during the past 50 years (extremely high). Then \$18 trillion to \$23 trillion a year is missing. *Ask your congressperson where the money is, because \$18 trillion or \$23 trillion is a lot of money.*

With immense pressure from both the White House and parents and family members of the children and adults who were killed in the Newtown massacre last December, this week the US Senate agreed to hold a debate on Gun Control, with the proviso that it would be restricted to limited background checks and not include on banning assault weapons, military ammunition and any type of sales restrictions other than gun shows and the Internet. This is an outrage, especially since this is a constant center-right debate as there is no left in the debate, as everyone on the left is so afraid to say which should be said, “*that the 2nd Amendment protecting our liberty*” is BS.

As former Reagan Budget Director David Stockmen said on ***Real Time with Bill Maher*** on HBO this week, “*since 1787 the world has moved along and we are up against a 21st Century State equipped with drones, hundreds of satellites in the sky watching everything we do and why would you believe that an 18th Century Citizens Militia equipped with the equivalent of muskets has anything to do with liberty. It doesn't. The only way that we can protect liberty is with the ballot box and the real shield for liberty in America is the 1st Amendment. Freedom of speech. Freedom to organize. Freedom to assembly. That’s how we get liberty, and not with guns.*” Bill Costas who was also on the show’s panel alongside Stockman added, “*with all of these paranoid types who think that there’re gonna come a day when the government has just gone too far from them, and as true*

patriots they are going to have to organize some sort of adhoc militia.... Here's my question, who is the Jefferson Davis or Robert E. Lee of this militia... how do the coalesce... how they decide who to shoot.... Who do we trust?"

They were discussing the **Public Safety Second Amendment Bill**, sponsored by US Senators, Joe Manchin () and Pat Toomey (R-PA) and announced this week – *"I encourage all West Virginians, gun owners, NRA members and all Americans interested in fixing our culture of mass violence to read this bill,"* Manchin said. *"This bill simply prevents criminals and the dangerously mentally ill from purchasing guns while protecting our Second Amendment rights. This bipartisan, commonsense compromise closes the existing background check system's loopholes by including all advertised commercial sales. It also protects gun sellers' and gun owners' rights."* In a press release, Manchin stated the bill will not infringe upon anyone's Second Amendment rights or take away anyone's guns. He also said the bill will not ban any particular type of firearm or ban the use of any kind of bullet, clip or magazine. Manchin said the bill will not create a national registry and in fact, explicitly prohibits it.

WHAT THE BILL WILL NOT DO

- The bill **will not** take away anyone's guns.
- The bill **will not** ban any type of firearm.
- The bill **will not** ban or restrict the use of any kind of bullet or any size clip or magazine.
- The bill **will not** create a national registry; in fact, it specifically makes it illegal to establish any such registry.
- The bill **will not**, in any way at all, infringe upon the Constitutional rights of law-abiding citizens.
- Allows the transport of guns across state lines without registration or notice, including temporary overnight lodging, stopping for food or buying fuel, going to the doctor's office, etc.
- The bill does not even specify what types of guns it's referring to, it simply refers to "firearms".

The bill actually spends allot more time talking about protecting the rights of gun owners. It allows anyone to loan, give or sell guns to family, friends, co-workers and neighbors, without any notice, registration or background checks.. In fact, it prohibits gun stores to even keep background checks on their employees. We have to start calling the NRA for what it is. A lobbying group for gun and ammunition manufacturing, and not the protector of country's 2nd Amendment Rights. Just like there is a pharmaceutical lobby, a tobacco lobby, a insurance lobby, a food & beverage lobby and the NRA's main objective is to make sure that the manufacturers who they really represent, sell as many guns and bullets as possible. Because a majority of NRA members are for background checks and only want responsible gun owners to own guns.

As Bill Maher said referring to the left as well, *"we have to end this fetish and love of guns."* *"Gabby Giffords who was shot in the head and went on television with her husband saying that we still are strong supporters of the 2nd Amendment"*. My belief is that like automobiles, anyone who wants to own a gun should go through a background check and have their guns registered. And private citizens definitely don't need Bushmasters, other than renting and using them at official gun ranges. And instead of imposing 15 year prison sentences on people who unlawfully use background information or keep files/databases, we should impose similar sentences on people who use firearms in crimes or to intimidate others. Isn't this what OJ Simpson was convicted for in Nevada and is still in jail today? If it is good enough for OJ, it should be good enough for everyone else. We are living in a gun crazy culture, which has led to the death of more than 10,000 Americas killed by firearms each year, and if we truly want to stop this insanity, we will have to vastly restrict gun availability and separate the 2nd Amendment from lobbyists, who *"real"* sole goal is to increase profits for arms manufacturers. And to

call the **Public Safety Second Amendment Bill** a sensible compromise, is a disgrace and another example that the American political system is not working for the greater good of its people.

THIS WEEKEND'S READINGS

This week in **The Washington Post**, former Gen. David Petraeus, who retired from the Army in 2011 after commanding U.S. and coalition forces in Iraq and Afghanistan and later the director of the CIA from September 2011 to November 2012 and Michael O'Hanlon, a senior fellow at the Brookings Institute and most recently the author of *"Healing the Wounded Giant,"* on U.S. defense spending wrote the following op-ed – ***An American Future Filled With Promise***. What is unusual is that as politicians in Washington focus on reining in America's worrisome deficit, they tend to have attitudes of doom and gloom. They convey fears of shortchanging future generations, overtaxing workers, depriving the needy, killing the fragile economic recovery and failing to make crucial investments. This narrative contains elements of truth. But the authors say that this is too pessimistic and as such contributes to our psychological and political paralysis, reinforcing convictions held by members of both parties that they must not yield on core principles, lest the country's future be compromised. Contrary to this they now believe that there is a more positive and more accurate reality that the United States could be on the threshold of a period of remarkable progress, based on these unique opportunities, (finally some good news) including:

- An energy revolution. We are the world's largest producer of natural gas, with a 100-year supply, and we are on track to become among the largest producers of crude oil.
- A manufacturing revolution. We are rapidly developing robotics and 3-D printing, areas in which the United States is among the world's leaders.
- A revolution in life sciences. Genetics and stem-cell technology offer great potential in fields such as agriculture and pharmaceuticals and fundamentally new approaches in medicine.
- The IT revolution and the transition to cloud computing, in which we are also leading.

They believe that with all of these advantages, together with our North American Free Trade Agreement (NAFTA) partners, the energy-rich and economically dynamic Canada and Mexico, we could be on the threshold of the New North American Decades. And the prospect is that North America – not China, Japan, Europe or India – will pull the world out of the global economic slowdown. But we will do so only if government gets the basics right.

Obviously huge debt is incompatible with long-term growth. Yet sequestration's arbitrary cuts – particularly to certain defense and domestic programs that provide the foundation and seed for future growth – make it far from optimal as a deficit-cutting action. As such they say that our priority should be to reduce, in a rational manner, the ratio of debt to gross domestic product, which is about 75 percent. — We need to get the debt curve to begin declining to, say, 72 percent of GDP over the next 10 years. The objective should be to do this while avoiding measures that would choke off the still-modest recovery. Sequestration-scale cuts done wisely can achieve this goal. — The key is to achieve a virtuous cycle in which economic growth yields greater revenue and government spending declines relative to the size of the economy.

They suggest that, for the good of the nation, each party agrees to achieve equal amounts of something neither wants to do: Republicans should produce, say, \$500 billion in additional revenue over 10 years, and Democrats should identify \$500 billion worth of reforms to entitlement programs over the same period. Sequestration would be repealed. (Reductions in discretionary spending beyond those

mandated by the initial provisions of the 2011 Budget Control Act should be sought, although they need be only \$100 billion or so, given the substantial cuts already locked in law.)

They say that one simple approach would be for Democrats to propose refinements to the (which they call overly generous and I believe not) cost-of-living-adjustment formula for Social Security and certain other programs. This has the advantage of being a modest change over time while protecting the basic structure of Social Security. (It appears that President Obama's new budget proposal may move in this direction; if so, that's a positive step.) For their part, Republicans could propose closing tax loopholes to increase revenue, with the proviso that half of any new revenue obtained be dedicated to lowering income tax rates, as economist Martin Feldstein has suggested. In essence, each party gives some, but neither is asked to capitulate on core principles. Here I believe that this is not enough, as we need to use the Powell Doctrine of overwhelming force and in this case dramatic economic changes to raise significant revenues.

The national focus should then shift to addressing issues that would enable the country to capitalize on its extraordinary opportunities:

- Regarding energy, agree on the Keystone XL pipeline while fostering partnerships between extraction companies and environmental groups; determine required regulatory rules; and grant a modest number of licenses to export natural gas.
- On infrastructure, drive the establishment of faster and cheaper Internet connections for most Americans to fully exploit the shift to cloud computing; and repair and rebuild roads, rail lines, ports, electricity grids and other assets that support our economic supply chains.
- On human capital, reform immigration policy; encourage science and technology study and research; and improve public schools while underwriting training in rigorous, relevant vocational skills.
- On finance, reform and simplify the tax code to stimulate savings; make health-care costs more visible; and help bring home the more than \$2 trillion sitting offshore.

The authors conclude that not all of this will be achievable at once. But they say that pursued with optimism, rather than lamentation and finger-pointing over our supposed national decline, it may prove more actionable. I believe that "*we the public*" should push our politicians and the policies that raise the economy from the bottom up, as the trickle-down economics of the past 30 years has not worked and we now have three decades that show, cutting taxes does not generate jobs and generating jobs should be the #1 priority of our government to get the economy flowing again.

This week in an op-ed in **The Washington Post** by Robert J. Samuelson — ***Myths of post-industrial America***, Samuelson starts out the piece — We live in a post-industrial age, defined more by Google than by General Motors. The term "*post-industrial society*" was first popularized by the sociologist Daniel Bell (1919-2011) in a 1973 book, and the change has generally been a boon. The transition from factory to office has raised living standards, curbed pollution and reduced the number of grueling, often-monotonous jobs. Yet, this largely beneficial transformation suffers in the popular imagination. The vast "*service sector*," which now dominates the economy, is seen as inferior, low-paying and even frivolous because it produces nothing tangible. Almost everyone seems to yearn for a manufacturing renaissance. This would, the reasoning goes, solve many problems. It would kick-start the sluggish recovery. By providing well-paying jobs, especially for semi-skilled men, it would strengthen the middle class. By restoring a heritage of "*making things*," it would reduce U.S. trade deficits and reestablish our global economic pre-eminence. No doubt, millions of Americans endorse this appealing vision. It's make-believe.

To be sure, manufacturing is reviving — and the more the better. Rising wages abroad and heightened anxieties about global supply chains are causing some U.S. firms to relocate production from China or Mexico back to the United States. Cheap U.S. energy costs, reflecting plentiful natural gas, also favor American factories. Though these trends are welcome, they stop well short of a sweeping transformation of the economy. On manufacturing, a huge gap separates public perceptions and economic realities, as Marc Levinson of the Congressional Research Service has shown in several reports. For starters, manufacturing's decline is misunderstood. The truth is that output has continued to climb. In 2010, Levinson reports, U.S. manufacturing production of nearly \$1.8 trillion was the largest in the world; it was slightly ahead of China's, about two-thirds higher than Japan's and nearly triple Germany's. China may now be No. 1, but the United States remains a manufacturing powerhouse. In 2011, near-record output was 72 percent more than in 1990 and six times greater than in 1950. Recall some American-made products: commercial jets, earth-moving equipment, gas turbines. (Output refers to "value added," which is the difference between the sector's purchased inputs and its final products.)

Manufacturing's "decline" refers mostly to job loss, which is stark and long-term. In 1970, the 17.8 million manufacturing jobs represented 25 percent of all 71 million U.S. jobs. By 2012, the 11.9 million manufacturing jobs were only 9 percent of the 133.7 million total. The declines reflect two forces: automation and imports, especially of labor-intensive products. In 2011, Levinson notes, 97,000 steelworkers produced nearly 10 percent more steel than the 399,000 did in 1980. As for labor-intensive products, clothing output has dropped more than 80 percent since 1980, with jobs falling from 1.3 million to 150,000. For society, this is a mixed bag. People who lost their jobs — or couldn't find one in local plants — were often devastated. Manufacturing's shrunken size also means that it can't single-handedly sustain recovery or cut unemployment. To date, factory jobs have risen 512,000 from their low point; that's only 9 percent of the total increase of 5.9 million. Finally, Levinson notes, automation has eliminated many factory-floor jobs; professionals and managers are almost a third of manufacturers' workforce. Factories will provide less economic and social support for blue-collar workers than in the past.

On the other hand, automation improves the workplace. It replaces exhausting, dangerous or boring jobs. In his book *"America's Assembly Line,"* historian David Nye quotes an early worker at a Ford plant on the demeaning regimentation of factory work: *"Henry [Ford] has reduced the complexity of life to a definite number of jerks, twists, and turns. ... When the whistle blows [the worker] starts to jerk and when the whistle blows again he stops jerking."* Many electronic assembly jobs outsourced to Asia today are similar: *"The assembly line ran very fast,"* complained one worker for the electronics assembler Foxconn, *"and after just one morning we all had blisters."* More important, greater factory efficiency raises living standards. Prices are held down; purchasing power expands. This has enabled Americans to spend more on education, health care, travel, recreation — and much more. Because these activities typically don't require the huge energy inputs of heavy industry, society becomes less energy intensive. This is happening in all advanced nations; since 1973, manufacturing's share of Sweden's employment dropped from 28 percent to 13 percent.

It's a mistake to romanticize manufacturing and disparage services, portraying them as separate economic realms in competition with each other. In reality, they're completely intertwined. Almost all services depend on manufactured products. Air travel requires planes, the Internet needs computers, and health care dispenses pharmaceuticals. And almost all manufactured products generate services. Cars provide transportation, homes give shelter, and films offer entertainment. There's plenty of industry left in post-industrial America. The economic paradigm has changed. To concentrate on manufacturing at the cost of rebuilding the country's infrastructure would be a serious mistake, as it is the one sector that is difficult to be outsourced in addition to increasing productivity and bettering the quality of life for all Americans. Most of all, it increases jobs and when all boats rise with the tide, it makes the country stronger and the general well being for everyone.

As many of you know one of my major concerns is the mounting economic inequality in the US. As Annie Lowery wrote this week in the **New York Times** – ***A Budget Focus on Inequality*** – President Obama's proposed budget that the White House released Wednesday included several provisions to address this growing problem.

The President's budget includes several proposals to tackle inequality and wage stagnation.

- ➤ Increasing the federal minimum wage to \$9 an hour from its current rate of \$7.25, and indexing it to inflation. The White House asserts that this would lift the wages of about 15 million low-wage workers.
- ➤ Creating a “*Preschool for All*” initiative to provide early childhood education to 4-year-olds from low- and middle-income families. The big idea is that this might improve economic mobility in the future.
- ➤ Increased taxes on wealthy Americans, including taxing carried interest as ordinary income. Hedge-fund managers and the like use the carried interest loophole to pay preferential rates on their earnings.
- ➤ Increased support for manufacturing, which the White House argues might be an important source of middle-class jobs.
- ➤ Making permanent the expansion of the earned income tax credit and child credit, which were due to expire in 2017. The proposal also makes permanent the American Opportunity Tax Credit, which helps families with students pay for college.

In President Obama's 2006 book, “***The Audacity of Hope***,” he dedicates a whole chapter to wage polarization, globalization and the plight of blue-collar workers. “*It is our generation's task to reignite the true engine of America's economic growth – a rising, thriving middle class,*” it says, calling support for the middle class the “*North Star*” of policy-making. “ It is our unfinished task to restore the basic bargain that built this country – the idea that if you work hard and meet your responsibilities, you can get ahead.”

So far, the Obama administration has tackled the issue of inequality in two major ways. It has raised taxes on the wealthy, and it has expanded programs to aid lower-income Americans. You might not think that the Affordable Care Act had much to do with inequality – it is a health care bill, after all – but it did. Rising insurance costs have eaten away at workers' wages; the law has a number of provisions to try to bend the cost curve. Medical bills are a primary driver of bankruptcy for middle-class families; the law removes the lifetime benefit limit, ends denial of coverage for pre-existing conditions and contains other rules that might help reduce the number of bankruptcies.

Moreover, the law provides free or low-cost access to health coverage to tens of millions of Americans, financed by the government. That might not address the problem of income inequality. But it does address the problem of consumption inequality and perhaps even economic mobility.

Mr. Obama has paid for the **Affordable Care Act** and other initiatives to push money to lower-income Americans – like an expansion of the earned income tax credit – with higher taxes on the wealthy. He has thus far raised the top marginal tax rate on income to 39.6 percent from 35 percent, reduced deductions for some families and raised taxes on investment income in the January deal to avoid the fiscal cliff, making the tax code more progressive. But if anything, the plight of the middle class has gotten worse since Mr. Obama took office, a result of long-existing economic trends and the after-effects of the deep recession.

Real median income has continued to decline during the sluggish recovery. It is about 8 percent lower than it was when the recession hit in 2007, and 9 percent lower than it was at its peak in 1999, a period in which economic output has expanded about 24 percent. To translate: the country is getting richer,

but the average worker is earning less, and that has been true for well over a decade. On top of that, the recovery has seen middle-class jobs effectively replaced with low-income jobs. According to research by the National Employment Law Project, low-wage occupations account for 21 percent of job losses during the recession and 58 percent of job growth during the recovery. In contrast, middle-wage occupations account for 60 percent of recession losses and only 20 percent of recovery growth.

But – as always, perhaps – it is not a bad time to be rich. Job growth in high-wage professions has been decent, if not spectacular. And updated research by the economist Emmanuel Saez of the University of California, Berkeley, shows that the real income of the 99 percent has fallen during the recovery, but surged 11 percent for the top 1 percent of earners, led by a stock-market boom. Again as Lowery points out, *“Mr. Obama’s policies might not have reduced inequality before taxes and government transfers. But the White House has been aggressive in using taxes and transfers to try to blunt its effects.”* Except that with the President’s own tax returns this year which was released on Thursday, shows that he only paid a rate of 18.4% rate. This has to be changed, if we are ever going to reverse economic inequality in our country.

While Washington debates cutting Social Security and Medicare, for most Americans, the “recovery” has been a bust. Not only has unemployment remained historically high – 7.7% officially, 23% by the old measures – but poverty has spiked to historic highs. Wealth is distributed nowhere near as unfairly as people imagine. In fact, it’s way, way, worse, according to this well-sourced info-video uploaded by *“politizane.”* To see my piece with graphs, please download the attachment – ***US Wealth Inequality.***

In a Harvard Study they asked 5000 Americans how they thought wealth should be distributed between the Bottom 20%, the Second 20%, the Middle 20% the Fourth 20% and the Top 20%. The response was that that they thought that the Top 20% had approximately 60% of the country’s wealth and the Fourth controlling approximately 20% with the Middle controlling 12%, the Second 5% and the Bottom 3%. And when they were asked the ideal their response was; that the Top 40% should have approximately 50% of the country’s wealth, the Middle approximately 25%, Second 13% and Bottom 12%. But the reality is that the Top 20% controls more than 80% of the wealth in the country, Fourth 15% Middle 3.5% and Second/Bottom the remaining 1.5%. And the top 1% has more of the country’s wealth than than 9 out of 10 Americans feel that ideally the entire Top 20% should have.

Please take the time to see the video – Wealth Inequality in America – on youTube below:

There are 311 million Americans with a combined wealth in excess of \$54 trillion and an estimated \$70 trillion when wealth outside of the country is included, and almost 99%.of the outside wealth held by the top 1%.

Today 1% of America have 40% of the wealth of the country, with the bottom 80% have only 7% of the country’s wealth and the bottom 20% having no wealth at all. Today, the top 1% take home 24% of the national income. In 1976 they took home only 9%, meaning their share of income has almost tripled over the last 30 years. The top 1% own half of the country’s stocks, bonds and mutual funds, while the bottom 50% of Americans own only .5% of these same investments – as they are unable to invest because most of them are just scraping by. One has to asked the question – is the average CEO working harder than the average employee in his company (not the janitor or messenger or lowest paid in the company), but the average employee. Hence the average employee has to work a month to make as much as the average CEO makes in one hour. Something is wrong and we don’t have to go all the way to socialism or even what most Americans consider ideal. My suggestion is to correct this corrosive trend, that has gutted the Middle Class and allowed a precious few to control more and more of the country’s wealth, is to enact policies and job programs, even if this means that the richest of us share a disproportionate amount of the burden for this recovery..... by cutting loopholes and raise taxes.

White Americans have 22 times more wealth than blacks -- a gap that nearly doubled during the Great Recession. The median household net worth for whites was \$110,729 in 2010, versus \$4,995 for blacks, according to recently released Census Bureau figures. The difference is similarly notable when it comes to Hispanics, who had a median household net worth of \$7,424. The ratio between white and Hispanic wealth expanded to 15 to 1. The gap between the races widened considerably during the recent economic downturn, which whites weathered better than blacks, Hispanics and Asians. The latter three groups saw their median household net worth fall by roughly 60% between 2005 and 2010, while the median net worth for white households slipped only 23%. This allowed whites to leap ahead of Asians as the race with the highest median household net worth.

The racial wealth divide is nothing new. Black and Hispanic Americans have historically had lower incomes, higher unemployment and less education. That makes it more difficult for these groups to save money and put their capital to work building wealth, said Tatjana Meschede, research director of the Institute on Assets and Social Policy at Brandeis University. The Great Recession exacerbated the problem. In 2005, the net worth difference wasn't quite as stark. Whites had 12 times more wealth than blacks and 8 times more than Hispanics.

The main reason blacks and Hispanics did not fare as well during the economic downturn is that home equity makes up more of their wealth than it does for whites. The housing bubble that preceded the collapse pushed up home-ownership rates among blacks and Hispanics, who relied more heavily on high-cost sub-prime loans to finance their purchases. As a result, the implosion of the real estate market had a more devastating impact on black and Hispanic communities. Asians, meanwhile, are more concentrated on the West Coast, which was hit harder by the mortgage meltdown. And the arrival of new Asian immigrants in the last decade contributed to the decline in overall wealth, according to Rakesh Kochhar, co-author of the Pew Research Center report on wealth.

Pew found that in 2005, home equity made up nearly two-thirds of the net worth of Hispanics and 59% of blacks, but only 44% of whites. Blacks and Hispanics are also less likely to have assets in the financial system, such as savings accounts or stocks, Kochhar said. And these groups also suffer from far higher unemployment rates than whites, whose unemployment rate is 7.4%, below the national average. Blacks, on the other hand, have a 13.6% unemployment rate and Hispanics, 11%. The country has to address this income and wealth inequality, because the pain it causes and destruction it inflicts on people of color goes beyond numbers and truly undermines the entire social fabric of the country. Lets forget race or gender..... Most people believe that the strong Middle Class created in the 1950s and 1960s made America the greatest country in the world. As such we should do everything in our power to restore the opportunities created this growth.... And it wasn't lowering taxes.... It was job programs and education.... If TARP had been a trillion dollar jobs program instead of a \$450 million tax give away, today the country's unemployment would b below 6% and economic growth would be above 2.5%..... And if that trillion dollars had been spent in rebuilding the country's crumbling infrastructure, it couldn't have been outsourced, and the benefits are obvious. If we can find \$1 trillion to fund two unprovoked wars, we can find another \$1 trillion to rebuild America, which benefits future generations more than any tax breaks.... If we truly want to reverse the economic inequality, lets start with education and a massive jobs program to rebuild the country's infrastructure....

This week Paul Buchheit wrote in **Buzz Flash – America Split in Two: Five Ugly Extremes of Inequality** – facts:

1. \$2.13 per hour vs. \$3,000,000.00 per hour, while each of the Koch Brothers saw their investments grow by \$6 billion in one year. A better comparison of top and bottom salaries within large corporations is much less severe, but a lot more common. For CEOs and minimum-wage workers, the difference is \$5,000.00 per hour vs. \$7.25 per hour.
2. A single top income could buy housing for every homeless person in the U.S. On a winter day in 2012 over 633,000 people were homeless in the United States. Based on an annual single room occupancy (SRO) cost of \$558 per month, any ONE of the ten richest Americans would have enough

with his 2012 income to pay for a room for every homeless person in the U.S. for the entire year. These ten rich men together made more than our entire housing budget. For anyone still believing "they earned it," it should be noted that most of the Forbes 400 earnings came from minimally-taxed, non-job-creating capital gains.

3. The poorest 47% of Americans have no wealth. In 1983 the poorest 47% of America had \$15,000 per family, 2.5 percent of the nation's wealth. In 2009 the poorest 47% of America owned ZERO PERCENT of the nation's wealth (their debt exceeded their assets). At the other extreme, the 400 wealthiest Americans own as much wealth as 80 million families -- 62% of America. The reason, once again, is the stock market. Since 1980 the American GDP has approximately doubled. Inflation-adjusted wages have gone down. But the stock market has increased by over ten times, and the richest quintile of Americans owns 93% of it.

4. The U.S. is nearly the most wealth-unequal country in the entire world. Out of 141 countries, the U.S. has the 4th-highest degree of wealth inequality in the world, trailing only Russia, Ukraine, and Lebanon. Yet the financial industry keeps creating new wealth for its millionaires. According to the authors of the Global Wealth Report, the world's wealth has doubled in ten years, from \$113 trillion to \$223 trillion, and is expected to reach \$330 trillion by 2017.

5. A can of soup for a black or Hispanic woman, a mansion and yacht for the businessman. That's literally true. For every one dollar of assets owned by a single black or Hispanic woman, a member of the Forbes 400 has over forty million dollars. Minority families once had substantial equity in their homes, but after Wall Street caused the housing crash, median wealth fell 66% for Hispanic households and 53% for black households. Now the average single black or Hispanic woman has about \$100 in net worth.

Obviously the quickest way to cure this inequality is to **End The Capital Gains** giveaway, which benefits the wealthy almost exclusively. **Institute a Financial Speculation Tax**, both to raise needed funds from a currently un-taxed subsidy on stock purchases, and to reduce the risk of the irresponsible trading that nearly brought down the economy. We should also consider a **1% Wealth Tax**, as this would both bring in much needed revenue, affecting the people whose quality of life would be least affected and narrow the inequality. As for US multi-national companies who often ask our government to enforce patent protection, they should understand that comes with the price of their paying taxes. *And ask Russians who are being given a 10% haircut on monies of theirs in Cypriot banks, as part of the bank bailout in Cyprus....* Finally..... if the rich and major corporations want the protection, support, transparency and access that America offers, they should be willing to pay their fair share in taxes for it.....

Last November Daniel Altman wrote this op-ed in the New York Times – To Reduce Inequality, Tax Wealth, Not Income – since so much of this week's readings are on economic inequality, I felt that it should be included

Daniel Althman - November 18, 2012

WHETHER you're in the 99 percent, the 47 percent or the 1 percent, inequality in America may threaten your future. Often decried for moral or social reasons, inequality imperils the economy, too; the International Monetary Fund recently warned that high income inequality could damage a country's long-term growth. But the real menace for our long-term prosperity is not income inequality — it's wealth inequality, which distorts access to economic opportunities.

Wealth inequality has worsened for two decades and is now at an extreme level. Replacing the income, estate and gift taxes with a progressive wealth tax would do much more to reduce it than any other tax plan being considered in Washington.

When economists try to measure inequality, they typically focus on income, because the data are most readily accessible. But income is not always a good gauge of economic power. Consider a group of people who all have high incomes but differ widely in their wealth. Who's going to get into the country club? Who's going to have the money to finance a new venture? Moreover, income data may not reveal the true economic power of people who are retired, or who receive their pay in securities like stocks and options or use complex strategies to avoid taxes.

Trends in the distribution of wealth can look very different from trends in incomes, because wealth is a measure of accumulated assets, not a flow over time. High earners add much more to their wealth every year than low earners. Over time, wealth inequality rises even as income inequality stays the same, and wealth inequality eventually becomes much more severe.

This is exactly what happened in the United States. A common statistical measure of inequality is the Gini coefficient, a number between 0 and 100 that rises with greater disparities. From the late 1970s through the early 1990s, the Census Bureau recorded Gini coefficients for income in the low 40s. Yet by 1992, the Gini coefficient for wealth had risen into the mid-70s, according to data from the Federal Reserve.

Since then, it has risen steadily, to about 80 as of 2010. In 1992, the top tenth of the population controlled 20 times the wealth controlled by the bottom half. By 2010, it was 65 times. Our graduated income-tax system redistributes a small amount of money every year but does little to slow the polarization of wealth.

These are stunning changes. The global financial crisis did make a dent in the assets of the wealthiest American families, but its effects for the bottom half were utterly destructive; the number of owner-occupied homes has fallen by more than a million since 2007. People in different socioeconomic strata are living ever more different lives, with dangerous results for society: erosion of empathy, widening of rifts and undermining of meritocracy.

American household wealth totaled more than \$58 trillion in 2010. A flat wealth tax of just 1.5 percent on financial assets and other wealth like housing, cars and business ownership would have been more than enough to replace all the revenue of the income, estate and gift taxes, which amounted to about \$833 billion after refunds. Brackets of, say, zero percent up to \$500,000 in wealth, 1 percent for wealth between \$500,000 and \$1 million, and 2 percent for wealth above \$1 million would probably have done the trick as well.

These tax rates would garner a small portion of the extra wealth America's richest families could expect to accrue simply by investing what they already had. The rates would also be enough to slow — if not reverse — the increase in inequality. To see how the wealth tax would work, consider a family with \$500,000 in wealth and \$200,000 in annual income. Right now, they might pay \$50,000 in federal income tax. With the wealth tax brackets described above, they would pay nothing. On the other hand, a family with \$4 million in wealth and \$200,000 in annual income would owe \$65,000. Most families that depend on their wealth for their income would pay more, and most that depend on their earnings would pay less.

In fact, the majority of American families would receive an enormous tax cut. Some would owe only payroll taxes (for Social Security and Medicare) and state and local taxes every year, and others would pay less in wealth tax than they did in income tax. Taxes on earnings, capital gains, dividends and interest, all of which may distort decisions about working and investing, would disappear.

For most families, whose wealth may never reach \$500,000, all disincentives to save would vanish. And families trying to accumulate a fixed amount of wealth for retirement or their children's college fund could devote less of their incomes to saving, since in most cases the wealth tax would take a smaller bite of their interest, dividends and capital gains than the current income tax. Though the remaining minority of families subject to the wealth tax might end up saving less and spending more, this shift would also reduce inequality; the dollars they spent would be more likely to end up in the pockets of people with less wealth.

Scholars have recommended a wealth tax in the past, but not as a replacement for the income, estate and gift taxes. Indeed, phasing in the new tax would present some complications. People who already paid income tax on the money they used to buy their assets would not want to pay a new tax on them. Yet a reduced wealth tax — perhaps 1 percent in the top bracket to start — would collect less from many of them than the current income tax.

Naturally a cottage industry would spring up to help wealthy people lessen their exposure to the new tax. The federal government would need new rules for the reporting and valuation of assets, as well as new auditing processes. Levying the tax at the family level — perhaps parents and children up to a fixed age — might make it harder for the wealthy to reduce their tax liability by allocating their assets among multiple family members to reduce the wealth-tax liability.

By contrast, people with wealth tied up in property and small businesses might have real trouble coming up with enough cash to pay the tax. This is a problem that can be solved, or at least mitigated, by making payment periods flexible over several years. In addition, new financial products could offer cash for tax payments, either as loans or in return for partial ownership of assets — much like home equity loans do today.

States with income taxes would have to decide whether to switch to the wealth tax. Because some states collect tax from commuters who work within their borders but live elsewhere, an income tax might still be attractive. Yet rather than having two systems, it might be better to apportion state wealth taxes between the states where families live and work.

The benefits of the wealth tax would make these adjustments worthwhile. The economy would allocate opportunities more equitably and efficiently, and the tax system would become simpler. It would help working class people to realize their potential and ensure that society did not become unduly polarized. Of course, we can do much more to improve access to opportunity for all Americans. But a wealth tax would be a good place to start. Also included in this week's attachments is the Study by Emanuel Saez -- *The Evolution of Top Incomes in the United States* -- as it is an easy read and will give an unbiased concise overview on economic inequality here in America.

As bad as wealth inequality in America we rank second with the top owning 69.8% to Switzerland's 71.3% for its top 10%. Last month Jordan Weissmann wrote an article in **The Atlantic** – **Yes, U.S. Wealth Inequality Is Terrible by Global Standards** – showing wealth distribution in a selection of 10 countries in North America, Europe and Asia. Although we are not the worse, it shows that wealth inequality is uneven all over the world. In the study Politizane's video cites, by economists Dan Ariely and Michael Norton, Americans said they would prefer the top fifth of households percent own just 32 percent of the wealth. At the time, Ariely and Norton referred to this as the "Swedish" model.

Why is wealth inequality so skewed all over the world? Part of it is that income inequality has become a global problem, and that the rich inherently have more disposable income they can invest to build their bank accounts. But another aspect boils down to the nature of wealth accumulation: it takes time. Even outside the U.S., families often store their wealth in housing. And, to risk stating the

obvious, it can take a while to save up for a down payment. Once a young family house a house, they need to start paying down their mortgage before they can actually claim to have "*wealth*," since, again, wealth equals a household's assets minus its debts. So these calculations are going to favor the middle aged and old by default. As a result and being at the extreme top of the chart, Americans are living far from the egalitarian ideal. But the reality is that no matter where you are in the world, wealth is going to be concentrated with the wealthy

FACTOIDS

In a recent poll 34% of Americans believe that we should have a national religion and 32% want a Constitutional Amendment making Christianity the official religion of America. As Bob Costas said this week on **Real Time with Bill Maher**, "*isn't it interesting that people who are staunchly in favor of state rights want a national religion.*" And 26% of Democrats are for this too, so don't think that this is just limited to Republicans.... ***Didn't we fight a revolutionary war 240 years ago to settle this issue?*** Most Americans don't realize that our Founding Fathers, Washington, Adams and Jefferson were not Christians and did not have a faith. So when you hear that we are a Christian Country, please understand that this was not the intention of the Founding Fathers....

Did you know that the minimum wage for Tipped Workers is \$2.13 per hour, and generally the worker receives a pay-stub with no money as this minimum wage goes to taxes? 10 million Americans work in the food service sector as Tipped Workers. Imagine working 40 hours and receiving a pay-stub with all of the income going to taxes, based on the assumption of the tips that you might receive working as a waitress at Denny's. No wonder why one in three Americans work in poverty.

There is a revolving door in government. And there is no better example than the US Senate Finance Committee, where there are now 175 former staffers are registered tax lobbyist in Washington. No wonder why our US tax system is so dysfunctional and complicated with loopholes.

2600 of the 6 million corporations in America own 80% of the assets. And under a 1986 law they can build up an unlimited amounts of cash off-shore which they are allowed to siphon profits earned in the United States out of the country as expenses by paying themselves through their foreign subsidiaries for the use of patents, intellectual property and activities that they own or control.

THIS WEEK'S QUOTE

"All that is required for evil to prevail is for good men to do nothing."

-- Edmund Burke

THIS WEEK'S MUSIC

This week I would like to share the music of Laura Nyro, who was born October 18, 1947 and died of ovarian cancer on April 8, 1997. **Laura Nyro** was an amazing American songwriter, singer, and pianist. She first achieved critical acclaim with her own recordings, particularly the albums ***Eli and the Thirteenth Confession*** (1968) and ***New York Tendaberry*** (1969), and had commercial success with artists such as Barbra Streisand and The 5th Dimension recording her songs.

Her style was a hybrid of Brill Building-style New York pop, jazz, gospel, rhythm and blues, show tunes, rock and soul. Between 1968 and 1970, a number of artists had hits with her songs: The 5th Dimension with "*Blowing Away*", "*Wedding Bell Blues*", "*Stoned Soul Picnic*", "*Sweet Blindness*", "*Save The Country*" and "*Black Patch*"; Blood, Sweat & Tears and Peter, Paul & Mary with "*And When I Die*"; Three Dog Night and Maynard Ferguson with "*Eli's Coming*"; and Streisand with "*Stoney End*", "*Time and Love*", and "*Hands off the Man (Flim Flam Man)*". Nyro's best-selling single was her recording of Carole King and Gerry Goffin's "Up on the Roof." In the year 2012, Laura Nyro was inducted into the **Rock and Roll Hall of Fame**. She was an amazing artist whose lyrics created wonderful portraits. With this said, please sit back and enjoy **Ms. Laura Nyro.....**

Laura Nyro – ***Stoned Soul Picnic*** -- [REDACTED]

Laura Nyro – ***POVERTY TRAIN*** (Monterrey Pop Festival 1967) --
[REDACTED]

Laura Nyro – ***Eli's Comin'*** -- [REDACTED]

Laura Nyro & LaBelle – ***YOU'VE REALLY GOT A HOLD ON ME*** --
[REDACTED]

Laura Nyro – ***Spanish Harlem*** -- [REDACTED]
[LtGRY&list=RD02OOKcvPvBFsQ](#)

Laura Nyro – ***He's a Runner*** -- [REDACTED]
[v=IIWkRAw5feE&list=RD02OOKcvPvBFsQ](#)

Laura Nyro – ***Save the Country*** -- [REDACTED]
[v=Jjdowef1oKE&list=RD02OOKcvPvBFsQ](#)

Laura Nyro – ***It's Gonna Take A Miracle*** -- [REDACTED]
[v=ZJfeqNI4ZM&list=RD02OOKcvPvBFsQ](#)

Laura Nyro – ***And When I Die*** -- [REDACTED]

Laura Nyro – ***Walk On By*** -- [REDACTED]

Laura Nyro – ***New York Tendaberry*** -- [REDACTED]
[v=eolFwiSGRZ4&list=PL399A4C4B3F7A9861](#)

Laura Nyro – ***I Never Meant To Hurt You*** -- [REDACTED]
[v=ShOZKLUAJU8](#)

Laura Nyro – ***I'm So Proud/Dedicated to the One I Love*** -- [REDACTED]
[v=iBCPKJKRZHA](#)

Laura Nyro – ***Flim Flam Man*** -- [REDACTED]
[v=Choe9l9V5Lc&list=RD02iBCPKJKRZHA](#)

Laura Nyro – ***Musical Architecture*** -- [REDACTED]

I hope that you enjoyed this weekend's offerings and I am sorry for focusing so much on economic inequality, most of all I wish you a wonderful week....

Sincerely,
Greg Brown

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Gregory Brown
Chairman & CEO
GlobalCast Partners, LLC

