

THE NEW YORK SUN



Greenspan for Mt. Rushmore?

Include us out of the loosely organized Greenspan for Mt. Rushmore Committee. And count us skeptical toward Ben S. Bernanke, who this day succeeds Mr. Greenspan as chairman of the Federal Reserve Board. We just have a hard time with the idea that downsizing of the dollar ought to be the basis of American monetary policy — as it has been, is now and, by every indication, will long remain.

The departing Mr. Greenspan and the incoming Mr. Bernanke are of one mind on this issue. They believe that the currency in your wallet should buy a little less with every passing year. Its value should never appreciate. Debasement, rather, is the *sine qua non* of a healthy economy. Not a lot, mind you, just a little. This would be a dogmatic doctrine even if the government could measure the rate of inflation with anything like the precision it pretends to.

The dollar is America's greatest export. Non-Americans accept the currency as their own. They send us merchandise, and we send them dollars. The merchandise is costly to manufacture, while the greenbacks cost next to nothing to print. No American could dream up a sweeter division of labor.

But the dollar is also America's most fragile export. It is a piece of paper, exchangeable into nothing except pennies, nickels, dimes and quarters. No collateral supports its value. Nothing stands behind it except the willingness of America's creditors to hold and invest it. Yet Mr. Bernanke wants to debase it — just a little bit, of course.

Mr. Greenspan is the greatest central banker — possibly, the greatest human being — who ever lived, his fans insinuate. They cite the macroeconomic record. On Mr. Greenspan's watch, there have been fewer recessions, and a lower average rate of price inflation, than under previous chairmen. Why can't Mr. Bernanke, who sat at the master's feet, perpetuate these blessings?

Feature this reason. It's the accident-waiting-to-happen called the "world monetary system." The Greenspan Fed had a luxury that few of its predecessors enjoyed. It was the freedom to carpet the

world with dollars. Until 1971, a suspicious foreign creditor could present himself and his dollars at our Treasury and demand gold in exchange for greenbacks. The statutory rate of exchange, starting in the early 1930s, was \$35 to the ounce. It was a monetary arrangement grounded in the spirit of Ronald Reagan — trust the dollar but verify that there was something behind it. Gold convertibility stayed the hand that cranked the U.S. monetary printing presses.

Now that hand is free to crank until the world cries "uncle." As a matter of

fact, monetary presses the world over are working three shifts a day. The United States, consuming much more than it produces, sends dollars flying east in payment for Asian merchandise. Asian producers sell these dollars to their local central banks, which pay with local currency they have printed for the very purpose. The result is a world awash in money.

No accident, then, that the price of gold has been appreciating in every currency. In terms of the dollar, it has doubled in the past four years. Gold and currencies are forever competing for the market's favor. When gold gains the edge, as it is doing at a gallop today, central banks are losing it.

As well they might. For reasons that have never persuaded us, short-term interest rates are deemed too important to be discovered in the open market. Central banks must fix them, as, in unhappier times, governments fixed a whole assortment of prices, from rents to air fares. Mr. Bernanke, taking up where Mr. Greenspan left off, will try to set the overnight interest rate just where it ought to be.

With this inspired stroke of policy, it is hoped, the economy will grow, inflation will perk along at 2% or 3% (you will hardly notice the loss of purchasing power) and foreign dollar holders will continue to absorb the \$700 billion or so that annually falls into their laps via the U.S. trade deficit. Mr. Greenspan's true legacy — which Mr. Bush, the Congress and Mr. Bernanke are buying into — is to have proven, yet again, that the American economy can survive any system and any body.



KAREN BLEIER/APP/GETTY



WIN MCNAMEE/GETTY

Dangerous Disease

The tort bar can boast of only limited success in its assault on Merck in the Vioxx sweepstakes, but the lawyers have undoubtedly succeeded at one thing — scaring the pharmaceutical giant into removing a promising drug from the market. With a fourth Vioxx trial now underway, the contrast between tort greed and the public good couldn't be any clearer, underscored by the release this week of a study suggesting that Vioxx and other so-called Cox-2 inhibitors, like Celebrex, could be effective at helping to prevent breast cancer.

The study, conducted by three researchers at the Ohio State University College of Medicine and Public Health, found that women who used a Cox-2 drug for two years reduced their risk of developing breast cancer by an average of 71%. Patients who took 25 milligrams of Vioxx every day reduced their risk by 64%, while patients who took 200 mg of Celebrex cut their risk by 83%. Patients who took regular doses of older, less potent nonsteroidal anti-inflammatory drugs like ibuprofen and naproxen (the active ingredient in Aleve) also enjoyed some risk reduction, but the results were less dramatic and patients needed to take the medicines for a longer period. The study was funded by grants from Pfizer, which manufactures Celebrex, and by the National Cancer Institute.

This latest study is another link in a lengthening chain of research investigating whether drugs like Vioxx can be used for many conditions beyond the arthritis they were originally marketed to treat. Some of the most promising research has been in the field of cancer prevention. The drugs work by blocking a particular

enzyme that causes inflammation but that is also linked to some cancer cells. Almost from the time the Cox-2 inhibitors were developed, scientists have been exploring their ability to prevent tumors. The cardiac risks of Vioxx itself first became clear in a study that was actually investigating whether the drug can protect against colon cancer.

Researchers are still debating whether Cox-2 drugs are more dangerous than older drugs or whether instead the older drugs turn out to be more dangerous than anyone had realized. But in our lawsuit-happy day and age, Merck executives apparently decided that they couldn't take the risk and pulled Vioxx from the pharmacy shelves. Now thousands of lawsuits threaten the company and drag on its bottom line, contributing to massive downsizing.

Meantime, researchers continue uncovering signs of benefits that could be worth the cardiac risk for some patients. It's a common phenomenon in medicine. Even thalidomide, infamous for causing birth defects when administered to pregnant women for morning sickness in the 1950s and 1960s, has been found effective against leprosy and multiple myeloma, a type of cancer, and is now legal in America under tight controls. Thanks to the tort-bar culture, Vioxx is no longer available to arthritis patients who need a treatment that wouldn't cause ulcers, and other Cox-2 drugs like Celebrex are under a litigation cloud. The latest research on the additional potential benefits of these medicines for women living in fear of breast cancer only highlights how dangerous trial lawyers are to Americans' health.

Dan Gerstein on Senator Clinton's presidential prospects

How Hillary Can Win

The CNN/Gallup Poll released last week on Hillary Clinton's presidential prospects showed the former first lady is starting out essentially in last place with much of the American electorate — 51% said they would not vote for her under any circumstances.

But what this poll failed to illuminate, as have others on Senator Clinton, is exactly why she is so unpopular with voters who are not part of the vast right-wing conspiracy.

To try to get a handle on that question, I thought it would be an informative exercise to ask non-insiders for their impressions.

So over the last few weeks, I conducted my own informal, unscientific, overcaffeinated focus groups, avoiding the typical right-wing Hillary-haters and speaking with Democrats and independents.

What I found is that Mrs. Clinton's biggest hurdle to becoming a viable presidential contender is not ideological, as much of the punditocracy suggests, but personal.

It seems the prevailing perception that has taken hold is not Hillary the wild-eyed liberal, but Hillary the ice queen. Indeed, the most common and visceral complaint I heard is that she comes off as cold, calculating, and fake.

These same conversations suggest that this perception problem is, ironically, most acute with professional women, her supposed base.

Some of this appears to be residue from the Lewinsky scandal. I heard many women criticize her for enabling her husband's repeated infidelities and staying with him after he dealt her a horrific public humiliation; their sneaking suspicion is that she tolerated Bill's sneaking around to further her political ambitions.

Some of it just seems to be purely stylistic reaction. Many women say they find it hard to connect with her because she rarely lets her emotions show in public and thus seems like she's hiding something.

Either way, this helps explain why just 22% of the women surveyed in the CNN/Gallup poll indicated they would definitely vote for Mrs. Clinton for president at this stage.

It also reveals the crux of Hillary's challenge in becoming a winning national candidate. It's hard to see how a woman in general — and in particular a woman with Mrs. Clinton's political and personal baggage — can get elected with a major chunk of her natural support stronghold strongly predisposed against her.

There's no way she can make it up with African-American voters — there's just not enough of them. And she's certainly not going to make up for it with the white men who are already fleeing the Democratic Party in droves.

In fact, in the CNN/Gallup poll, only 11% of men said they would definitely vote for her, while 60% said they would not vote for her in any circumstance.

I suspect that this hurdle, while formidable, is not insurmountable. But it won't be by conventional political means.

Indeed, typical targeted efforts to rehab her image are doomed to fail. These moves will be so transparent, and so thoroughly chewed over by the media, that they more likely than not will just reinforce the unfair image of Hillary as a calculating power-schemer instead of deflating it.

As proof of that point, just look at the back-



lash that has accompanied Hillary's so-called repositioning as a centrist. The reality is that in most of these cases, she was just being consistent, not cynical. But as is often case, the truth is irrelevant, and the result is that the perception of her as calculator-in-chief has only deepened.

So how can Hillary break free of this damning trap? Not by trying to make herself over, but by opening herself up — and showing off the same warm, funny, and generous side that has won her many admirers on both sides of the aisle in the Senate.

The reality is, as I learned from watching her up close on Capitol Hill, Mrs. Clinton gets more likeable the more you know her. She used this to her advantage in her highly successful listening tour in the 2000 campaign. And since then, her persistent efforts to personally touch voters upstate has been widely cited as her secret weapon in maintaining her high state favorability numbers.

So if Hillary really wants to be president, probably the best thing she could do would be to quit the Senate — which is a graveyard for presidential ambitions — and take her real-life road show national. Unfortunately, that's not a realistic option at this point.

The next best thing would be to hit the ground running with this focused outreach strategy when her re-election campaign ends in November — and build her schedule in 2007 around it.

Specifically, she should start ramping up a series of town meetings in targeted states to discuss the country's future post-Bush — and not the cynical contrivances that President Bush himself has staged, but totally open sessions with no pre-screened questions.

This kind of forum can be risky, but I am afraid Mrs. Clinton can't bust her crippling caricatures and win the presidency if she is afraid to take chances.

To supplement these larger town hall meetings, and connect more directly with women, she should set up a series of house parties at the homes of friendly female supporters in the suburbs, with a heavy dose of them in red states.

This would give her a chance to talk in a more intimate setting about the historic nature of her run, how this will be a test not of her political power but of theirs, and what a Hillary victory (or an embarrassing defeat) could mean for gender equity going forward.

In these meetings and in all her interviews, Hillary should be open about her motivations. She should acknowledge that 15 years of vilification has taken its toll, and make clear that instead of running away from her image problem, she's going to confront the caricatures and puncture them.

The conventional-thinking consultants and operatives will be aghast. But I bet average Americans will find her candor refreshing and — lo and behold — real. Besides, it gives her a rare opportunity to show strength and vulnerability in one fell swoop.

All things considered, it's a crapshoot whether this strategy will ultimately work, especially given where the Democratic electorate is right now. After losing two straight national campaigns with candidates who largely failed to connect personally with average people, primary voters may just write Hillary off as unelectable and opt for a fresh, non-polarizing face.

But two things seem certain. Her watchword isn't liberal, it's likeable. And Hillary won't make history if she does not openly and compellingly tell her story.

Mr. Gerstein is a political communications consultant based in New York and the author of the *Dangerous Thoughts* blog (<http://dangerstein.blogspot.com>).



LETTERS

'After the Election'

The Hamas victory confirms that the issue between the Muslim Palestinians and Israel is no longer settlements, borders or right of return ["After the Election," Editorial, January 27, 2006]. The issue is Israel's right to exist as a Jewish state. As the Gaza Arabs continue to acquire weapons through Egypt at an unprecedented rate, the Jewish people are uniting everywhere.

In Israel, whether one is identified with Kadima, Likud, or Labor is nearly a mute point now. In the Americas and in Europe, Jews held meetings and rallies to come together and hear dignitaries and leaders discuss the new realities. The American government, under President Bush, has emphasized it will not talk with an Arab government that is sworn to the destruction of Israel.

Israel's acting prime minister, Ehud Olmert, has declared that Israel will not talk with the new Palestinian government before it disarms and excises from its covenant its vow to annihilate Israel. So far the top leaders of Hamas have told al-Jazeera and the Western press that Hamas has no intention of doing either.

Israel and the Jewish people recall how eight Arab nations swooped down on Israel to snuff out its life right after it was born nearly 58 years ago. That attempt at infanticide has not been forgotten.

RAY KESTENBAUM
Rego Park, N.Y.



THOMAS GOLISANO

DANIEL ACKER/BLOOMBERG

'Waiting for Golisano'

How would Thomas Golisano's candidacy have been any different than Mayor Bloomberg's in terms of confirming the presence of a new plutocracy, where billionaires get elected by defeating underfunded candidates, who must follow campaign finance laws? ["Waiting for Golisano," John P. Avlon, Opinion, January 31, 2006]

I agree that this is not good for politics: Jon Corzine, Mr. Golisano, Mr. Bloomberg. But why single Mr. Golisano out?

I am simply suggesting that some of the criticisms leveled at a potential Golisano GOP candidacy by Mr. Avlon, in light of the

recent condition of the State GOP, are weak, at best.

If Mr. Avlon is concerned about the Republican Party selling out to Mr. Golisano, he need look no further than to City Hall to find a good example of a GOP sell out. The whole bunch of them — Mr. Bloomberg, Governor Pataki, Joseph Bruno, and Alfonso D'Amato — have shown little interest over the years in building a strong statewide party.

EVAN EDWARDS
Manhattan

'Andrea Bronfman Is Killed'
The New York Sun's articles about the recent spate of pedes-

trian fatalities contained speculation about why they were occurring, with the implication that motorists were somehow at fault ["Andrea Bronfman Is Killed By a Car As She Walks Her Dog on 65th Street," Stephen Miller, Page 1, January 24, 2006, and "Many Pedestrian Injuries at Site Where Bronfman Died," Lauren Elkies, New York, January 25, 2006].

The main reason, to my mind, was not mentioned, and it is something easily observed at any street crossing: People waiting for the light to change do so while standing in the street, not on the sidewalk. This seemingly New York habit is virtually universal in the city.

I have seen pedestrians standing one lane into traffic (check out East 77th Street and Lexington Avenue), including mothers with infants in strollers. This is not to touch upon jaywalkers at night wearing dark clothes. To this observer, were it not for drivers being at least somewhat diligent, the toll on our streets would be much higher.

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