

A forum to encourage independent thinking

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Truth and Perception



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Letters

I found 'Jugaad' (Essay, Think Club, Winter 2008) more funny than substantive. In my opinion, 'jugaad' cannot be termed as a gift of India. This happens and has happened in every society. Using a bike or a horse as modes of transportation was 'jugaad' so was the snail-mail before the advent of the Internet (email). I do not find anything unique about 'jugaad.'

Brian Coleman
Waterford, MI

I read with interest Rishi Shrivastava's article, "Missed Opportunities" (The Think Club; Winter 2008). Rishi does make some very valid points to help us become cognizant of who we are and how we are perceived. The way I see it is that I cannot change people; the only person I can ever change is myself. So, I have taken these things in stride and learned to cope with them realizing fully that I will influence only those people who are open-minded, flexible and nimble in their thoughts and not those people who have the mindset, "My mind is made up; don't confuse me with facts!"

Pradeep Srivastava
Detroit, MI

I read Think Club winter 2008 issue. I congratulate you on its excellent production and good articles.

Vikram Prasad, M.D., Ph.D.
West Bloomfield, MI

As usual I enjoyed all the articles in the Winter 2008 issue of The Think Club. 'Jugaad' was intriguing and funny, 'A Detrioter in France' was witty and josting and "The United States of North America" was quite an eye opener. ...However, I have doubts (The United States of North America) about it being a viable solution.

Steve Elliott,
Indianapolis, IN

Congratulations to him and to The Think Club for a wise choice, "How Starbucks Saved My Life." I think that's a wonderful choice! I haven't read the book, but I saw the author interviewed on TV, and it was a terrific story. I really liked him and his message, a good one for our times. Best wishes and happy new year!

Margo LaGattuta
Rochester, MI

The United States is one of the few developed nations to not offer universal health care to its citizens.

Why is it that France, England, Germany, Netherlands, Canada and even Cuba can offer life-long, free health care and the mighty U.S. cannot? Maybe it is because our government chooses to support private profit of health insurance companies over human needs.

Sharon Baer
Columbus, OH

To Our Contributors:

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TheThinkClub@AOL.com

Articles should not exceed 1,200 words. Longer articles, if accepted, may be published in installments. Whenever possible, send all articles on floppy disc in *Word for Windows*. Discs will be returned to the contributors.

Wise men talk because they have something to say; fools, because they have to say something.

It's better to let someone think you are an idiot than open your mouth and prove it.

You don't fail if you fall, you fail if you don't try to get up.

Good judgment comes from experience, and experience comes from bad judgment.

Don't judge people by their relatives, judge them by their friends.

When war is declared, truth is the first casualty.

Mankind must put an end to war, or war will put an end to mankind.

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Truth and Perception

Inspired by Madhyamaka-Sastra of Nagarjuna

By Musafir

Most of the miseries on earth exist because we assume our perception as the absolute truth. In fact, what is perceived may not even truly exist. Unfortunately, most of us lead a miserable life proving our perception as truth through various phenomena. Many a time what we assume as true is based on mere observation but we fail to realize that what is observed may be illusionary – empty of inherent existence. For example, Einstein’s theory of relativity was a blow to Newtonian Physics. Newton’s concept of absolute space and time was replaced by relativistic space-time model. The universe was now a non-simultaneous, four dimensional space-time phenomenon. Similarly, Copernicus’ theories rejected the Bible as the source of all truths. Kepler and Galileo’s theories were opposed by the church. Later the church modified its view and wrote supplemental explanations to the Bible. All the above mentioned observations (illusions) resulted in immense miseries and chaos to the humankind.

We seem to be influenced by the scientific realism which places too much emphasis on observations. But an observation depends on the object being observed, the observer and time. If time were frozen, the sound and sight from the object will also be frozen. Thus, perception is not an independently existing entity to be relied on. Remember, nothing is absolutely inherent in existence. Existence is dependent. Similar to objects, phenomena are also empty of inherent existence. According to the Newtonian school, mass is composed of material that takes space. However, a matter can only exist when it is dependent on space. Matter cannot exist by itself or does not have inherent existence. According to scientific realism, existence supersedes facts of existence. They take the absolute existence of an objective reality for granted and hope that the truth about this reality can be obtained through science. The concept of matter arriving from immaterial source is not an absurdity in modern science. We know that matter and energy are interchangeable ($E=mc^2$). However, the relationship between matter and energy is also an arbitrary and conventional statement uniting energy to matter in a relationship called time. In absolute sense, energy ceases to exist when changed to matter. Therefore, an externally and independently existent phenomenon must be without change. Going deep in Newton’s theory, we come across acceleration which is dependent on motion which is a type of change that has been shown to be empty of inherent existence. Another factor in Newton’s theory, time is also an association of the independent phenomena of past, present and future. If there was no change, there would be no time. Time, therefore, is empty of inherent existence.

Scientific realism as inspired by Sir Isaac Newton is the search for truth using laws and reasoning induced from

factual observations of the sensory world around us. Newton set forth his laws of mechanics. These laws made profound statements. First the law of inertia – a body will not accelerate without some external force acting on it. Next he established the relationship between force, mass and acceleration. His third law stated that to every action there is an equal and opposite reaction. In developing the concept of gravitational force, he speaks about an unseen entity external to things themselves – the gravity. Nevertheless, Newton would not admit to theorizing of entities that do not actually exist. My point of the argument is to state the absurdity of observation and its components, object, observer and time. Let us examine this in the context of the Newtonian theory:

- For motion to possess inherent self-existence, it must exist independently of all other phenomena including time.
- But to exist independent of time, it must exist at a particular time.
- Motion is dependent on the change in time, and thus does not exist independent of time.
- Motion is not an independently existing phenomenon. It depends on that which moves.
- No one can determine when motion exists, therefore, it is empty of existence.
- Motion exists conventionally as the relationship between similar objects in different space and time.
- All the entities are themselves empty of existence unless a dependency is established
- In order for something inherently to exist, it must have had an inherently existing cause.
- Dependent origination is thus empty of inherent self-existence.
- All external phenomena lack absolute existence. Therefore, existence must be empty unless dependent on something such as coal is an object not a fuel unless it meets fire.

Scientific realism fails to explain several phenomenon such as psychic. Scientific realism cannot explain the understanding of inconceivable and inexplicable truth. Science tends to go to exactness refusing to accept something else or something more. Thus, it spreads an illusion of truth. We must seek self-liberation and avoid ignorance. A truly enlightened person realizes that perception is illusionary, therefore, he is liberated from ignorance. An enlightened person realizes that there is a difference in the conventional truth and absolute truth. Absolute truth comes from within (independent thinking) and not from illusionary perception.

Our View on Weapons in Space: Satellite Shoot-down Plan Reignites Treaty Debate (Reprinted from USA Today)

By Adrienne Lewis

The Bush administration's plan to try to shoot down an ailing U.S. spy satellite, perhaps by the time you read this, might be just what the White House says it is: a well-intentioned effort to destroy a school bus-sized contraption carrying toxic fuel before it can threaten lives on the ground.

But because the administration seemed willing as recently as last month to let the satellite plummet to Earth unmolested — figuring that much of it would be burned up in a fiery re-entry and the rest would have little chance of hitting anyone on the planet's vast expanse — it's not surprising that the shoot-down plan is generating suspicion. Critics such as Russia's Defense Ministry say the real motive is to test U.S. space weapons capability.

Taken at face value, the administration's rationale for shooting down the satellite from a ship in the Pacific Ocean makes sense: Why not eliminate the risk, even if it's a small one, if it can be done safely? The administration has no one but itself to blame, however, for fostering the doubts about its intentions.

It has repeatedly rebuffed a proposed United Nations treaty to ban the weaponization of space, and just as repeatedly has asserted its right to develop space weapons to protect U.S. satellites or deny the use of space to hostile actors. Had the White House been more amenable to talking about how to stop an arms race in space, the shoot-down plan might have generated less controversy.

More important than the immediate debate, of course, is how to prevent space from turning into an international combat zone.

The size of the U.S. satellite fleet — more than half the nearly 900 in orbit — gives America a huge advantage in space. But all those satellites are a liability,

too, because they make the big U.S. fleet an attractive target. And U.S. forces aren't the only ones with satellite-killer technology. Last year, China used a missile to shoot down one of its own aging satellites, provocatively demonstrating that it can do this, too.

China and Russia have led the international calls for a treaty that would ban deploying weapons in space and using or threatening to use weapons against space-based objects. (A 40-year-old treaty already bans stationing weapons of mass destruction in space.)

On one hand, the United States should be wary of calls for disarmament from its two likeliest global antagonists. On the other, avoiding a ruinously expensive space arms race is a worthwhile goal for a nation already fighting two wars abroad and struggling with a growing national debt.

Treaty opponents argue that it would be difficult to verify compliance, but much the same could be said about conventions against chemical and biological weapons. Their virtue is not that they can prevent all cheating, but that they give nations less reason to seek the weapons, and they create international pressure against violators.

One downside for the Bush administration is that such a treaty could ban space basing of anti-missile systems designed to intercept nuclear missiles in their "boost" phase, right after launch. That's an iffy technology, but even if it eventually worked, it would be something worth negotiating, not a reason to reject a treaty out of hand. In the long run, the United States stands to gain more than it loses by leaving space as the final frontier, not turning it into the final battleground.



The Marriage Guru

By Musafir

“Tired of marriage? Can’t cope with your spouse? On the brink of suicide?”

End your desperation. Contact Marriage Guru. Your problems will go away. Satisfaction guaranteed or your money back.”

I watched the above ad on my ethnic TV channel.

They also flashed a phone number on the screen to call the Marriage Guru. Having all the symptoms of a long marriage, I decided to call the Marriage Guru, at last.

“God bless you Musafir! Yes, I can help you with your marital problem,” was the answer on the other end of the phone.

“Guru, how do you know my name and the reason for my call?” I asked curiously.

“It is simple, your name flashed on my caller ID and you are responding to my ad. Do you have a very low IQ?”

“No Guru, I did not realize that you would be so smart and tech savvy,” I answered meekly.

“Alright, send me \$350 in cash addressed to my PO Box in London, England. On receiving the money, I’ll call you and instruct you on how to relieve yourself of your misery,” Guru commanded.

I thanked the Marriage Guru and sent him \$350 in cash in an envelope addressed to his PO Box in London, England. After a week, I got a call from the Marriage Guru at 2:00 in the morning.

“Musafir, this is Marriage Guru.”

“O Guru! Thanks for calling and waking me up at 2:00 in the morning,” I replied.

“Musafir, don’t waste my time or yours. Tomorrow morning, go to a farmer’s market and buy four chickens. Bring the chickens home and let them roam freely inside your house.”

I thanked Guru and proceeded to buy four live chickens the next morning. My wife, obviously furious with me, hated the idea, but I was bent on repairing our marriage at all costs. Once the chickens arrived, they started making a mess everywhere in our house. My wife and I started having headaches listening to their constant commotion. The chickens soiled our bed, sofa, and started flying over our meals. Needless to say, our lives became more miserable and our marriage was pushed to the brink. After two days of patience, I decided to call the Marriage Guru again.

“God bless you Musafir! How are you feeling now?” asked Guru.

“Guru, the chickens have messed up our lives. What do I do now?” I asked in desperation.

“OK, go and buy a dog now,” Guru advised in a calm voice. The phone was soon disconnected.

The next morning, I went to a kennel and bought a cocker spaniel. There was no sense asking my wife. I knew her answer, but I was determined to fix our marriage. My wife was furious. Her blood pressure shot up in anger. The chickens ran for their lives as the dog chased them all over the house. We could not rest during the day or sleep during the night. Both my wife and I became physically exhausted and mentally sick. I decided to end my life, but wanted to talk to Guru one last time. So, I called him again.

“God bless you Musafir! How are you feeling now?” asked Guru.

“I am losing faith in you Guru. Can I get my \$350 back before ending my life?”

“Don’t be desperate. Go and sell the dog and call me in two days,” said Guru before disconnecting again.

Although I had lost faith in Marriage Guru, I decided to sell the dog, anyway. The next morning I gave the dog to the Humane Society. My wife welcomed the idea.

“This is the only sensible thing you have done in our entire married life,” she said with admiration. I thanked her for the first time in my life. The quality of our life had certainly improved as there was no dog chasing the chickens, but the chickens were a nuisance in themselves. I decided to postpone my planned suicide and called the marriage Guru again.

“God bless you Musafir! How are you feeling now?” asked Guru.

“Guru, I am feeling much better. I have postponed my planned suicide for the time being, but the situation is still tense.”

“Alright, go and sell the chickens and call me in four days.” The phone was disconnected again.

The next morning, I donated the four chickens to a farm and returned home. My wife was very appreciative of me and prepared special meal for me. I appreciated her gesture too. We enjoyed the calm and peace in the house and had an opportunity to converse with each other.

“You have improved a lot and you seem to give me more time now. I really love you,” said my wife.

“Love you too,” I responded and called the Marriage Guru immediately to thank him. If you need Marriage Guru’s number, please contact me immediately. God bless you!



Who Is the Real Hillary Clinton?

By Robert Bickmeyer

In October 2007 Hillary Clinton was a guest on *The View*. Whoopi Goldberg asked what would be the first three things she would do if elected president.

Her No. 1 priority would be to pull out of Iraq, which is tantamount to saying, “Terrorists, we quit. You win, we lose.” That is not the American way. We, of course, would be perceived as a weak nation and only embolden the radical Islamists (who want to run the world) to continue their savage acts of terrorism – against peaceful Muslims, Jews, Christians and most of the western world.

Her second goal would be to eliminate “cowboy diplomacy.” This misclassification was based on the fact that our attack on Saddam Hussein was a solo mission, not supported by the United Nations, Germany, France and other nations. Fact: A coalition of 38 countries joined us in Iraq, not exactly a go-it-alone venture. If we had waited for those “other” nations to join us while continuing to negotiate with Hussein he would today be sitting in one of his palaces continuing his suppression and murdering of non-Sunni Muslims. And, by the way, the voters of the aforementioned Germany and France have since elected pro-American leaders.

Prior to 9-11-01 dozens of attacks on U.S. citizens by Middle East terrorists took place overseas on U.S. embassies, marine barracks, a commercial airplane, the USS Cole and in 1993 on the World Trade Center. Our failure to retaliate showed consistent weakness as we hit the snooze alarm.

Yes, we should have negotiated with Hussein, as we were doing with Japan when they sneakily attacked Pearl Harbor. Four days later Adolf Hitler declared war on us after we had maintained our neutrality during his aggressive occupation of European countries. Less than four years later our foes surrendered as they learned of an old American military slogan, “Don’t tread on me.” President Bush invoked that slogan against terrorism whereas Hillary prefers to negotiate. She needs a history lesson. You do not negotiate with the likes of Tojo, Hitler, Milosevic, bin Laden, Hussein and terrorist groups like the Taliban, al-Qaeda, Hamas and Hezbollah. These evil-doers can only be stopped with bullets and bombs, unfortunately. If war is wrong should we disband our army?

Thirdly, Hillary told Whoopi she was going to build up the middle class. Excellent! I agree ... but she did not say how. I await further details.

It has been said, “To be successful you must have sincerity. If you can fake that you’ve got it made.” Hillary once told a British audience she was named after Sir

Edmund Hillary, but he became famous five years after she was born. During her run for senator, after she moved to New York, she told Katie Couric she was a Yankee fan. Katie said, “But I thought, growing up near Chicago, you were a Cubs fan.” With apparent sincerity, Hillary said, “Oh no, I’ve always been a Yankee fan.”

In a debate her Democratic opponents criticized her for hypocritically taking both sides of an issue. Speaking about them several days later, she said, “If you can’t stand the heat, get out of the kitchen. And I’m very much at home in the kitchen.” Which reminded me of her appearance on “60 Minutes” during her husband’s 1992 campaign. She spoke negatively about women who spend time in the kitchen baking cookies.

Hillary claimed that Chelsea was jogging around the World Trade Center on 9-11 and happened to stop in a coffee shop when she heard the planes hit, thus escaping injury. Chelsea later admitted that she was nowhere near the WTC.

David Geffen, a former Clinton donor and supporter who now backs Barack Obama, said, “Everybody in politics lies, but they (the Clintons) do it with such ease it’s troubling.”

She claimed Gen. David Petraeus’ report to Congress “was disbelief.” She had the audacity to call our military leader in Iraq a liar.

During Bill Clinton’s presidency I said, “The country is more divided than at any time since the Civil War.” The Democrats, embarrassed by their president, had an underlying psychological need to find disfavor with his Republican replacement, and our country remains divided. The basis of their hatred for George W. Bush is “his” Iraq war. There was no hatred for Harry Truman, Democrat, when he ignored polls showing that 49 percent of Americans felt that sending troops to Korea was a mistake and 66 percent said we should abandon Korea. There was no hatred for John F. Kennedy, Democrat, when he said, “Let the world know that we will bear any burden and pay any price for freedom,” as he dispatched more troops to Vietnam.

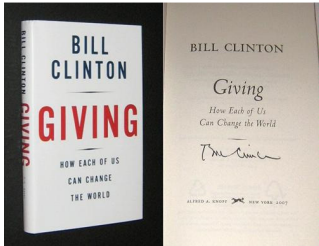
It is widely known that Americans are either enamored by Mrs. Clinton or they intensely dislike her. If she becomes Mrs. President the country will continue to be divided. For the good of our country it is imperative that the Democrats nominate a candidate who Republicans may disagree with ideologically, but they can at least respect him for his honesty, thus enabling him to bring our country together again, a la Truman and Kennedy.

Book Review

Giving: How Each of Us Can Change the World

Author: Bill Clinton

First published by Alfred A. Knopf (256p)



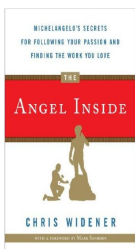
Here, from Bill Clinton, is a call to action. *Giving* is an inspiring look at how each of us can change the world. First, it reveals the extraordinary and innovative efforts now being made by companies and organizations—and by individuals—to solve

problems and save lives both “down the street and around the world.” Then it urges us to seek out what each of us, “regardless of income, available time, age, and skills,” can do to help, to give people a chance to live out their dreams.

Bill Clinton shares his own experiences and those of other givers, representing a global flood tide of nongovernmental, nonprofit activity. These remarkable stories demonstrate that gifts of time, skills, things, and ideas are as important and effective as contributions of money. From Bill and Melinda Gates to a six-year-old California girl named McKenzie Steiner, who organized and supervised drives to clean up the beach in her community, Clinton introduces us to both well-known and unknown heroes of giving.

Clinton writes about men and women who traded in their corporate careers, and the fulfillment they now experience through giving. He writes about energy-efficient practices, about progressive companies going green, about promoting fair wages and decent working conditions around the world. He shows us how one of the most important ways of giving can be an effort to change, improve, or protect a government policy. He outlines what we as individuals can do, the steps we can take, how much we should consider giving, and why our giving is so important.

Bill Clinton’s own actions in his post-presidential years have had an enormous impact on the lives of millions. Through his foundation and his work in the aftermath of the Asian tsunami and Hurricane Katrina, he has become an international spokesperson and model for the power of giving.



Angel Inside

Author: Chris Widener

Published by Doubleday
(Paperback 128 p)

I would like to start by saying that I enjoyed reading *The Angel Inside*. It is interesting and informative. It follows the life altering day of a young man

named Thomas. We find him depressed in Florence, Italy, at the end of a long journey through Europe that he started to try and find some meaning in life. An old man appears and starts teaching Thomas some “life altering truths.”

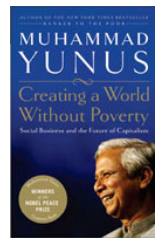
A lot of what the old man teaches Thomas is interesting, combining Art and History to teach these lessons. It is frustrating at times as the lesson the old man is trying to teach quickly becomes obvious but our young Thomas always seems to be a couple of steps behind the rest of us. He also has quite a talent for asking the most obvious questions that most of us would have had no need to ask. Yet, despite this ability, it takes Thomas until the very last page in the book to ask the old man his name (which without giving the ending away is exactly what you guessed it would be since page two).

The writing style is very easy to read and flows well. The characters are endearing and if nothing else it’s a good story. There is a lot of dialogue which means the narration is kept to a minimum. This is an approach I appreciate.

Creating A World Without Poverty

Author: Muhammad Yunus

First Published by Public Affairs, New York
in 2007 (261p)



Creating a World Without Poverty tells the stories of some of the earliest examples of social businesses, including Yunus’s own Grameen Bank. It reveals the next phase in a hopeful economic and social revolution that is already under way—and in the worldwide effort to eliminate poverty by unleashing the productive energy of every human being – capitalism with cause and not profit in mind.

In this excellent, provocative book, Nobel Peace Prize winner Muhammad Yunus sets forth his vision for a new kind of enterprise, social business, managed according to businesslike principles but with the objective of social benefit. He comes with practical proposals. Yunus pioneered this business model when he founded the world-famous microcredit financial institution, Grameen Bank. More recently, working with France’s Groupe Danone, he set up a business to produce and market fortified yogurt in Bangladesh. This book tells the story of the author’s involvement in social businesses and offers stimulating suggestions for their future evolution. His is a unique approach, a timely lesson for big banks that are in disarray.

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There's No Stopping India Now

By Musafir

There is no denying the fact that the expressway leading to Gurgaon (an extension of Delhi) and its toll booths are world class. The massive structures (multi-storied apartment complexes, office buildings and shopping malls) on both sides of the expressway resemble the suburbs of Chicago or San Diego.

"This is our humble abode." So my nephew, an IT executive in his 40s said while giving a tour of his townhouse in a gated neighborhood of Gurgaon. In a city where I started my career as an engineer on 20 dollars a month in the early 70s, my nephew's status was no small step for mankind by any means. His 2,500 square foot flat (townhouse) had Italian marble floors, contemporary furniture, richly appointed details, washer, plasma TV, microwave oven and laptop computers with broadband cables in every room. I must admit that his home was not an exception. This is the norm for most of the professionals in his age group living in big cities.

Delhi is under a massive reconstruction starting from Ghaziabad on one end of the city to ever expanding Gurgaon on the other end. The entire mega city is being connected by expressways and a network of underground (and overhead also) railway called the Metro. I found at least eight mega malls in an area of four square miles. One mall was dedicated to marriage accessories and another to jewelries only.

I spent three days in Mumbai (formerly Bombay), the New York and Los Angeles of the Indian subcontinent – New York because of its massive high rise buildings and its status as the financial capital of India and Los Angeles because of the thriving movie industry and exotic beach fronts. Mumbai has a unique and vibrant atmosphere that can only be felt in cities like Paris, London, Barcelona and New York.

While visiting Mumbai, I had the opportunity to visit the Prithvi Theatre established by Prithvi Raj Kapoor in the early 1900s. Mr. Kapoor started his career in the silent movies and was the first hero to act in a talkie movie. His theatre is still run by his famous clan. It was inspiring to watch a show there in the midst of aspiring actors and directors. The coffee houses of Mumbai bustle with young crowds in their 20s. Boys and girls hand in hand – hugging and giggling breaking all inhibitions – are the faces of new India. They are confident, independent of parental control and affluent

compared to our generation which was unsure with fear in heart and with an intimidated demeanor.

The Other India

India is not only Delhi and Mumbai. Most of its 1.2 billion people live in poverty in small towns and villages. I visited the state of Bihar and Jharkhand (the two poorest states of India) and went to the remote villages in those states. It is obvious that the new prosperity has not reached those corners of India yet. Illiteracy, unemployment and crime are rampant in those areas, but there are signs of hope, nevertheless.

During the last regime, Patna, the capital of the state of Bihar was known as the kidnapping capital of India. The new Chief Minister of the state, Nitish Kumar has turned the tables by arresting the criminals and showing his intolerance towards lawlessness. The people of Bihar, though poor and unprivileged, do not take solace in fate and 'karma' anymore. Even the poorest of the poor has the aspiration to give the best possible education to their children. They believe in democracy and are hopeful about the progress of the country. It is no coincidence that most of the legislatures (law makers) in those states belong to the oppressed class (Dalits). Some may not like it, but that is what democracy is all about – true representation.

Free Market Economy

If Bihar is considered the most backward state of India, Darbhanga, probably, will be the most backward town. I visited Darbhanga and stayed with Dr. Rajshekhar Srivastava and his family. Dr. Srivastava is an ophthalmologist. He runs a world class eye and ENT clinic which can be compared to the best in the U.S. He lives in a six thousand square feet house with his wife and two sons and their wives. Both his sons and daughters-in-law are doctors too and are in a joint practice with Dr. Srivastava. The Srivastava household employs numerous maids and servants to take care of their own electric generation and other household chores. Their clinic employs 32 technicians and sundry staff.

Dr. Srivastava's sons and daughters-in law never lived in Bihar before. His sons studied in a privileged private school in Dehradun where the Gandhi-Nehru family goes for schooling. After completing medical

Continued on Page

What Is the Fuss about Tibet?

On March 14, anti-Chinese riots erupted in Lhasa, Tibet. Chinese security forces suppressed crowds with teargas and bullets in what has become the most violent confrontation there in two decades. The Tibetan government-in-exile claimed Chinese forces killed over 100 people, while Beijing claims only 19 have died. Tibet's exiled leader, the Dalai Lama, urged his followers and the Chinese to refrain from violence while the Chinese government blamed him directly for fomenting the unrest. On March 24, U.S. Secretary of State Condoleezza Rice called for direct talks between Chinese leaders and the Dalai Lama as the only solution to the current impasse.

The Dalai Lama's international campaign against China has pushed Beijing to modernize Tibet, resulting in an influx of non-Tibetans seeking economic opportunity. If the Dalai Lama wants to preserve Tibet as a homeland, he must either acquiesce to violence by militants or compromise. He will resist either course, so the United States should facilitate negotiations. Full autonomy is out, but the Dalai Lama can obtain a greater emphasis on the Tibetan language and a larger number of positions for Tibetans in the administration.

The conflict over the political status of Tibet vis-à-vis China has reached a critical juncture in its long history. The exiled Dalai Lama finds himself standing on the sidelines unable to impede or reverse changes in his country that he deplors, and the frustration engendered by this impotence has seriously heightened the danger of violence. As a classic nationalistic dispute, the Tibet question pits the right of a people, Tibetans, to self-determination and independence against the right of a multiethnic state, the People's Republic of China, to maintain what it sees as its historical territorial integrity. Such disputes are difficult to resolve because there is no clear international consensus about the respective rights of nationalities and states. The U.N. Charter, for example, states that the purpose of the world body is to ensure friendly relations among nations based on respect for the principle of equal rights and self-determination, but it also states that nothing contained in the charter shall authorize the United Nations to intervene in matters that are essentially within the domestic jurisdiction of any state. The ambiguity about when entities have the right to seek self-determination has made international opinion an important dimension of such disputes, and

the struggle to control representations of history and current events is often as intense as the struggle to control territory. In the case of Tibet, both sides have selectively patched bits and pieces of the historical record together to support their viewpoints. The ensuing avalanche of charges and countercharges is difficult to assess, even for specialists.

Sino-Tibetan relations can be traced back almost 1,500 years, but the contemporary conflict is rooted in the chaotic religious and political disputes of the late seventeenth and early eighteenth centuries. During this period Tibet became a protectorate of Manchu-ruled China, although Tibet maintained its own language, officials, legal system, and army, and paid no taxes to China. China's loose control over Tibet weakened during the nineteenth century as China itself encountered more and more external and internal assaults, and by the turn of the century its protectorate was largely symbolic.

The overthrow in 1912 of the Qing Dynasty gave Tibetans the opportunity to expel all Chinese troops and officials. From then until 1951, Tibet functioned as a de facto independent nation, conducting all governmental functions without interference from China or any other country. Nevertheless, its international status remained unsettled. China continued to claim Tibet as part of its territory, and Western countries, including Britain and the United States, validated that viewpoint by refusing to recognize Tibetan independence.

The founding of the People's Republic of China in 1949 quickly ended Tibet's de facto independence. The communists, like the previous Chinese government of Chiang Kai-shek, claimed Tibet as part of China, but unlike that government they had the military power to impose their views. Nevertheless, China wanted more than the simple conquest of Tibet – it sought to secure the formal agreement of the Dalai Lama and his government to reunification. Tibet, however, refused, and China occupied Tibet.

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Globalization Is Bad for the U.S.

By Musafir

Regardless of the evils or benefits of globalization, consider its effect on the U.S. economy. American companies *have* benefited from globalization, but it has devastated the people of the U.S. American companies moved most manufacturing and IT jobs to foreign countries to cut costs. Service and technical jobs are undergoing a large exodus to foreign labor too. This is now called outsourcing and off shoring.

Supposedly, this “frees up” Americans to be innovators, designers, and custodians of new technologies and concepts. That argument is unconvincing, several friends and a family member have been out of work for a long time. These jobs are also being done by qualified professionals in other countries. IBM has shifted its R&D to the Indian and other Asian countries, so have General Motors, Sysco and others. Basic research – the backbone of the American progress – and ingenuity are shifting to foreign countries and universities.

Politicians and CEOs lament that Americans are not opting for higher education, especially in science and engineering. The fact remains that even higher education related jobs such as medicine and research and development are successfully being done in other countries. In greater numbers, Americans with college degrees are unable to find work, while the same degrees in other countries are in demand.

We should not be against globalization, but should be prudent so that the U.S. does not fall further behind. Something needs to be done before more Americans leave for better opportunities in foreign lands and the American economy permanently stagnates.

A dominant, superior U.S. no longer exists, still more powerful than others. But for some years, that energy has dissipated. Asian, Latin American and European nations are also playing a role in the United States’ productive core. The world’s greatest exporter has become its greatest importer. The leading creditor has become the a debtor. A significant percent of shares, corporate bonds and government bonds are held by foreigners. U.S. industry has shrunken in half – 17 percent of GDP, compared to 26 percent in Europe.

Every important national economy in the world now exports products to the United States without purchasing an equivalent amount in return. The U.S. trade deficit with China was \$200 billion in 2005; \$80 billion with Japan; and over \$120 billion with Europe. The U.S. can’t even achieve a trade surplus with Ukraine and Russia. Every day, container-laden ships arrive in the U.S., unload and return home empty.

Those looking for something good to say about the superpower won’t find it in the trade balance. Instead, it’s the top products of a developed national economy that the U.S. is importing from everywhere in the world – cars, computers, TV sets, game consoles – without being able to sell as many of its own products on the world market. It is time to rethink globalization.

Globalization Is Good for All

By Bala Prasad

Mention globalization and what springs to mind is an auto supply company in Mexico, software outsourcing in India, or toy manufacturing in China. But the truth remains different.

Globalization results from many converging factors, including trade agreements, shifts to service and technology based economies, and the increasing availability of a skilled work force world-wide, together with significant improvements in infrastructure. This has resulted in health care products, and technological advances – in addition to fields to be developed and marketed by other countries. They must have a sound product at competitive prices to stay in the game, helping people around the world.

Here in America, a great jump forward in American car quality resulted from global competition. The less well-to-do travel all around the world for medical treatment, not just for price but for quality of treatment. Parts for Boeing are manufactured all over the world, as are drugs for well known drug companies.

Confronting global challenges in the 21st century, the interaction of all the stakeholders – meaning all the residents on the planet, beacons the best future. We are transforming from a world of nation-states, akin to being in the middle of a rainstorm. While we cannot have a clear view until the storm has passed, try hard we must.

All peoples are united by their energy needs and the impact of global warming. World security and a safe food and water supply are of concern to all. However, what is good for one country is not necessarily good for another. There has to be a desire to do what will do the most good for most people. Global communities have to be created and re-created as needed, for the betterment of a common future and brighter destiny.

No country can afford isolation. America, the superpower, cannot effectively manage the threat of homeland security single handedly. To minimize and resolve these threats, a concerted effort on the part of the entire global community is needed. Countries like Bangladesh, who lose thousands of lives almost every year to the ravages of flooding, cannot confront this calamity. Our futures are now so intertwined that calamity befalling one group – whether man-made or natural – makes us all vulnerable to some extent. For example, the Middle East. Quality of life for Israelis is as good as western Europe, but as long as they are surrounded by poor countries, a long term peace will remain elusive. If Darfur had been surrounded by viable countries, the panoramic view of human misery unleashed by one group on another perhaps would not have continued.

Globalization is good for America – good for the world. We all must hang together the rising tide is raising all ships – big and small. Join in, enjoy the ride, a better and brighter future awaits.

Trend Setting Tomorrow's World

For more than four decades, Forecasting International (FI) has conducted an ongoing study of the forces changing our world. One of the values of tracking major trends over such a long period is that we usually can see whether sudden shifts are indicators of seismic transitions or merely temporary anomalies or fads. This has made it possible for us to anticipate many specific developments in fields ranging from terrorist studies to the future of commercial laundries.

Research and development play a growing role in the economy.

- Total U.S. outlays on R&D have grown steadily in the past three decades. In 2006, the United States spent about \$330 billion on R&D.
- China has taken second place in the world's R&D spending, with a budget estimated at \$136 billion in 2006, up from \$60 billion in 2001. Still more spending may be hidden in military budgets. China says it will raise its R&D spending from about 1.23% of GDP in 2004 to 2.5% in 2020.
- R&D outlays in Japan have risen almost continuously, to nearly 3% of GDP. In 2006, Japan spent about \$130 billion on R&D.
- R&D spending in the European Union (EU-15) amounted to \$230 billion in 2006, about 1.9% of GDP. The European Commission has set a goal of raising R&D spending to 3% of GDP by 2010.
- In Russia, R&D funding is roughly 1.5% of GDP, up from just 0.7% in 1997. This amounted to about \$26.25 billion in 2006. The Russian government funds around 60% of research in the country. About 44% of Russia's R&D budget goes to defense research, 10% to space. These figures do not include whatever clandestine military research escapes international notice.
- Western corporations are outsourcing a growing fraction of their R&D to foreign contractors, just as they do other functions. Much of this work goes to India, some to Russia, but the growth area is China.

Implications: The demand for scientists, engineers, and technicians will continue to grow, particularly in fields where research promises an immediate business payoff.

- New technologies often require a higher level of education and training to use them effectively. They also

provide many new opportunities to create businesses and jobs.

- Automation will continue to cut the cost of many services and products, making it possible to reduce prices while still improving profits.

Technology increasingly dominates both the economy and society.

- New technologies are surpassing the previous state of the art in all fields, and technological obsolescence is accelerating.
- For most users, computers have become part of the environment, rather than just tools used for specific tasks. With wireless modems, portable computers give us access to networked data wherever we go. Internet-equipped cell phones are even more convenient for access to e-mail and some Web sites.
- Robots are taking over more and more jobs that are routine, remote, or risky, such as repairing undersea cables and nuclear power stations. Flexible, general-service personal robots will appear in the home by 2015, expanding on the capabilities of devices such as robotic vacuum cleaners and lawn mowers.
- By 2015, artificial intelligence, data mining, and virtual reality will help most companies and government agencies to assimilate data and solve problems beyond the range of today's computers. AI applications Information technology, portable and networked, dominates changes in the economy.

The United States is ceding its scientific and technical leadership to other countries.

- Measured as a percentage of the total federal budget or as a fraction of the U.S. GDP, government research funding has been shrinking for some 15 years. In 2005, the United States spent about 2.68% of its GDP on R&D, down from 2.76% in 2001.
- Washington has often reduced the post-inflation buying power of its R&D funding request. In the FY 2007 budget, for the first time, it cut R&D funds in absolute dollars as well. The funding request for R&D totaled about \$137 billion, down about 1% from FY 2006.
- Military research now absorbs much of the money that once supported basic science. Since 2000, U.S. federal spending on defense research has risen an average of 7.4% per year, compared with only 4.5% for

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civilian research. In 2006, 59% of U.S. federal research funding went to defense projects. Of that, an estimated 40% went to “earmarks,” congressional pet projects often of doubtful value.

- Washington’s neglect of basic science is being felt in many ways. R&D spending in the U.S. has grown steadily for three decades.

Important medical advances will continue to appear almost daily

- Genetic research has accelerated advances in medicine and in the growth of medical knowledge. Early results include possible cures for hemophilia, cystic fibrosis, familial hypercholesterolemia, a number of cancers, and AIDS. Eventually, some 4,000 hereditary disorders may be prevented or cured through genetic intervention. DNA research will contribute to medical advances, creating fashions and other paraphernalia

Advanced communications technologies are changing the way we live and work

- Even crime has come to the virtual world. One resident was banned when his character raped another “avatar” in virtual reality.

- A number of people have taken to wearing a small camera, either recording their entire lives or broadcasting them over the Web.

- MySpace and Facebook have a total of more than 180 million members who form communities of friends, most of whom have never met except on the Internet.

- However, the millennial generation has already abandoned e-mail for most purposes other than communicating with “clueless” parents and grandparents. Most have adopted instant messaging and social network Web sites to communicate with their peers.

- Telecommuting is growing rapidly, thanks largely to ever-advancing communication technologies. About 80% of companies worldwide now have employees who work at home, up from 54% in 2003. The number of telecommuters in the United States reached an estimated 20 million in 2006.

- AT&T says that 90% of its employees do some work away from the office, while 41% work at home one or two days per week. This saves the company a reported \$180 million a year.

- Podcasting — recording college lectures, news stories, business reports, and the like for playback on an Apple iPod — allows users to listen at their convenience.

- Second Life is a 3-D virtual world entirely built and owned by its residents. Launched in 2003, by May 2007 it had 6.8 million residents, 1.75 million of whom had logged on in the previous two months. This is more than a social and creative outlet; here in the real world, a number of designers earn substantial incomes.

- Obesity threatens to raise rates of hypertension, diabetes, heart disease, and arthritis among boomers, if a cure is not found quickly enough.

- High development and production costs for designer pharmaceuticals, computerized monitors, and artificial organs will continue to push up the cost of health care far more rapidly than the general inflation rate. Much of these expenses will be passed on to Medicare and other third-party payers.

- In the United States, education is moving rapidly to the Internet, as small, rural grammar and high schools supplement their curricula with material from larger institutions, while universities increasingly market their programs to distant students.

- In order to give those who cannot attend their classes a chance to educate themselves, the Massachusetts Institute of Technology has put its entire curriculum on the Internet, including class notes, many texts, and sometimes videos of classroom lectures. Other institutions are following suit.

Two-income couples are the norm in most of the industrialized lands, though in the United States the trend toward greater employment among women is slowing.

- The percentage of working-age women who are employed or are actively looking for work has grown steadily throughout the industrialized world. In the United States, it has grown from 46% in 1970 to about 66% in 2005, compared with 77% of men. The lowest fractions are found in Italy and Spain, with just 44% and 49% of working-age women employed, respectively, according to the Organization for Economic Cooperation and Development.

- In the United States, both the husband and the wife worked in 50.9% of married-couple families in 2003, reports the BLS Current Population Survey. This fraction has declined since 1997, when it was 53.4%. However, families in which only the woman worked rose for the third straight year, to 6.8%, in 2003. Some 48% of those responding in a recent Louis Harris poll said they work because it “gives a feeling of real accomplishment.”

- Fifty-five percent of the top executives interviewed in the poll said that erosion of the work ethic will have a major negative effect on corporate performance in the future.

- Ethics at the top are no better. Enron, WorldCom, Tyco International, Adelphia Cable, and ImClone just begin the list of companies implicated in deceptive accounting practices, looting of corporate assets, and other misdeeds. And the number of American political leaders either convicted of bribery and other corruption or under investigation grows almost daily.

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Medical Tourism

By Niru Prasad

Medical tourism, a term used for outsourcing, is characterized by traveling abroad to get health care due to the rising cost of health care in the United States. There are two forms of medical tourism: obligatory or elective. Here in the United States, due to the rising cost of health care, loss of jobs, health insurance, and advances in computer system, more and more people are traveling abroad to get medical and surgical treatment, especially to third world countries like India, Malaysia, Thailand, and Singapore.

Such is the case where the legal and policy limitations in the United States have created a global environment where third world country hospitals and physicians being hired are foreign trained and provide an excellent service at low cost.

Some corporations in the United States with help from major insurance plans are sending people overseas for surgical procedures such as cardiac bypass surgery, kidney transplants, cataract surgery, total hip and knee replacements, etc. because it is cost effective.

The Blue Ridge paper products of Canton, North Carolina, may soon offer employees health care benefits outsourcing to India where technology has advanced tremendously. The united group program of Boca Raton, Florida, sells low premium health insurance (called mini-medical plans) that are cost effective and provide health coverage to hourly contract workers who have no insurance. Many private hospitals in foreign countries have been accredited from the Joint Commission International and hence are hiring well trained, well qualified physicians and surgeons.

The disadvantages of medical tourism are:

- If something goes wrong, the family is 10,000 miles away
- If there is malpractice involved, forget about collecting because there is no malpractice there
- Medicare and Medicaid will not cover the cost of health care
- Once these patients return to the United States and develop post surgical complications, none of the local physicians will agree to fix the mess

The outsourcing of medical scripts

The outsource strategies international is the United States based business and marketing firm of "Managed Outsource Solutions." The OSI provides medical transcript outsourcing, legal transcription outsourcing services in the United States, United Kingdom, and internationally. In the United States, they also provide medical billing, medical coding, and accounts receivable collections outsourcing. They extend their transcript services to physician offices, physician's groups as well as to the major hospitals. With outsource facilities in the US, India and the Philippines offer the best,

high quality medical transcription services. Their medical billing, coding, and collection services are also HIPAA compliant, quality controlled, confidential, efficient, and inexpensive. They work 24 hours a day, 7 days a week, and throughout the year as required by accounts.

The Quest Medical Tourism is one of the US's leading medical tourism service companies that provide quality, low cost health care services overseas. For now, outsourcing is focused on reading X-rays or monitoring ICU patients from afar but as technology improves, we will expect to see laparoscopic surgery and many other procedures performed by robots in third world countries while patients are in the United States.

Hence, think about the battles over globalization and protectionism surrounding manufacturing computers, automobiles, etc., that is responsible for the debate over the "dislocation of medicine."

In the United States, the University of Southern California is the leading institution that consistently defines health care worldwide by conducting advanced biomedical research, educating graduate students in life science, and providing complex patient care.

In conclusion, experts predict that the internet will become the hub of health care. Rapid advancements in biotechnology and medical research, increasing patient curiosity (who surf the internet for medical information), and pressure from managed health care companies to cut costs are the control component of promoting the "E-health system."

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Stocks' Wild Ride Isn't Over

*Even if the markets have touched bottom, there's still plenty that could go wrong.
So don't unfasten your seat belt just yet.*

by Jon Markman

Big investors and government officials have pulled out all the stops in recent weeks to make it look like equity markets, and possibly the U.S. economy, hit rock bottom in early March in sync with the crash and sale of Bear Stearns.

Yet new evidence suggests that credit markets, where most of the world's businesses are financed, have hardly improved a bit in the past month and threaten to drag corporate earnings and stocks back into the hole from which they appear to be emerging.

If that's confusing, considering Tuesday's 391-point pop in the market, imagine the climactic scene in a horror movie in which the hero fights to wriggle out of quicksand, yet every time he makes a few inches of progress he's yanked back in by hidden forces.

What makes a happy getaway for stocks so plausible is that it has come at an ideal time in the market cycle. Investor sentiment readings by mid-March had fallen to extreme lows, prices and valuations of favorite stocks were at multiyear nadirs, short sellers had become fearless, and, by every account, a mountain of cash had accumulated on the sidelines.

Moreover, the Bush administration had shockingly stepped away from its long-standing effort to keep its mitts off Wall Street by announcing a plan to rein in bank and brokerage meanies with sweeping new rules.

In other words, everything looked perfect for a massive rebound, as savvy hedge fund traders -- flush with money from their successful efforts to push the market down over the past few months -- could take advantage of an obviously sour mood. You could smell a short squeeze coming a mile away, and that's why I recommended a bullish stance amid the pall last week.

Give traders credit: Their effort to prey on late-coming, mom-and-pop short sellers and force them to cover their bearish bets at higher prices in the past few days has proved effective so far.

R.I.P. Pollyanna. But don't let all the drama fool you into thinking the bear market is over and real-money value buyers are grabbing cheap stocks.

There are still plenty of things that can and will go wrong. And unlike earlier this week, when bad news from financial goliaths UBS AG (UBS, news, msgs), Deutsche Bank (DB, news, msgs) and Lehman Bros. (LEH, news, msgs) was treated as good news, next time the reaction to bad news won't be naively positive.

Why? Well, even if the market truly is at a bottom, it's more likely to be a long, muddy and confusing one with many false starts -- not a touch-and-go affair like March 2003. As veteran fund manager Craig Drill pointed out to clients this week, it's important to remember that we are ending a housing

and debt bubble, not an equity bubble as in the early years of this decade.

The conclusion of a stock bubble is kindergarten compared with a credit bubble. The former merely vaporizes stockholders over time in a straightforward way. The latter involves the unwinding of highly leveraged, complex instruments that interact with each other in ways their creators never imagined, leading to a broad re-pricing of risk and loss of trust.

Said Drill: "I do believe the stimulus by the Fed and other parts of government will win the day -- but what kind of day will it be?"

This truly is the point, as it is easy to guess that \$160 billion worth of fiscal stimulus and the slashing of interest rates by more than 2 percentage points in record time are likely to improve companies' access to credit. But it's another thing to wait and see whether it actually occurs. It worked back in 1991, after the unwinding of the nation's previous real-estate-lending orgy, but leverage is far higher and more broadly used now, and losses are much deeper -- approaching \$1 trillion by some accounts. Keep in mind we've been hearing only about bank losses that occurred in 2007 and not about losses dead-ahead this year as debt downgrades force banks to painfully, methodically knock down the value of the loans on their books.

Betting on a bust. To get a glimpse of this reality far from the cheers of the crowd, consider the action this week that led Punk Ziegel bank analyst Richard Bove to cut his 2008 estimate for Wachovia Bank (WB, news, msgs) by 14%, to \$2.74 per share, from \$3.17.

Bove noted that despite a decline in interest rates that should have boosted investors' confidence in debt repayments, the indexes that are used to value loans on bank balance sheets plunged 22% in March alone. The ABX index measuring the highest quality home-equity loans, ABX-HE-AAA 07-2, stood at \$51.93 this week, down 48% from September, while one measuring loans a notch lower in quality, ABX-HE-AA 07-2, was down 79% from September.

This means the market is forecasting that half to three-quarters of home-equity loans will go bad over their terms, even though less than 1.5% are delinquent right now and the annualized rate of charge-offs is just 3.5%. Bove notes that the current rate is very bad -- the highest since data was first collected in 1991, and up fourfold from last year -- yet it would have to rise 12-fold to reach the level of investors' skeptical assumptions.

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The Other Census Story

Reprinted from Wall Street Journal

The current news that the U.S. poverty rate fell to 12.3% in 2006 from 12.6% in the prior year becomes even more noteworthy when you consider that Hispanics led the way.

According to the Census, poverty rates in 2006 were statistically unchanged for whites, blacks and Asians but decreased to 20.6% from 21.8% among Latinos. The poverty rate among Hispanics is lower today than the poverty rate among blacks (24.3%). Per capita income also increased across the board, by 1.9%, but here, too, Hispanic gains stand out. The per capita income of whites, blacks and Asians, increased by 1.8%, 2.7%, and 8% respectively, while Hispanic incomes rose by 3.1%.

Given the rapid growth of the Hispanic population due to immigration and higher birth rates, this is a welcome trend. And it is a trend. Current Population Survey data compiled by Jeffrey Passel of the Pew Hispanic Center show that the Latino poverty rate, which was 22.5% in 2003, has fallen for three straight years. America's fastest-growing ethnic group has been steadily improving its economic lot, notwithstanding lower education levels on average and overrepresentation in low-skill occupations.

Last month, Pew released a study on the wages earned by foreign-born Latinos between 1995 and 2005. Latinos comprise the largest share of foreign-born workers and accounted for 13% of the overall labor force in 2005, up from 6% in 1980. According to Pew, between 1995 and 2005, "The proportion of foreign-born Latino workers in the lowest quintile of the wage distribution decreased to 36% from 42% while many workers moved into the middle quintiles."

The report's author, Rakesh Kochhar, cites higher levels of education and a move from jobs in agriculture to construction and other higher-paying occupations as major factors in Latino upward mobility.

"During this period," writes Mr. Kochhar, "many foreign-born Latinos stepped out of the low-wage workforce and headed toward the middle of the wage distribution." Some conservatives assert that the U.S. is importing impoverished immigrants from Mexico who are destined to remain that way. These fears are misplaced. The data show that over time Latinos can and do climb the economic ladder, much as previous immigrant groups have done.

Unfortunately, most of the media decided to minimize or ignore the poverty figures, preferring instead to play up the Census data showing that 47 million Americans lacked health insurance in 2006, up from 44.8 million in 2005. But the ranks of the insured also grew, and most of the uninsured are people who can afford insurance but don't buy it, especially the young, or who qualify for Medicaid and other government programs but are not enrolled.

Many of those caught in between have been priced out of the market by government mandates that drive up costs and

limit choice. They're also victims of regulations that have led many employers to stop offering coverage, rather than offer an expensive plan that would force them to lower wages. With the right reforms, they could all have access to affordable private insurance.

We hate to spoil the morose political mood with such contrary optimism, but we have to follow the facts where they lead.

Continued from Previous Page Stocks' Wild Ride Isn't Over

That kind of default rate would occur only in a severe depression. That says more about the state of credit investors' anxiety than it does about the likelihood of a severe downturn, yet it's a factor that will impede banks' earnings this year no matter how much traders try to bull up shares.

For another look at the corporate-financing disaster that stock investors are ignoring this week, M.S. Howells strategist Brian Reynolds called attention to all the major companies -- including Sprint (S, news, msgs), CIT Group (CIT, news, msgs) and, in Germany, Porsche Automobil Holding (PSEPF, news, msgs) -- that have drawn down their bank lines of credit in the past three weeks.

This is always a company's last resort after failing to convince underwriters that its business is sound enough to allow a much cheaper financing mechanism, such as the issuance of new shares or bonds. But it also has negative implications for banks, as it forces them to expand their lending to poor creditors. Reynolds says this forces banks to tighten credit in areas ranging from mortgages to student and small-business loans, restricting the growth of the economy in ways that are hard to see.

It's a negative credit-feedback loop similar to one that got rolling in early 2002, before the last leg of the millennial bear. As a coup de grâce along these lines, Bloomberg reports that Morgan Stanley (MS, news, msgs) last week wanted to renew its own \$11 billion credit line but asked for only \$7.5 billion, realizing that it wasn't likely to get double digits. It was offered only \$4.9 billion. It's shocking to see a financial institution of Morgan's size get dissed by its own peers, and it gives you a sense of how much less money is available throughout the system today than last year, from the lowliest dry cleaner seeking to expand his business to hedge funds and major banks.

There's no silver lining to this cloud, I'm afraid, just darkness and rain. Bulls can probably push the market an additional 6% higher, to around 1,450 on the S&P 500 Index (\$INX), but then look for bears to lock 'n' load for their next round of mayhem. The financial stocks' recovery will come, but like the modest tech-stock recovery since 2003, it will be long, slow, tedious and frustrating.

Where Have All the Leaders Gone

By David Beagan

Here in Southeastern Michigan politicians seem to have gotten too smart for their own good. In an attempt to enable Michigan to have a greater affect on the Presidential primaries, they moved the voting for the primaries weeks earlier. As a result, the democratic votes may end up not being counted. The ultimate irony is that because the race between Hillary Clinton and Barack Obama has dragged on, now later voting states like Pennsylvania, Kentucky, and Indiana, are in the limelight playing pivotal roles in the final outcome of the primary. Sometimes politicians think they are too clever for their own good. I think there are more fundamental problems requiring attention than Michigan's place in the primary voting schedule.

The Michigan legislature struggled mightily to pass a budget in late 2007. Teetering on the brink of a shutdown of the government last fall, the legislature was finally able to pass a budget. Is it really necessary to push the negotiations between the democrat and republican factions into the final hours and beyond just for each side to feel that they got the most of what they wanted out of the final budget deal? Some observers cited the lack of experience of this legislature, a result of term limits having been enacted by the voters several years ago. The idea is that the current crop of Michigan legislators are much less experienced and immature in the art of negotiation and skillful compromise.

I have often wondered if we would all be better off with politicians who were basically honest but not too competent or politicians who were smart but compromised in their character.

We have observed with bewildered bemusement the breakdown of a once proud mayoralship. I can't say that his style was anything that thrilled me – the hip hop mayor with the close shaven beard and large diamond earring. But I couldn't help but like the guy. I'm not sure that I ever would have voted for him, if I ever had the opportunity, which I never did because I have never been a resident of Detroit.

Yes, Kwame Kilpatrick, mayor of Detroit seemed to be just what Detroiters needed. He had the colorfulness of the late and former Mayor Coleman Young, without the surliness, and seemingly enough of the competence



of former mayor Dennis Archer to get things done. Kwame Kilpatrick was a man on the move, a young up-and-comer who seemed to have tremendous potential. But with that potential came a fatal flaw. A flaw that seems all too common among politicians. He thought he was somehow above it all, that he was entitled, that he could do what he wanted without repercussions. I imagine that many times before when Kwame found himself in trouble, his charm and personality were skillfully employed to make things ok. But now his hubris has gotten the best of him.

How dare he. The city of Detroit is reportedly on the brink of bankruptcy and yet Kwame Kilpatrick presumes that the city should pay \$8.4 million in a secret deal to settle a lawsuit to cover up the affair with his chief-of-staff, Christine Beatty. There is so much ruination in the wake of Kwame's self-indulgences.

As all of this continued to play out, news broke that Elliot Spitzer, Governor of the State of New York, had patronized a high-price prostitution service. Elliot had the decency to resign, unlike Kwame who continues to hunker down and invoke overtones of racist accusations when at the end of his state of the city address, he mentioned being called he n-word and comparing the perceived assault on him by the media to a lynching. Forget leadership. What has happened to this man's dignity?

News has just come out that Kwame Kilpatrick has stated in a speech at the "pancakes and politics" breakfast meeting of area business and political leaders, "The knee-jerk reaction is leave, leave, leave ... no one has had a decision of what happens the next day ... you don't want chaos"

Indeed Mr. Mayor, and chaos is just what you are providing for the people of Detroit.

It is clear that ability is secondary to character when it comes to the business of government. Of course both competence and character would be the most desirable. But we just cannot afford to tolerate the ongoing disruptions that the ethically challenged politician inevitably brings to governmental operations.

Mental Exercise

Figure It Out

By David Beagan

Fresh President. This year's presidential election will include two major candidates (Republican and Democrat) each of whom have never been a U.S. President or Vice-President. When was the last time that this happened?

Burning Time. You want to measure 45 minutes. To accomplish this, you have at your disposal a lighter and two igniter cords. Each igniter cord will burn for one hour but not necessarily at a constant rate.

Smoking at Work. Can you think of a workplace where it is sometimes ok to smoke on the job?

Whole Kittens. Budding math whiz Billy was asked how many kittens he has. He answered, "Three-quarters of their number plus three-quarters of a kitten." Assuming that he has only whole kittens, how many kittens does he have?

Not Blowing Smoke. What can go up a chimney down, but can't go down a chimney up?

Reversible Ages. Jane and her mother realized one day that the two digits of Jane's age when reversed resulted in her mother's age. For example, if Jane's age were 37 her mother's would be 73. Wondering how often this happened over the years she figured out that the digits of their ages have been reversible six times so far if they were lucky it would happen again in a few years, and if they were really lucky it would happen one more time after that. In other words, it could happen eight times over all. How old is Jane now?

Answers

Fresh President.

You have to go all the way back to 1952 when Dwight D. Eisenhower ran against Adlai Stevenson to find an election where neither candidate had previously served as a President or Vice-President.

Burning Time. Light both ends of one igniter cord and one end of the other cord at the same time. When the first cord finishes burning (completing 30 minutes) light the remaining end of the second cord, the second cord will burn for an additional 15 minutes, for a total of $30 + 15 = 45$ minutes.

Smoking at Work. One example that I can think of is where an actor as part of the role he is playing needs to smoke a cigarette.

Whole Kittens. Billy has three kittens.

Not Blowing Smoke. That would be an umbrella.

Reversible Ages. Some investigation reveals that the mother had to be some multiple of nine years old when her child was born. Assuming that a mother of age 9 is too young, next would be a mother of 18 at the child's birth. Then in two years mom would be 20 and Jane 02. Every 11 years Jane's age goes from two to 13 to 24 to 35 to 46, and her mother's ages, 31, 42, 53, 64, etc. So it turns out that Jane would be 57, and her mother 75. That's the sixth time that it happens. The next, Jane will be 68 and mom will be 86. And then Jane will be 79, and mom will be 97.

Continued from Page 12

- Seeking the root of such problems, a Zogby International poll of college seniors found that 97% said that their studies had prepared them to act ethically in the future. However, 73% said that professors had taught them that right and wrong are not susceptible to uniform standards, but depend on individual values and cultural norms.

Implications: The new generation of workers cannot simply be hired and ignored. They must be nurtured, paid well, and made to feel appreciated, or they will quickly look for another job.

Ethics is declining, even at the top, as the growing numbers of investigations suggest.

Time is becoming the world's most precious commodity.

- Computers, electronic communications, the Internet, and other technologies are making national and international economies much more competitive.

- In the United States, workers spend about 10% more time on the job than they did a decade ago. European executives and non-unionized workers face the same trend.

- In this high-pressure environment, single workers and two-income couples are increasingly desperate for any product that offers to simplify their lives or grant them a taste of luxury — and they can afford to buy it.

TO BE CONTINUED IN THE NEXT ISSUE

The Changing Economy

By Bala Prasad

When the United States entered the 21st century, it boasted an economy that was bigger and better, than ever. After all, it endured two world wars and a global depression in the first half of the 20th century, and had also survived challenges ranging from a 40-year Cold War with the Soviet Union to extended bouts of sharp inflation, record unemployment, and enormous government budget deficits in the second half of the century. But the nation finally enjoyed a period of economic tranquility in the 1990's: prices were stable, unemployment dropped, the government posted a budget surplus, and the stock market experienced an unprecedented boom. Somehow, the country came out smiling.

In 1998, though the United States held less than 5 percent of the world's population, it accounted for more than 25 percent of the world's economic output. Japan, the world's second largest economy, produced about half as much. And while Japan and other world economies wrestled with slow growth in the 1990's, the American economy recorded the longest uninterrupted period of expansion in its history.

In the beginning of the 21st century, the United States was also undergoing profound economic change. It saw a wave of technological innovations in computing, telecommunications, and biological sciences that profoundly affected how Americans live. At the same time, the collapse of communism in the Soviet Union and Eastern Europe, the growing economic strength of Western Europe, and the emergence of powerful economies in Asia, posed new opportunities and new risks. Americans were forced to re-examine everything from how they organize their workplaces to the role of government.

The economy also faced some serious long-term challenges. Although many Americans had achieved economic security, significant numbers of our fellow countrymen continued to live in poverty. Disparities in wealth continued to be great, and substantial numbers of Americans continued to lack health insurance. The aging of the post-World War II baby boom generation promised to tax the nation's pension and health care systems early in the 21st century. And global economic integration, along with its many advantages, resulted in massive dislocation. In particular, traditional manufacturing industries suffered setbacks, and the nation had a large and seemingly irreversible deficit in its trade with other countries.

But throughout its upheaval, this nation has adhered to some bedrock principles in its approach to economic affairs. For example, the United States remains a "market economy." Americans continue to believe that an economy generally operates best when decisions about what to produce and what prices to charge for goods are made through the give and take of independent buyers and sellers, and not by government. But even though Americans believe in "free enterprise," this has certainly not precluded a major role for government.

Americans at times have looked to government to break up or regulate companies that appeared to be developing so much power they could defy market forces.

Americans often disagree about the appropriate role of government in the economy. In general, government grew larger and intervened more aggressively in the economy from the 1930's until the 1970's, but economic hardships in the 1960's and the 1970's left Americans skeptical about the ability of government to address social and economic issues. Ultimately, the growth of the federal government slowed in the 1980's.

Change – whether produced by growing affluence, technological innovation, or growing trade with other nations – has been a constant in American economic history. As a result, the once agrarian country is far more urban and suburban today than it was 50 years ago. Services have become increasingly important relative to traditional manufacturing. Mass production has given way to more specialized production that emphasizes product diversity and customization. Large corporations have merged, split up, and reorganized. New industries and companies that could not have been imagined in the middle of the 20th century now play a major role in the nation's economic life. Employers are becoming less paternalistic, and employees are expected to be more self-reliant. And increasingly, government and business leaders emphasize the importance of developing a highly skilled and flexible work force in order to ensure the country's future economic success.

So, where will we go from here? While it is impossible to predict the future of the American economy with any certainty, it seems that one of the key ingredients to its success is to be able to adapt to the current climate. So, dear reader, let us all adapt as best we can to the changing world around us, so that this wonderful county can continue to find its place as a world leader in the economy.

Sincerely,

Bala Prasad

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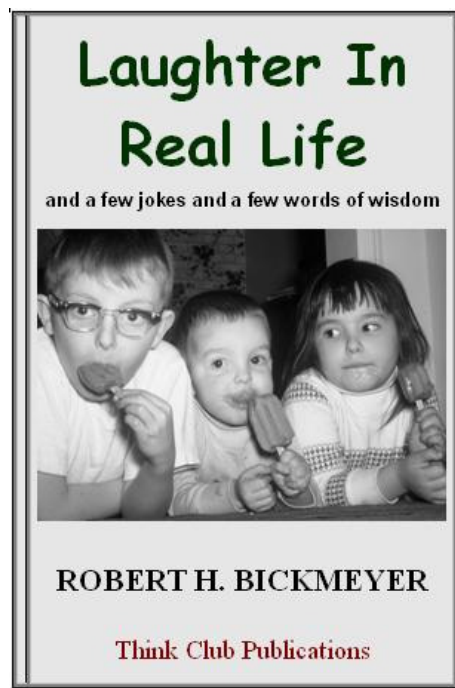
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