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**Attachments:** The\_Case\_for\_a\_Higher\_Minimum\_Wage\_Editorial\_Board\_NYT\_02.08.2014.docx;  
Romare\_Bearden\_images.docx; GIL\_SCOTT\_bio.docx;  
New\_Signup\_Numbers\_Show\_Why\_Obamacare\_May\_Be\_Impossible\_To\_Repeal\_Forbes\_02.12.2014.docx;  
Michael\_Dunn\_Verdict,\_Florida\_Man\_Found\_Guilty\_Of\_Attempted\_Murder\_In\_Loud-Music\_Trial\_Derek\_Kinner\_Huff\_Post\_02\_16\_2014.docx;  
The\_Crushinglly\_Expensive\_Mistake\_Killing\_Your\_Retirement\_Matthew\_O'Brien\_The\_Atlantic\_02\_17\_2014.docx; Unemployment\_The\_Number\_1\_Problem\_For\_Americans-Branden\_Goyette\_Huff\_Post\_02\_18\_2014.docx;  
Facebook\_To\_Buy\_WhatsApp\_For\_\$19\_Billion\_Dino\_Grandoni\_Huff\_Post\_02\_20\_2014.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

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**DEAR FRIEND.....**



**Romare Howard Bearden** was born on September 2, 1911, to (Richard) Howard and Bessye Bearden in Charlotte, North Carolina, and died in New York City on March 12, 1988, at the age of 76.

Romare Bearden is considered one of the most important American artists of the 20th century. His life and art are marked by exceptional talent, encompassing a broad range of intellectual and scholarly interests, including music, performing arts, history, literature and world art. His early paintings were realistic with religious themes. Later, his works depict aspects of family culture in a semi-abstract collage and Cubist style. He was also a songwriter and designed sets for the Alvin Ailey Company. Bearden was also a celebrated humanist, as demonstrated by his lifelong support of young, emerging artists.



*Presage*, c. 1942 Gouache with inks and graphite on brown paper 48 x 32.



*Southern Recall*, c. 1965 Collage of various papers with ink and graphite on cardboard 7 7/8 x 4 1/2.



*The Lamp*, c. 1984 Lithograph commissioned commemorating the 30th anniversary of the U.S. Supreme Court's decision ending official segregation in public education

Romare Bearden began college at Lincoln University, transferred to Boston University and completed his studies at New York University (NYU), graduating with a degree in education. While at NYU, Bearden took extensive courses in art and was a lead cartoonist and then art editor for the monthly journal *The Medley*. He had also been art director of *Beanpot*, the student humor magazine of Boston University. Bearden published many journal covers during his university years and the first of numerous texts he would write on social and artistic issues. He also attended the Art Students League in New York and later, the Sorbonne in Paris. In 1935, Bearden became a weekly editorial cartoonist for the *Baltimore Afro-American*, which he continued doing until 1937.

After joining the Harlem Artists Guild, Bearden embarked on his lifelong study of art, gathering inspiration from Western masters ranging from Duccio, Giotto and de Hooch to Cezanne, Picasso and Matisse, as well as from African art (particularly sculpture, masks and textiles), Byzantine mosaics, Japanese prints and Chinese landscape paintings.

From the mid-1930s through 1960s, Bearden was a social worker with the New York City Department of Social Services, working on his art at night and on weekends. His success as an artist was recognized with his first solo exhibition in Harlem in 1940 and his first solo show in Washington, DC, in 1944. Bearden was a prolific artist whose works were exhibited during his lifetime throughout the United States and Europe. His collages, watercolors, oils, photomontages and prints are imbued with visual metaphors from his past in Mecklenburg County, North Carolina, Pittsburgh and Harlem and from a variety of historical, literary and musical sources.

In 1954, Bearden married Nanette Rohan, with whom he spent the rest of his life. In the early 1970s, he and Nanette established a second residence on the Caribbean island of St. Martin, his wife's ancestral home, and some of his later work reflected the island's lush landscapes. Among his many friends, Bearden had close associations with such distinguished artists, intellectuals and musicians as James Baldwin, Stuart Davis, Duke Ellington, Langston Hughes, Ralph Ellison, Joan Miró, George Grosz, Alvin Ailey and Jacob Lawrence.

Bearden was also a respected writer and an eloquent spokesman on artistic and social issues of the day. Active in many arts organizations, in 1964 Bearden was appointed the first art director of the newly established Harlem Cultural Council, a prominent African-American advocacy group. He was involved in founding several important art venues, such as The Studio Museum in Harlem and the Cinque Gallery. Initially funded by the Ford Foundation, Bearden and the artists Norman Lewis and Ernest Crichlow established Cinque to support younger minority artists. Bearden was also one of the founding members of the Black Academy of Arts and Letters in 1970 and was elected to the National Institute of Arts and Letters in 1972.

Romare Bearden recognized as one of the most creative and original visual artists of the twentieth century, Romare Bearden had a prolific and distinguished career. He experimented with many different mediums and artistic styles, but is best known for his richly textured collages, two of which appeared on the covers of *Fortune* and *Time* magazines, in 1968. An innovative artist with diverse interests, Bearden also designed costumes and sets for the Alvin Ailey American Dance Theater, and programs, sets and designs for Nanette Bearden's Contemporary Dance Theatre.

Among Bearden's numerous publications are: *A History of African American Artists: From 1792 to the Present*, which was coauthored with Harry Henderson and published posthumously in 1993; *The Caribbean Poetry of Derek Walcott and the Art of Romare Bearden* (1983); *Six Black Masters of American Art*, coauthored with Harry Henderson (1972); *The Painter's Mind: A Study of the Relations of Structure and Space in Painting*, coauthored with Carl Holty (1969); and *Li'l Dan, the Drummer Boy: A Civil War Story*, a children's book published posthumously in September 2003.

Bearden's work is included in many important public collections including the Metropolitan Museum of Art, the Whitney Museum of American Art, the Philadelphia Museum of Art, the Museum of Fine Arts, Boston and The Studio Museum in Harlem, among others. He has had retrospectives at the Mint Museum of Art (1980), the Detroit Institute of the Arts (1986), as well as numerous posthumous retrospectives, including The Studio Museum in Harlem (1991) and the National Gallery of Art, Washington, DC (2003).

Bearden was the recipient of many awards and honors throughout his lifetime. Honorary doctorates were given by Pratt Institute, Carnegie Mellon University, Davidson College and Atlanta University, to name but a few. He received the Mayor's Award of Honor for Art and Culture in New York City in 1984 and the National Medal of Arts, presented by President Ronald Reagan, in 1987.

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# The Four Tenets of Individual Courage

Jonny Bentwood: 02/03/2014

Following the collapse of the airline industry over a decade ago, the trend of mass job-cutting was dominant. Southwest Airlines CEO James Parker went against this and announced that he would not cut jobs and instead initiate a profit-sharing program for employees.

This stands as a prime example of an individual bucking the trend of his industry and showing up differently. This is courage.

English author Samuel Johnson famously said, "*Courage is the greatest of all virtues, because if you haven't courage, you may not have an opportunity to use any of the others.*"

It is the duality of individual-initiated and business-led courage that creates an optimal formula for progress. The courage to identify a pivot, and the freedom to be able to see that change through, is what's required to show up differently. And if you're lucky, like I am, that is exactly the culture of the company you work for. If you have that freedom, here are my recommendations to be courageous within it.

## Four Tenants of Individual Courage

1. **Courage to Trust.** Trusting the ideas of your colleagues is a crucial step. Courage is listening when the most junior person in the room raises his or her hand. Most great ideas don't just come from the executive suite but from the people who are fighting daily on the front-line to propel the company forward. When Spencer Silver at 3M invented the Post-It note in 1968, senior management were consistent in their dismissal of the idea. It wasn't until nine years later when a more senior manager began to trust Silver's conviction that he persuaded the firm to put their marketing might behind the Post-It and help make it flourish. You know the rest of this story.
2. **Courage to Ask Why.** Let me ask you: Why do you work the way you do? Is it because that's the way it has always been done? Have you ever asked, "Can I do it radically different and possibly better?" Do you have the support of your manager and company to allow "disruption" to be a positive word and not something to run away from? "No" is not a dirty word. "No" is the strongest and most radical statement you will ever hear in the workplace. It takes courage to stand up and say that the plan is wrong, the objectives are not going to be met and that there is a better way. I didn't understand how my firm calculated influence - sure, I understood the method, but I didn't believe the arithmetic. When I told my boss that I thought the method was misguided, he didn't tell me get on with the job I was employed to do; he encouraged me to take my idea as far as it could go. The result was recognized by Time magazine as [one of the top 10 Twitter moments of 2010](#) and, more importantly, drastically changed our company's approach. Showing up differently isn't just the courage to ask, it's the determination to go to the ledge (or even over).

3. **Courage to Disagree.** Alfred Sloan (president, chairman and CEO General Motors from 1923 to 1956) said, "Gentlemen, I take it that we are all in complete agreement on the decision we've just made. Then, I propose we postpone further discussion, to give ourselves time to develop disagreement - and perhaps gain some understanding of what the decision is all about." Sloan's view was that if everyone was in unanimous agreement, he would postpone decision-making to give his team opportunity to think about the advantages and disadvantages in different ways. Sloan's brilliance here wasn't just his patience, but his creation of a culture that required opposition. Now more than ever, we must expect disruption. If everyone in the room is always in agreement, you can plan on those people being disrupted.

4. **Courage to Take Action.** How often have you seen failure due to indecision, procrastination and lack of trying? It is easy to put off a decision but incredibly difficult to be firm and make one. Ikea's Sustainability Director wanted to encourage use of LED light bulbs. How did he make this happen? He made the decision to enforce his entire supply chain and retail outlets to only use them. His decision brought about change as only action can.

Courage is the catalyst for change.

American pastor Harry Emerson Fosdick (1878 - 1969) once said, "*The world is moving so fast these days that the man who says that it can't be done is generally interrupted by someone doing it.*" The companies that have fallen victim to Fosdick's prophecy are too vast to count.

It was important to be courageous in Fosdick's day. It is critical to be courageous now.

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*Jordan Davis would have turned 19 last Sunday*

The black teen was killed in 2012 while sitting in a car with his friends outside a Jacksonville, Florida convenience store, listening to music. That music was too loud for Michael Dunn. Following an argument over the volume, the 45-year-old man fired his gun into the car-full of teenagers, killing Davis. Dunn told his fiancée the teens were playing "thug music." On the eve of Davis' 19<sup>th</sup> birthday, a mistrial was declared on the first-degree murder charge. The jury found Dunn guilty of attempted second-degree murder and a count of firing into an occupied car. While people struggled to make sense of the verdict, (attempted murder conviction for the living and hung jury for the unarmed

teenager who was killed), millions of parents of black teenagers are questioning a society where unarmed black kids are often interpreted as threats, and worse. targets. What is bracing about these regular deaths is how easily I can slot myself into the same circumstance. Follow me in a Jeep, then follow me on foot and we might come to blows. Demand that I turn down my music, at 17, and you might well not like my response either. Does that allow a white man to lynch or shoot me? Obviously it does if you are a young black male (or a person of color of any age) in Florida and many other places in America.

Since the Stand Your Ground law was passed in Florida, there has been an 8 percent increase in the homicide rate. Under Stand Your Ground laws in general, the chances that white-on-black killings will be found justified is more than 11 times than that of a black-on-white shooting using the same defense. Two boys -- among others -- have been killed and their families ripped apart by gun violence. The law that is meant to protect fails them. Not only do Stand Your Ground laws institutionally legitimize racism by mostly white men carried out against mostly black men, instead of reconciliation and peace, gun violence and racial fears are allowed to win the day. Where just laws were meant to preserve the common good, unjust laws like Stand Your Ground excuse us from living out our best values. It is time to make that clear that this type of injustice will no longer be tolerated.

As a result, it is clearer and clearer that in the United States African American lives are not of equal value, especially in states with "*Stand Your Ground*" laws where a jury was unable to reach a verdict of murder in the shooting death of unarmed, 17-year-old African American Jordan Davis by Michael Dunn, who is white and who has a carry concealed permit. The unequal value placed on different human beings, according to race, is not exactly new. American sociologist, historian, civil rights activist, Pan-Africanist, author and editor, W.E.B. Du Bois wrote in 1903, "*the problem of the twentieth century is the problem of the color line,*" and it is staggering how contemporary his analysis is today. So in the twenty-first century, with the addition of "*Stand Your Ground*" laws, is clear in the Zimmerman and Dunn cases, the "*color line*" has become a "*shooting line.*" ***And this is my rant of the week.***

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**Web Link:** <http://youtu.be/uuiM6oxzp28>

Although I was only fourteen years old and on the verge of dropping out of high school in 1963, I knew that the demolition of the magnificent **Pennsylvania Station** — known as **New York Penn Station** or just **Penn Station** occupying two city blocks — was beyond stupid. Inspired by **Gare d'Orsay** train station in Paris, itself a work of art and now a world-class museum. **Penn Station** was the brainchild of Alexander Cassatt, President of the nation's largest railroad and largest corporation with an operating budget only second to the Federal Government, at the turn of last century. In 1899 Cassatt (*at the age of 59*) was recruited out of retirement to take over the presidency of Pennsylvania Railroad after the untimely death of its president. Within the first two years of his presidency the railroad had doubled its income making him one of the most admired executives of the time.

At that time, trains would stop at Jersey City and passengers would then be ferried over the Hudson River into Manhattan. Cassatt's vision was to attach New York City to the mainland via underwater tunnels under the Hudson and East Rivers. The problem was that the prevailing belief was that it was not technically possible after a number of failed attempts by others due to the geologic conditions under the Hudson River as the soil was soft-silk causing a lot of concern that a tunnel in that soft material might not stay in position, especially when a typical Pennsylvania Railroad passenger train weighed seven hundred tons and the tunnels would have to withstand hundreds of them every day, building tunnels of that size to handle that level of traffic was an extraordinary undertaking because if they moved they most likely would fail.



The tunnel technology was so innovative that in 1907 the PRR shipped an actual 23-foot (7.0 m) diameter section of the new East River Tunnels to the Jamestown Exposition in Norfolk, Virginia, to celebrate the 300th anniversary of the nearby founding of the colony at Jamestown. The same tube, with an inscription indicating that it had been displayed at the Exposition, was later installed underwater and remains in use today. Construction was completed on the Hudson River tunnels on October 9, 1906, and on the East River tunnels March 18, 1908. Almost equal to the technical challenge was Cassatt's vision that the station should be a world-class monument to his company and New York City as an international capital. In 2002 he commissioned famed architect Charles McKim of the preempted architectural firm at the time, McKim, Mead & White.



Alexander Cassatt died at the age of 67 prior to the completion of Pennsylvania Station. The original structure was made of pink granite and marked by an imposing, sober colonnade of Roman unfluted

version of classical Greek Doric columns. The colonnades embodied the sophisticated integration of multiple functions and circulation of people and goods. McKim, Mead & White's Pennsylvania Station combined glass-and-steel train sheds and a magnificently proportioned concourse with a breathtaking monumental entrance to New York City. From the street twin carriageways, modelled after Berlin's Brandenburg Gate, led to the two railroads the building served, the Pennsylvania and the Long Island Rail Road. The main waiting room, inspired by the Roman Baths of Caracalla, approximated the scale of St. Peter's nave in Rome, expressed here in a steel framework clad in plaster that imitated the lower wall portions of travertine. 150 feet high, it was the largest indoor space in New York City and one of the largest public spaces in the world. The **Baltimore Sun** said in April 2007 that the station was "*as grand a corporate statement in stone, glass and sculpture as one could imagine.*" Historian Jill Jonnes called the original edifice a "*great Doric temple to transportation.*"

**Web Link:** <https://www.toledoblade.com/Culture/2014/02/18/Exploring-a-marvel-of-engineering.html>

During half a century of operation under Pennsylvania Railroad (1910–1963) scores of intercity passenger trains arrived and departed daily to Chicago and St. Louis on "*Pennsy*" rails and beyond on connecting railroads to Miami and the west. Along with Long Island Rail Road trains Penn Station saw trains of the New Haven and the Lehigh Valley Railroads. During World War I and the early 1920s rival Baltimore and Ohio Railroad passenger trains to Washington, Chicago, and St. Louis also used Penn Station, initially by order of the United States Railroad Administration, until the Pennsylvania Railroad terminated the B&O's access in 1926. By 1945 more than 100 million passengers transited through Penn Station. The station saw its heaviest use during World War II but in 1946 Pennsylvania Railroad suffered its first operating loss in the company's history and by the late-1950s intercity rail passenger volumes had declined dramatically with the coming of the Jet Age and the Interstate Highway System causing the company to get out of passenger service.

The Pennsylvania Railroad optioned the air rights of Penn Station in the 1950s. The option called for the demolition of the head-house and train shed, to be replaced by an office complex and a new sports complex. The tracks of the station, perhaps fifty feet below street level, would remain untouched.

Demolition began in October 1963. Plans for the new Penn Plaza and Madison Square Garden were announced in 1962. In exchange for the air-rights to Penn Station, the Pennsylvania Railroad would get a brand-new, air-conditioned, smaller station completely below street level at no cost, and a 25% stake in the new Madison Square Garden Complex.



The demolition of the head house — although considered by some to be justified as progressive at a time of declining rail passenger service — created international outrage. As dismantling of the structure began, The **New York Times** editorially lamented, "*Until the first blow fell, no one was convinced that Penn Station really would be demolished, or that New York would permit this monumental act of vandalism against one of the largest and finest landmarks of its age of Roman elegance.*"

Its destruction left a lasting wound in the architectural consciousness of the city. A famous photograph by Eddie Hausner of the ruined sculpture "*Day*" by Adolph Alexander Weinman in a landfill of the New Jersey Meadowlands struck a guilty chord. Pennsylvania Station's demolition is considered the catalyst for the enactment of the city's first architectural preservation statutes. The

destruction of Penn Station inspired the creation of the **Landmarks Preservation Movement** that saved a number of historic buildings including the wonderful Grand Central Station in New York.

It had taken four years to build Pennsylvania Station. McKim's colossal structure used 27,000 tons of steel, 500,000 cubic feet of granite, 83,000 square feet of skylights and 17 million bricks. When the station was completed in 1910 thousands of spectators wandered through the station, flooding the acres of its floor space reported the New York Tribune, "*gazed at the vaulted ceilings far above them, and pressed like caged creatures against the grill that looked down upon subterranean tracks, trains and platforms.*" Pennsylvania Station was a symbol not only to the greatness and power of the railroad, but also to the greatness and power of the city, it was a gift to the city as well as a creation of a corporation with a notion that private enterprise and the public good didn't contradict each other – they in fact reinforced each other.

More than a half of century later my first memories of Penn Station is still indelible. You walked into the majestic structure immediately realizing that this is a wonderful space, making it one of the greatest public spaces in the country whether you are rich or poor, urban, suburban or rural. One of the unintended beneficial consequences of Penn Station was the opening up of access for the suburbs to the city. At the time that Penn Station was built, most Americans viewed railroads as symbols of progress, symbols of what the United States could achieve. Most people didn't realize what was lost until Penn Station was torn down. It is hard to get over the fact that such a wonderful place is gone. Often described as the "*great martyr of historic preservation*", the building that died so that we could/would save others in the future.



The destruction of Penn Station was the tipping point, something that people wouldn't accept any more creating the political will to stop the destruction of historic buildings. In today's money driven ethos this is always an uphill battle with the power of commerce, the devotion to change, the fetish of what's coming next is antithetical to doing something monumental and noble and for private enterprise creating something extraordinary for the benefit of the public, that generations who followed would also benefit from. Obviously the challenge is how to balance the need to preserve what's best, what's most important and the need to continually change, invent and grow, because this is what living places have to do. If you get a chance, as part of its *American Experience* series, **PBS** is currently showing a wonderful documentary. *'The Rise and Fall of Penn Station'* -- I strongly urge everyone to see it.

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Web Link: <http://vimeo.com/86706722>

The one thing that a majority of Americans believe, whether they be *Democrat, Republican or Independent*, is that campaign financing needs to be reform due to the stench of corruption hinging over American politics today. In addition to the speculation that New Jersey's Chris Christie office pressured local politicians in Jersey City to approve a real estate development, Ray Nagin's New Orleans, where the former mayor has been convicted for taking bribes and kickbacks and in our nation's capital, the revolving door whirls like a runaway carousel, delivering one member of Congress or top staffer after another into the waiting arms of corporate mercenaries offering top dollar for services rendered; never mind the conflicts of interest. And all the while gushers of money pour into political campaigns non-stop, producing a marionette government of legalized theft.

You would think all this sleaze would be enough to turn everyone off. And it has indeed provoked dangerously widespread cynicism and apathy. More than ever in America political campaigns run on dollars, corrupting the tenets of democracy and leaving the middle class and especially poor people at the mercy of a rigged system. It is easy to see the effect of money in politics; as most of the time the

system works only for those who pay to play, who have bought the rule-making machinery of government. The most amazing thing is that you can buy so many politicians on the cheap. Since the days of the Greek and Roman Empires, money has been the elixir to curry favors and favorable legislation but since the Supreme Court walked away from any sort of responsibility to protect democracy, capital has increasingly gain control of our politics leading to a government no longer believing its responsibility is for the greater good for the mass and to protect those in need.

Last week on **PBS' Moyers & Company**, Bill Moyers spoke with **David Simon**, the former crime reporter turned television producer. He created two acclaimed series for **HBO**: "**Treme**," about the struggle to rebuild post-Katrina New Orleans, and "**The Wire**," the story of crime and punishment in the streets of Baltimore. David Simon: *The last job of capitalism* – having won all the battles against labor, having acquired the ultimate authority, almost the ultimate moral authority over what's a good idea or what's not, or what's valued and what's not – the last journey for capital in my country has been to buy the electoral process, the one venue for reform that remained [...] And ultimately, right now, capital has effectively purchased the government.

Simon Again: I think if I could fix one thing, if I could concentrate and focus on one thing and hope that by breaking the cycle you might start to walk this nightmare back, it would be campaign finance reform. The logic of **Citizens United** and other decisions that are framed around that. Certainly our judicial branch has failed to value the idea of one man, one vote. You don't count more because you run a corporation and you can heave money in favor of your political philosophy onto the process. You don't count more, you're one guy. When asked about the Citizens United decision, I was surprised at Simon's response.

David Simon: Everyone reacted the wrong way when they heard that decision. They all-- the chant from the left became, "*Corporations are people? Corporations are not people.*" Well, no, actually under the law, that's the reason for corporations if you know, they are indeed given the rights of individuals, and that's why you form corporations and that's how the law treats them. They're sociopaths as people, you know, they have to report their profit to the-- I mean, that's who they are. But you know, by definition, you know, if all you care about is your profits, to the shareholders, you know, and nothing else in human terms, you're probably a sociopath.

But okay, they get to exist as-- no, it was that speech is money that was-- when you start equating speech with money and you see them as being comparable, money is in a fundamental regard the opposite of speech in many ways. Speech, you know, or it's a kind of speech so foul that it shouldn't be - it shouldn't have the weight it has in our democracy. And that's the, that to me was the nails in the coffin. If you can't fix the elections so that they actually resemble the popular will, if the combination of the monetization of the elections and gerrymandering create a bicameral legislature that doesn't in any way reflect the will of the American people, you've reached the end game for democracy. And I think we have.

David Simon: Capitalism is a tool for building wealth. But if wealth is the only measure of society and there's no distinction on how that wealth is going to be distributed among the various classes or how

that wealth is going to be put to the needs of the society or how the society's going to be protected from inevitable threat, if all of those things are not -- if how the society's infrastructure, shared infrastructure, is fashioned and whether or not it's sustainable, if all those things are not metrics and if it's just about generating mass wealth, then you know, what are we saying? What are we saying about the human condition? What are saying about our society's condition? And the only way that you tame greed is legislatively. And the problem is that we don't have a Teddy Roosevelt today.

Today you can't look at politics and be sanguine about where we're going. And as a result you have to understand why so many people's anger has turns to resignation. Resignation or contempt for government as an idea. That's a luxury we don't have. It is basically either, on one side it's people who think, "*I can do well on my own and screw my neighbor.*" And it's basically greed wrapping itself in the mantle of a legitimate ideology. Or it's just people who are not doing well, who are saying, you know, "*The government's my enemy.*" If democracy's going to work, the government in some sense is you and your neighbors. And if it's not, that's the fight to have. And this fight can't be had by walking away. Because, if only 20 percent of the people in America end up voting in elections that they don't think matter, you lose and they'll be right, with any sense of democracy dying.

Therefore in any democracy, it's a fight worth having even if we're going to lose. Even when you believe that the game is rigged. Sooner or later even the most apathetic will seethe with contempt that their voice isn't being heard. Today the logical outcome can witnessed in the uprising in the Ukraine. And although revolution sometimes seems good in theory – but the destruction, pain and death that accompanies it is not. Therefore opting out is not only a lost opportunity but it often leads to unintended consequences creating the worse of all outcomes.

David Simon: In "*The Myth of Sisyphus*" Camus' idea is that to commit to an unlikely cause or a cause that is, seems, almost certain of defeat may seem absurd, but to not commit is also absurd given the situation. And only one choice of those two offers even the remote chance at dignity. But more than that, the idea that democracy works without there being a constant fight, is equally absurd – as such, it is negligent for us to walk away and say I'm not going to play this game by which I might lose or which the odds are stacked against me, and want the lofty position of walking away and saying, "*No more.*" Because all that will happen is a more rapid decline in our society. As such there is nowhere to go except to fight.

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Being a Baby Boomer who grew up in the age of television when there were only three networks and that was only in the major markets, one of the shared experiences in America, whether you were rich, poor, black, white, woman, man, gay, young and old, was television. Those shared experiences were often painted in the collective psyche of the American audience. For Baby Boomers and their parents, many of us remember watching Elvis Presley and The Beatles on the *Ed Sullivan Show* and during that same time we anointed Walter Cronkite "*the most trusted man in America.*" We crowded around our television sets to witness the landing on the moon in 1969, and we were collectively outraged by the over-reaction of local police during the social protests in the 1960s. Along with *Dragnet*, *American Bandstand*, *Bonanza*, *The Honeyymooners* and scores of other television shows, one

of the preempted collective American television experiences was the late night television show, and most of all, **NBC's *The Tonight Show***, which is still the longest running talk show having first aired in 1954.

***The Tonight Show*** has been hosted by Steve Allen (1954–57), Jack Paar (1957–62), Johnny Carson (1962–92), Jay Leno (1992–2009), Conan O'Brien (2009–10), and Jay Leno again (2010–14). After hosting ***The Tonight Show*** for twenty years, Joe Leno did his last show two weeks ago to make room for a younger Jimmy Fallon who moved the show after thirty years in Los Angeles back to its original studio in New York City. ***The Tonight Show with Jimmy Fallon*** premiered on Monday night, February 17, 2014.

Having lived longer than most people expected and in fear of being put out to pasture or worse irrelevant, I often find myself nostalgic for the past and as a result glued to the final months of ***The Tonight Show with Jay Leno***. What is funny, is that prior to this period, if I watched ***The Tonight Show*** more than two or three times a month the show's Nielson rating had a banner week. Like a future ex-wife who wanted to see the new wife, I recorded the new ***The Tonight Show with Jimmy Fallon***, so that I could view it later at my convenience. And to my surprise, I found it to be thoroughly entertaining, especially since I had never seen his previous show ***Late Night with Jimmy Fallon*** or remembered him from ***Saturday Night Live***, which I stopped watching since the original cast left in the last 80s and early 90s.

Without a doubt, Johnny Carson set the Gold Standard. There are not enough superlatives to describe his brilliance. And Johnny Carson being #1 for thirty years and leaving on top, it has been amazing how easily Jay Leno transitioned into his chair and established his own stamp on the show. Having watched the disaster of Conan O'Brien crashing and burning when he moved from the *Late Night* to *The Tonight Show* five years ago, I was also curious to see if the same would happen to Fallon. In my humble opinion, Jimmy Fallon's first week has been stellar. And my favorite segment this week was his ***History of Rap Part 5*** parody with Justin Timberlake. I invite you to use the web link below and hopefully you will enjoy it as much as I did.

***History of Rap 5*** – Jimmy Fallon & Justin Timberlake

**Web Link:** <http://youtu.be/0NO0rArJRR4>

Jimmy Fallon thanks to a successful five-year run as the host of *Late Night*, a proven record of creating deliciously viral content which spreads like wildfire across social media, became **NBC's** hope – “*A Tonight Show Host Who Speaks YouTube*” to appeal to a younger audience, convincing them to sit down in front of the TV at a specific time (*an increasing rarity*), while simultaneously engaging them with social media and active digital content. Maybe learning from his Conan O'Brien experience, Jay Leno saw himself out after over twenty years as ***The Tonight Show's*** host with humility, class and good will to his successor. His final *Tonight Show* episode and Fallon's first have a lot in common: a constant flow of superstar guests, high-caliber musical performances and sincere, emotional monologues from the respective hosts. Both are always eager to please, with the niceness of an everyman. But the biggest difference is that the new show seems to be less about the desk and the interviews and more of a sketch-based variety musical hour given to the whims of improv. Hence

Fallon is already putting his stamp on the Grand Daddy of Late Night Shows -- *The Tonight Show starring Jimmy Fallon*.

## WEEK'S READINGS

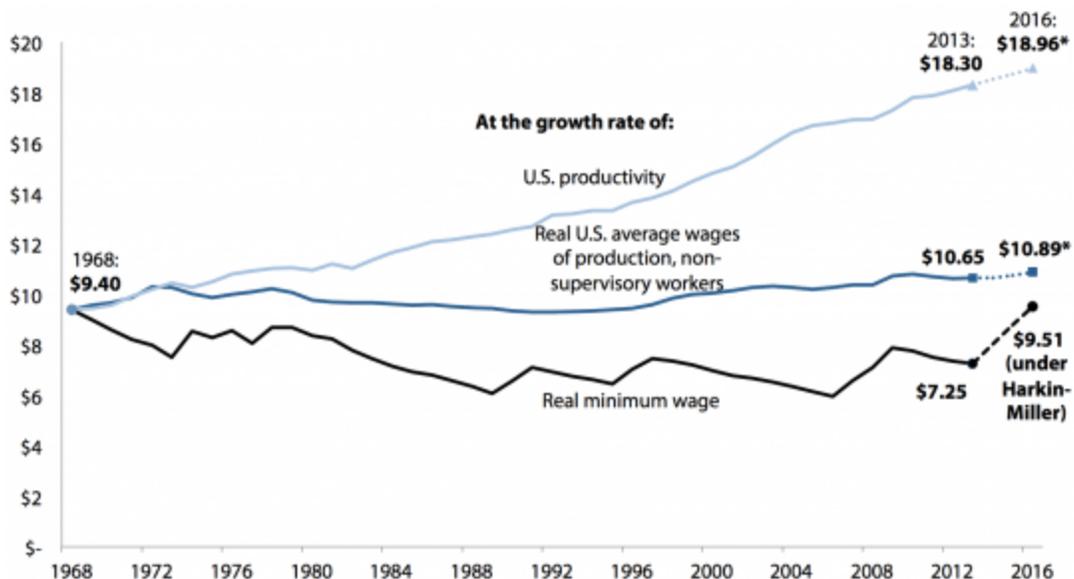
# The Case for a Higher Minimum Wage

THE EDITORIAL BOARD: February 8, 2014

The political posturing over raising the minimum wage sometimes obscures the huge and growing number of low wage workers it would affect. An estimated 27.8 million people what are more money under the Democratic proposal to lift the hourly minimum wage from \$7.25 today to \$10.10 by 2016. And most of them do not fit the low-wage stereotype of a teenager with a summer job. Their average age is 35; more than one-fourth are parents; and, on average, they are on half of their families' total income.

None of that, however, has softened the hearts of opponents, including congressional Republicans and low-wage employers, notably restaurant owners and executives.

This is not a new debate. The minimum wage is a battlefield in a larger political fight between Democrats and Republicans - dating back to the New Deal legislation been instituted the first minimum wage in 1938 - over government's role in the economy, over raw versus regulated capitalism, over corporate power versus public needs.



But the results of the way to bait are clear. Decades of research, facts and evidence shows that increasing the minimum wage is vital to economic security of tens of millions of Americans, when would be good for the weak economy. As Congress begins its own debate, here are answers to some basic questions about the need for an increase.

**WHAT'S THE POINT OF THE MINIMUM WAGE?** Most people think of the minimum wage as the lowest legal hourly pay. That's true, but it is really much more than that. As defined in the name of the Lord that established it - Fair Labor Standards Act of 1938 - the minimum wage is a fundamental labor standard designed to protect workers, just as child labor laws and overtime pay rules do. Labor standards, like environmental standards and investor protections, are essential to a functional economy. Properly set and enforced, these standards check exploitation, pollution and speculation. In the process, they promote broad and rising prosperity, as well as public confidence.

The minimum wage is specifically intended to take aim at inherent imbalance in power between employers and low-wage workers that can push wages down to poverty levels. An appropriate way to floor set by Congress affectively substitutes for bargaining power the low-wage workers lack. When low-end wages rise, poverty and inequality are reduced. But that doesn't mean the minimum wage is a government program to provide welfare, as critics sometimes imply in an attempt to link it to unpopular policies. An hourly minimum of \$10.10, for example, as Democrats have proposed, would reduce the number of people living in poverty by for 4.6 million, according to widely accepted research, without requiring the government to tax, borrow or spend.

**IS THERE AN ALTERNATIVE?** No. Other programs, including food stamps, Medicaid and earned-income tax credits, also increase the meager resources of low-wage workers, but they do not provide bargaining power to claim a better wage. In fact, they can drive wages down, because employers who pay poorly factor the government assistance into their wage scales. This is especially true of the earned-income tax credit, a taxpayer-provided wage subsidy that helps lift the income of working families above the poverty line.

Conservatives often call for increases to the E.I.T.C. instead of a higher minimum wage, saying that a higher minimum wage acts as an unfair and unwise tax on low-wage employers. That's a stretch, especially in light of rising corporate profits even as pay has dwindled. It also ignores how the tax credit increases the supply of low-wage labor by encouraging people to work, holding down the cost of labor for employers. By one estimate, increasing the tax credits to 10 percent reduces the wages of high-school educated workers by 2 percent.

There are good reasons to expand the tax credits for childless workers, as President Obama recently proposed. It is a successful antipoverty program and a capstone in the conservative agenda to emphasize work over welfare. But an expanded E.I.T.C. is no reason to stint on raising the minimum wage - just the opposite. A higher minimum wage could help offset the wage-depressing effect of a bolstered E.I.T.C., and would ensure the both taxpayers employers do their part to make work pay.

**HOW HIGH SHOULD IT BE?** There's no perfect way to set the minimum wage, but the most important benchmarks - purchasing power, wage growth and productivity growth - demonstrate that the current \$7.25 an hour is far too low. They also show that the proposed increase to \$10.10 by 2016 is too modest.

The peak year for the minimum wage was in 1968, when its purchasing power was Nelly \$9.40 in 2013 dollars, as shown in the accompanying chart. Since then, the erosion caused by inflation has obviously

overwhelmed the increases by Congress. Even a boost to \$10.10 an hour by 2016 (also adjusted to 2013 dollars) would lift the minimum to just above its real value in 1968. So while it is better than no increase, it is hardly a raise.

The situation is worse when the minimum wage is compared with the average wages of typical American workers, the ones with production and nonsupervisory jobs in the private sector. From the mid 1960's to the early 1980s, when one full-time, full-year minimum wage job could keep a family of two above the poverty line, the minimum equaled about half the average wage. Today, it has fallen to one-third; to restore it a half would require nearly \$11 an hour, a better goal than \$10.10.

The problem is that the average wage, recently \$20.39 an hour, has also stagnated over the past several decades, despite higher overall education levels for typical workers and despite big increases in labor productivity. People are working harder and churning out the goods and services, but there's no sign of that in their paychecks. If the average wage had kept pace with those productivity gains, it would be about \$36 an hour today, and the minimum wage, at half the average, would be about \$18.

That is not to suggest that the hourly minimum wage could be catapulted from \$7.25 to \$18. A minimum wage of \$18 would be untenable with the average hovering in the low \$20's. But it does confirm that impersonal market forces are not the only, or even the primary, reason for widespread stagnation. Flawed policies and change in corporate norms are also to blame, because they have allowed the benefits of productivity gains to flow increasingly to profits, shareholders' returns and executive pay, instead of workers' wages.

**DOES THIS KILL JOBS?** The minimum wage is one of the most thoroughly researched issues in economics. Studies in the last 20 years have been especially informative, as economists have been able to compare states that raise the wage above the federal level with those that did not.

The weight of the evidence shows that increases in the minimum wage have lifted pay without hurting employment, a point that was driven home in the recent letter to Mr. Obama and congressional leaders, signed by more than 600 economists, among them Nobel laureates and past presidents of the American Economic Association.

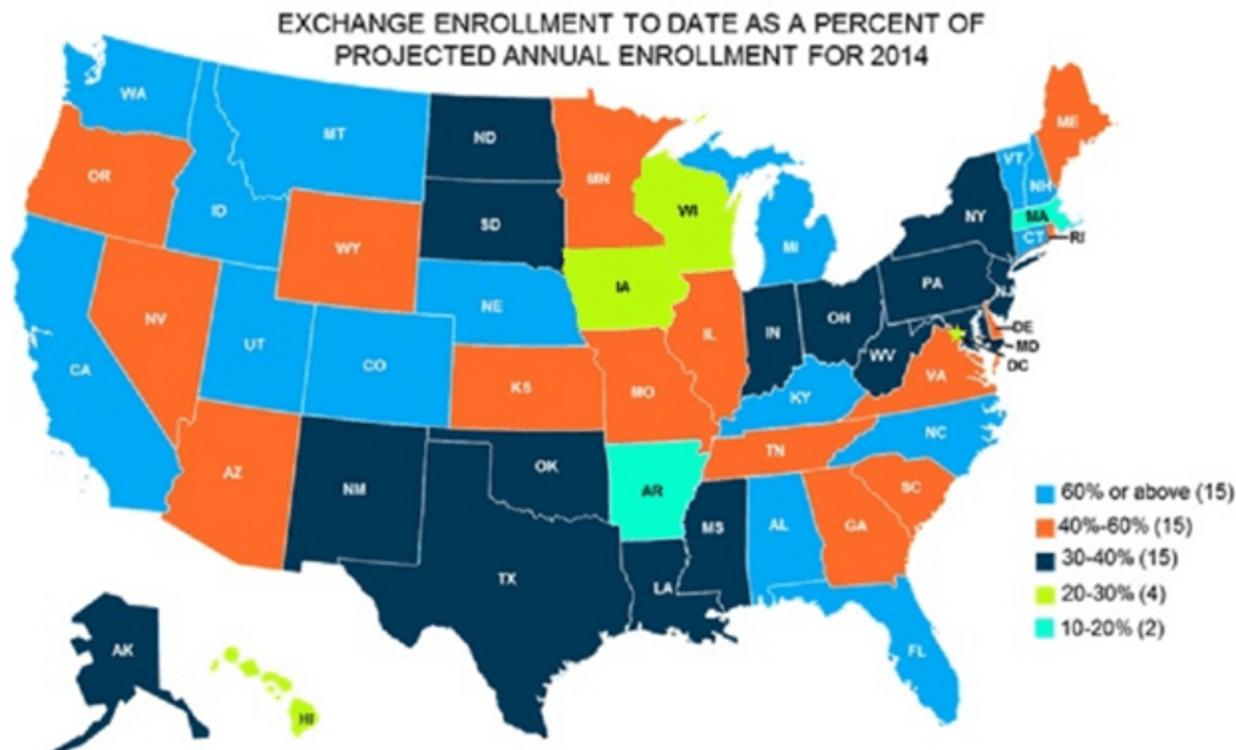
The economic conclusion dovetails with a recent comprehensive study, which found that minimum wage increases result in "strong earnings effects" - that is, higher pay - "and no employment effects" - that is, zero job loss.

Evidence, however, does not stop conservatives from making the argument that by raising the cost of labor, a higher minimum wage will hurt businesses, leaving them to cut jobs and harming the low-wage workers it is intended to help. Alternatively, they argue it will hurt consumers by pushing up prices precipitously. Those arguments are simplistic. Research and experience show that employers do not automatically cope with higher minimum wage by laying off workers or not hiring new ones. Instead, they pay up out of savings from reduced labor turnover, by slower wage increases higher up the scale, modest price increases or other adjustments.

Which brings the debate over raising the minimum wage full circle. The real argument against it is political, not economics. Republican opposition will likely keep any future increase in the minimum

wage below a level that would constitute a firm wage floor, though an increase of \$10.10 an hour would help tens of millions of workers. It also would help the economy by supporting consumer spending that in turn supports job growth. It is not a cure-all; it is not bold or innovative. But it is on the legislative agenda, and it deserves to pass.

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For Republicans who want to repeal the Affordable Care Act, there is a major problem: many people may hate the law, but just as many like it. This is what Matthew Herper said this week in **Forbes Magazine** in his article – ***New Signup Numbers Show Why Obamacare May Be Impossible To Repeal.*** “The thing that bothers me is people constantly forget that all politics is local, and that there’s great variation in the extent to which the law is accepted or is going to work. It’s state by state,” says Austin Frakt, an associate professor of public health at the Boston University School of Public Health and co-author of the popular **Incidental Economist** blog. “It’s not fair to say we’ll repeal the whole thing because there’s half the states that are cool with it.” That may be even more true today than it was before, as the Obama administration released new figures saying that, through January, a total of 3.3 million people had signed up to get health insurance either through the federal government’s Healthcare.gov website or through the insurance exchanges run on the state level. That includes 1 million who signed up in January alone.

The numbers are even more encouraging when you look more closely. The proportion of young people — from 18 and 34 — who chose insurance plans through the exchanges increased slightly to 27 percent, compared with an average of 24 percent in previous months. This is important because premiums would have to rise if not enough young, healthy people enrolled. The administration had hoped the percentage of young enrollees would reach about 40 percent. But the January figure — and the rising trend — should put to rest any notion that the whole program could go down the drain in an actuarial “death spiral.” Administration officials are convinced this won’t happen.

Obamacare is still about 1 million signups behind where the Obama administration expected it to be before the government botched the rollout of Healthcare.gov, but these numbers are still looking significantly better than worst-case scenarios from a month ago, when enrollment of 5 million or even 3 million looked possible. What's more, a closer look at the data seems to indicate that even some state one would expect to be anti-Obamacare are having large numbers of people enroll in insurance through the exchanges – and that's not counting those in Medicaid. *"We've known California and NY have been leading the way on total enrollment,"* says Caroline Pearson, a vice president at consultancy Avalere Health. *"Florida and North Carolina and Alabama – states that have been relatively anti-Obamacare – are in fact doing quite well on their enrollment relative to what we expected."*

Pearson took the data released by the government and paired it with a model Avalere developed to predict how many people each state would have to enroll in order to reach the projection of 6 million people enrolled in total, which was used in a recent Congressional Budget Office report. The results are presented in the map below, and in the state-by-state table at the end of this article. When total enrollment is expressed as a percentage of Avalere's projection, Alabama (60%) and Florida (74%) are actually lapping New York (39%) and Pennsylvania (35%). What's more, the map makes clear that most states are at least 40% of the way to their expected totals, and almost all are at least 30%. Keep in mind that a state can enroll more than its projected total (California is already 118% of the way there). Pearson says the worst-performer, Alabama, may deserve an asterisk depending on whether it uses Medicaid money to enroll people in its exchanges.

Not that everything is rosy. Not everyone counted in these numbers is certain to actually get health insurance, because these numbers count people who signed up but who have not yet paid their first bill. Three-quarters of those who have signed up so far are getting subsidies to help pay for their coverage. For young consumers, as Avik Roy has written and others have also found, the Affordable Care Act may make insurance less affordable.

The Affordable Care Act could be doing even more if Republican governors such as Rick Perry of Texas and Rick Scott of Florida were not doing all they could to sabotage the program. But even in states that refused to set up their own health-insurance exchanges or to expand Medicaid eligibility, growing numbers of the uninsured are obtaining coverage. Politically, this is terrible news for Republicans who hoped that the botched Web site launch and President Obama's misleading "you can keep your insurance" pledge would be the gifts that kept on giving. Bashing Obamacare will always have resonance for the GOP's conservative base. But if you're trying to win the votes of independents, it's more profitable to target a failed program than a successful one.

But the Department of Health and Human Services says that more young, healthy people are signing up. Pearson says she models that these customers, valued by insurance companies, are more likely to sign up as we reach the end of the sign-up period at the end of March. Insurance companies said on their earnings calls that the mix of customers signing up for their plans is getting better. *"We are seeing enrollees skewing to the younger side,"* Humana president and chief executive officer Bruce Broussard said a week ago. Cigna's chief, David Cordani said those signing up are a *"little older mix relative to population."* Aetna Chief Executive Mark Bertolini called the risk from the law *"manageable"* and also said that the ACA was part of a set of opportunities *"unprecedented in the history of managed care."* There will be eight more weeks of data to see what happens.

The point is that even with all the law's problems, there may be a substantial number of people who come to depend on it before there is any political chance of repealing it – before the midterm

elections. A more likely outcome than repeal, Frakt believes, will be that Republicans, or the government as a whole, will eventually find a way to give more freedom to the states to change some of the parameters of the ACA, bringing states that have resisted marketing their own exchanges or enrolling patients in Medicaid into the fold. Says Frakt: *"It may be a conservative means to a progressive ends."* It probably won't happen soon, but at some point there may actually be a need for compromise on both sides. But for Republicans to continue to believe that the ACA is the *Achilles Heel* for the Democrats, the numbers are telling a different story, so instead of being a *"player hater"* why not change course and do whatever possible to make it better and more sustainable. And if not, my preference is **Medicare for all** which is definitely an improvement over **Obamacare**.

Critics will doubtlessly continue to try to blame Obamacare for anything bad that happens to anyone's health insurance before the November election. But all of this is just noise without the central narrative of a *"failed program."* Attack ads against vulnerable Democratic senators, such as Kay Hagan of North Carolina and Mary Landrieu of Louisiana, are already trying to paint Obamacare as a character defect — the president and his supporters "lied" when they said everyone could keep their insurance. The response from Democrats should be to shift the focus to the actual program and its impact. Imperiled incumbents can point to constituents who are benefiting from the Affordable Care Act in life-changing ways.

If you assume that Affordable Care Act enrollment remains on its current trajectory, the February numbers should look even better. Polls consistently show that even if voters have mixed views about the health-care reforms, most do not want to see them repealed. By the fall, the whole Obamacare-is-a-disaster line of attack could sound stale and irrelevant. Republicans may even have to take the drastic step of saying what they advocate, rather than harping on what they oppose. Is there a GOP plan to cover those with preexisting conditions? To cover the working poor? Is expanding access to health insurance really such an awful thing?

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Wall Street loves it when there is someone in the room who is the fool. *"Always look for the fool in the deal. If you don't find one, it's you."* — Mark Cuban. And nowhere has this been clearer than with retirement plans. In 1961, U.S. President John F. Kennedy created the **President's Committee on Corporate Pension Plans**. The movement for pension reform gained some momentum when the Studebaker Corporation, an automobile manufacturer, closed its plant in 1963. Its pension plan was so poorly funded that Studebaker could not afford to provide all employees with their pensions. The company created a program in which 3,600 workers who had reached the retirement age of 60 received full pension benefits, 4,000 workers aged 40–59 who had ten years with Studebaker received lump sum payments valued at roughly 15% of the actuarial value of their pension benefits, and the remaining 2,900 workers received no pensions.

Due much in part to his *"dismay"* over union leader George Barasch's sole control over union benefit plan funds, Republican Senator Jacob K. Javits proposed legislation in 1967 that would address the funding, vesting, reporting, and disclosure issues identified by the presidential committee. His bill was opposed by business groups and labor unions, which sought to retain the flexibility they enjoyed under **pre-ERISA** law. On September 12, 1972, NBC broadcast *Pensions: The Broken Promise*, an hour-long television special that showed millions of Americans the consequences of poorly funded pension plans and onerous vesting requirements. In the following years, Congress held a series of public hearings on pension issues and public support for pension reform grew significantly. **ERISA** was enacted in 1974

and signed into law by President Gerald Ford on September 2, 1974, Labor Day. In the years since 1974, **ERISA** has been amended repeatedly.

The **Employee Retirement Income Security Act of 1974 (ERISA)** is a federal law that established minimum standards for pension plans in private industry and provides for extensive rules on the federal income tax effects of transactions associated with employee benefit plans. **ERISA** was enacted to protect the interests of employee benefit plan participants and their beneficiaries by: Requiring the disclosure of financial and other information concerning the plan to beneficiaries; establishing standards of conduct for plan fiduciaries; providing for appropriate remedies and access to the federal courts. **ERISA** is sometimes used to refer to the full body of laws regulating employee benefit plans, which are found mainly in the Internal Revenue Code and ERISA itself. Responsibility for the interpretation and enforcement of ERISA is divided among the Department of Labor, the Department of the Treasury (particularly the Internal Revenue Service), and the Pension Benefit Guaranty Corporation.

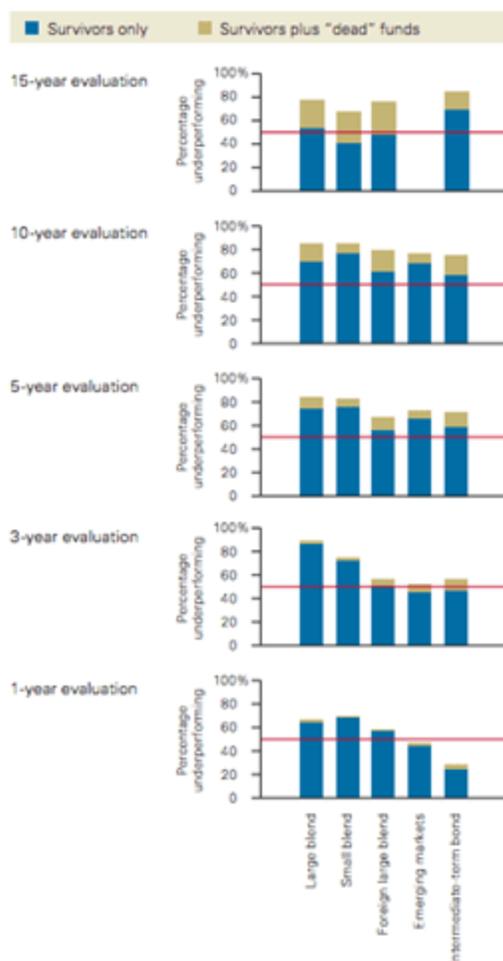
Pre-1978 – Deferred compensation arrangements (“*cash or deferred arrangements*,” known as CODAs) which allowed some compensation (and resulting tax liability) to be deferred, predate **401(k)** plans by several decades and are viewed as their precursors. An ongoing debate between employers and the Internal Revenue Service (IRS) about the extent of restrictions on such plans culminated in IRS guidance in 1956 on the deferral of profit-sharing contributions. **The Employee Retirement Income Security Act of 1974 (ERISA)** barred the issuance of Treasury regulations prior to 1977 that would impact plans in place on June 27, 1974, thereby freezing a regulation proposed by the IRS in December 1972 that would have severely restricted the tax-deferred status of such plans. This action inhibited the creation of some new plans. After Congress extended the moratorium deadline twice, the IRS withdrew the proposed regulation in 1978. **ERISA** also mandated a study of salary reduction plans that influenced 1978 legislation creating **401(k)** plans.

1978–The Revenue Act of 1978 included a provision that became **Internal Revenue Code (IRC) Sec. 401(k)** (*for which the plans are named*), under which employees are not taxed on the portion of income they elect to receive as deferred compensation rather than as direct cash payments. The Revenue Act of 1978 added permanent provisions to the IRC, sanctioning the use of salary reductions as a source of plan contributions. The law went into effect on Jan. 1, 1980. Regulations were issued in November of 1981. The IRS issued proposed regulations on **401(k)** plans that sanctioned the use of employee salary reductions as a source of retirement plan contributions. By January 1982 a number of major companies including Johnson & Johnson, FMC, PepsiCo, JC Penney, Honeywell, Savannah Foods & Industries, Hughes Aircraft Company, and Coates, Herfurth, & England (*a San Francisco-based consulting firm*) develop 401(k) plan proposals, many of which officially began operation in January 1982. Many employers replaced older, after-tax thrift plans with **401(k)** and added **401(k)** options to profit-sharing and stock bonus plans. Within two years, surveys showed that nearly half of all large firms were either already offering a **401(k)** plan or considering one.

By 1990 there were 97,614 plans with a **401(k)** feature, 19,548,000 active participants 19,548,000 and \$384.85 billion in the plans. By 1996 there were 230,808 401 (k) plans, 30,843,000 active participants and \$1.6 trillion in total assets. As of year-end 2003 there were 438,000 plans with a **401(k)** feature, with 42.4 million active participants and \$1.9 trillion in assets. And as of April 2013 there were 654,469 **401 (k)** plans, 88,301,000 total participants with \$4.2 trillion in assets. One of the results is that at year-end 1981 the **Dow Jones Industrial Average** was 875 and it closed on Friday at 16,103.30. Which on face value appears as a fantastic return for participants/workers, except that the numbers are misleading as the Top 1% own almost 40% of the country’s wealth and the top 10% own 75.4% of the country’s wealth as of December 2013. To provide you with another illustration, the five Walmart heirs have more wealth than the bottom 160 million Americans. So the **401 (k)**

plans have disproportionately benefited the very rich, while the average **401 (k)** participant plan has been stagnant over the past 15 years.

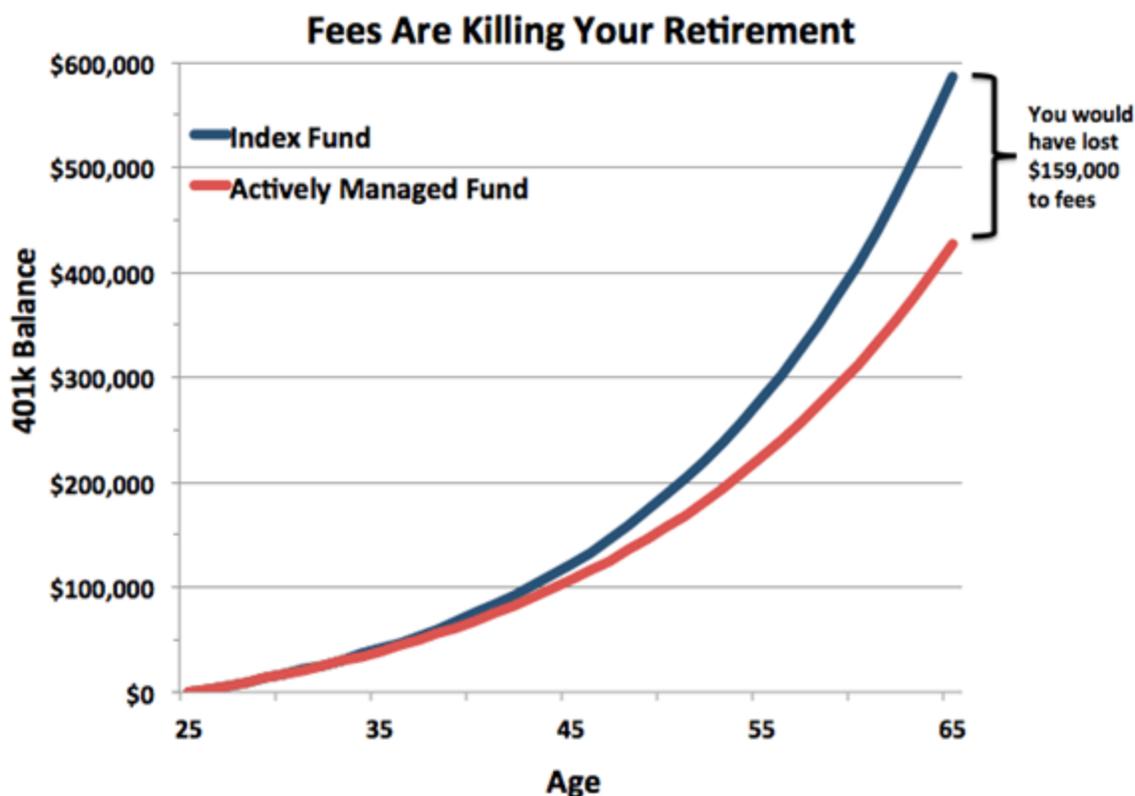
One of the reasons for this are fees, pointed out this week in **The Atlantic** by Matthew O'Brien in his article – **The Crushinglly Expensive Mistake Killing Your Retirement**. When most people think about **401 (k)** plans they look at the returns. But the said fact is that returns aren't certain whereas fees are. In the 1990s few people cared about the fees as the financial markets were soaring and the 1% of more that people were paying in fees didn't seem egregious. But many managed funds underperform index funds over the short and longer hauls, net of fees. Which is to say, most of them. It's hard enough for funds to beat their benchmarks over just one to three-year periods. But that gets damn near impossible the longer you go. Once one accounts for survivorship bias – that bad funds go bust, and disappear from the sample – almost 80 percent of actively managed funds don't beat simple index funds over 10 to 15-year periods.



In the meantime, you're stuck paying fees. Those fees don't sound too bad—just 1 percent!—but this is where our total lack of intuition for how compounding works really hurts us. Let's try an example: what's 0.99 to the 40th power? It's not exactly a calculation you can do in your head. It's not even one you can estimate. But it's the kind of calculation that you need to do to figure out how much your **401(k)** fees are costing you.

The answer is a lot more than you think. Example – let's say you contribute \$3,000 to your **401(k)** every year, which is a little more than the national average, starting when you're 25. Let's also say that

you're choosing between two investments: the lowest-cost index fund with a 0.08 percent fee, and a typical managed stock fund with, according to Morningstar, a 1.33 percent fee. And finally, let's say that, though you don't know it, they both return 7 percent a year, because, as we saw above, most managed funds don't beat the market.



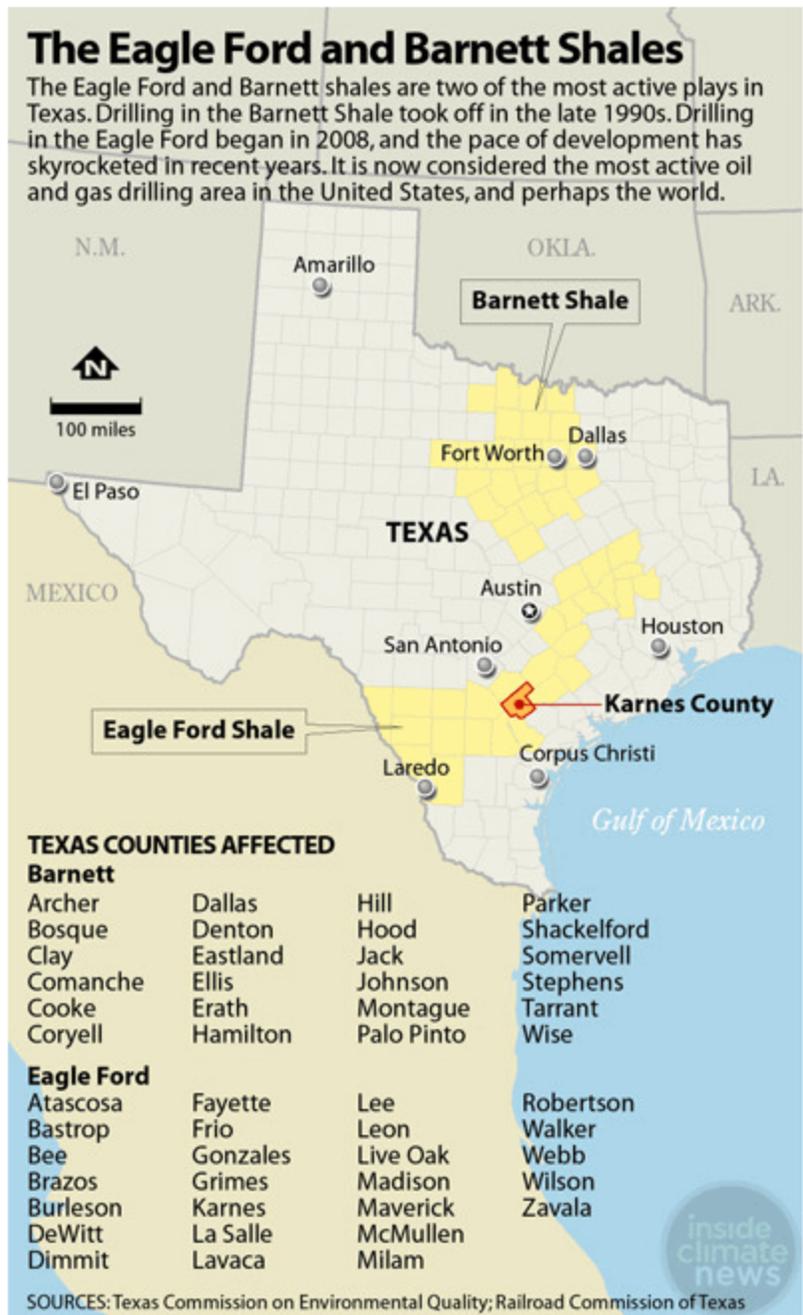
This 1.25 percent difference in annual fees adds up to a six-figure difference in lifetime earnings. That's because you don't just lose the money you pay in fees. You lose the returns you could have had on the money you pay in fees, too. As you can see in the chart below, this compounding effect doesn't matter much for the first 20 years or so, but really accelerates after that. If you chose the lowest-cost index fund, you'd have \$15,000 more at age 45, \$55,000 more at 55, and \$159,000 more at 65. That would balloon to \$257,000 more if you waited to retire at 70.

This is some brutal math. It's 27 percent of your retirement going to Wall Street for nothing. Actually, less than nothing. Remember, about 80 percent of actively managed funds do worse than index funds after you take fees into account. It's a Wall Street handout that you can't afford to make. **O'Brien** – *Skip the fees, and save your retirement.* But the reality is that between quantitative easing and 401 (k) plans, 40% of the income made in America last year was in the financial sector, which only employed 7.9 million people including bank tellers, secretaries and messengers out of a total of 154.4 million employed workers, and another 20%/25% people working in the gray economy. And I can assure you that in this “*masters of the universe*” Wall Street group the Top 1%, receive a lot more than 40% of this 40%. Therefore if you use “*Deep Throat's*” advice of “*follow the money*”, like me and many others you will come to the conclusion that *the game is rigged*, with the added insult of fees being paid to poor performing fund managers, who are part of the people who continually fleece America. I only wish that there was a **Judge Judy Show** to expose their malfeasance.

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There is a new evolving story around fracking. It centers around the industrialized expansion of fracking in which is know as the **Eagle Ford Shale play**, a 400-mile-long, 50-mile-wide bacchanal of oil and gas extraction stretches from Leon County, Texas, in the northeast to the Mexican border in the southwest, which although is sparsely populated, it is the land-mass is the size of the state of Massachusetts. Since 2008, more than 7,000 oil and gas wells have been sunk into the brittle, sedimentary rock. Another 5,500 have been approved by state regulators, making the **Eagle Ford** one of the most active drilling sites in America. Energy companies, cheered on by state officials, envision thousands more wells scattered across the plains. It is, an industry spokesman says, an *“absolute game-changer”* for a long-depressed region of about 1.1 million people, some of whom suddenly find themselves with enough money to ensure their grandchildren’s future.



PAUL HORN / InsideClimate News

In addition to the wells, there is a rush to build more and more oil and gas production facilities and little is known about most of these facilities, because they don't have to file their emissions data with

the state. These facilities host compressor engines, heater treaters, flares, glycol dehydrators and storage tanks for oil, wastewater and condensate. Combined, these facilities release thousands of tons of volatile organic compounds, a class of toxic chemicals that includes benzene and formaldehyde, into the air each year. These facilities also release thousands of tons of nitrogen oxides, carbon monoxide, sulfur dioxide, particulate matter and hydrogen sulfide per year. Sometimes the emissions soar high into the sky and are carried by the wind until they drop to the ground miles away. But often they blow straight toward neighboring homes.

The regulation of oil and gas extraction falls primarily to the states, whose rules vary dramatically. States are also responsible for enforcing the federal Clean Air Act, an arrangement that is problematic in Texas, which has sued the U.S. Environmental Protection Agency 18 times in the last decade. For the past eight months, the Center for Public Integrity, InsideClimate News and The Weather Channel have examined what Texas, the nation's biggest oil producer, has done to protect people in the Eagle Ford from the industry's pollutants. What's happening in the Eagle Ford is important not only for Texas, but also for Pennsylvania, Colorado, North Dakota and other states where horizontal drilling and high-volume hydraulic fracturing, or fracking, have made it profitable to extract oil and gas from deeply buried shale.

A recent investigation and records obtained from Texas regulatory agencies reveal a system that does more to protect the industry than the public. Among the findings:

- Texas' air monitoring system is so flawed that the state knows almost nothing about the extent of the pollution in the Eagle Ford. Only five permanent air monitors are installed in the 20,000-square-mile region, and all are at the fringes of the shale play, far from the heavy drilling areas where emissions are highest.
- Thousands of oil and gas facilities, including six of the nine production sites near the Buehrings' house, are allowed to self-audit their emissions without reporting them to the state. The Texas Commission on Environmental Quality (TCEQ), which regulates most air emissions, doesn't even know some of these facilities exist. An internal agency document acknowledges that the rule allowing this practice "[c]annot be proven to be protective."
- Companies that break the law are rarely fined. Of the 284 oil and gas industry-related complaints filed with the TCEQ by Eagle Ford residents between Jan. 1, 2010, and Nov. 19, 2013, only two resulted in fines despite 164 documented violations. The largest was just \$14,250. (Pending enforcement actions could lead to six more fines).
- The Texas legislature has cut the TCEQ's budget by a third since the Eagle Ford boom began, from \$555 million in 2008 to \$372 million in 2014. At the same time, the amount allocated for air monitoring equipment dropped from \$1.2 million to \$579,000.
- The Eagle Ford boom is feeding an ominous trend: A 100 percent statewide increase in unplanned, toxic air releases associated with oil and gas production since 2009. Known as emission events, these releases are usually caused by human error or faulty equipment.
- Residents of the mostly rural Eagle Ford counties are at a disadvantage even in Texas, because they haven't been given air quality protections, such as more permanent monitors, provided to the wealthier, more suburban Barnett Shale region near Dallas-Fort Worth.

Texas officials tasked with overseeing the industry are often its strongest defenders, leaving local effected families to mostly fend for themselves. Oil money is so thoroughly ingrained in the Texas culture and economy that there is little interest in or sympathy for those who have become collateral damage in the drive for riches. The TCEQ is led by three commissioners appointed by Gov. Rick Perry,

a Republican who favors dismantling the EPA and voices doubt about climate change. TCEQ officials often go on to jobs as lobbyists for the energy industry they once regulated.

The Texas Railroad Commission, which issues drilling permits and regulates all other aspects of oil and gas production, is controlled by three elected commissioners who accepted more than \$2 million in campaign contributions from the industry during the 2012 election cycle, according to data from the National Institute on Money in State Politics. State legislators who enact the laws that regulate the industry are often tied to it. Nearly one in four state legislators, or his or her spouse, has a financial interest in at least one energy company active in the Eagle Ford, a Center for Public Integrity analysis of personal financial disclosure forms shows. “I believe if you’re anti-oil and gas, you’re anti-Texas,” state Rep. Harvey Hilderbran, a Republican from Central Texas, said during a media panel discussion in September.

In a prepared statement, it said air pollution isn’t a problem in the Eagle Ford. *“The air monitoring data evaluated to date indicate that air pollutants in the Eagle Ford Shale area have not been a concern either from a long-term or short-term perspective,”* the statement said. *“Therefore, we would not expect adverse health effects, adverse vegetative effects, or nuisance odors in this area.”*

But an interoffice memorandum obtained through the Texas Public Information Act indicates the TCEQ knows its statewide air monitoring system is flawed. “The executive director has extensive records of underestimated or previously undetected emissions from oil and gas sites. These are not isolated instances but have occurred statewide and indicate a pattern,” Richard A. Hyde, then deputy director of the TCEQ’s Office of Permitting and Registration, wrote in the Jan. 7, 2011, memo. Hyde, now the TCEQ’s executive director, through an agency spokeswoman declined to comment.

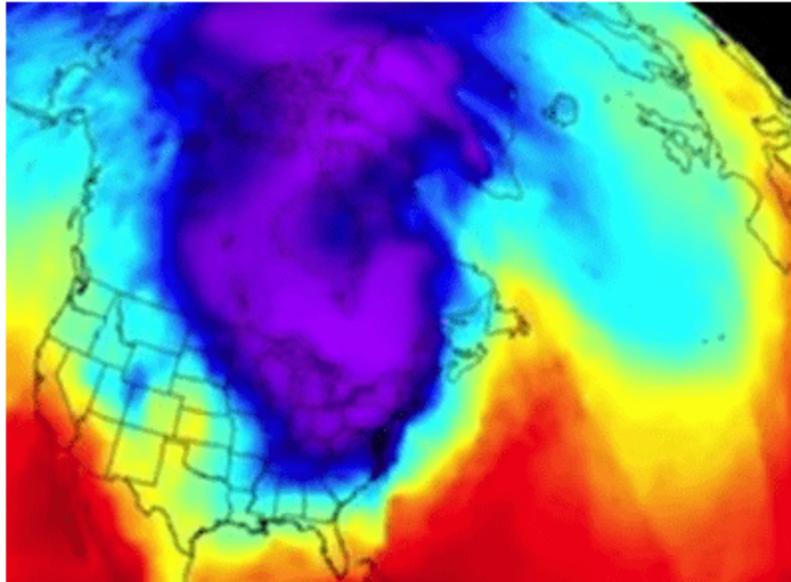
Since drilling came to Karnes County, asthma and other respiratory symptoms has worsened, causing a number of the locals to resort to using breathing machines. Other symptoms include migraine headaches so intense that they are said to induced temporary blindness and bringing locals to the brink of unconsciousness. As a result of complaints to the TCEQ in 2012, which prompted investigators to check out several Marathon Oil facilities, the emissions were so high, the investigators wrote in their report, that they “evacuated the area quickly to prevent exposure.” Marathon, a Houston-based company worth nearly \$25 billion at the end of 2013, reported that it fixed the problem and was not fined. Still residents in the area say that the air is often so bad — described a rancid chicken stench — that they no longer can sit down on the porches to enjoy the sundown — *“There’s nothing we can do,”* and *“Nobody is listening to us.”*



I am not against fracking and actually have worked on fracking projects in Canada and China ten years ago. But I think that we need to make sure that drillers and oil companies make it there number one priority to keep air pollution, ground contamination and water reservoirs to an absolute safety. Is this too much to ask? For more information see the video by **The Weather Channel – Big Oil and Bad Air** – web link: <http://stories.weather.com/fracking>

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## **This Is Why It Was So Insanely Cold Last Month**



Feb 19, 2014 – Web Link: <http://www.youtube.com/watch?v=Pvtgoe0pN8U>

That incredibly cold, it-hurts-to-be-outside weather that much of the U.S. experienced last month may come back to bite the country again next week. So what's causing these temperature extremes? The polar vortex is a mass of winds that form over the Arctic each winter, and tend to move in a circular motion around the region, according to NASA. This year, however, a few factors caused the vortex to dip south, like the jet stream moving further south than usual and a low-pressure system forming over Canada, according to the video. As this animation progresses from early December 2013 to early January 2014, you can watch the polar vortex -- represented by the purple colors -- bend southward over time. It features data collected by NASA's Atmospheric Infrared Sounder Mission instrument, and shows temperatures at 3,000 feet above the Earth's surface. As NASA points out on their website, this year's cold wave set many temperature records. And that wasn't all: flights were canceled, Canada experienced frost quakes and a jail escapee returned to prison because it was so cold.

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## **Unemployment The Number 1 Problem For Americans, Gallup Poll Says**

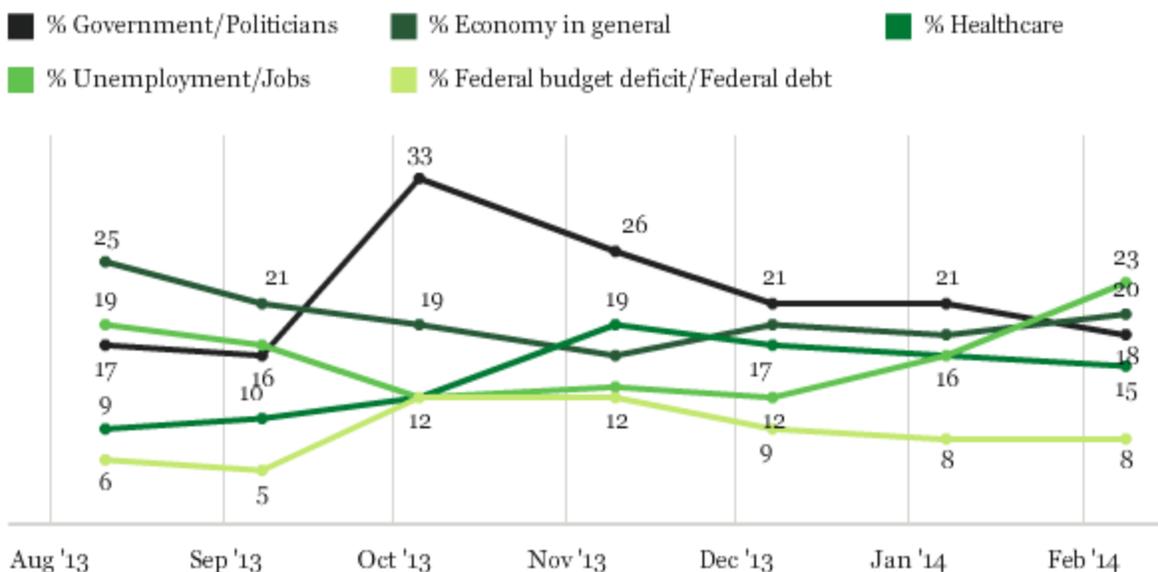
Unemployment has retaken its place in Americans' minds as the country's biggest problem, according to a new Gallup poll published Monday. 23 percent now consider unemployment the greatest challenge facing the nation, while only 16 percent said the same in January. More people named joblessness as the nation's top problem than "government and politicians," which had been the most popular answer among survey respondents since the government shutdown last year. Before the shutdown, jobs and the economy had topped the list.

The poll was conducted between Feb. 6-9, 2014. On Feb. 6, Senate Democrats mounted another unsuccessful attempt to extend long-term unemployment benefits, which lapsed for more than 1.7 million Americans at the end of December. Only 63 percent of working-age Americans have a job or are actively looking for one -- the lowest share of the population participating in the labor force since 1978. (The population of working-age Americans here includes anyone over the age of 16, including those who have retired and students).

And while the jobless rate fell last month, the drop was due in large part to the long-term unemployed giving up on looking for work. "Some of this is due to the fact that Baby Boomers retiring -- but only some," **HuffPost's** Mark Gongloff wrote last month. "Most of it has to do with the fact that the economy is still too weak to create enough jobs to draw people into the market. This is most clearly evident in the fact that younger people are leaving the labor force, too -- or never even entering it -- because they can't find jobs."

*Recent Trend in Top Five "Most Important" U.S. Problems*

What do you think is the most important problem facing this country today? (open-ended)



GALLUP®

**Bottom Line** – Economic issues again lead Gallup's measure of what Americans see as the most important problem facing the nation. Concerns about the government, at least as measured by responses to this open-ended question, have faded since the government shutdown in October.

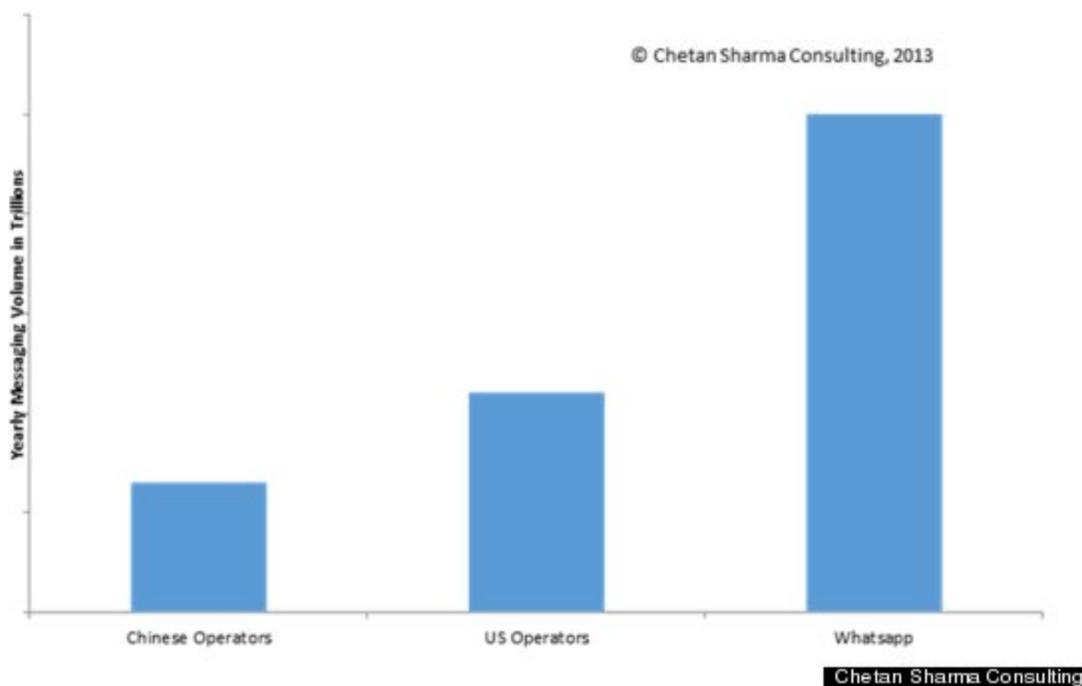
Fears about employment and the economy may be linked to weaker-than-hoped-for jobs reports and flat job growth in the past few months. The rise in mentions of unemployment specifically may also be

related to declining concerns about the government. In inverse fashion, mentions of unemployment decreased last fall as mentions of government dissatisfaction rose. Now that the shutdown is over and the government has successfully passed a budget and avoided another debt ceiling shutdown, Americans appear to have shifted their focus away from the government and back to the still relatively weak job market. Although that 22% is much lower than the all-time satisfaction poll number of 7% in 2001 right after World Trade Center bombing, but it is considerably higher than the all-time low in October 2008 several months before Barrack Obama took office.

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Like me you may have noticed that Facebook announced on Wednesday that it was acquiring **WhatsApp** (a messaging service) for an astonishing/jaw-dropping US\$19 billion (**YES, NINETEEN BILLION DOLLARS** and only 55 employees) – a company that, like me, you may have never used, heard of or you nerdy nephew doesn't use, but a lot of people, especially in India, Latin America and Europe, have. And they use it. A lot. **WhatsApp** customers send a whopping 19 billion messages each day. Yes, that's billion. Again, with a "b." To put that huge number in perspective -- more **WhatsApp** messages were sent and received in 2013 than *SMS* messages were sent and received on all U.S. and Chinese wireless carriers combined, according to data from Chetan Sharma Consulting, a Washington-based firm that advises mobile carriers.

### Messaging Volume (Last 12 months)



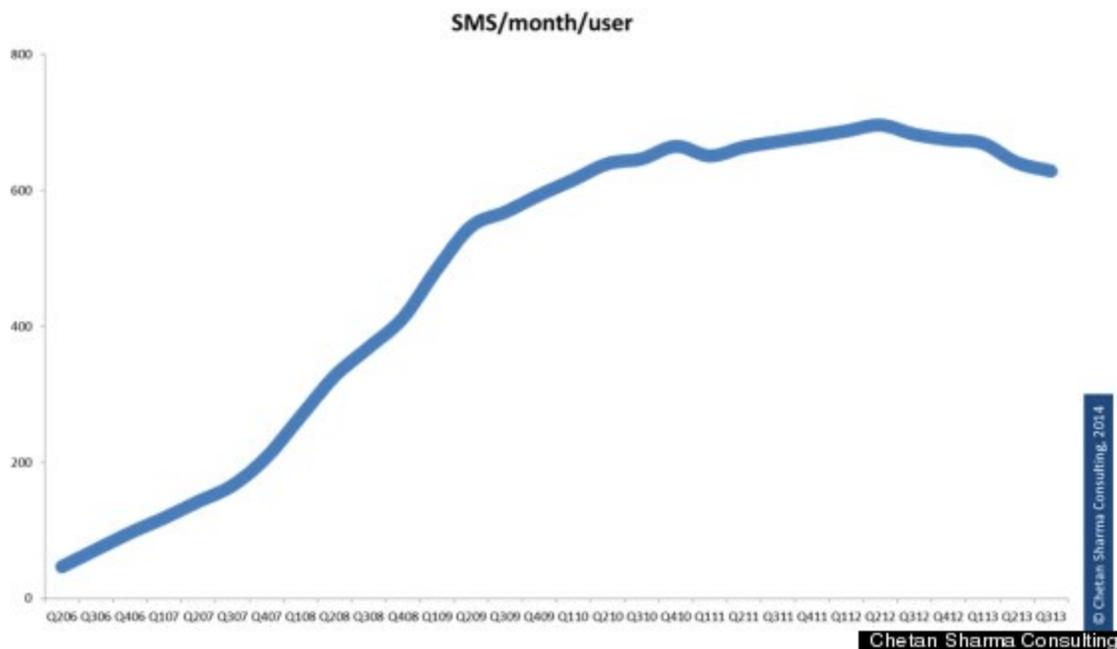
Facebook has shown a keen interest in developing or, with its \$173 billion valuation, outright buying mobile messaging apps. Last year, Snapchat, a 2-year-old app that allows people to send disappearing photos and videos to one another, rebuffed a \$3 billion offer from the social network. But the 5-year-old **WhatsApp** is far more established, and has fetched its owners a far greater sum. This month, it had 450 million monthly users, having added 100 million of them in the last four months of 2013 alone.

WhatsApp is essentially a replacement to traditional text messaging. But unlike costly texts, which eat into cell phone owners' data plans, **WhatsApp** messages are sent over the Internet if connected to WiFi. "Our mission is to make the world more open and connected," Facebook CEO Mark Zuckerberg

wrote on his Facebook page. "We do this by building services that help people share any type of content with any group of people they want." "More than 1 million people sign up for **WhatsApp** every day and it is on its way to connecting one billion people," he added.

Zuckerberg promised that **WhatsApp** will operate independently within Facebook, similar to how the photo-sharing app *Instagram* has been kept separate from Facebook proper after it was acquired for \$1 billion in 2012. The social network has its own well-used messaging app, called **Facebook Messenger**, that Facebook has pushed its members to download over the past year. Zuckerberg said that Messenger and **WhatsApp** will not be merged. Aside from *Messenger*, Facebook's efforts to grow in messaging have fallen flat. *Poke*, a *Snapchat* clone that also lets people send disappearing messages, failed to gain traction when released at the end of 2012. *Instagram Direct*, a recently introduced and widely touted Instagram feature lets people privately share photos, also doesn't seem to be well used.

So far, **WhatsApp** has forgone ads and instead made money by charging 99 cents to cell owners after 12 months of use. The app is initially free to download and is popular among young people who want to send photos and texts to friends abroad without being hit with high international data fees. The subscription fee is new territory for Facebook, which over its decade-long existence has reiterated again and again on its homepage that it is "free and always will be." In a blog post, co-founder and CEO Jan Koum, who founded **WhatsApp** with fellow former Yahoo executive Brian Acton in 2009, insisted that "nothing" will change for customers. That includes ads: "you can still count on absolutely no ads interrupting your communication," he wrote. "There would have been no partnership between our two companies if we had to compromise on the core principles."



And, at least in the short-term, these trends show no sign of letting up. **WhatsApp**, according to Facebook, signs up over 1 million new people each day.

**THIS WEEK'S QUOTE**

WHY CAMPAIGN FINANCE REFORM: “If you think about every single important issue America has to address — if you’re on the right and you care about tax reform or addressing the issues of the deficit, or on the left and you care about climate change or real health care reform — whatever the issue is, if you look at the way our system functions right now you have to see that there will be no sensible reform given the way we fund campaigns,”

Lawrence Lessig

## SECOND WEEK'S QUOTE

*Ted Kaufman who was Joe Biden's advisor said a great thing about climate change. After 9/11 Dick Cheney invoke the principle that if there was even a one percent chance of a terrorist attack we must prepare as if it was a certainty. Therefore, can a rational human being who doesn't believe in climate change can at least agree that there is a remote possibility that 95 percent of climate scientist are right.*

Bill Maher (February 20, 2014)

## BEST VIDEO OF THE WEEK

# Time Lapse Cutting of Cruise Ship

Cruise Ship Cut in Half & then Stretched 99 Feet

<http://www.nidokidos.org/threads/210295>

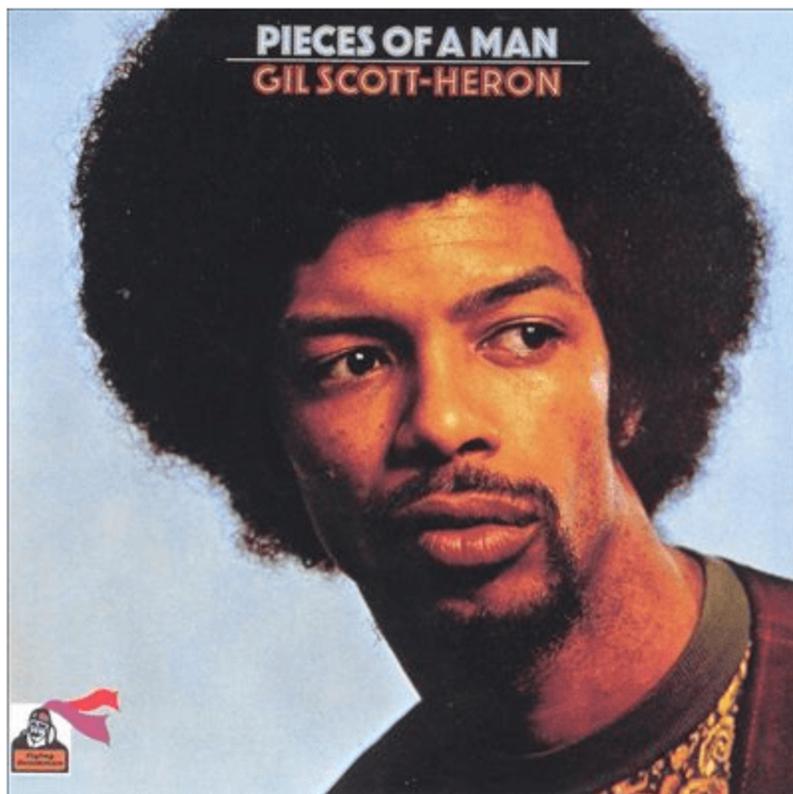
## GREAT MAGIC TRICK

Move your mouse !!!

How To Amuse People - *FOR HOURS!!!!*

Web Link: [http://img0.liveinternet.ru/images/attach/c/5/3970/3970473\\_sprite198.swf](http://img0.liveinternet.ru/images/attach/c/5/3970/3970473_sprite198.swf)

## THIS WEEK'S MUSIC



In honor of the last weekend of **Black History Month**, I would like to again share my favorite musician of "*my generation*" who provided the soul and spirit of Black culture for young people in the 1970s and until his death on May 27, 2011. Gilbert "Gil" Scott-Heron born on April 1, 1949 was an American soul and jazz poet, musician, and author, known primarily for his work as a spoken word performer in the 1970s and '80s. His collaborative efforts with musician Brian Jackson featured a musical fusion of jazz, blues, and soul, as well as lyrical content concerning social and political issues of the time, delivered in both rapping and melismatic vocal styles by Scott-Heron. His own term for himself was "*bluesologist*", which he defined as "*a scientist who is concerned with the origin of the blues.*" His music, most notably on ***Pieces of a Man*** and ***Winter in America*** in the early 1970s,

influenced and helped engender later African-American music genres such as hip hop and neo soul. Besides influencing contemporary musicians, Scott-Heron remained active until his death, and in 2010 released his first new album in 16 years, entitled *I'm New Here*. A memoir he had been working on for years up to the time of his death, *The Last Holiday*, was also published, posthumously in January 2012. His recording work received much critical acclaim, especially one of his best-known compositions "***The Revolution Will Not Be Televised***". His poetic style has influenced every generation of hip hop.

**Gil Scott Heron** is a connection. He is the connection between the old and the new. The connection between the poetry and the music. The connection between the responsibility that an artist has and the entertainment that his audience desires and expects. For forty years he influenced people. For forty years he entertained people. For forty years he forced people to actually think and make differences in their lives. Gil Scott Heron is one of those few artists that ever lived who is his own genre. He is his own definition of music. He will always be with us because the strength of his body of music/work will endure over time and no better example is that not only was the revolution televised in Detroit, Los Angeles and Chicago in the U.S., it was televised twenty years later in Tiananmen Square in Beijing, China and then another twenty two years later in Tahrir Square in Cairo, Egypt and currently today in Aleppo, Syria. With this said, I invite you to connect to the poetry, music, spirit and message of Gil Scott-Heron who will always be relevant as long as there is injustice and oppression anywhere on the planet.

Gil Scott Heron interviewed by the BBC 2009 p1 -- <http://www.youtube.com/watch?v=K5eYRwvLYHA>

RBG-Gil Scott Heron Godfather of Rap 2 of 6 -- <http://www.youtube.com/watch?v=6LeGukR7b1s>

Gil Scott Heron – ***Whitey on the Moon*** -- [http://www.youtube.com/watch?v=PtBy\\_ppG4hY](http://www.youtube.com/watch?v=PtBy_ppG4hY)

Gil Scott-Heron – ***We Beg Your Pardon*** -- <http://youtu.be/MDCfEkopryo>

Gil Scott Heron – ***The Bottle*** -- <http://www.youtube.com/watch?v=MnOVbMFiGVg>

Gil Scott-Heron – ***Pieces Of A Man*** -- <http://youtu.be/nhauYZOfaDQ>

Gil Scott-Heron – ***Home Is Where The Hatred Is*** -- <http://www.youtube.com/watch?v=MUMx4GoGNDw>

Gil Scott-Heron – ***Save The Children*** -- <http://www.youtube.com/watch?v=Phm7NhIaxzs>

Gil Scott-Heron – ***The Revolution Will Not Be Televised*** -- <http://youtu.be/qGaoXAwl9kw>

Gil Scott- Heron – ***Rivers of My Fathers*** -- <http://www.youtube.com/watch?v=sgauc85EdRc>

Gil Scott-Heron – ***The Ghetto Code (Dot Dot Dit Dit Dot Dot Dash)*** -- <http://www.youtube.com/watch?v=iZuP-7UI0Xo>

Gil Scott-Heron – ***Winter in America*** -- <http://www.youtube.com/watch?v=L2EhaPUqG3M>

Gil Scott-Heron – ***Johannesburg*** -- <http://www.youtube.com/watch?v=SvHfuJX2Ock>

Gil Scott Heron – ***Lady Day and John Coltrane*** -- <http://www.youtube.com/watch?v=3fKBCD0R9FU>

Gil Scott Heron – **Inner City Blues** -- <http://www.youtube.com/watch?v=gcrQBU7x-IA>

Gil Scott Heron – **Angel Dust** -- <http://youtu.be/hWitRABYVBk>

Gil Scott Heron – **We Almost Lost Detroit** -- <http://youtu.be/OLdOJBZRgMs>

Gil Scott Heron – **Blue Collar** -- <http://youtu.be/Ng39RmKt77Q>

Gil Scott-Heron – **Black History Month** -- [http://youtu.be/FTIX\\_-mN6kY](http://youtu.be/FTIX_-mN6kY)

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

Sincerely,

**Greg Brown**

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Gregory Brown  
Chairman & CEO  
GlobalCast Partners, LLC

