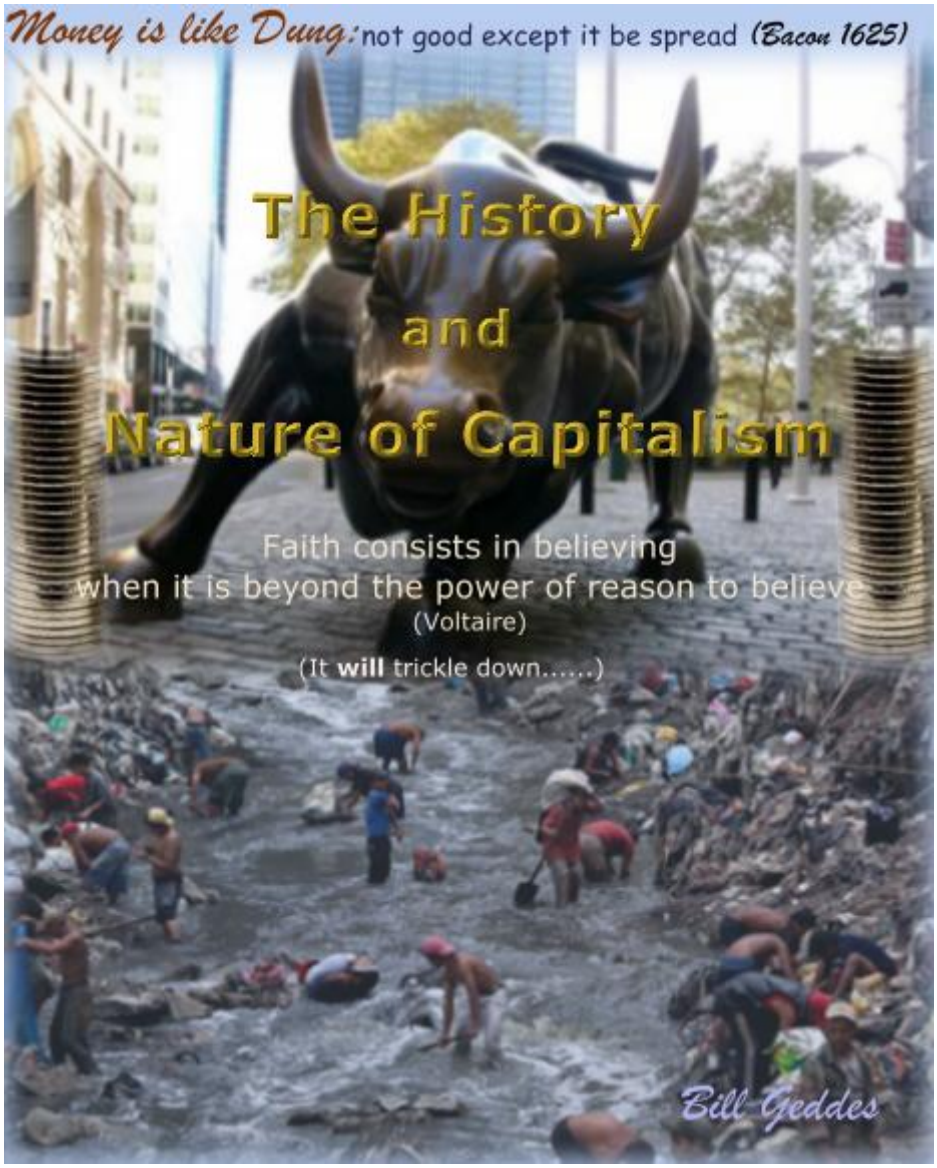
Money is like Dung: not good except it be spread (Bacon 1625)
The History
and
Nature of Capitalism
Faith consists in believing
when it is beyond the power of reason to believe
(Voltaire)
(It will trickle down.....)
Bill Geddes

The History and Nature of Capitalism

An Evolving EBook

By Bill Geddes

Revised: 24 April 2024

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This is an evolving EBook - updated regularly to reflect recent developments in our understanding of capitalism and its exponentially growing impact on the social and natural environments which have sustained humanity through the past 10,000 years.
Minor revisions/additions occur regularly as new relevant studies appear and are integrated into the text - often as footnotes.[1]

All versions are regularly updated to reflect these changes.

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(About this Site and Me)

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Chapter 1:
Introduction

(05/05/21) (18/08/21) (14/05/22) (24/11/22) (26/01/24) (29/02/24)

It is said that the aphorism 'Know Yourself' was inscribed in the forecourt of the Temple of Apollo at Delphi. Finding out who we are can be an unsettling experience.

Not only do human beings gild memories of experiences in their own lifetimes, they are extremely adept at reinventing those of their historical past. It can be an educative experience to strip away what the French philosopher Voltaire called the 'fable upon which we are all agreed'.

It's time we, living in capitalist countries, got ourselves into perspective [2].

Over the past three centuries, people living in Western (capitalist) countries have increasingly imposed their understanding of reality on others. Now, they are becoming aware of a growing antipathy toward 'The West' around the world. Henry Hyde's view of the problems facing Western countries is not isolated,

> Let us begin by accepting there is no single enemy to be defeated, no one network to be eliminated. Al-Qa'eda is but our most prominent opponent, but its outlook is shared by many others who are equally committed to our destruction... we know now that we have permanent, mortal enemies who will seize upon our vulnerabilities to bloody us, to murder our citizens, to commit horror for the purpose of forcing horror upon us...
> *(US House of Representatives Committee on International Relations* October 3 2001)

For the past decades the West has confronted what it perceives as a growing 'climate of terror' around the world. While estimates vary, it is reasonable to say that thousands of lives have been lost and billions of dollars have been spent in pursuing, capturing and killing those deemed a threat to the security of Western nations.

It is time to take stock. Before continuing to pursue phantoms and shoot at shadows (and, in the process, alienate thousands caught in the crossfire) we need to understand what is producing this apparently burgeoning antipathy toward Western capitalist countries.

Western capitalist nations, over the past several centuries, have attempted to re-organize the world to reflect their understanding of reality. Although we often fail to recognize it, this requires a far-reaching reorganization of people's lives in non-Western countries. It would be surprising if there was not, sooner or later, a reaction against such activity.

So, what is capitalism? What gives people living by capitalist understandings of the world such a determination to reorganize the rest of the world to their understanding? And, what impact does this attempt to reorganize the world have on people living in non-Western regions?

People living by capitalist understandings of the world have, over the past four centuries, felt driven to compel those who do not think and live as they do, to change. They have committed their lives to a refashioned world, to a capitalist world. So, what is it that has produced in Western people such a deep need to dominate and change the world?

Human beings (including members of Western capitalist nations) believe that they interact with 'objective reality', that is, a reality that exists independently of themselves and is perceived in the same way by all human beings. In every community, models are built from that assumed objective reality which, in the opinion of those who order their lives by them, provide the best ways of organizing life to make the most of the reality in which they live.

Western people hold a peculiar understanding of objective reality and believe they have a duty, a responsibility, to reorganize other people and communities to live by the understandings they hold. When people in other communities are subjected to Western capitalist demands for change, based on very different presumptions about 'objective reality', their understanding of their environment and of themselves in terms of their environment decreasingly 'makes sense'. They lose their sense of identity and self-worth as their indigenous status and prestige systems break down and brutality, despotism and corruption escalate in their communities.

Over time, people begin to realize that the problems they face and the disorientation they experience are connected to Western activity within their regions. Inevitably anti-Western sentiment grows.

We need to understand the nature of this very Western understanding of objective reality. To do so, we need to trace its emergence over the past thousand years of western European history.

Unless we do, not knowing our history, we might well, as Edmund Burke suggested, unwittingly repeat it.

This is the age of Capitalism.

In the following chapters I attempt dispassionately to explore the nature and history of capitalism [3]. I leave it to you to decide whether it heralds a future of blessings or cursings.

The book starts with an examination of the nature of ideology and, more specifically, capitalist ideology. It is essential to start by examining the nature of ideological frameworks in human thought, interaction and action. This will enable us to get capitalism into contextual perspective.

With questions of the nature of primary and secondary ideology dealt with in Chapter 2, in chapter 3 we launch into an explanation and history of the emergence of capitalism in western Europe. We pose and attempt to answer the question:

- How have the most basic presumptions which underpin Western understandings of life been shaped by history, becoming seen as features of the real world, the unfocused backdrop to secondary ideological disputes?

This exploration takes us from the 10th century to the start of the 18th century; the century when, in western European thought, 'the economy' became clearly differentiated from 'the social', a distinct environment with its own laws and interests.

In chapter 4 we explore the century in Western European history when the turmoil of previous centuries had distilled into a new version of 'objective reality' for those who held the reins of power.

Most importantly, it was the century when capitalism gained its evangelical fervor as millions of people, threatened with economic and social ruin, became 'born-again' Christians, the 'moral majority' of Western communities.

This was the century in which they would take responsibility for transforming the rest of the world to live by the reality they now lived in - starting with their own, home grown 'savages'. It was also the century in which the justification for natural laws shifted from divine decree to the innate characteristics of environments in a self-existent natural world.

In chapter 5 we investigate how capitalism became 'virtuous'. The 18th was the century when the merchant, trader and banker moved to center stage, the period when the newly respectable, and often 'born-again', capitalist became morally and socially respectable. As Adam Ferguson, a Scottish gentleman, explained,

> ... in the progress and advanced state of his art, his views are enlarged, his maxims are established: he becomes punctual, liberal, faithful, and enterprising; and in the period of general corruption, he alone has every virtue, except the force to defend his acquisitions. He needs no aid from the state, but its protection; and is often in himself its most intelligent and respectable member.
> Adam Ferguson (1767 Pt 3, Section 4)

It was also the century in which, as Thomas Jefferson claimed, Western Europe,

> ...divided their nations into two classes, wolves and sheep. I do not exaggerate. This is a true picture of Europe. ...man is the only animal which devours his own kind; for I can apply no milder term to the governments of Europe, and to the general prey of the rich on the poor.
> (Thomas Jefferson, 1787)

With the distillation of a new objective reality for Western Europeans - now recognized as 'capitalism', in Chapter 6 we examine the ways in which Western European responsible people set out to ensure that the indolent, the 'lazy poor', pulled their weight and learned to work. As Western Europeans gained control of the rest of the world, it would also be time to teach 'natives' the same lesson.

In the 19th century, it was time for Western Europe, in search of resources to feed its rapidly expanding industries and needs and wants, to invade the rest of the world. By 1914 it controlled more than 80% of the earth's surface.

This was the time of European empire. The time when Western European nation-states would attempt to become global in extent. In Chapter 7 we examine the establishment of 'nation states'. Western Europe's colonies were assumed to be the 'overseas' extension of its nation states. Their acquisition and reorganization enabled Western people to continue and increase their accumulation of material wealth and expand consumption.

Finally, we arrive at the 20th century, the century of electricity, of streamlined industrial production, of capitalist control of the world. In Chapter 8 we examine the experiences of Western communities and nations as they moved from:

- free markets, patchy welfare capitalism and piecemeal welfare legislation;
- to protectionism, regulation, and welfare states and then back
- to neoliberal free markets, scaling back of state welfare provision, and globalization of economic activity.

Following this exploration of Western economic realities in the 20th and 21st centuries, Chapter 9 turns the focus back to non-Western nations and communities and examines their experiences over the past seventy years. In the era of global capitalism, why are there so many 'failing states'?

The final five chapters deal with core issues in understanding the nature of Western capitalism in the early 21st century.

Chapter 10 examines the nature and importance of 'credit' in democratically organized and in *laissez faire* Western capitalist societies.

Chapter 11, entitled 'The Looming Catastrophe: Is this the way our world ends? (Not with a bang but a whimper!)' suggests that, in their drive to dominate their material and social worlds, Western capitalists have set a deeply unsustainable course into the future. They have, indeed, over the past two hundred years, myopically set about changing the world to their short-term 'advantage', discounting warnings which might require them to change their behavior. Now, it is increasingly clear that they have, finally, gone a step too far. The consequences for the world in which we live are already being written into the environments we share.

Chapter 12 examines the prerequisites for a truly democratic capitalist nation.

Chapter 13 focuses on the relationships which have developed, within the 21st century United States of America, between its president, Pentagon and the increasingly 'Western' military industrial complex.

Chapter 14 focuses on the the nature and consequences of Human 'Intelligence'. We fashion our worlds to reflect and reinforce our understanding of 'reality' and that 'reality' is community specific. It is a reality which has been historically fashioned by communities to enable their members to successfully interact with each other and with the environments in which they live. 'Multipolarity' is the Human condition which, over centuries, Western nations have assailed in a futile bid to enforce their 'reality' on the whole world.

Chapter 15 examines the nature of commoditization. It suggests that capitalism is the process of commoditizing reality. The world becomes a global marketplace where commoditized objects take pride of place. Everything can be bought and sold, and the driving force behind this buying and selling is the commoditized value of the objects, rather than their inherent use values.

Finally, Chapter 18 examines the peculiar definition of exchange which lies at the core of Western capitalism. It concludes that the economic models of capitalism are ideological models which incorporate all the most basic presumptions about the world and about human beings which are extant in Western communities.

Chapter 2:
Ideology, the World Economic System, and Revitalization Movements

Introduction

Human Beings organize Life using Historically Constructed Models

- Categorizational Models are Unique to Each Community
- Models Have Unique Combinations and Qualities of Relationships

- Primary ideology
- Secondary ideology
  - World economic system
  - Imposition of Western secondary models: The breakdown and revitalization of communities

Revitalization movements and fundamentalism

- Revitalization and dissident groups
- Non-Western revitalization movements
- Western revitalization movements

Conclusion

Introduction

(23/12/17)

Those who live in capitalist communities have, over the past century, introduced their ways of organizing and interacting with the environment to people throughout the world. In doing so, they have set about re-organizing other communities to conform to the requirements of life in a capitalist world.

Vast amounts of 'aid money' [4] have been spent in other communities assisting them to develop capitalist institutions and practices. Development experts, trained in Western [5] universities, have dedicated their lives to improving the lot of 'under-developed' and 'less-developed' communities [6]. Yet, the consequences of all the dedication, effort and resources committed to 'Third World development' seem to have produced very mixed results around the world.

To understand the process of 'development' and its consequences in non-Western communities, we need to understand the ways in which people organize themselves and their surroundings.

Human Beings organize Life using Historically Constructed Models

Human beings are natural model builders. Before they can begin to interact with their world it must be imbued with meaning and that requires a set of criteria for categorizing and classifying experiences [7], and for connecting the classified experiences with each other.

If every individual had, from birth, to invent his or her own categorizational criteria, human beings would forever be trapped at the dawning of sentience. Meaningful communication between people would be severely limited. So it should be no surprise that newborn babies are not left to develop their own criteria for categorizing experiences.

Just as human beings teach their young to speak their native language, so they teach them, from birth, the indigenous criteria for categorizing their experiences and interconnecting those categorized experiences.

The criteria used in building a community's categorizational models are historically determined. So, to the extent that the community is isolated from other communities, its categorizational models will be unique to the community (just as a community's language is unique).

This is one of the reasons why anthropologists recognize that they should handle apparent similarities between communities with extreme caution. One should never assume that 'models of kinship' or any other forms of social organization and structure can be applied across communities.

Categorizational Models are Unique to Each Community

(04/10/23)

Consider, for example, the kinship categorization (or 'definition') of the 'elder brother' and 'younger brother' in Confucian Chinese families. The categorizational criteria that produce these related categories of persons are quite different from those that determine the definitions of older and younger brothers in, say, Anglo-Celtic Australia.

Few people in Anglo-Celtic Australia recognize the kinship elements 'elder brother' and 'younger brother' as categorically distinctive, carrying their own prescribed characteristics and sharing formalized rights and responsibilities (or reciprocal duties) that are distinctive to those two categories of persons.

Both sets of communities recognize the existence of older and younger brothers. After all, brothers, as male siblings of the same parents, exist in all communities. However, the characteristics they recognize and the relationships they presume between them are very different.

Kalman Applbaum (1998) sums up the Western understanding of 'horizontal' [8] relationships:

> ... [Western] individuals may be seen in relation to other individuals as free actors, free choice makers, whose unfailing goal of satisfying primordial needs and achieving the construction of self-identity are not compromised by such interferences as filial duty or custom. (Applbaum 1998)

The chief characteristics of such persons are that they are autonomous and independent. They recognize rights and responsibilities as incentives and constraints channeling the pursuit of their independent 'needs and wants'.

The focus is on individuals attaining 'needs and wants' and the regulatory structures defining legitimate attainment of them (i.e. in economic terms - or is it œ*Star Trek* terminology? - the 'rules of acquisition'). The focus is only secondarily on other persons (whatever their kinship relationships might be) with whom one might or might not interact in achieving one's needs and wants.

The consequences of accepting the centrality of filial and other forms of reciprocal duty, as in Confucian China, may however, (as Confucius 500 BC [9] suggested) require that individuals are not seen as *free actors* pursuing individual needs and wants. Rather, they should be seen as *interdependent members* of a community who can only understand themselves and ensure their needs and wants through understanding and accepting their kinship and other communal responsibilities.

Confucius summed up the major formal focuses of reciprocal responsibility (which provide templates for other focuses of reciprocal responsibility[10]) in traditional China like this:

> The duties of universal obligation are five and the virtues wherewith they are practiced are three. The duties are those
>
> - between sovereign and minister,
> - between father and son,
> - between husband and wife,
> - between elder brother and younger,
> - and those belonging to the intercourse of friends.
>
> Those five are the duties of universal obligation.
>
> Knowledge, magnanimity, and energy, these three, are the virtues universally binding. And the means by which they carry the duties into practice is singleness.

> Some are born with the knowledge of those duties; some know them by study; and some acquire the knowledge after a painful feeling of their ignorance. But the knowledge being possessed, it comes to the same thing. Some practice them with a natural ease; some from a desire for their advantages; and some by strenuous effort. But the achievement being made, it comes to the same thing.
> (Confucius 1893)

'Unity in diversity' and 'harmony without uniformity' presume a shared 'universe' within which all entities are united.

At heart, the 'duties of universal obligation' presume two mutually reinforcing qualities or characteristics:

> A deep and constant unity of all involved which pervades the whole of which individual entities are expressions; and
>
> the separate identities of all involved, expressed through the reciprocal rights and responsibilities which guarantee 'harmony without uniformity': that 'unity in diversity' which binds all together.

To understand the nature of any reciprocal relationship (such as 'between sovereign and minister';... 'those belonging to the intercourse of friends') one needs to realize the essential, subliminally presumed unity of those involved.

It is that essential unity which underpins the necessary reciprocal rights and responsibilities which ensure the separate, unique identities of interacting individuals, groups and communities. Individual entities are defined by the particular qualities they share stemming from 'the duties of universal obligation'.

And, of course, the presumed reciprocities expressed in social relationships are always culturally specific, there is *no universally defined set of reciprocities* infusing 'human' relationships. As Zhang Lihua says, 'the cultural values of a country [and of its constituent communities] influence its national psychology and identity'

If a Western person is not aware of the very different relational presumptions built into Confucian ideas of reciprocal duty, he or she is likely to presume that the independent pursuit of needs and wants is central to involvement in such relationships.

Robert Westwood does this when he sums up the Confucian position from a Western perspective. He assumes that all individuals are 'free actors' who 'lose freedom' when they are required to accept super-ordinate or subordinate hierarchical status. It is this that allows him to speak about relative 'power' in hierarchical, interdependent relationships:

> Challenges to authority and the 'natural' order are not countenanced. This is encapsulated in the Confucian precepts of the so-called 'Five Cardinal Relationships' or wu lun, which delineate a hierarchical power structure over key societal relationships. The wu lun are dyadic sets of unequal, mostly hierarchical relationships between emperor - minister, father - son, husband - wife, older brother - younger brother, friend - friend.
>
> Although the power structure is differentiated and unequal (except for the latter), mutual obligations and reciprocities are inherent in the relationships. The person in the dominant position expects and receives obedience, deference and compliance, but in return should

> respect the dignity of the lower party and provide appropriate care and concern.
> (Westwood 1997, p. 459)

Tsui, Farh and Lih, however, sum up the differences in the following way:

> ... Chinese often view themselves interdependent with the surrounding social context, and it is the 'self in relation to other' that becomes the focal individual experience. This view of an interdependent self is in sharp contrast to the Western view of an independent self.
>
> The latter sees each human being as an independent, self-contained, autonomous entity who (a) comprises a unique configuration of internal attributes (e.g. traits, abilities, motives, and values) and (b) behaves primarily as a consequence of these internal attributes (Markus & Kitayama, 1991).
>
> This divergent view of self has implications for a variety of basic psychological processes (e.g. cognition, emotion and motivation) and may be one of the most fundamental differences between the East and the West in social relations.
> (Tsui et al. 1997, p. 59)

Models have Unique Combinations and Qualities of Relationships

The categorizational models held in different communities not only have distinctive sets of categories and idiosyncratic placement of elements within categories, they also have unique combinations and qualities of relationships through which categories and their elements are interconnected.

It is very easy for a researcher or commentator to apply his or her own understandings of the nature of relationships to those observed in other communities. Westwood (1997) does this when he assumes that hierarchical relationships must involve dominance and subservience, relative power and powerlessness.

These are features of relationships between individuals who define themselves as 'free actors'. They see relationships of dependence in terms of costs and benefits and degrees of loss of independence[11].

The independent self is quintessentially Western. The interdependent self, in one guise or another, is found in communities where individuals know who they are through the forms of relationship they recognize between themselves and other members of the community. They perceive rights and responsibilities as *qualities of the interactants* rather than inhering in the 'objects' of interaction (as rules of acquisition).

In such communities the rights and obligations of individuals in exchange relationships remain with the interactants rather than being attached to the objects of exchange. So, the other party in an exchange is the focus, rather than the needs and wants of the interactants.

In one case, the process of exchange (or interaction) tends to emphasize the separate identities (and, therefore, motivations) of the exchangers (leading to a stress on *independence*). In the other, it tends to emphasize their relatedness and reciprocal responsibilities (stressing *interdependence*). The qualities of the relationships invoked in exchange in the two orientations are very different.

Such interactional orientations tend not only to 'flavor' recognized relationships between people but permeate relationships connecting both elements within categories and categories themselves throughout the primary ideological frames (see 'Primary ideology' - below) of the communities. Not only are perceived relationships specific to communities, so too are the perceived qualities that inhere in relationships.

By definition, two individuals living in different communities will, therefore, have quite distinctive 'understandings' from each other. How similar their understandings are will largely depend on the nature of the historical connections that have existed between their communities and the degree to which the hegemonies [12] of their communities have interacted over time [13].

Throughout their lives, people in communities are constantly corrected and disciplined whenever their interactions or their understandings do not conform to those considered accurate in their community. To quote Confucius, 'some acquire the knowledge after a painful feeling of their ignorance' through a process of 'teaching and learning'.

In order to understand the ways in which communities build their categorizational models and then from them construct models of community organization and individual interaction, we are going to address two related sets of structures. These determine how human beings, in any community, see 'reality' and then organize their communities in the 'best possible ways' to make the most of the reality they live in.

Primary ideology

The first set of structures is the set of categorizational models that all members of a community (or set of related communities) hold in common. If they did not hold these models in common they would find it very difficult to make sense of each other's organization, interaction, behavior and communication. We are going to call these fundamental organizational models *primary ideology*.

Processes of categorization require frameworks of categories and rules (in language these would be called 'grammars') for both the placement of elements of experience in those categories and the interconnection of the categories and of the elements of experience contained in them. The interconnections are, of course, 'relationships'.

Not only are the categories and the framework of those categories unique to a community (or set of related communities), so are the sets of interactional relations and the 'qualities' that are invested in those relations.

The criteria that produce both the categorizational framework and its internal categories and relations are *primary ideological presumptions*. These are the most basic understandings people have of their worlds, in terms of which categorization proceeds. Any attempt to alter these understandings attacks the ability of people who hold them to think, and therefore to interact meaningfully with their environments.

Most people, when asked to explain their understanding of primary ideological presumptions, find it very difficult (just as they find it difficult to explain why they place words in a particular order in their sentences or why certain words should always, never or only in certain contexts appear together).

One of the features of the presumptions is that they are taken for granted. Those who hold them often find it difficult to identify their features and usually presume that they are so 'self-evident' that they need no explanation or justification.

This makes it very difficult to research primary presumptions since people, anywhere, will consider questions related to the definition of the assumptions to be inane. One should not question the obvious, particularly when the people being questioned find it difficult to express their understandings or even focus on the issues being raised.

It needs to be remembered, however, that primary ideological presumptions are not universally held understandings of the world. They are the understandings that are required by the most basic categorizational models of the community. So, not only should they not be questioned, they cannot easily be altered. Changes in such assumptions occur over hundreds of years and produce strains and tensions in communities experiencing the changes [14].

People in any community inherit the primary ideology of their community in the same way that they inherit the language of their community. It is taught to them from birth or as Confucius put it 'some are born with the knowledge...'.

Every time a child makes inappropriate connections between objects, people or experiences, those around the child, who feel responsible for its upbringing, correct the child. They are ensuring that its 'understanding' (i.e.

its sets of categories, categorization within those sets and their inter-relationships) of the world approximates the understanding of the world held by the responsible people in the community (members of the hegemony).

All communities develop a range of acculturative processes and structures squarely aimed at ensuring that the primary ideology of the community is learned. People, throughout their lives, live by and conform to the presumptions of the fundamental categorizational models of their community. Even trivial deviations will be subjected to correction, in much the same way as people are corrected when their speech patterns deviate from accepted practice in their community.

Where the models are not held consistently or life is not organized in ways required by the primary ideology of the community, those involved are usually defined as socially or mentally defective in some way. They are, to one extent or another, in need of re-education or 'correction'.

Those who do not readily respond to correction are often considered dangerous - very often isolated from the rest of the community, or even killed (especially when community cognitive models are under attack and people feel a need to reassert the fundamental certainties of life, as in the *revitalization movements* we will consider shortly).

For some three to four hundred years Western Europeans became increasingly aware and fearful of the effects of madness as the fundamental presumptions of their primary ideologies were challenged and altered[15]. As Laura Nader put it:

> Foucault (1967) demonstrates how changes in the concept of madness led to changes in diagnosis and treatment of the insane and of social attitudes toward them. He describes how changing perceptions of madness in parts of Western Europe from the medieval times to the end of the 19th century led to the separation of 'mad' persons from the rest of society, their classification as deviants, and finally their subjection to social control. He focuses on the cultural controls that led to the social controls; ideas about madness led to asylums for the mad.
> (Nader 1997, p. 719)

In any community, members are certain that their primary ideology is not simply a set of categorizational models but is, in fact, the way the external world is ordered. After all, they have viewed and interacted with their world through that model since birth. Whenever something in the 'real' world seems not to fit their models (i.e. their understanding) they, usually subconsciously, change it so that it does. (This is what Westwood (1997) does in his description of relationships in Confucian Chinese communities.)

There is a continuous, but subliminal *ideological management of reality*. So, whenever people in a community investigate the 'real world' to see whether it fits their most basic understandings of life, they, inevitably, find that it does. As Nader says of the ways in which people understand 'the body' in different communities:

> Images of the body appear natural within their specific cultural milieus. (Nader 1997, p. 719)

The primary ideology of individuals and communities is fundamental to the way they think and understand themselves and their worlds. They instinctively apply their primary ideological presumptions in classifying new

experiences and objects. Human beings, in applying their primary presumptions to new phenomena, inevitably reorganize 'reality' to fit their models rather than reorganizing their models to fit 'reality' (i.e. they act to *conserve* their understanding of their world and themselves) [16].

Secondary ideology

The second set of structures is derived from the common primary ideology of members of a community. These structures start from the presumption that the primary ideology is not a subjective set of categorizational models held by members of the community. It is the way the external world is organized, it is 'objective reality'.

The purpose of this second set of structures, which we will call *secondary ideology*, is to spell out the best possible ways of organizing community life, given the constraints of 'objective reality'.

There can be any number of secondary models in a community. What they all have in common is that they take the primary ideology and its presumptions, from which they are built, for granted. It is the unquestioned, *organized*, backdrop to life.

This second level of model building, as Claude Levi-Strauss explained, is not only designed to ensure that communities are organized and individuals interact in the 'best possible ways'. It is also designed to reinforce and perpetuate the fundamental features of their primary ideologies. According to Levi-Strauss:

> [C]onscious models... are by definition very poor ones since they are not intended to explain the phenomena but to perpetuate them. Therefore structural analysis is confronted with a strange paradox well known to the linguist, that is: the more obvious structural organization is, the more difficult it becomes to reach it because of the inaccurate models lying across the path which leads to it.
> (Levi-Strauss 1963, p. 282)

Many of the 'explanatory' models of communities confirm Levi-Strauss' observation. They affirm and reinforce the central presumptions of the primary ideologies of the communities in which they are built [17].

Community members 'instinctively' understand, and are cognitively committed to the basic presumptions upon which the secondary models in their community are built. They can readily weigh up the advantages and disadvantages of the secondary models available to them and so choose which of the models they will support and which they will oppose.

This, in Western communities, is known as 'political', 'social', 'economic' or 'religious' (or any mixture of these) deliberation, debate or activity. These are the models of which community members are conscious and about which they enter into dispute with and support one another.

It is taken for granted by those who espouse a model and organize life by it that their model is all about organizing the real world to maximize benefits to community members and protect the most important basic principles of life in their communities (the fundamental presumptions of their primary ideology). It is the other models, those they do not endorse, which are defined by them as 'ideology'. As Philip Williamson explains of the British conservative movement of the late 20th century:

> Conservative politicians, intellectuals and publicists confused matters by denying they had any such thing, whether ideology, creed or doctrine; their concern was the real and the practical, 'ideology' being an infection among their opponents which it was their task to resist.
> (Williamson 2003, p. 270)

In Western communities, since the collapse of the Soviet Union in the late 1980s and early 1990s, there is one dominant secondary ideology - capitalism, with a variety of derived models that offer variations on the major themes of capitalism [18].

People in Western communities, convinced that their dominant secondary ideologies are not ideologies but are the best ways of organizing objective reality, have imposed and continue to impose them, often with considerable force, on the rest of the world. This set of imposed Western secondary ideological models underpins and constitutes the world economy, perpetuated and reinforced by the almost irresistible hegemonic forces of globalization.

This imposition of Western secondary ideological models on non-Western communities (which have very different primary ideologies) leads almost inevitably to their disruption. Since human beings require a primary ideology in order to think and interact with their worlds, the imposition of secondary models which do not fit their primary ideological understandings, leads to mental and social confusion.

However, both those imposing the new models and those on whom they are being imposed do not recognize the existence of primary ideological models. Both assume that the dominant and apparently 'successful' Western secondary models are the most efficient and 'practical' ways of organizing a shared objective reality.

So, it is assumed, the problem for the victims of this hegemonic imposition is one of lack of 'education' and/or lack of 'discipline'. They, therefore, sponsor and accept educational and restructuring programs (which are based on the primary ideological understandings of the hegemonic powers) to tackle the burgeoning chaos. This exacerbates the problems of social and mental confusion in the receiving communities.

Many communities around the world, suffering the consequences of enforced reorganization of their worlds to fit the requirements of capitalism, are in various stages of disintegration - victims of the globalizing forces of international capitalism. As œWallerstein (1991) claimed, the imposition of economic organization and activity on the rest of the world by Western nations is not new.

Since the 16th century Western Europeans (and those First World countries that have their hegemonic roots in Western Europe) have become increasingly militarily dominant around the world. They have required the rest of the world to accept reorganization of their models and understandings. In doing so they have established and maintained a 'world economic system'.

World economic system

To understand the ways in which people live and organize their lives in the early 21st century we need to understand the nature of this world economic system. Unless we do, many of the most important influences on the lives of people in communities will be missed or misinterpreted.

Over the past fifty years there have been many attempts to explain the presence of this system. As Immanuel Wallerstein (1991) has said:

> its peculiar feature is that it has shown itself strong enough to destroy all other [world-systems] contemporaneous to it.

In this article, Wallerstein provides a brief discussion of the nature of the 'world-system' as he understands it. His article is a response to an earlier article by Andre Gunder Frank, which was, itself, a critical response to a 1990 article by Wallerstein.

Wallerstein says that his 1990 article œ'L'Occident, le capitalisme, et le systeme-monde moderne' was written as a rebuttal of the belief that the world-system is an 'economic miracle' of Western industrialism. He says, those who claim this:

> believe two things simultaneously: (a) something distinctive occurred in (western) Europe which was radically new somewhere in early modern times; (b) this 'something' was a highly positive or 'progressive' happening in world history. My position is that (a) was true but that (b) was distinctly not true.
> (Wallerstein 1991)

Capitalism is based on an individualized, status-driven, open-ended accumulation and consumption of goods and services, requiring open-ended production. The basis for social status and self-definition in Western communities is peculiar. Systems of status and self-definition in other communities are equally peculiar to them.

Imposition of Western secondary models: The breakdown and revitalization of communities

Feudalism, while unique to medieval Europe, shares many of the characteristics of patron - client forms of communal organization and interaction around the world. It was a territory-based, patron - client system in which those higher in the hierarchy took responsibility for those below them. They 'parented' those who depended on them.

Feudal communities presumed an 'interdependent self' rather than an 'independent self'. The political organization directly mirrored the social system, and councils of people of similar hierarchical position met to determine affairs of their dependents [19].

On the other hand, capitalism is based on individual independence; the acquisition of an ever-expanding set of needs and wants and promotion of the individual rather than his or her responsibility for dependents. Its political frame, therefore, is democracy.

If one insisted on a feudally organized community accepting democracy as its political frame, this would directly undermine the 'parenting' responsibilities of hierarchically superior members of the community.

Democracy requires communities to be organized in terms of an 'independent self', not an 'interdependent self'. It is no more a universally applicable model of governance than is feudalism, and when communities are compelled to reorganize in 'democratic' ways, all their other understandings of life are automatically challenged.

If, in patron - client organized communities, those in superior hierarchical positions were freed from their parenting responsibilities, those who depend on them would find the world a very insecure and inhospitable place. Far from improving the lot of the poor, the imposition of democracy can disenfranchise them and strip them of those supports that have protected them in the past. Interdependent relationships are disrupted, redistributive processes dismantled, and poverty, anomie and violence escalate in their communities.

Thomas More (1516), in his book œ*Utopia*, described the consequences of such disenfranchising of the peasantry of England in the early 16th century, during the shift from feudalism to capitalism. The hero of his book, Raphael, was the guest of the 'Archbishop of Canterbury, Cardinal, and Chancellor of England':

> One day when I was dining with him there happened to be at table one of the English lawyers, who took occasion to run out in a high commendation of the severe execution of justice upon thieves, who, as he said, were then hanged so fast that there were sometimes twenty on one gibbet; and upon that he said he could not wonder enough how it came to pass, that since so few escaped, there were yet so many thieves left who were still robbing in all places.
>
> Upon this, I who took the boldness to speak freely before the cardinal, said there was no reason to wonder at the matter since... 'The increase of pasture,' said I, 'by which your sheep, which are naturally mild, and easily kept in order, may be said now to devour men, and unpeople, not only villages, but towns; for wherever it is found that the sheep of any soil yield a softer and richer wool than ordinary, there the nobility and gentry, and even those holy men the abbots, not contented with

> the old rents which their farms yielded, nor thinking it enough that they, living at their ease, do no good to the public, resolve to do it hurt instead of good.
>
> They stop the course of agriculture, destroying houses and towns, reserving only the churches, and enclose grounds that they may lodge their sheep in them. As if forests and parks had swallowed up too little of the land, those worthy countrymen turn the best inhabited places into solitudes, for when an insatiable wretch, who is a plague to his country, resolves to enclose many thousand acres of ground, the owners as well as tenants are turned out of their possessions, by tricks, or by main force, or being wearied out with ill-usage, they are forced to sell them.
>
> By which means those miserable people, both men and women, married and unmarried, old and young, with their poor but numerous families (since country business requires many hands), are all forced to change their seats, not knowing whither to go; and they must sell almost for nothing their household stuff, which could not bring them much money, even though they might stay for a buyer.
>
> When that little money is at an end, for it will be soon spent, what is left for them to do, but either to steal and so to be hanged (God knows how justly), or to go about and beg? And if they do this, they are put in prison as idle vagabonds; while they would willingly work, but can find none that will hire them; for there is no more occasion for country labor, to which they have been bred, when there is no arable ground left.
>
> One shepherd can look after a flock which will stock an extent of ground that would require many hands if it were to be ploughed and reaped. This likewise in many places raises the price of corn.'
> (More 1516)

A major problem in Third World (and, increasingly, in 'developed') countries is now not simply the grinding poverty of the poor, but the continuing costs of the conspicuous consumption of the rich. The imposition of forms of democracy (based on presumed independence rather than interdependence) and economic organization required by the world economic system have reduced increasing numbers of people in Third World countries to penury, with diminishing political, economic and social protection.

The imposition of democracy has been responsible for dismantling traditional forms of land tenure and utilization. It has eroded and disrupted social organization and communal support mechanisms.

In patron - client systems of governance it has disrupted the parenting responsibilities of hierarchically superior members of the community. This, in turn, has allowed those in positions of responsibility to accumulate wealth with less and less acceptance of patron - client responsibilities for former dependents (i.e. for *redistribution* of goods and services). [20]

There has been a considerable inflation of expectations and a very great increase in conspicuous consumption amongst some groupings in non-Western communities. This inflation of the material requirements of status positions is in many ways, though not all, similar to that which occurred in Western Europe from the late 15th century with the denial of hierarchical feudal responsibilities by those who controlled resources [21].

The effects of the 'trickle down' development policies of the 1960s and 1970s show how readily the requirements of status positions can be inflated. Particularly those which are primarily determined through non-economic criteria but reinforced by the acquisition and/or consumption of material goods and services.

One of the unfortunate consequences of the 'trickle down' policies of Third World Development projects and programs and the 'globalization' activities of the past 50 years has been that high-status people in many Third World communities have had the material requirements of their positions greatly inflated by the massive injection of capital into their countries.

Since they were not primarily geared to Western forms of open-ended production [22], the injected capital was diverted into existing social template activity and those of high status found themselves able to buy Mercedes Benz cars, live in mansions, have overseas assets, and engage in many other forms of excessive conspicuous consumption. Over the past half century the ownership and consumption of these luxury goods has become institutionalized.

As the injection of outside funds dried up with the failure of 'trickle down' policies, those who require these possessions to underscore status have had to find other sources of funds to obtain them. This has resulted in a 'trickle up' effect. Those of low status, dependent on high-status people in a variety of ways, have, through lowered wages, decreased returns on produce, decreased welfare support, and increased pressure on land and other income generating possessions, borne the brunt of the inflated expectations of elites.

In many non-Western communities and countries, as a result of the 'development' activities of the past half century, the relationships between lower and higher ranks of hierarchically ordered systems of status and community organization have become severely distorted. By insisting on the 'democratization' of communities run by 'dictators', the lowest ranks of hierarchical systems have effectively been disenfranchised [23].

In almost all traditional patron - client systems wealth initially flows from the base (the peasantry in feudal Europe) upward through the hierarchy, creating concentrations of wealth in the higher reaches of the pyramid. Patrons, having accumulated wealth, take responsibility for the well-being of those below them, redistributing goods and services as needed and, in doing so, ensuring the continued and strengthened interdependence of patrons and clients in the hierarchy.

When such communities are 'emancipated' by Western development enthusiasts, the land and resources, having been vested in the upper reaches of the hierarchy, become their possessions and clients find themselves no longer entitled to the land and resources on which they have always relied. The lowest rankings of status hierarchies therefore find themselves facing very similar problems to those faced by the peasantry of Western Europe during the transition from feudalism to capitalism [24].

Revitalization movements and fundamentalism

The consequences of this impoverishing distortion of status requirements and erosion of communities have been profound. The primary ideological presumptions of many non-Western communities have been challenged and organizational features of their secondary models dismantled.

Increasing numbers of people see the growing problems of their communities and uncertainties of their individual lives as stemming from Western-based activities in their countries and involvement of national leaders in Western forms of organization, activity and consumption. Eqbal Ahmad, in 1996, gave vent to his opinion of Western involvement in Muslim regions:

> Our first encounter with democracy was oppressive. Democracy came to us as oppressors, as colonizers, as violators. As violators, they spoke in the language of the Enlightenment and engaged in the activities of barbarians ....
>
> Historically the United States has spoken of democracy and has supported Somozas, Trujillos, Mobutu Sese Seko, Suharto of Indonesia, the Shah of Iran, Zia ul Haq of Pakistan ....
>
> Therefore, our first experience with democracy was one of outright oppression, and our second experience with democracy was one in which [the West] promoted fascism, global fascism in some cases [25].

They perceive the breakdown of law and order and the escalating violence that surrounds them largely as a consequence of Western intrusion and influence in their countries and communities.

Inevitably, as the perceptions crystallize, resentment of and resistance to Western forms of organization and activity mount. This, in turn, is reflected in Western attitudes and Western peoples become increasingly aware of a world of:

> mortal enemies who will seize upon our vulnerabilities to bloody us, to murder our citizens...
> (Hyde 2001).

Having lived through the second half of the 20th century in Western countries, with their increasingly hedonistic biases, I am impressed by the mounting fundamentalism of both Western and many non-Western communities. When life becomes increasingly difficult and apparently dangerous, then communities and individuals search for the reasons and for ways of reasserting order and security in their worlds.

People in the later medieval period in Western Europe became aware of, and increasingly vociferously denounced corruption and simony in their communities [26], leading to the 16th century reformation wars. Similarly, very commonly, the problem in non-Western communities is seen as 'corruption': the loss of morality and/or commitment to the central principles of life in their communities.

The answer is seen to lie in determination to 'reform' their communities, to reaffirm and recommit themselves to the most important fundamental understandings of life, the central presumptions that underpin and give coherence to their primary ideologies, spelt out in one or more sets of secondary ideological models.

When those presumptions that are central to people's lives are perceived as being threatened, people everywhere reaffirm their commitment to the values which they know are necessary to ensure that life remains secure and ordered. They very readily become involved in activity aimed at reinforcing the forms of organization, interaction and understanding that are required by the fundamental presumptions of their primary ideologies.

They attempt to *revitalize* both communal and individual life. Inevitably, they do so through commitment to and enforcement of secondary ideological models derived from their primary ideological presumptions. These models are usually developed and promoted by a charismatic leadership, which demands and obtains from the bulk of the population unswerving loyalty to the principles of the espoused secondary ideology.

In writings on the late medieval world of Western Europe, the revitalization models and the movements associated with them have been referred to as 'The Reformation'. Their leaders were, almost without exception, identified with religious causes.

In the late 20th and early 21st centuries, examples of such movements abound in both Western and non-Western communities and countries: from the Ayatollah Khomeini and the Taliban (identified as religiously motivated); to George Bush in the United States in its early 21st century commitment to rooting out terrorism around the world and reaffirming and reasserting Western values wherever they appear to be under challenge.

Revitalization and dissident groups

The fact that the revitalization leadership promotes a particular secondary ideological model means that, however committed the bulk of the population might be to that leadership and the requirements of the model it promotes and protects, there will always be opposition from community members holding alternative secondary ideological frames.

Outside forces can, and do, exploit those minority groups in attacking the legitimacy of the movement. This, in turn, can result in the oppositional groups being considered in league with immoral, corrupting external forces.

Khomeini (1979) provided an excellent illustration of this when he described the emergence of factions within Iran, promoted and supported, he claimed, by foreigners:

> [U]nfortunately we see that some differences are created within the opposition, that is between the secular and the Islamic factions. I must point out that the origin of these parties which have appeared in Iran since the beginning of the constitutional revolution, as one understands it, is that they were, without themselves knowing it, founded by foreigners, and some of them have served the foreigners...
>
> When the foreigners see that there are people who are useful (for the country), people who, it is hoped, will be able to reform the country, they use all their energies to set them against each other; consequently, these people quarrel with one another, each one's writings oppose the other's, and they reject one another's ideas.
>
> Some of them have done such things knowingly and were the primary agents of the foreigners, while others were not aware of what was happening, were not aware that they were being dragged down a road which went against the interests of their own country.
> (œKhomeini 1979 - accessed 26th July, 2010)

The 'Coalition of the Willing', comprising the United States, Great Britain and sundry camp followers, in its war against the Taliban in Afghanistan and the regime of Saddam Hussein in Iraq (2003 - ...), and in its fomenting of opposition to the fundamentalist leadership in Iran, has exploited such dissident groups.

However, to conclude that these dissenting groups are committed to Western secondary ideological principles, as many commentators in both the United States and other Western countries have, leads to unrealistic presumptions about the consequences of backing their overthrow of fundamentalist regimes [27].

They also build their secondary ideological models from the basic presumptions of the common primary ideological frame which informs the models of the revitalization movement they oppose. They might, in order to win and maintain support from outside forces, speak the language of those forces from which they want support. However, it is foolish and naive to believe that the rhetoric employed for this purpose is indicative of the principles and models they are committed to promoting.

This failure to realize that the motivations of opposed factions within a country are derived from their particular understandings of themselves and the world is not recent in Western engagements with the rest of the world. It underlies most Western support of particular warring factions against others since the dissolution of Western empires following World War II.

A great deal of the Western literature on the Western invasions of both Afghanistan and Iraq demonstrates this continued presumption by commentators. They assume the commitment of dissident groups within those countries to the fundamental capitalist principles of the countries they are courting for support.

Non-Western revitalization movements

Among the many non-Western revitalization movements of the past fifty years one must include both the fundamentalist movement led by Ayatollah Khomeini in Iran from 1979 and the Taliban movement of Afghanistan in the 1990s. In one of his 1979 speeches Khomeini described those who supported the Shah and would try to reintroduce Western ideas to Iran:

> Xenomaniacs, people infatuated with the West, empty people, people with no content! Come to your senses; do not try to Westernize everything you have!
>
> Look at the West, and see who the people are in the West that present themselves as champions of human rights and what their aims are. Is it human rights they really care about, or the rights of the superpowers?
>
> What they really want to secure are the rights of the superpowers. (œKhomeini 1979 - accessed 26th July, 2010)

Revolutionary Iran became an enemy of nations and communities that have their hegemonic roots in Western European history.

The United States, with Western European and Soviet support, fomented a war between Iran and Iraq, and supplied both weaponry and military training to Iraqi forces. For ten years revolutionary Iran endured a prolonged and savage war with Saddam Hussein's Iraq in which deaths, on both sides, numbered more than a million people.

It is the nature of revitalization movements that they often go to extremes. Those involved feel deeply threatened by 'corruption' within and by outside forces that promote immoral values and threaten their security and well-being.

They root out immorality among their own people and introduce often draconian measures to ensure compliance with the central presumptions of their moral code. They look for traitors - the enemy inside the walls - and attempt to weed them out. In the process there is, all too often, great human suffering.

So long as the threat of outside intervention continues to be perceived as real, hard-line fundamentalists gain a ready audience and strong support from the populations they lead.

Western leaders are as driven by their understandings of reality as are the leaders of non-Western revitalization movements. They are just as committed to protecting and reinforcing what they see as the most important fundamental principles of life. These Western understandings are often identified by non-Western revitalization leaders as forms of corruption against which they must fight.

All-too-often, Western leaders react to the resulting extremes and make the perceived threat a reality - as happened to Iran from 1980 to 1989 (and is now happening again) and as happened to the Taliban in Afghanistan in the first decade (and more) of the 21st century.

When they do so they ensure that the fundamental extremism they oppose is prolonged and strengthened. As the perceived threat from outside forces diminishes and the revitalization leaders become increasingly secure in their leadership, fundamentalist movements tend toward moderation [28]. Max Weber (1947) described this process as the *routinization of charisma*.

Western commentators all-too-often misread that moderation as Westernization and trumpet the downfall of 'extremist leaders'. The ultimate democratization of Iran is an almost universal theme in Western literature dealing with the liberalizing tendencies in Iranian society (i.e. the processes of *routinization*) [29].

Western revitalization movements

(23/04/17) (26/03/19) (27/09/19)

The Western preoccupation with terrorism in the early 21st century is a fundamentalist reassertion of basic Western values. So is the declared determination to stamp out terrorism and reimpose 'democratic' principles of social and political life on those countries and communities that display or encourage anti-Western sentiments.

As with all such movements, the leadership demands loyalty not only from its followers but from all within the boundaries of its control. Alisa Solomon described the domestic climate of the 'war on terror'[30] in the United States:

> Like any avalanche, this one started at the top, and likely dates back to the moment after 9/11 when President Bush warned the world's nations, 'Either you are with us or you are with the terrorists'. From Bush on down, in the months that followed, government officials drew limits around acceptable speech.
>
> White House spokesperson Ari Fleischer told Americans to 'watch what they say'. Such words gained force when the Patriot Act gave the

> government extensive new powers to spy, interrogate and detain. When civil libertarians began to protest the curbing of constitutional rights, Attorney General John Ashcroft offered a forbidding rejoinder:
>
> > To those who scare peace-loving people with phantoms of lost liberty, my message is this: Your tactics only aid terrorists.
>
> These kinds of remarks from our government's top leaders, says Anthony Romero, executive director of the ACLU, have granted ordinary people license 'to shut down alternative views'. The Administration has fashioned a domestic arm of its new doctrine of pre-emption.
> (œSolomon 2003 - accessed 27 July 2010)

An editorial in *The Economist* (2003) described the mindset of the neo-conservatives who wielded considerable clout in the second George Bush presidency,

> They see the world in terms of good and evil. They think America should be willing to use military power to defeat the forces of chaos.

Martin Sieff, in a *United Press International* (2003) commentary on the aftermath of the Iraq invasion of 2003, explained the ambition of those who championed the 'war on terror',

> [S]o confident were Office of the Secretary of Defense planners and their neo-conservative allies of the coming oil bonanza from Iraq that they openly advocated using it, as Judis wrote in *The New Republic* 'to remake the Middle East in our democratic, capitalist image...'
> (Sieff, United Press International 2003)

John Judis explained their ambitions clearly:

> ...the neoconservatives inside and outside the administration take a radical, even revolutionary, view of what is possible and desirable in the region; they see turmoil as inevitable and desirable. Says one senior administration official, "Upheaval is on its way. We might as well get in front of it." They see Saddam's ouster not just as a means of preventing a future nuclear threat but of remaking the entire region along democratic, free-market lines....
>
> The neoconservatives don't worry about offending potential critics in Iran, Saudi Arabia, or Syria because they think of them as enemies who should eventually be swept aside by the installation of a democratic, free-market Iraq on their borders. They reject U.N. or multilateral participation in a post- Saddam transition.
>
> Says one senior official,
>
> > This is the moment where our ideas will be vindicated, or we can walk away. You can't count on the international community to establish a new democratic or political order.
> >
> > The way it would work is that the reigning power would distribute power and businesses, and which people it chooses to deal with are automatically made into kings. Do we want to be the kingmaker, or do we want to default that over to the U.N.? I am not sure we want to cede it.
> >
> > I would bet the U.N. would seek the acquiescence of Iraq's neighbors-all of which have vested interests. There are three that would be problematic: Riyadh, Tehran, and Damascus. And the U.N. would work through them.

(John B. Judis, œOver a Barrel, *The New Republic*, January 20, 2003)

(25/04/17)

Fifteen years later, the problems posed by neoconservative hijacking of US instruments of power remain potent. As Judis explained, 'neoconservatives inside and outside the administration take a radical, even revolutionary, view of what is possible and desirable' around the world. And, with weak, seemingly rudderless leadership in Washington, they have, once again, moved to assert their influence and ambitions on those who seem incapable of formulating coherent plans of their own [31]. The Project for a New American Century has been superseded by the œForeign Policy Initiative, but, as its website has explained, its stated aims remain unaltered.

William Rivers Pitt has bleakly summed it up:

> ...The ragged remnants of the neo-conservative cabal that came together under George W. Bush is still out there, plotting and scheming, concocting novel new ways to light the world on fire for power and profit.
>
> The Project for a New American Century (PNAC), think-tank mothership for every bad neocon idea that led us into Iraq and a wider conflict in the Middle East, never died; it just got new offices down the block. Unlike their counterparts in the current administration, the neocons know how the gears of government work, where the levers are, and how to actually get things done.
>
> Combine the wild fervor of Trump's band of wreckers with the ice-eyed competence of the neocon assassins, and the result could be horrific beyond any known measure.
> (William Rivers Pitt, œThe Looming Neocon Invasion of Trumpland, *Truthout*, Op-Ed, April 22, 2017)

Neo-conservative leaders of the United States of America, and their allies in other Western countries, *know* that capitalism and democracy are not ideological models, but the way the objective world is (or must be) organized. They have a duty to ensure that wherever dark, dangerous and irrational forces are at work, attacking democracy and capitalism, those forces are challenged, their supporters eliminated [32].

(18/01/16)

As Western communities feel themselves threatened by the growing influence of what the United States' President George W Bush called 'the axis of evil' they know that, at all costs, the evils of anti-capitalism and anti-democracy must be challenged and beaten back[33].

Henry Hyde, Chairman of the US House of Representatives Committee on International Relations spelt it out, on October 3 2001, weeks after the destruction of the twin towers of the World Trade Center in New York:

> Let us begin by accepting there is no single enemy to be defeated, no one network to be eliminated. Al-Qa'eda is but our most prominent opponent, but its outlook is shared by many others who are equally committed to our destruction.
>
> If we believe that our safety can be secured by destroying any one organization or any single person, we will only ensure that we will remain unsafe and unprepared once again. For we know now that we have permanent, mortal enemies who will seize upon our

> vulnerabilities to bloody us, to murder our citizens, to commit horror for the purpose of forcing horror upon us....
>
> Our strategy, plans, and actions must be comprehensive, deliberate and formulated for the long-term. We must be prepared not only to protect ourselves from new assaults, not only to intercept and frustrate them, but to eliminate new threats at their source. This must be a permanent campaign, similar to the ancient one humanity has waged against disease and its never-ending assault upon our defenses. (œHyde, October 3 2001 - accessed 27 July 2010)

(29/02/16)

In such times, human beings feel the need to reassert and reinforce those principles that they instinctively know to be central to a properly ordered and secure world. Equally, they know, beyond any doubt, that unless they resolutely and uncompromisingly confront the enemy, intent on destroying it, it will destroy them.

As Henry Hyde (2001) claimed, one of the major terrorist threats against Western nations at the start of the 21st century has been perceived as coming from Al-Qa'eda [34]. For Hyde and most other Western leaders the organization is a network of terror and evil, master-minded by a Saudi Arabian, Sheikh Usamah Bin-Muhammad Bin-Ladin.

Bin-Ladin spelt out his reasons for seeing the activities of the United States (and Western countries in general) as a plague, destructively consuming the resources of his country, undermining the most important central understandings of life, and threatening the unity, security and well-being of his people and his world:

> The Arabian Peninsula has never - since God made it flat, created its desert, and encircled it with seas - been stormed by any forces like the crusader armies now spreading in it like locusts, consuming its riches and destroying its plantations. All this is happening at a time when nations are attacking Muslims like people fighting over a plate of food. (Bin-Ladin, œText of Fatwa Urging Jihad Against Americans, 1998 - accessed 20/03/2016)

Just as Henry Hyde insisted that the enemies of democracy and capitalism must be eliminated, so Bin-Ladin insists that those who threaten the existence of his world must be eliminated.

The more threatened people feel, the more strongly they recommit themselves to those fundamental primary ideological principles, which they *know* will reassert order and security within their communities and lives.

In the West, people during the threatening years of the 1970s and 1980s recommitted themselves to fundamental economic doctrines. In the early years of the 21st century, under the fundamentalist leadership of the second George Bush and his coterie of 'born again' believers in the efficacy of 'Western democratic principles', Western communities remained committed to globalization, privatization, economic growth; reducing public expenditure; re-imposing democracy (the political frame of Western capitalism) wherever it has been weakened or displaced and to eliminating those who most vociferously oppose their activities.

Because Western people organize their lives through economically focused social templates, the forms they re-emphasize in times of stress and threat focus on economic issues and are aimed at rectifying economic processes

and bolstering economic performance on the presumption that this will alleviate the perceived problems.

In the last decades of the 20th century Western countries and communities recommitted themselves to the fundamental principles underpinning free-market capitalism. Since that time they have also recommitted themselves to ensuring that the fundamental principles of capitalism and its political frame - democracy - are enforced and reinforced wherever 'anti-Western' sentiments seem to be mounting and capitalism seems to be losing its influence.

In 2016, a newcomer has joined the pantheon of evil-doers against which the West must wage relentless war. Al-Qa'eda, still active in the continuing destabilization of both Iraq and Syria, has become an 'almost moderate' insurgency, paling into the background as ISIS, the 'Islamic State of Iraq and Syria', has become the new face of international terrorism.

Now, the West, and The United States of America, as champion of 'Western values', is preoccupied with 'home grown' terrorists, inspired by or belonging to the new 'Islamic State'. The 'war on terror' has become domesticated within Western territories.

As Henry Giroux has explained,

> The United States is now addicted to violence because the "war on terror" relies on an extreme fear and hatred of those considered enemies. As a result, it feeds the machinery of permanent warfare by constantly inventing a demonized Other. I think basically that terror is now such a central part of the political nervous system in the United States that it's become the major organizing principle of society.
>
> The discourse of war, violence and fear now largely mold our conception of ourselves, our relations to others and the larger world. The defining vocabularies of American life undercut the possibility of challenging the assumption that violence is the most important tool for addressing social problems.
>
> In this instance, the "war on terrorism" has created a war culture that works through various cultural apparatuses from the schools to the mainstream media to produce what amounts to a society steeped in violence. The United States is a country saturated in the discourse of war and violence, and this is partly evident in the widespread use of metaphors of war, extending from the wars on drugs and crime, to the "war on terror" and the so-called war on Christmas.
> (Leslie Thatcher, interview with Henry A. Giroux, œHenry Giroux on State Terrorism and the Ideological Weapons of Neoliberalism, *Truthout*, 28 February 2016)

The first Western leader in the second half of the 20th century to steer her country determinedly toward a Western fundamentalist future as a means of arresting and reversing the moral decline of the nation was the British Prime Minister, Margaret Thatcher.

> As a prime minister representing the newly energetic right wing of the Conservative Party (the 'Dries', as they later called themselves, as opposed to the old-style moderate Tories, or 'Wets'), Thatcher advocated greater independence of the individual from the state; an end to allegedly excessive government interference in the economy, including privatization of state-owned enterprises and the sale of public housing to tenants; reductions in expenditures on social services such

> as health care, education, and housing; limitations on the printing of money in accord with the economic doctrine of monetarism; and legal restrictions on trade unions.
>
> The term Thatcherism came to refer not just to these policies but also to certain aspects of her ethical outlook and personal style, including moral absolutism, fierce nationalism, a zealous regard for the interests of the individual, and a combative, uncompromising approach to achieving political goals.
> (œEncyclopedia Britannica [accessed 27 May, 2018])

The following readings provide an insight into the kinds of social reorganization that Western people felt they had to undertake in order to ensure that life was secure and that the world remained 'sane' in the latter part of the 20th century.

Milton Friedman (with Rose Friedman) (1980), the theoretical mind behind a great many of Margaret Thatcher's policies in the early years of her British government (1979 - 1990), provided an explanation of the essential requirements for:

> ... building a society that relies primarily on voluntary cooperation to organize both economic and other activity, a society that preserves and expands human freedom, that keeps government in its place, keeping it our servant and not letting it become our master.
> (œFriedman & Friedman 1980)

œStelzer (1992) described the 'decline' of Britain between 1945 and 1979 and gives a very positive summing up of the achievements of the Thatcher Government in reversing that decline. As Irwin Stelzer says:

> It was individual responsibility, rather than reliance on government, that now became the accepted standard against which to measure policy initiatives.... Thatcher restored to the UK a sense that appropriate policies and driving entrepreneurialism can produce steady increases in material well-being.
> (Stelzer 1992)

œStuart Hall's (1988) analysis of Thatcherism provided a Marxist perspective on the precursors and consequences of Margaret Thatcher's privatization policies.

As we suggested earlier, within any community of people who share a common primary ideology, there will be a range of secondary ideological models. Friedman and Stelzer provide explanation of how the world should be organized and people interact with each other from the perspective of one set of Western secondary ideological models. Hall presents an alternative, dissident way of organizing the world.

Both perspectives share a common set of primary ideological understandings. Underlying both neo-conservative (right) and Marxist (left) emphases and perspectives is a level of common understanding:

- All share similar understandings of the nature of time and of the ways in which it should or should not be 'used'.
- All accept that there is an economic sphere or domain or environment within which people interact in order to achieve greater personal well-being.

- All accept that the aim of government is to organize the 'public arena' to ensure improved economic organization and performance.
- All assume that there is a 'private' realm or environment within which individuals interact. The disagreements concern the relative duties and responsibilities of private and public spheres.
- All assume that human beings are 'free actors' and that human relationships are based on independence not interdependence.
- All assume that prime aims in life include earning a cash income; improving one's material position; 'developing' oneself.
- All assume that there is a 'formal' economy and that, necessarily, people will interact in terms of that economy in the ways which are spelt out as 'legitimate' and 'appropriate'.
- All presume the 'rule of law'.

Conclusion

Commentators on life in non-Western communities and countries always have been, and always will be faced with the problem of disentangling themselves from their own primary and secondary ideological commitments in order better to understand the primary and secondary ideological presumptions and commitments of the people amongst whom they are undertaking research.

This has never been more important than it is in the early 21st century. Despite (or, more likely, because of) the driving commitment of Western communities to globalization and democratization in countries and communities around the world, increasing numbers of people in non-Western communities are seeing people of the West not as harbingers of good, but as exploitative, immoral, and intent on destroying the most important fundamental understandings of life in their communities.

People in the West are certain that their understandings and forms of organization and interaction are derived from the nature of objective reality and provide the most efficient, equitable means of ensuring individual (and therefore communal) development and well-being. Forces that oppose Western forms and understandings are therefore irrational and dangerous to the well-being of human beings everywhere.

So, they are determined, wherever they find 'fundamentalism' and its associated 'terrorist' activity to oppose them and finally displace these evils by those forms of organization and interaction to which they are committed. That Western determination to impose their own fundamentalist agenda on the rest of the world, if the reasoning contained within this chapter is valid, ensures the perpetuation and deepening of the forces they oppose.

Like it or not, Western people live in a world of diverse primary and secondary ideologies (which only make sense in terms of the primary ideologies from which they are derived). Every attempt to impose Western secondary ideological models on people who do not share Western primary ideological understandings guarantees the disruption of their communities and ultimately the emergence of revitalization movements aimed at reasserting and reinforcing their own understandings of life.

Chapter 3:
An Explanation and History of the Emergence of Capitalism

The emergence of Capitalism

People and recognized 'environments'

- The 'economic' environment

The development of systems of law

- The Feudal 'Secular Domain '
- The Feudal 'Spiritual Domain'
- The Investiture Conflict
- The need for Written, Centralized, Secular Systems of Law
- The Aquinas Solution: Natural Law Distilled from Secular Experience

'Money-making' patron-client networks and an emerging emphasis on quantification

Autonomy and systems of law

The separation of states and commerce

From personalized, cooperative hierarchical relationships to object-oriented, competitive oppositional relationships

The alienation of property and stress on legally bounded confrontation

- Using Law to Rob the Poor and Dispossess the Weak

Private ownership, consumption and accumulation

From the subversion of tradition to plotting the future

- 'Public' V 'Private': Oppositional Couplets; Categories of Likeness
- They should Become "Habituated to Labor and Fatigue"

Conclusion

In a way which is common to people in all societies, people in Western communities, when considering the fundamental rights and responsibilities of community members towards one another, speak in ideological terms.[35]

While each Western secondary ideological frame spells out a particular version of 'reality', they all presume certain fundamental understandings about the nature of individuals, communities, the environment, and the metaphysical realm, and about the forms of relationship found in and between them.[36]

It is from these less than consciously held basic presumptions that individuals and communities construct their own particular variants of 'ideal realities' (or secondary ideologies) [37] .

To communities which do not share Western primary ideological presumptions, the confrontations among competing Western secondary ideologies will appear less than rational. Because their own forms of secondary ideology are based on their own primary ideological presumptions about life, which are likely to be very different from the basic presumptions contained within Western primary ideology, it is very difficult for them to enter into a dialogue with Western people.

Rather, as has happened during the last half century, people become opposed on the basis of subconsciously held basic presumptions about life, rather than on the basis of variant secondary ideologies. So, we speak of the confrontation between 'Islam and the West', rather than about a confrontation between Shiites and capitalists. What we have is a confrontation between primary rather than secondary ideologies.

Through this century, as non-Western communities become increasingly self-assertive, we are likely to find that confrontations will occur between communities holding variant primary ideologies - variant sets of basic presumptions about the meaning, purpose and organization of life [38]. These presumptions, being reflections of the basic cognitive frames of communities, will be poorly expressed. Those who attempt dialogue based upon such confrontations will find the explanations and basic positions of their adversaries rationally and logically unconvincing.

Before we can grapple with the confrontations which are already occurring and will repeatedly re-occur throughout this century, we need to comprehend the basic presumptions underpinning Western capitalist understandings of life. In this discussion we will attempt to do this through exploring the historical experiences which shaped and molded Western European communities over the past thousand years as they moved from feudalism to capitalism.

How have some of the most basic presumptions which underpin Western understandings of life been shaped by history, becoming seen as features of the real world, the unfocused backdrop to secondary ideological disputes? [39]

Here I will examine:

- the ways in which 'the economy' became separated from other 'environments' in Western thinking [40] ;
- the emergence of an emphasis on 'market exchange' as the 'correct' form of exchange between individuals and groups;
- the reasons why formal economies are so strongly bound by legal frames and supported by both legal and fiscal bureaucracies;
- the nature of 'consumerism' and its historical underpinnings;
- and why those who became committed to Western ideologies became so missionary-oriented, focused on the material world and convinced of the need for the whole world to be organized according to their ideological understanding [41].

In the examination of these issues I am going to look at some of the historical experiences of Western Europeans which have, over more than eight hundred years, produced the consumer culture of today. To understand the present we have to know the experiences of the past which shaped and molded Western European thinking and action and produced the primary ideological presumptions which underpin interaction, meaning and organization in Western communities.

People and recognized 'environments'

Fundamental to understanding Western primary ideological presumptions is an understanding of the ways in which people conceive of and interact with their *environments.* In order to grapple with the ways in which Western Europeans conceive of themselves in relation to their environments, we need to understand several important fundamental assumptions [42] from which they operate.

- First, all human beings are *individuals* who *independently* interact with the various environments within which they live, and develop their own unique personas through that interaction.
- Second, these independent individuals are autonomous fashioners of their environments, which are passive, being molded by, and reflecting, human activity.
- Third, individuals interact with a number of quite distinct environments:
  - There is the *physical* or *material* environment, bound by *natural* laws. For Western people, the 'natural world' can be controlled and directed by mastering sets of laws which relate to its various aspects - those of physics, chemistry, geology, botany, and so on.
  - There is the *social* environment bound by *social* laws, again controlled and directed through understanding and applying sets of laws - the economic, political and social. The search for, and outlining of, such sets of laws has produced a reification of these aspects of social life, so that most Western people think of each area as a self-existent whole, as an environment with its own *raison d'être,* and, its own logic.
  - And there is, for many Western people, approximately eighty per cent of the population in most Western national censuses, a spiritual, or religious, or *metaphysical* environment bound by its own quite distinctive sets of laws.

The set of laws ordering each environment is self-contained. The rules for interaction with, and in, each environment can be spelt out, providing people with all the necessary information for interacting in the best possible ways with each of those environments.

This belief has led Western people to assume that the sets of laws can be 'discovered', understood and mastered through research and education. Through mastering the principles and rule requirements for interaction with each environment, the best possible forms of behavior, attitude, organization and interaction for individuals and groups can be determined. Once those best possibilities have been outlined and people commit themselves to living in accord with those possibilities, both individuals and communities become 'developed'.

Once Western researchers have determined the fundamental laws for interaction with each recognized environment, they are able to *prescribe* the *best* forms of activity and organization for any community. They are therefore able to evaluate the performance of any community in terms of their prescriptions.

The sets of prescriptions reflect, of course, the secondary ideologies of Western communities. The presumption of the existence of a range of separate environments with which people interact is, however, a *primary*

ideological presumption, one which is basic to the ways in which Western people think and organize their lives, no matter what secondary ideology they might subscribe to.

So, the keys to *development* [43] are:

- research to ascertain the principles underlying human interaction with each Western environment, together with the ways in which the environments might be reorganized for individual and community advantage;
- establishment of the bureaucratic frameworks through which the activities of individuals can be focused and channeled to the requirements of those prescriptions; [44]
- and education of people to live by those principles, so ensuring physical, social, political, economic and spiritual well-being.

Rathbone Gregg, in the 1870s, put the need for education very clearly:

> The lot of man ... is in his own hands, from his being surrounded by *fixed laws*, on knowledge of which, and conformity to which, his wellbeing depends. The study of these and obedience to them form, therefore, the great aim of public instruction. Men must be taught:
>
> 1. The *physical laws* on which *health* depends.
> 2. The *moral laws* on which *happiness* depends.
> 3. The *intellectual laws* on which *knowledge* depends.
> 4. The *social* and *political laws* on which *national prosperity* and *advancement* depend.
> 5. The *economic laws* on which *wealth* depends.
>
> (quoted in [œ]Holyoake 1896, p. 85)

Western people find it *natural* [45] that all activity should be circumscribed by rules and regulations. Rarely, if ever, has there been such an acceptance of and compliance with systems of rules and regulations as exists in Western communities [46]. But, because those rules are applied by impersonal bureaucracies, they are not seen as intrusive.

Western people regard rules and regulations as necessary for the protection of their individuality and a guarantee of their right to interact with their environments for their private ends [47]. Since the 12th century, Western Europeans have increasingly committed themselves to uncovering *systems of law* governing the various environments, and to educating people to live in accordance with them once they have been uncovered.

Among the reasons for the phenomenal success of Western Europeans in imposing their world views on others throughout the 19th and 20th centuries is their absolute certainty of the superiority of their 'knowledge' of how the physical, social and spiritual worlds 'really work', and their ability to impose on others well-organized systems of law and government, centered not on individual personalities but on impersonal bureaucracies.

Western people have come to believe that, whereas all other people live in the mists of superstition and dubious rationality, governed by the whim of their rulers, they have discovered the 'laws' of the physical, social and spiritual worlds. So, they can act 'rationally', ensuring that all their behavior,

interaction and organization conform to those principles which underpin the rule-bound systems they are in the process of uncovering.

When Europeans imposed themselves upon the rest of the world during the 19th and 20th centuries they took with them the 'best' ways of using the physical environment, of organizing communities, and of ensuring individual 'development' and a successful life in the next world. They therefore set about changing the worlds they encountered in terms of their understandings.

The physical environment could (and should) be dominated, managed and organized to 'realize its potential', that is ensure high yields, whether of minerals, crops or anything else which Western people might consider a 'potential' for that environment (e.g. 'tourism').

The social environment could (and should) be managed and organized to 'realize its potential', to ensure individual development (defined, of course, in terms of the particular secondary ideology of those holding the power).

And the spiritual environment could (and should) be managed and reorganized to ensure high rates of conversion and commitment to the religious forms and beliefs of Europe (which would not only ensure life in the next world, but also orient people to be responsible citizens in this [48]).

Not only were Western Europeans committed to systems of laws, rules and regulations, they also strongly emphasized the use of mathematics to measure success by quantifying results. This emphasis on quantification coincided with yet another emphasis, that on material possessions, on the accumulation of goods and the generation of material wealth.

Industry and frugality would inevitably produce riches. The demonstration of these virtues, in turn, would inevitably bring respect and status. So, in order to attain and maintain status and respect, one needed to demonstrate that one had gained wealth *by one's own efforts - that* one had *realized one's own potential and the potential of the environments within which one lived.*

One's material *worth* is most easily ascertained by giving cash values to possessions so that a total value can readily be calculated by interested others. This led 'naturally' to conspicuous consumption and ownership, demonstrating the wealth of the person. And so there emerged, in Western Europe, apparently paradoxical emphases on hard work and frugality on the one hand, and increasing conspicuous ownership and consumption on the other.

Of course, Western Europeans are convinced that these emphases are 'logical', and necessary for the 'rational' direction and control of the environments within which they live.

Whereas almost all other people are bound by 'tradition', by forms of organization, interaction and behavior which have their roots in the historical experiences of their forebears, Western people believe that they organize life in terms of *rational* constructs, derived not from tradition but from scientific investigation of their environments. As they uncover the principles governing their natural and social environments, they gain control of them and are able to manage them to produce the best possible returns for people.

We need to confront this belief.

Do the constructs and understandings of Western Europeans come from their scientific investigation of substantive environments, or is the nature and form of those 'environments' the result of reification of aspects of the natural and social worlds, required by the historical experiences of Western people?

Are the environments with which Western people interact objective features of the world which are recognized as such by all people everywhere, or are they only real to Western Europeans?

In the following historical sketches I suggest that the environments which are recognized are consequences of the historical tensions and confrontations of Western Europe. They are, in fact, understandings which are derived from, and required by, Western historical experience. They are as shaped and determined by 'tradition' as any other system of knowledge and understanding in other communities. The presumption that there are sets of laws waiting to be uncovered for the control of each environment is, equally, a consequence of particular historical experience.

The Western European conviction that they have 'got it right', while others have not, is based in their certainty of the validity of their view of the world, and the effectiveness with which it allows them to manipulate their environments in engaging in forms of activity and organization which are required by Western industrial social templates.

Western communities, no less than any other communities, have *inherited* their understanding of how their world is organized and the ways in which they relate to the environments in which they live.

A key and fundamental difference between Western communities and most other communities lies in the Western presumption of the existence of *separate environments,* each of which operates in terms of its own logic and its own set of operational principles or laws. Before any such sets of laws can even be anticipated, one must recognize the existence of the separate environments to which they relate.

For people not brought up in Western communities, and therefore not thinking in terms of Western presumptions, the existence of the identified environments, let alone the rules for interaction with them, is unlikely to be recognized.

In the same way that Western people take the existence of separate environments as a subconscious given, something which needs no justification, other people take their own understanding of the environment within which they live for granted, together with their understanding of their interaction with it.

When they are required to organize life in terms of Western European understandings, they inevitably warp the organized environments within which they are required to operate towards their own, quite different presumptions about their environment. This effect is most clearly seen in what, for Western people, is the dominant social environment, the economy.

Before I begin an examination of the historical emergence of this Western view of environments governed by systems of law, a few qualifiers are necessary. When investigating historical trends one has to start somewhere. The important primary understandings of any community do not suddenly appear. They are shaped over hundreds of years and through a multitude of interacting variables and circumstances. So, one has somewhat arbitrarily to decide on a starting point in time and on the variables which one will

investigate. What is described in one century will have its roots in preceding centuries.

The influences on community understanding which I highlight are, themselves, modified and focused through a wide range of other variables and circumstances on which I have chosen not to dwell. However, for our purposes here, those issues I investigate do seem to be central to understanding how Western Europeans came to conceive of life as being lived in a number of distinct environments, governed by systems of law, and subject to quantification and evaluation in terms of material returns for individual endeavor.

The 'economic' environment

Elsewhere I have suggested that many people in non-Western communities make no clear distinction between their 'economic' and their 'social' (or any other) environments [49]. So, when they engage in 'economic' activity, they, quite naturally, without needing to think about it, integrate their activity with social responsibilities and concerns. This integration produces a very different form of activity from that presumed to be 'economic' by Western people.

Because of this 'confusion' (in Western terms) of environments, the presumptions in terms of which they organize activity are also very different (and they are highly unlikely to have developed detailed sets of economic rules and regulations defining and governing activity and impartially applied across communities [50]).

Their economic activity does not match that anticipated and required by Western people. They seem to be indulging in 'informal', or even 'illegal', economic activity, that is, activity which falls outside the scope of 'legitimate' economic activity for Western people.

Even when they have attended the West's best teaching institutions, through which the 'necessary' forms of legislation, organization and activity are inculcated, all too often, once back in their home countries, they seem to 'warp' and 'distort' the forms they have learned.

In order to sketch the emergence of primary ideological presumptions underpinning economic organization and activity in Western communities I am going to have to examine the ways in which those presumptions became established in late medieval Europe. As will become clear, the understandings and organizational forms of the period were very different from those of Western communities in the 20th century.

Unfortunately, given the constraints of this discussion, the sketches must necessarily be brief and therefore inadequate. The focus will also have to be limited, bypassing the emergence of particular metaphysical understandings, and the emergence and establishment of the various 'disciplines' for uncovering systems of law operating within the recognized environments.

The development of systems of law

(07/03/17)

In the feudal period of the 10th to the 12th centuries, western Europeans saw the world as divided into two domains: a spiritual domain and a secular one, which included political, economic, social and material environments as

now understood in Western communities. These were hierarchically interrelated, with the spiritual domain dominant and the secular domain subject to spiritual oversight and direction.

The spiritual domain was dominated by the Roman Church, with the pope at its head and bishops as representatives of the pope within territorial districts. In their own districts, in all normal matters, bishops took final responsibility, only referring to Rome when something out of the ordinary needed definition, or when they needed support in the face of challenges to their authority.

The Feudal 'Secular Domain'

The secular domain was the arena within which the Church exercised authority. In the secular domain, feudal princes held political power within hierarchically organized territories. As Maitland has described, feudalism was:

> ... a state of society in which the main bond is the relation between lord and man, a relation implying on the lord's part protection and defence; on the man's part protection, service and reverence ...
>
> The national organization is a system of these relationships: at the head there stands the king as lord of all, below him are his immediate vassals, or tenants in chief, who again are lords of tenants, who again may be lords of tenants, and so on, down to the lowest possessor of land.
>
> Lastly, as every other court consists of the lord's tenants, so the king's court consists of his tenants in chief, and so far as there is any constitutional control over the king it is exercised by the body of these tenants.
> (quoted in Macfarlane 1987, pp. 182-3)

Although Western capitalism depends on a division of the world into private and public arenas, feudal Europe did not require such a division. As Macfarlane, quoting Maitland, says:

> The English lawyer Bracton [in the mid-13th century] knew of the distinction of 'private' and 'public', yet 'he makes little use of it. This was because
>
> > feudalism ... is a denial of this distinction. Just in so far as the ideal of feudalism is perfectly realized, all that we call public law is merged in private law: jurisdiction is property, office is property, the kingship itself is property; the same word *dominium* has to stand now for *ownership* and now for *lordship.*
>
> (Macfarlane 1987, p. 182)

While the distinction between public and private made little sense in the feudal world, it was during the feudal period that the Western European emphasis on the importance of publicly formulated law, governing private interactions, developed. As Tay and Kamenka explain:

> The feudal compact, in keeping with Germanic tradition, was not an act of authority but a voluntary agreement between independent legal persons - one agreeing to serve, the other to provide and protect. It was an enforceable contract which bound the king or lord as much as it bound the subject or leigeman.

> In a very important sense, it brought the whole basis of political authority and obedience into the area of private law, of relations between individuals capable, for the purposes of law, of abstract equality and of rationally and freely seeking their individual well-being and subordinating themselves voluntarily. Those not capable of such freedom, e.g. serfs, were not fully legal persons.
> (Tay & Kamenka 1983, p. 69)

Although feudal relationships did not require a distinction between public and private realms, the concept of *'free' legally defined* individuals entering into *contracts* with one another was born in the feudal period. It became greatly expanded and provided a basis for understanding the nature of the relationship between the individual and society during the 17th century, but it underpinned the development of feudal law.

It also provided one of the rationales for the emergence of a wide range of common-interest groupings during the medieval period. During this period numerous 'associations', 'unions', 'guilds', 'fraternities', 'communities', 'colleges', 'leagues', 'nations' [51] and other forms of common-interest grouping developed, managed by those who constituted the group and designed for mutual protection and self-help [52]. Interaction among individuals within these groups was fraternal, with most exchanges being based on cooperation rather than competition.

This form of egalitarian, common-interest grouping is usual in hierarchically organized communities. It allows those who see themselves as being in a similar relationship within a hierarchy to join with others of like mind in promoting and protecting their interests.

As feudal organization became increasingly distorted during the medieval centuries [53], these groups became increasingly important. Amongst the most important were those which brought educated people together to protect their interests against others, and those which emerged amongst the 'money-making' people of western Europe.

Together, these two groups were to challenge and finally displace feudal leaders, and, with their displacement, introduce an entirely different rationale for the organization of society, new forms of interpersonal relationship, and new understandings of the meaning and purpose of life. And, for a variety of reasons, some of which will be sketched here, these forms of reorganization required a very different set of primary ideological presumptions.

Western Europe, over a period of eight hundred years, with enormous difficulty, learned to think in ways which were foreign to people who lived in the feudal communities of the 10th to 13th centuries.

While the sense of legitimate, approved feudal hierarchy within the society was strong, the dominance of hierarchically determined social position over membership of such groupings ensured the subordination of group interests to those of the wider society. Whenever, for whatever reason, the cohesion of the wider society was suspect, these common-interest groupings became more demanding, leading to strikes, riots and other forms of social challenge.

So, in the period when we begin our story, people lived in hierarchically organized communities, with their primary social and political status defined by their relationship to land. Those of similar status within the society recognized egalitarian bonds of common interest, and tended to support

one another and make demands of each other on the basis of their shared identity. But, equally, they recognized those who were hierarchically superior as leaders who both required and deserved their allegiance. In fact, they recognized common-interest association only in terms of these hierarchical responsibilities.

At the base of the hierarchical pyramid of feudal communities were the peasants who, though they held some land, usually held too little to ensure their livelihood. Few peasants could have lived off the land they held within an estate alone. As Ganshof has described for the later medieval period:

> ... However great its contribution to livelihood, agriculture had by no means altogether displaced the very ancient practices of pastoral life, hunting, and food collecting. By his fields alone the peasant literally could not have lived. All about the area more or less permanently cultivated and, when under crops, held in strict individual or family possession, he required access to immense stretches of common waste left in its natural condition.
>
> These moors and marshes and forests did not merely furnish necessary food for his cattle. His own nourishment depended on them; for wild vegetables and fruits were even more important in his dietary than wild game ...
>
> In villages where there was no lord, or where the lord's power was a late growth, the village community sometimes retained absolute control of these common lands; it owned them, in feudal phrase, *en alleux*... But throughout the greater part of Europe, where common was essential but still only a sort of annexe to the arable, the lord almost always extended his power over commons as well as over fields ...
>
> [However] it is no doubt vain to look for the true medieval 'owner' of the commons.
> (Ganshof 1971, pp. 281, 282)[54]

Land was held by families who owed allegiance to those above them who provided not only access to land but also political and other forms of protection and a sense of community to those under their jurisdiction. And a great deal of the land in an area was 'common'; that is, it had no legal owner.

European feudal organization was not based on the need to ascribe individual ownership to all existing land. In this feature, it has a lot in common with many non-Western communities before the imposition of Western forms of organization in the 19th and 20th centuries. When land is not primarily seen as a wealth-creating resource, and people are not primarily geared to the 'wealth-creating' use of their environment, there is no strong compulsion to claim ownership of 'un-owned' land.

The West, as a result of experiences to be sketched here, came strongly to believe in the necessity for all land to be legally and exclusively held by identifiable 'real' or 'artificial' individuals, and used to generate increasing cash income for its owners.[55]

The Feudal 'Spiritual Domain'

The communities in which medieval people lived were serviced by clergy who belonged to a hierarchically organized Church and claimed very important rights and responsibilities within the communities they serviced.

The metaphor which emerged to describe the relation between pope and emperor, between clergy and laity, was that of the soul and the body. The body without the soul is of no consequence. It is the soul which animates the body. Equally, the Church ensured the spiritual life of the secular world. The Church was, therefore, central to life in the medieval world. It therefore claimed authority over the secular world and reinforced its claims with legal statutes based upon written, historical evidence accumulated over the centuries [56].

This assumption of the superiority of the soul over the body, of that which is life over that which is a 'container' for that life, was to become significant in the emerging belief in the independence of self-contained, pre-social individuals from the 17th century onwards.

Then, with the material and the spiritual thoroughly separated, a similar separation was to be assumed between human beings and the material environments they controlled. Individuals were to be perceived as separate from and superior to the material world, over which they rightfully exercised dominion. Just as the Church believed it had a mandate from God to direct the medieval world, so Western individuals came to believe that they had a mandate to 'realize the potential' of the resources of the material world wherever they might be found.

The Church's power came from two sources. It held large tracts of land controlled by bishops and abbots who, as feudal lords, had authority in the secular domain, and it was also perceived to hold a very real power to condemn people to hell.

If one could, as the Roman Church after Augustine (354 - 430 AD) claimed (cf. Warfield 1970, p. 122ff), be saved only by belonging to the Church, then to be excommunicated was to be consigned to eternal damnation. In an age when people were convinced of the existence and potency of a spiritual realm, one placed the destiny of one's soul at risk by challenging the Church.

However, there were long periods, particularly following the disintegration of the ninth-century Carolingian empire, when the papacy was politically weak, dominated by local Roman families, and unable to assert its claimed authority.

(06/10/17)

During the 10th and 11th centuries increasing numbers of the secular rulers of western Europe extended their authority over bishops within their territories. This situation came to a head with the accession of the Duke of Saxony, Otto the Great (912-973), to the German throne in 936. Otto, ostensibly to rescue Pope John XII, conquered Italy and received an imperial coronation from the pope.

As part of his strategy for securing his reign, Otto had made an alliance with the German Church. Bishops and archbishops were given lands and immunity from some of the royal claims on landlords in return for full support of Otto's reign. With the papacy very weak, another way of ensuring support from the ecclesiastical hierarchy was to appoint it (cf. Hayes, Baldwin & Cole 1962, p. 142ff).

The Investiture Conflict

(12/03/17)

The situation was similar throughout northern and western Europe during the 10th and 11th centuries. It was brought to a head by Pope Gregory VII in 1075 when he prohibited any form of lay investiture of the clergy. Gregory, calling on legal precedent as established within the Church canons (laws), denied the right of secular leaders to appoint ecclesiastical office holders. He argued that, on the contrary, the pope had the right both to anoint and to depose secular leaders.

Henry IV (1050-1106), King of Germany from 1056 and Holy Roman Emperor from 1084, opposed the decree and called on the pope,

> ...now not pope, but false monk, [to]... relinquish the Apostolic See which you have arrogated.
> (Koenigsberger 1987, p. 166)

The pope responded by excommunicating him, and, faced with resultant challenges to his authority, Henry was forced personally to petition the pope for absolution and reinstatement to his position as emperor.

An entry in the *Encyclopaedia Britannica* (1902) described it:

> ...There [at the castle of Canossa, where Gregory was residing] occurred the famous scene in which Henry, the highest of secular potentates, stood for three days in the courtyard of the castle, clad in the shirt of a penitent, and entreating to be admitted to the pope's presence. No historical incident has more profoundly impressed the imagination of the Western world. It marked the highest point reached by papal authority, and presents a vivid picture of the awe inspired during the Middle Ages by the supernatural powers supposed to be wielded by the church.
> (*Encyclopaedia Britannica* (1902), 10th ed, vol. XXVIII, Henry IV, Holy Roman Emperor (1050-1106))

The pope had demonstrated that he held very real political power within western European territories. Secular leaders, very aware of the way in which Henry had been humiliated, felt a need to counter this power in some way. This confrontation marked the start of growing conflict between the papacy and secular rulers throughout western Europe, a confrontation which has come to be known as the *Investiture Conflict,* which finally climaxed in the 16th century Reformation.

The Roman Church argued that, since kings were established in their kingdoms through the Church's administration of the ritual of Unction [57], religious authority was superior to secular authority. As Ullman (1965, p. 86) says, 'It was that act alone which made the king'. The stage was set in the 10th and 11th centuries for mounting conflict between secular and religious leaders. The political history of this period is that of fluctuating but constantly increasing papal fortunes and claims to ascendancy and authority over secular rulers.

The Roman Church underwrote its political dominance through appeals to canon law, established over the centuries, and taking its form from Roman law, defined by the legal works of Justinian, compiled in the sixth century. Such appeals depended on the maintenance of a strong legal framework and of people schooled in interpreting both the canons and the legal prescriptions of Roman law as defined by Justinian.

From the 11th century onwards, as Murray points out,

> popes, legates and councils saw the evils of their age as "contempt for the canons". They sought to revive the Church's ancient legal framework, with a few surreptitious accretions
> (Murray 1978, p. 214).

This revival of the Church's legal framework, coupled with its use as a justification for political claims, led to legal expertise, and the development of legal frameworks, being widely perceived as of great practical importance within both secular and religious spheres. For the Church,[58]

> Mankind is ruled by two laws: Natural Law and Custom. Natural Law is that which is contained in the Scriptures and the Gospel.
> (d'Entreves 1965, p. 33)

Natural law was canonical law; all other law was of suspect quality and should be altered to conform to the canons of the Church. Secular leaders, ruling by custom, should, themselves, be subject to the natural law of the Church. All legal statutes of states and nations should conform to canonical law.

The clash between Henry II, King of England, and Thomas a Becket, Archbishop of Canterbury (1163 - 1170 AD), resulting in Thomas's death, was a product of this conflict:

> ... when the king had drawn up sixteen "Constitutions", which he said embodied the "Customs of the Realm", the archbishop denounced them as contrary to canon law, and refused to seal them.
> (Ward 1905, p. 47)

With the Church's legal framework revived and a new stress placed on legal training within the Church, increasing numbers of legally trained scholars passed out of the schools and universities of medieval Europe.

> One paradoxical result of the canonical revival and the burst of education which followed it, was that kings could now lay their hands on learned officials.
> (Murray 1978, p. 217)

What followed, with many slips for kings who were initially forced to rely on scholars who had been dedicated to and trained for the Church, was a burgeoning emphasis on the study of Roman law throughout the late 12th century.

The Need for Written, Centralized, Secular Systems of Law

The Investiture Conflict underscored a need for secular rulers to have alternative legal frameworks to those employed by the Church. One way to do this was to develop alternative interpretations of Roman law, based on scholarship, countering the interpretations of the Church.

However, if they were to break the shackles of the Church by challenging canonical law, they had, first, to give the concept of 'natural law' a new meaning. It had to be something other than simply 'the laws of the Church'. The study of law had begun in earnest.

William Blackstone would explain this new justification for secular law-making in the 18th century:

> ... [A]s man depends absolutely upon his maker for every thing, it is necessary that he should in all points conform to his maker's will. This will of his maker is called the law of nature.

(Blackstone, 1765, *Commentaries on the Laws of England*, Introduction, Section 2 pp. 39-40)

During the following three centuries secular bureaucracies were developed which were firmly anchored in written legal decrees and statutes. If anything was not legally defined, it was suspect. The basis for legitimacy was to be found in *written statutes.*

The Investiture Conflict convinced the people of western Europe of the need for the independent development of centralized, secular legal systems, maintained, refined and applied by state bureaucrats and bureaucracies, with all documentation stored within state archives, to protect and assert the interests of rulers. They needed to be able to beat The Church at its own game.

F. W. Maitland, in a 1902 contribution to the *Encyclopaedia Britannica*, explained it well:

> In English jurisprudence 'legal memory' is said to extend as far as, but no further than the coronation of Richard I (3 September 1189). This is a technical doctrine concerning prescriptive rights, but is capable of expressing an important truth.
>
> For the last seven centuries, little more or less, the English law, which is now overshadowing a large share of the earth, has had not only an extremely continuous, but a matchlessly well-attested history, and, moreover, has been the subject matter of rational exposition.
>
> Already in 1194 the daily doings of a tribunal which was controlling and moulding the whole system were being punctually recorded in letters yet legible, and from that time onwards it is rather the enormous bulk than any dearth of available materials that prevents us from tracing the transformation of every old doctrine and the emergence and expansion of every new idea.
>
> If we are content to look no further than the text-books - the books written by lawyers for lawyers - we may read our way backwards to Blackstone (d. 1780), Hale (d. 1676), Coke (d. 1634), Fitzherbert (d. 1538), Littleton (d. 1481), Bracton (d. 1268), Glanvill (d. 1190), until we are in the reign of Henry of Anjou [Henry II], and yet shall perceive that we are always reading of one and the same body of law, though the little body has become great, and the ideas that were few and indefinite have become many and explicit.
>
> Beyond these seven lucid centuries lies a darker period. Nearly six centuries will still divide us from the dooms of AEthelberht (c. 600), and nearly seven from the Lex Salica (c. 500)...
> (*Encyclopaedia Britannica*, 10th ed., supplement (1902), vol. XXVIII, pp. 246-53; 11th ed. vol. IX, pp. 600-7.)

As such legal systems became elaborated, they inevitably affected the lives of people throughout Europe. Génicot described some of the effects:

> ... the local and traditional tribunals were more and more replaced by superior courts run by *doctores* who were not known and whose integrity (not without reason) was suspect, and who practised a new, the Roman, law, rather than the ancient customary one.
>
> The state now advanced a claim, mainly under cover of this *jus,* to the entire ownership of waste, forest and water, and to their exclusive use, or at any rate the right to regulate arbitrarily their utilization. The

> villages also had to submit to orders from above and from distant places, and to officials sent from outside ...
> (Génicot 1971, p. 701)

As states developed legal systems to protect the interests of rulers against the claims of the Church, those involved in developing statutes extended the legal rights of rulers over more and more of the activities and properties of their subjects.[59] So, in succeeding centuries, conflict was to develop not only between Church and state, but also between the state and its people. As a result, emphasis was to be placed on the legal rights of individuals within the state against the state itself.

Increasingly, people and state were to become defined in *oppositional* terms.[60] This change in emphasis was brought to a head in the 17th century in the writings of the Protestant jurist-theologians, chiefly by Hugo Grotius, whose principal work, œ*On The Law of War and Peace*, appeared in 1625. As Roscoe Pound (1921, pp. 89, 90) put it:

> Grotius and those who followed him made reason the measure of all obligation. They conceived that the end for which law exists is to produce conformity to the nature of rational creatures
>
> ... at the very time that a victory of the courts in the contests between the common law courts and the Stuart kings had established that there were fundamental common-law rights of Englishmen which Englishmen must maintain in courts and in which courts would secure them even against the king, a juristic theory of fundamental human rights, independent of and running back of all states, which states might secure and ought to secure, but could not alter or abridge, had sprung up independently and was at hand to furnish a scientific explanation when the next century called for one.
>
> By a natural transition, the common-law limitations upon royal authority became natural limitations upon all authority; the common-law rights of Englishmen became the natural rights of man.
> (quoted in Grotius 1957, p. xiv)

Increasingly, during the medieval centuries, *customary* obligations and rights between people, not supported by written, legally acceptable documentation, could successfully be challenged by appeal to this developing system of legal statutes.

Of course, the experiences of various western European regions differed. In England there was no 'violent breach between folk-law and jurist law' (Cam 1957, p. 13) as experienced in some other areas of Europe with the establishment of Roman law as the law of the land and the supervention of customary law.

There seems to have been a stronger sense of independence amongst English law makers and practitioners, with the result that, by the reign of Henry VIII, common law had become separated from both Roman law and the canons. As Maitland observes,

> Roman law was by this time an unintelligible, outlandish thing, perhaps a good enough law for half-starved Frenchmen. Legal education was no longer academic - the universities had nothing to do with it.
> (see Cam 1957, p. 125)

English law had accommodated the 'customs of the realm'. In doing so, it provided rulers with a centralized, bureaucratically developed legal system

which differed widely from the Roman law upon which Church authority and canons were established.

Henry II had set England on a legal course which resulted in an alternative base for legal authority to that used by the pope and by many of the monarchs of Europe. By the reign of Henry VIII, the king was able to appeal to this body of law as legal justification for independence from the Church. Common law had incorporated customary law, and in doing so had become immediately relevant to people at all levels of society.

For the English, to a degree found in few other regions of western Europe, both formal and informal mechanisms of dispute settlement involved attorneys and recourse to courts of law. Justices of the Peace were accessible to all or most members of society, and

> ...the total impression is that the multitude of overlapping courts and laws penetrated right down to the level of the lowest inhabitants, and that ordinary people had a good working knowledge of the national system of criminal law...
> (Macfarlane 1987, p. 74)

and their own legal rights. Macfarlane claims that in Westmoreland, between 1550 and 1720, large numbers of villagers personally initiated complex legal actions against their fellows, which were heard in the central courts of England. 'English society was based on, and integrated by, two principal mechanisms - money and the law'.

The continuing conflict between Church and state in western Europe produced:

- strong emphasis on the development of centralized legal systems spelling out the rights and responsibilities of individuals towards each other and to the state, and greatly expanding the state's powers over its members;
- a growing sense of the need to separate Church and state: each with its own independent set of laws and regulations governing life within the secular and spiritual domains; its own bureaucracy to promulgate and administer legal statutes; and its own set of archives to preserve the documentation upon which the developing systems of law were predicated;
- an expansion of the concept of law to cover an ever-increasing spectrum of daily life;
- a recognized need to separate the rights of the state over its members, and the separate rights of those members, independent of the state;
- and a burgeoning emphasis upon the importance of education.

Education became an alternative avenue to status attainment. Feudal lords became increasingly dependent on educated people to run their bureaucratic machinery, and citizens increasingly needed access to legal expertise to protect themselves from the claims of both the state and fellow citizens.[61] And with this emerging means of status attainment came an increasing emphasis on money income.

Since western Europe in this period was feudally organized, it was inevitable that key positions in the emerging bureaucracies were filled in the feudal manner, through the patronage of the royal household, rather than on the basis of educational training or legal expertise. So, within bureaucracies one had 'political' appointments to key positions, and people employed for their expertise and training under them.

Over succeeding centuries this arrangement was to produce increasing tension between educated 'experts' and feudally appointed principals. By the 17th century this tension had hardened into a strong conviction on the part of the educated (who, by allying themselves with various other protesters of the period, gained increasing power) that principal positions within state bureaucracies and private enterprise should be filled on the basis of educational achievement and demonstrated 'expertise', not on the basis of patronage.

In later years placement on the basis of education was to be regarded as *achieved;* placement on the basis of patronage was to be considered *ascribed.* Of course, feudal appointments were just as 'achieved' as those of the modern period within the capitalist framework; only the kind of activity through which one achieved was very different.[62]

The Aquinas Solution: Natural Law Distilled from Secular Experience

As seems common at crisis points in western European history, at the time when Church and state confronted each other most directly, a person emerged who provided a philosophical construct from which both Church and state could argue.

Thomas of Aquinas (1225?-1274) was able to focus the debate and provide a logical construct which appeared to sum up and resolve the problem of the relationship between Church and state in the Church's favor. However, it was not long before princes, and those who worked for them, found in Aquinas's construct a justification for a separation of Church and state, each with its own set of laws, and each with its own independent rationale for existence.

Western Europe experienced a growing fascination with the work of Aristotle from the mid-12th century onwards. Aristotle's focus upon categorization of the particular within the sensible world was to result in the re-emergence of a focus on human beings as part of the natural world. As Ullman has suggested:

> It was as if a new continent had been discovered - the discovery of man's real nature - and a new subject-matter was revealed. With every justification has it been said that there was a Renaissance, a rebirth of the long-forgotten natural man.
> (Ullman 1965, p. 167)

This was a natural man firmly placed in his supernatural context. The medieval fascination with Aristotle received impetus when scholars recognized that he offered a means of defining a new kind of law - *natural law* - law which God had established as the principles through which the natural world was organized and sustained.

This new definition of natural law directly challenged the traditional understanding of natural law as canonical law. It seemed that a confrontation was brewing between Church and state. If Aristotle could be

seen as inspired, as spelling out the natural laws of God in the natural world, then people who sought bases for secular law which were different from those underpinning Church, or supernatural, law could appeal to him.

Aquinas's new model and definition of natural law would provide a way of resolving the looming confrontation. Both were legitimate. The emerging definition of natural law referred to a subset of God's laws, those relating to material existence.

The term 'supernatural' was coined in the 13th century, at the time when there arose a strong need to differentiate clearly between two separate realms (cf. Murray 1978, p. 12). The spiritual realm was governed by spiritual laws, and the natural realm, and people, as creatures within that realm, were governed by natural laws. Human beings within society were governed, or ought to be governed, by laws which reflected those laws of nature.

God makes everything perfect. He had established laws for the governance of the spiritual realm, *canonical law.* He had also established laws for the governance of the secular world, *natural law.* Each set of laws would be found to be self-contained and perfect in its organization and functioning [63].

So, it was the responsibility of people in the secular realm to uncover the *laws of nature,* established by God for the smooth running of the secular realm, just as it was the responsibility of the Church to uncover and apply the laws God had established for the running of the Church and the spiritual realm. So Aquinas argued:

> Now in human affairs a thing is said to be just from being right according to the rule of reason. But the first rule of reason is the law of nature ...
>
> Consequently every human law has just so much of the character of law as it is derived from the law of nature. But if in any point it differs from the law of nature, it is no longer a law but a corruption of law. (Aquinas 1952, Pt 1: 2, Q. 95:2)[[64]]

Whereas the Church had defined 'natural law' as a set of rules spelt out in Scripture and Church canons, Aquinas affirmed the validity of the emerging definition of natural law which came from Roman jurisprudence [65] and Greek philosophy. To develop legal systems which reflected natural law, it was necessary to understand the 'nature' of human beings.

The claim by Aristotle, that civilization is based on people ordering their lives by instincts implanted in each individual,[66] resurfaced in the high Middle Ages. But the definition of those instincts reflected the recognized needs of medieval society.[67]

In Aquinas's model we have a melding of the concepts of Roman jurisprudence and orthodox theology. The laws of nature should be sought, but, when found, would be discovered to be a coherent, immutable whole. If natural laws could be uncovered by examining the material world, the material world, in turn, would be found to be governed by sets of immutable laws established by God. By conforming to the laws established by God for the optimal performance of his creation, people could reasonably expect burgeoning prosperity.[68]

Human beings bridged the natural and spiritual realms. Spiritually, they were governed by laws of the spirit, and, naturally, they were governed by laws of nature. As Aquinas put it,

> To the natural law belongs everything to which a man is inclined according to his nature.
> (Aquinas 1952, Pt 1: 2, Q. 94:4)

An understanding of natural law required comprehension of the nature of human beings, and the nature of human beings could be determined by observing them within their social setting.

Aquinas's construct made Church law 'supernatural law' and laws of the state 'natural law'. According to Aquinas, there were natural laws to which all creation conformed, which were implanted in human beings and in a subservient relationship to divine law. Those who conformed to natural law conformed also to the will of God, as expressed in the natural order.

Natural and divine law were hierarchically related, not opposed to each other. And it was possible for people to live according to the dictates of natural law, with a this-worldly, secular focus to their lives, and yet be living in tune with the will and purpose of God. For the natural world was a law-directed whole, composed of parts which were perfectly placed within the whole through the operation of that law.[69] So, Aquinas observed:

> ... natural processes develop from simple to compound things, so much so that the highly developed organism is the completion, integration, and purpose of the elements. Such indeed is the case with any whole in comparison with its parts.
> (œGilby 1960, p. 369)

The natural and supernatural wholes were logically prior to their elements, which only existed as parts of the whole. Without the whole, there is no point or purpose in the existence of its elements. The parts were created because they were necessary to the whole. Individuals did not exist in or for themselves. They only existed as members of a society.

A perfect creation required perfect parts. It was, therefore, the responsibility of all people to live as God had intended they should. Otherwise, they could be held accountable for the trials and troubles visited upon people in this life. And the perfect society was that which, in all its forms and functions, conformed most closely to natural and spiritual law.

Aquinas set western Europe on the search for natural laws governing every area of life in this world. From this time onwards, western Europeans increasingly accepted that if a natural law was discovered, people had a moral and spiritual duty to live by it.

It was this quest which set western Europeans on a path which led to the eventual change from natural laws legitimized by God, to natural laws legitimized by rational logic [70], a move already prefigured in Aquinas's model. And, finally, as the secularism of the 18th and 19th centuries unfolded, to natural laws legitimized statistically [71]. This made the elements primary and the characteristics of the wholes constructed from them determined by the characteristics of the elements[72].

By the 17th century, although it was still accepted that natural law had been established by God, it was increasingly accepted that any phenomenon in the sensible world could be explained by reference to natural laws. The natural realm was a self-contained, self defining whole. So, one could 'explain' phenomena in the natural world without recourse to the divine. There were no exceptions.

Understanding of natural laws, coupled with rational extrapolation from those laws would provide a full understanding of the possibilities and potential of the natural realm. One could also, by rationally extrapolating from known laws, determine the likely existence and character of associated natural laws.

And all the while, western Europeans became increasingly aware that individuals had a moral duty to 'make the most' of themselves, to fulfill their lives, to 'develop their potential'.

With devout people proving their sincerity and morality through a life focused within this world, the responsibility of each person to strive for perfection through self-development became the prime obligation of life. They had to 'fulfill their potential' - as defined by 17th century 'responsible people'.

It was, equally, and for the same reason, their responsibility to ensure that they realized the potential of the resources placed in their hands. People who misused the 'talents' given to them by God could expect the fate of the indolent servant in Jesus' parable of the talents [73]. Richard Baxter, in 1678, spelt this out very clearly:

> If God show you a way in which you may lawfully get more than in another way (without wrong to your soul or to any other), if you refuse this and choose the less gainful way, you cross one of the ends of your Calling, and you refuse to be God's steward, and to accept his gifts, and use them for him when he requireth it; you may labor to be rich for God, though not for the flesh and sin.
> (1838, p. 377)

Then the greatest of all sins became, as Foucault has eloquently described, the sin of Sloth. To waste the life which God had given, or the resources he had placed in your hands, was not only a sin against oneself; it was a sin against society.

Initially, given the concerns of the age, the focus on natural law was a focus on social organization and activity. Natural was social, and the focus of intellectual inquiry, strongly influenced by the Investiture Conflict, was political.

Within a generation of Aquinas's teaching, those who had been seeking legal and philosophical foundations for the independent rights of kings from popes succeeded in separating natural law from canonical law and arguing for their entirely independent legitimacy and efficacy.

God had created separate, self-consistent, natural and supernatural worlds, each with its own set of laws defining the correct interrelations among the parts. It was in the interests of civil powers to insist on, and to provide philosophical justification for, the entirely separate development and efficacy of civil law.[74]

Over succeeding centuries this process was to produce recognition of a whole range of separately existing bodies of law relating to specific areas of the natural realm. Western Europe became convinced of the importance of written law as sets of basic principles through which elements in any whole could be perfected and combined and through which the whole gained its identity. To control the natural world, one needed to discover the sets of laws for such control. Knowledge of laws was power.

The search for systems of laws defining the correct interrelations among parts of logically constructed wholes had begun in earnest. And, because in the medieval world all law was enshrined within a guardian bureaucracy, the search for laws assumed such bureaucratic underpinning. Where a body of laws was uncovered there should be a bureaucratic body to safeguard, preserve and apply those laws.[75]

By the end of the 12th century western Europeans were already becoming aware of the potential political value of an understanding of the natural world. Alexander Neckham (1157-1217) claimed that when

> the subtle truths that lurk in the very bosom of nature' had been uncovered, 'what enemies could withstand the kingdom that was able to triumph over [i.e. master] the sciences?'
> (quoted in Murray 1978, p. 124).

With Aquinas's new interpretation of 'natural law', Western Europe quickly came to believe that, by uncovering the laws for the organization of the material environment, people could gain power to manipulate it in their own interests.

From the outset the recognized importance of establishing secular law as an independent, self-contained system was based on a pragmatic determination to use it in establishing secular independence, empowering the state. Knowledge of laws, and the ability to manipulate them, was power. The search for natural laws was, from the outset, accompanied by a belief that those who found them and learned to master them empowered people to exploit to the full the domains or environments governed by them.

During the later medieval period people became increasingly aware of both religious and secular corruption, as those with access to legal expertise used their power to disinherit those who had no access to it.

People felt less constrained by social obligation as hierarchical relationships became challenged with the growing abuse of power and authority in the medieval world. They therefore felt free to pursue private gain without the need for social justification. In fact, if one could gain an advantage through appeal to law, one could claim 'legitimacy' in making the most of that advantage.

Over succeeding centuries people increasingly learned to manipulate legal statutes to increase their private wealth, accepting fewer and fewer social responsibilities which were not required by written law. By the 17th century, people were able to challenge many of the customary responsibilities of earlier centuries in this way. Joseph Lee, a succinct spokesman for the cause of enclosure and independence espoused by new landowners in that century, could say:

> Let it be granted that our land and businesse lying nearer together fewer servants will be kept; are any bound to keep more servants than are needful for their businesse; or may they not cast how to do the same businesse with least labor ... Is a man bound to keep servants to pill strawes or labor in vain? By what law? ...
> (quoted in Appleby 1978, p. 61)[76]

'Money-making' patron-client networks and an emerging emphasis on quantification

(12/03/18)

Prior to the 13th century, merchants were constantly on the move in an unending pursuit of profit. They were fringe dwellers, outside normal society, who challenged many of the central moral presumptions of the feudal period and were regarded with suspicion by upright citizens [77]. In an endeavor to contain them and yet, at the same time, attract them to establish their bases in their territories, states established rules and regulations both governing their activities and defining the necessary obligations of people who interacted with them.

They formed a common-interest group who regulated their affairs amongst themselves on the basis of cooperative rather than competitive exchange. Because of their exclusion from feudal society, they formed parallel, informal networks of patron-client relationships among themselves. Over time, there emerged an informal ranking of the 'money makers' of western Europe and an intermeshing of their interests. They then used their wealth and collective power increasingly to subvert the feudal system. (Eight hundred years later, financial deregulation and 'globalization' of capitalism are similarly subverting national sovereignty and Democracy.)

By the 13th century the relationship between feudal leaders and the wealth holders of western Europe was increasingly based on transfers of wealth in return for feudal position.[78] Those who gained wealth were able, from the outset, to use it to purchase position and recognition within feudal society. As they increasingly gained the upper hand, they were finally, in many regions of western Europe, to displace the feudal hierarchies with their own, alternative networks based on patron-client relationships.

Of course, as they gained political power, they increasingly influenced the exercise of government and the formation and implementation of law. By the 17th century, the foundations had been laid for the transformation of feudal structures into those which we now realize are required by capitalism.

The intermeshed patron-client networks of those engaged in wealth-accumulating activities remained important throughout Western Europe during the succeeding seven hundred years. Muldrew (1993: 163) has shown that during the early modern period, those who identified each other as engaged in similar activity within the marketplace 'stressed credit relations, trust, obligation and contracts' amongst themselves rather than unbridled individualistic profit making. They acted as common-interest groupings within patron-client networks.

Western European merchants travelled throughout the Mediterranean, into Egypt, through central Asia, and throughout western and northern Europe. They were not scholars. They were morally suspect adventurers, willing to incorporate any ideas or practices which might increase the profitability of their ventures.

Above all, what they needed was a clear, simple method of accounting and calculation. During their travels they encountered Muslim traders, who had gained a new form of calculation from northern India, based on the abacus. The abacus required a base-ten number calculation system which employed the zero to retain all place columns throughout calculation. Traders who accepted this new system gained great advantages in bargaining and exchange.

The ponderous Roman numbering system, enshrined in the literary, legal and political worlds, was cumbersome, made any attempts at either multiplication or division extremely complex, and was inappropriate to the

use of the abacus. It was, however, for a variety of reasons, strongly supported by scholars.

Scholars, remaining wedded to the Roman system, had great difficulty in mastering the principles of the new mathematics - principles which required the use of the zero as a place holder. This produced a clear divergence between money makers and scholars, with the money makers of Europe gaining increasingly independent control over financial matters as their expertise outstripped that of people tied to the use of the Roman numbering system.

The new mathematics of the late medieval period was important in driving a wedge between scholarship and practical bookkeeping which has been reflected in the Western separation of the humanities from the sciences and commerce, ever since. It was also to mark the beginning of a developing interest in numeracy as a prime means of expressing the quantitative evaluation of individuals and groups (required by the emerging 'modern' social template which needed means for comparing the material worth of individuals).

While scholars depended on the existence of feudal society for their success, since scholarship was a means of upward mobility, merchants gained greater freedom of activity as feudal society weakened.

These developments occurred at the time when secular rulers were seeking increased independence from religious domination and were looking for people with the necessary skills to help them to become truly independent. High on the list of those who were most valued were those who had developed successful mercantile ventures. They were able to support secular rulers financially and to provide the kinds of skills necessary for the more efficient development of taxation and other forms of revenue earning and accounting. As Murray claims,

> Authorities needed arithmetic because they, like merchants, had counting houses.
> (Murray 1978, p. 195)

In western European capitals the expansion of legal bureaucracy was paralleled by the expansion of fiscal bureaucracies, and an area of law emerged, focusing on commercial activity.

By the reign of Henry II the English administration of finances was already being formally systematized, with its own sets of laws and regulations. This organization was spelt out in a descriptive handbook entitled the *Dialogue of the Exchequer.*

Similar developments occurred in both France and Germany, while in Italy a range of very sophisticated commercial techniques were developed, supported by handbooks of commercial practice. Those from the rest of Europe who wished to master the intricacies of double entry bookkeeping or buying and selling on credit travelled to Italy, where they were able either to enter employment in established business firms or to study the new methods of accounting and banking at schools and universities.

Regionally based administrations became stronger as the hierarchical interrelationships of feudalism weakened. They also became more formally organized and economically viable as the political structures supported by the administrations increased in stability.

The development of legal and fiscal institutions provided a base for bureaucratic government which had not existed in medieval feudal Europe. Over time, a rationale for government emerged which was different from that of feudalism, based on control of legal and fiscal bureaucracies and systems of law rather than on the personal allegiances of land holders.[79]

Autonomy and systems of law

Through the later medieval period, towns arose as centers of commerce and trade. Europe was being reorganized to serve the patron-client interests of increasingly politically dominant 'money-makers'. This provided people (who were being displaced by the subversion of feudalism to serve money-making interests) with new means of livelihood. Merchants needed bases, markets, merchandise and security. They were to find all these in the newly forming urban areas.

As trade increased, the need for artisans grew to provide the merchandise for trading. Towns, gaining their prosperity from trading, consciously provided support to their traders and encouragement to merchants to relocate to their districts. Rural dwellers from estates near towns gravitated to them and became involved in the production of goods or in the provision of various services to other urban dwellers.

Most larger towns managed to distance themselves from feudal lords and laws, developing their own sets of laws and bureaucracies to administer them. The legal statutes of towns spelt out the rights and responsibilities of citizens, the legal relationships between towns and rural land holders, and the 'freedom' of citizens from the claims of rural lords and statutes.

> In most towns there was a gradual evolution towards equality before the law and this equality came to be extended to unfree persons who settled in towns. "Town air makes free" became an important principle in medieval law.
> (Koenigsberger 1987, p. 146)

In most towns of western Europe it became accepted that residence for a year and a day set serfs free from their obligations to the estate owners under whom they formerly served. In the minds of the inhabitants of western European towns, freedom and 'progress' became closely associated. Equally, rural laboring, servitude and domination by 'tradition' became conflated. For a laborer to better himself, he should do what the fabled Dick Whittington did in œthe folktale - go to town to seek his fortune[80].

Since urban areas became identified with freedom from servitude and increased material wealth, and towns emphasized the importance of merchant activity, the merchant, from the mid-13th century onwards, slowly emerged as more of a hero than a rogue. In the minds of western Europeans, country life became equated with serfdom and tradition, town life with freedom and self-improvement.[81]

As Hertz observed,

> the feudal disintegration of the central government .., gave many towns the opportunity of winning an almost republican independence.
> (Hertz 1972, p. 57)

Where any region, however small in territorial extent, could successfully establish and maintain autonomous legal and fiscal bureaucracies for the government of the people, it could claim autonomy on the basis of the

existence of these structures. The state became identified with control of bureaucracies which applied systems of laws and regulations. Those who controlled the bureaucracies controlled the state. Any territory which could successfully establish such bureaucracies and legal systems could claim autonomy.

The weakening of feudal institutions resulted in a range of demands on kings as pressures for self-government of regions within their territories mounted. Not only were regions within kingdoms claiming limited autonomy, they were also insistently demanding the limitation of legal prerogatives of the Crown.

While the Magna Carta was an unusually sweeping charter, similar limitations on the rights of rulers were being negotiated throughout western Europe.

> Nearly everywhere in Europe kings acceded to such demands for the sake of peace at home and support for their foreign wars ... Everywhere rulers granted charters to cities in their territories, allowing them varying degrees of self-government.
> (Koenigsberger 1987, p. 233)

The separation of states and commerce

During the 13th and 14th centuries there arose, in western Europe, as in England, groups of well-to-do merchants, wealthy professionals and rural property holders. Either through direct purchase or through the judicious use of credit, they were able to gain control over increasing areas of land. Over time they developed into a country gentry with resources of their own on which they might call.

Landlords, where they claimed power over common lands, could see in them sources of revenue through sale which would in no way diminish the size of their domains. They increasingly claimed title to these lands and sold them to the highest bidders. Rural small holders, who required access to common land in order to supplement the inadequate returns from their holdings, found their access being denied, and increasing numbers were forced from their lands.

From personalized, cooperative hierarchical relationships to object-oriented, competitive oppositional relationships

One could no longer, in the later medieval centuries, speak of any simplistic division of rural society into lords and peasants. Rather, there were some large landlords who controlled estates of considerable extent, with large numbers of resident villeins, and there were landowners with very small holdings, working for themselves and eking out a living which was little different from that of the feudal villein.

Between these extremes there was a large group of landlords who controlled estates of varying size, with varying numbers of dependent land holders, and with varying degrees of acceptability by those tenants.

Not only were there large and small property holders, there was also a growing number of property holders whose wealth came from commercial activity and who had strong links with towns. These land holders were 'owners' rather than holders. They had not acquired rights to property through feudal favor but through purchase.[82] They therefore felt under less

obligation to accept feudal responsibilities, either towards those who were hierarchically superior or towards those inferior to themselves.

Most lived in the country but conducted their business activities in towns. Gaining status from their rural addresses and wealth from their town pursuits, they were in a position to play one off against the other to their own advantage. In the process they became defined as separate from both town and country, an independent group who became increasingly aware that they could, by manipulating various systems of law, gain an advantage for themselves.

This group, in succeeding centuries, became identified as a common-interest group, an incipient 'class' with interests of their own which they should pursue.[83] Their success in manipulating legal statutes to their own advantage made them a major force in western Europe and provided a class of 'owners', 'employers' and 'directors' as the emerging economic concerns of Europe became increasingly dominant.

Acting as the 'unions' and 'nations' of medieval Europe had acted, those who identified with the 'country gentry' saw themselves as having common interests, as sharing cooperative relationships with each other against opposing groups - the workers, the poor, the Crown, the 'idle rich'.

There was also a constantly expanding population of itinerant laborers who had lost access to land, or whose lands, without access to common land, were inadequate to meet their needs [84]. They moved with the crops and seasons, employed, as needed, by land holders. They were coming to understand the world in terms which directly reflect the experience of those employed by others. As Thompson argues:

> Those who are employed experience a distinction between their employer's time and their 'own' time. And the employer must *use* the time of his labor, and see that it is not wasted: not the task but the value of time when reduced to money is dominant. Time is now currency: it is not passed but spent.
> (Thompson 1967, p. 61)

The relationship between the growing population of employed people and those who employed them was being transformed from one of hierarchical responsibility into one based on wage labor, with employers and employed, landowners and tenants being increasingly seen as opposed groups.

With decreasing populations in the later 14th and early 15th centuries, and opportunities abounding for material advancement for those who wished it, the emphasis on material returns for labor input greatly increased:

> The Black Death ... brought a sense of urgency, especially in urban areas. The work day was extended and night work became common as merchants sought greater profits and workers, higher wages ...
>
> Clocks and the rhythmic chimes of bells became more important than ever ...
>
> By the end of the century, 'merchant's time', rather than 'the traditional conception of time in Christian theology', became the rule.
> (Gottfried 1983, p. 81)[85]

In the process, there developed a need for the determination of starting and finishing times in work.[86] It became a common practice, perpetuated over several hundred years, for early morning and curfew bells to be sounded to alert people to the start and end of the working day.

As one, by-lined P.Q., wrote in an item in the February 17th, 1838 edition of *The Mirror* : in 1644, Richard Palmer of Workingham had left a bequest to the town ensuring that in future the great bell of the Workingham Church was to be rung for half an hour daily at 4am and again at 8pm:

> ... that as many as might live within the sound might be thereby induced to a timely going to rest in the evening, and early arising in the morning to the labors and duties of their several callings, (things ordinarily attended and rewarded with thrift and proficiency)
> ... the same being done in most of the cities and market towns, and many other places in the kingdom.
> (œThe Mirror No. 879, 17th February, 1838, p. 98)

During this period of feudal decay the peasants of Europe, in the words of Blum, threw off:

> ... the bonds that held them in serfdom. Nonetheless, they still owed servile obligations to seigniors, and they were still subject, to a greater or lesser extent depending on the locality, to the jurisdiction and punitive authority of seigniors.
>
> Some historians have made much of the fact that the dependence or servility of these peasants was not attached to their persons (as it was to the person of a serf). Rather, they argue that the dependence adhered to the land. It became part of the price the peasant paid for the use of his holding to the seignior who had the superior ownership of the land.
> (Blum 1978, p. 33)

This progressive transference of rights and responsibilities from person - person *hierarchical* relationships [87] to person - property - person *oppositional* relationships, often confused and ambiguous during the 14th to 16th centuries in western Europe (and during the 17th to 19th centuries in much of eastern Europe), removed direct responsibility for the welfare of tenants from landlords and resulted in an increasing sense of alienation.

Landlords were increasingly able to demand servility as a cost to the tenant, and the land holder or rural laborer increasingly objectified such costs as the *price* of the land or of employment. This social distancing of rural poor and landlord distorted recognized social relationships, emphasizing the *differences* and decreasing the recognized *commonalities* between them. *Cooperative, interdependent* relationships were being displaced by *oppositional, independent* relationships, mediated through legal statutes governing the ownership and use of property.

During the 19th century Marx was to comment on these developments, arguing that, over time, the dependence of the serf on the lord of the manor became increasingly transformed into apparent independence with the individual 'hemmed in on all sides by material relations' (Fischer & Marek 1973, p. 57). Increasingly, the rights and responsibilities of individuals to each other became *legally spelt out* and *materially measurable,* objectified. These obligations could then be traded in the same way as other objects.

That is, the rights and responsibilities implicit in social relations could be treated as rewards and costs and the potential labor input of the obligation could be evaluated against labor inputs into commodities. One could calculate the money worth of social obligations. This development did not do away with the obligations; it only made the individual who owed them

appear to be independent of those to whom the obligations were owed. As Marx perceptively observed of the production of commodities:

> ... it is a definite social relation between men, that assumes, in their eyes, the fantastic form of a relation between things ...
>
> This I call the Fetishism which attaches itself to the products of labor, so soon as they are produced as commodities, and which is therefore inseparable from the production of commodities.
> (Marx 1887, p. 43)

Since the obligations were costs attached to the land worked by the tenant, the tenant could be seen as independent of the landlord to whom the obligations were owed. Previously hierarchical obligations and responsibilities were transformed into 'terms of rent' and attached to the property rather than to the people involved.

A social relation between individuals had assumed 'in their eyes, the fantastic form of a relation between things'. The focus of Europeans was being fixed on the *legal obligations* and *quantifiable costs* of social interaction, attached to or incorporated into the *object* of any exchange, rather than the persons involved in the interaction.[88]

Increasingly, over succeeding centuries, people were to see all social relationships in terms of costs and rewards within a legalized framework of obligations and rights. What was *gained* and what was *lost* through social interaction became the determinants of social exchange.

The focus of interaction was on the *products* rather than the *participants.* One could now aim to minimize costs and maximize personal gains with less and less consideration of social responsibilities not spelt out in legislation. Social relationships were being reduced in form to commercial transactions.[89]

The alienation of property and stress on legally bounded confrontation

The focus of life was increasingly on the gains and losses of interactions. This competitive calculation of costs and rewards was coupled with an emerging belief in the morality of 'realizing the potential' of one's resources; and with burgeoning possibilities of both attaining and enhancing status by accumulating wealth with which to purchase estates.

Business people and country gentry therefore saw it as more and more important to use their assets to generate increased wealth. In order for landlords to increase their personal incomes from their holdings it was necessary to rationalize land holding and land use practices.

This focus on reducing costs and increasing profits resulted in permanent reductions in the number of people living off the land, the consolidation of land holdings, and increasing farm size, together with alterations in land use practices. In turn, these developments could only lead to increasing tension between landlords and tenants and increasing alienation (see 16th Century Land Alienation for a contemporary account of this alienation).

During the 15th century, as population increased again, increasing numbers of rural dwellers were displaced from their holdings. The number of itinerant laborers moving with the seasons, crops and availability of work escalated, and towns' populations rapidly expanded.

Increasingly, it became a fact of life that the person without an *inalienable legally recognized right* to property was at the mercy of those who controlled the means of livelihood. Any person who was *materially or socially dependent* on another gave that person material power over him or her. One needed to *own property* (that is, have written, legal entitlement to exclusive possession) in order to maintain social and material independence.

The small holders and laborers of western Europe were forced, by bitter experience, to re-evaluate their relationship to feudal hierarchies and find alternative bases for social and economic security. The natural direction in which this took them was towards the *personal legal ownership* of land and other means of livelihood, with all the rights and responsibilities of ownership spelt out in legislation and attached to the property.

Using Law to Rob the Poor and Dispossess the Weak

Europe was passing through a period of profound political, social, religious and intellectual change. And, as with all such fundamental change, affecting and being affected by alterations in the primary presumptions of thought and organization, people became less and less sure of themselves and those around them.

From the 15th century onwards, as Foucault so graphically describes,

> ...the face of madness has haunted the imagination of Western man. (Foucault 1971, pp. 15) [90]

Nothing made any sense.

A contemporary comment from the 1350s paints a graphic picture:

> justice and pity were powerless, so soon as it appeared advantageous to murder or poison rivals in power at the hospitable board. The science of finance was reduced to robbery, politics to perjury ... . (quoted in Nohl 1961, p. 96)

The miracle play of Theophil included sentiments which summed up the mood of the age:

> O Thou thoroughly wicked God, if I could but lay hands on Thee! Truly I would tear Thee to pieces. I deny Thee, deny Thy faith and Thy power. I will go to the Orient, turn Mussulman, and live according to the law of Mahomet. He is a fool who puts his trust in Thee! (quoted in Nohl 1961, p. 97)

People seemed able to apply the laws, established by God for the more perfect organization and functioning of society, to personal gain, to robbing the poor, to dispossessing the weak, to denying long-established social responsibilities. And the justifications they gave for their actions did not make sense in terms of the understandings of the feudal world.

While their actions could be justified by law, they contravened all the sensibilities of medieval people. They had long assumed that society was organized in terms of complementary, cooperative hierarchies, with the hierarchically superior taking responsibility for the welfare of those under their protection.

With the fundamental assumptions of communities in a state of change and disarray, people found it difficult to keep control of reality. There were too many conflicting and contradictory understandings of life, and it was

increasingly difficult to know who or what to believe. Europeans became increasingly aware, and fearful, of the effects of madness, of people whose view of the world did not 'make sense', who flirted with 'forbidden wisdom'. As Foucault says:

> What does it presage, this wisdom of fools? Doubtless, since it is a forbidden wisdom, it presages both the reign of Satan and the end of the world ...
>
> Apocalyptic dreams are not new, it is true, in the 15th century; they are, however, very different in nature from what they had been earlier. The delicately fantastic iconography of the 14th century ... where the order of God and its imminent victory are always apparent, gives way to a vision of the world where all wisdom is annihilated ...
>
> Victory is neither God's nor the Devil's: it belongs to Madness ... On all sides, madness fascinates man.
> (Foucault 1971, pp. 22,23)

During this period the movement towards the enclosure of common land and the rationalization of land holding and land use produced severe social distortions. As Polanyi has described:

> Enclosures have appropriately been called a revolution of the rich against the poor. The lords and nobles were upsetting the social order, breaking down ancient law and custom, sometimes by means of violence, often by pressure and intimidation. They were literally robbing the poor of their share in the common, tearing down the houses which by the hitherto unbreakable force of custom, the poor had long regarded as theirs and their heirs'.
>
> The fabric of society was being disrupted, desolate villages and the ruins of human dwellings testified to the fierceness with which the revolution raged, endangering the defences of the country, wasting its towns, decimating its population, turning its overburdened soil into dust, harassing its people and turning them from decent husbandmen into a mob of beggars and thieves.
> (Polanyi 1957, p. 35)

Monarchies of the Reformation period, increasingly despotic, looked for support from the common population against an increasingly independent rural gentry who were challenging feudal responsibilities and insisting on the logic of what we now call 'economic rationality'. As Polanyi claims, the Tudors and Stuarts of England used the power of central government to relieve the victims of this transformation in property rights and, in the process, gained the increasingly vociferous opposition of those who stood to benefit from enclosure, the rural gentry.

The monarchies of western Europe and their bureaucracies were essentially feudal, not business-oriented. Political power in the 16th century still rested with hierarchies whose positions were legitimized by their relationship to the Crown, not by their control of material resources.

The 'money-making' gentry and the feudally oriented political hierarchies of Europe were increasingly seeing their interests in *oppositional* rather than *hierarchical* terms. This confrontation produced an expansion and elaboration of the centralized legal system, developed through preceding centuries, to incorporate rules and regulations governing relationships between state and rural gentry and commercial interests. Another

elaboration spelt out the relationships between landowners and tenants and between employers and employees.

The state, through its legal bureaucracies, became an intermediary between tenant and landowner, between employer and employee. Legal systems therefore became more detailed, spelling out the rights and obligations between subjects as well as those between subjects and princes.

Blum (1978, p. 60*ff)* has succinctly spelled out the consequences of this movement for peasants and seigniors on the European continent. Over time the obligations of tenant and landowner, employer and employee, became standardized, with labor commitment, tithe of produce, and cash payments becoming increasingly objectified by statute. Peasants or workers - who dared - could appeal to the courts if they considered themselves unfairly treated.

In England the scene was a little different. During the 15th century legal developments resulted in the spelling out of a comprehensive law of *contract.* According to Maitland, the bonds of family settlements through which land had been tied up within kin groups were loosened, so that each inheritor gained alienable title, and villein tenure was converted into the secure copyhold tenure of modern times (see Cam 1957, p. 126).

This removal of responsibility for the tenant's welfare from landlord to state, from the feudal *person - person hierarchical relationship* of the lord and tenant, to a *person - state bureaucracy - person oppositional* relationship profoundly affected medieval understandings of the world. It was part of a general movement towards the interpolation of a non-personal, apparently objective legal framework in terms of which interpersonal relationships (increasingly being identified as a body of interactions relating to a particular 'environment' - the economic) could be assessed and limited.

As the rights and responsibilities of interactants were legally objectified, knowledge of the law became a means of maximizing profits. One needed to know the statutes. Prest explained it well:

> the Elizabethan and early Stuart gentry learnt their law ... from the various manuals and texts designed specifically to meet the needs of landlords and J. P.s.
> (Prest 1967, p. 21)

Strong emphasis was placed on legal knowledge as a means of protecting one's interests against opposing groups.

Inns of Court, the principal legal schools of the period in England,

> attracted two classes of students: those who sought to become lawyers, and those whose parents "do not desire them to be trained in the science of the laws, or to live by its practice, but only by their patrimonies".
> (Prest 1967, p. 22)

Those who owned estates needed to know the law in relation to estate ownership. The Inns of Court had become 'the nurserie of the greater part of the gentrie of the realme' (Prest 1967, p. 22).

While the poor had to hire the services of lawyers - whose fees, as we have already seen, were considered exorbitant - the gentry were being trained to defend their legal rights to property. Legal power was on the side of landlords and employers. And they were being trained to view relationships as based on legal definition and confrontation.

The 'modern' world would be one in which people identified themselves in terms of classes, hierarchically ranked through their former statuses within feudal society, with the 'higher' having access to legal expertise not available to the 'lower', and considering themselves the 'natural' directors of 'lower' classes. Society was becoming divided into *competing* common-interest groups, into embryonic classes, whose confrontations would be framed by state legislation.[91]

Private ownership, consumption and accumulation

As previously feudal relationships became legally objectified, the possibility of making demands of tenants and rural laborers without considering them as people became increasingly conceivable. With landlords and employers decreasingly needing to confront tenants and employees as persons with whom they shared direct social relationships, it became possible to whittle away the rights of the poor.

Jurists steadily reduced the tenants' right of freedom and movement; allowed landlords to raise their demands for labor service beyond long-accepted norms; and steadily weakened the security that attached to customary rural tenures. And employers successfully argued for state legislation compelling the poor to work.

This attenuation of recognized social obligation deepened the emphasis on freeholding and private enterprise so that, by the 16th century, as Christopher Hill observed,

> when the business man of ... Geneva, Amsterdam or London looked into his inmost heart, he found that God had planted there a deep respect for the principle of private property.
> (Hill 1966, p. 46)

Increasingly, to ensure social and physical well-being, people had to own what they needed. This requirement placed mounting demands on production, fuelling a growth in commodity output.

Demonstrating to others that one was materially independent or self-sufficient gave one increased status and prestige. It became increasingly 'obvious' that property *should* be privately owned, and that such ownership was ownership of the thing itself, not merely of socially approved rights to its use. The principle of private property was undeniably a *natural law* principle. Those who could demonstrate such ownership, demonstrated their moral and therefore social worth.

During the 16th century in much of western Europe (and a century or two later in most eastern areas), as Blum argues:

> ... monarchs had managed to divest the nobility of much of its political power as a corporate entity. Yet the nobles not only continued but were strengthened in their social position and in their claim to special privilege, and they retained and broadened their claim to the land, labor, dues, and subservience of the peasantry.
> (Blum 1978, p. 197)

Monarchies managed to secure their own political positions and emasculate the political authority of the nobility and powerful landowners by granting legally sanctioned privilege to them at the expense of the poor.

The reduction of political responsibilities and the reaffirmation of legal and economic entitlements led in turn to the development of absentee landlords.

They left their estates in the hands of managers and lived in an increasingly profligate manner. This required excessive borrowing, often against either the future production of estates or the value of the estate itself. As McCracken described:

> In the last quarter of the 16th century, a spectacular consumer boom occurred. The noblemen of Elizabethan England began to spend with a new enthusiasm, on a new scale. In the process they dramatically transformed their world of goods and the nature of Western consumption ...
>
> They changed their patterns of hospitality as well, vastly inflating its ceremonial character and costs. Elizabethan noblemen entertained one another, their subordinates, and, occasionally, their monarch at ruinous expense.
> (McCracken 1988, p.11)

This situation was tailor-made for the mercantile capitalists of the 15th and 16th centuries. Having inherited the entrepreneurial skills and the structures of medieval capitalism and mobile capital, they were able to relocate their enterprises and take advantage of the profligacy of nobility to accumulate sizeable fortunes. Yet, once having accumulated their fortunes and having purchased the rundown estates of those whose profligacy had been their undoing, they found themselves expected to live in the same extravagant manner.

There developed a tension between increasing consumption and conserving one's gains for further expansion of one's holding which required increased stress on the material productivity of estates. As Mukerji says:

> ... the hedonistic culture of mass consumption was probably as crucial in shaping early patterns of capital development in Europe as the asceticism usually associated with this era. Hedonism was to consumers what asceticism was to entrepreneurs: it provided the cultural rationale for increased interest and participation in economic activities.
> (Mukerji 1983, p. 2)

The new emphasis on conspicuous consumption coincided with a strong expansion in commodity output, which provided burgeoning incomes to those who controlled commerce. In a period of rapid economic expansion, entrepreneurs could both indulge in the hedonistic consumerism of the age and greatly expand their mercantile interests, funded by the new wealth.

The rise of Antwerp as the financial capital of Europe in the late 15th and early 16th century coincided with the opening up of the Portuguese spice trade and the conquest of the Americas by Spain. These developments stimulated entrepreneurial activities throughout most of western Europe and further fuelled the growth of commercial activity. Western Europe entered into a prolonged economic boom which coincided with the growing emphases on conspicuous consumption, material independence, and the use of holdings to generate increasing surpluses.

This was an age of merchant houses, acting across territorial boundaries and developing their own sense of identity as semi-independent political, as well as economic, enterprises.[92] Princes, seeing in the granting of monopolies to merchant houses another way of raising revenue and of tying merchant houses into the political structure, granted to them exclusive rights to trade in certain goods. Joyce Appleby described the process:

> ... the king had long had the power to grant monopolies, which took the form of issuing licenses for the exclusive public control of a product, a trade, or even a government service like the inspection of tobacco. James found the granting of monopolies a particularly facile way of increasing his income.
>
> A typical Englishman, as Christopher Hill noted, lived 'in a house built with monopoly bricks ... heated by monopoly coal ... His clothes were held up by monopoly belts, monopoly buttons, monopoly pins ... he ate monopoly butter, monopoly currants, monopoly red herrings, monopoly salmon, monopoly lobsters' ...
>
> With the growth of both the internal and external markets, monopolies distorted the whole pattern of trade.
> (Appleby 1978, p. 33)

What started out as being to the advantage of mercantile entrepreneurs became another means of revenue collection, a further drain on business houses which already saw themselves as separate from, and using, the state in which they operated. As Appleby pointed out, increasing numbers of traders, who found their activities severely curtailed by monopolies, began insisting that the right to *free trade* (that is, the abolition of state controls on production and sale) was a basic human right, a *natural law* right which, since Aquinas, made it a legally required right.

Over a period of more than a century the money makers of western Europe came to oppose the granting of monopolies. They argued increasingly forcefully for the separation of political and economic activity and increased autonomy for merchant houses to act on their own, in their own interests without government prohibitions.

Free trade was to imply not only the right of traders to trade, but also the reduction of government restrictions on trade. Traders should not be subject to political or social restrictions on their activities. Rather, laws and regulations should be passed which guaranteed individuals and businesses freedom to pursue their own independent interests without interference from the state.

Increasingly, what we now unhesitatingly define as *economic concerns* became distinguished from the political and social concerns of the period, the province of a common-interest grouping which included country gentry, traders, merchants, financiers and manufacturers. They demanded greater *autonomy,* and government interests demanded greater *control* of this newly emerging environment.

The role of government was being redefined by this common-interest group as the provision of a secure fiscal, legal and social background to commercial activity, not the regulation of business. Business should operate under its own laws and regulations, those which applied to the economic world.

By arguing for the existence of a separate environment, a realm which was governed by its own internal principles and logic, those who saw themselves as operating within that environment could advocate its independence from state control. It should conform to its own laws. And such laws would necessarily facilitate business activity, providing a dependable set of rules governing business transactions which would ensure the consistency of economic decisions and planning. Inevitably, those rules and regulations reflected the emerging relationships of the period.

Many members of this business-oriented group looked with some contempt on those whose self-indulgence led to the dissipation of their inherited wealth.[93] It was clearly not in their interests to support monarchical regimes of similar temper which saw them as sources of ready income through taxation. Most either applied pressure on regimes for reform of business regulation and control or moved their centers of operation to areas where such reform was already occurring.

The Renaissance state of the 16th century supported bureaucracies which, from the 20thcentury perspective, would be considered very corrupt. No clear distinction was made between the office and the office holder, and the expenses of office were not clearly distinguished from those unconnected with the office.

The rulers of western Europe were not business people; they were traditional rulers, supported by a nobility which was feudally justified. While the emerging nations of Europe supported bureaucracies, those bureaucracies were organized in ways which facilitated patron-client access to the wealth, information and influence which they focused. The personalized bureaucracies of patron-client states are organized and operate on very different principles from those of Western industrialized states.

Bureaucratic posts were tied into the traditional systems of leadership and patronage. Those who identified with the business and new property interests of the period found themselves in conflict with the traditional, non-business-oriented claims and requirements of the bureaucracies with which they were forced to deal. It became increasingly 'obvious' to money makers that those appointed to bureaucratic offices were a drain on their resources, not there to facilitate their activities but to put obstacles in their way.

This belief led to an increasing insistence that the roles of bureaucratic offices should be clearly defined and limited, and that a clear distinction should be made between the bureaucratic office and the office holder. Holders of offices should be trained for their posts and paid stipends, and should not assume that they could use their offices as means of generating income.[94] As Trevor-Roper claimed:

> To cut down the oppressive, costly sinecures of Church and State, and to revert, *mutatis mutandis,* to the mercantilist policy of the cities, based on the economic interest of society - such were the two essential methods of avoiding revolution in the 17th century.
> (Trevor-Roper 1972, p. 77)

During the 16th century religious demands for reform of the Roman Church changed into demands for independence and for the removal of Church authority. By the 17th century there was a strong belief amongst Protestants, property holders and business people that 'responsible' people, primarily those who belonged to the educated and business communities, should be freed from state and Church interference. They should be able to 'develop' themselves, both spiritually and materially, unhindered by state and Church bureaucratic demands.

Entrepreneurs favored the decentralization of political control for business reasons and found themselves in accord with Protestant groups advocating decentralization for other reasons. Inevitably, the arguments of the various groupings became intermixed, with Protestants making claims which could more easily be understood from a mercantile position, and mercantile

entrepreneurs supporting arguments which seemed primarily religious in character.

The growth of mercantile power coincided with the decay of feudal structures and a decreasing acceptance of responsibility for the welfare of their tenants by landowners. By the turn of the 17th century increasing wealth, flowing from imperial expansion, coupled with expanded trade between regions of western Europe, provided a buffer against the unfolding effects of land enclosure and the appropriation of peasant holdings by landowners.

As rural people became displaced, many of them drifted into towns where they could obtain some form of employment. Movement into towns was traditionally linked with the freedom of the individual from obligation to landowners. A presumption of independence accompanied this movement, which naturally allied these displaced rural-urban migrants with a pragmatic Puritanism which emphasized the independent, private rights of individuals against both Church and state.

This sense of independence was coupled with a strong sense of injustice at being displaced from rural holdings which had long been their means of livelihood and identity. Those who should have provided feudal protection had failed them. Traditional authorities could no longer be trusted to protect the rights of the poor and, increasingly, they would be prepared to align themselves with those who opposed such authority.[95]

From the subversion of tradition to plotting the future

(05/02/18)

By the turn of the 17th century there was a growing sense among business people, Puritans and the dispossessed that those who claimed authority on the basis of tradition, whether prelates, princes or bureaucrats, should be displaced by those better fitted to govern, who complied with the natural law requirements of the age.

They too should have the law applied to them, and people should be protected by law from the excesses of a leadership which seemed out of step with the pragmatic business concerns of the age. The 'property-owning, money-making' people of western Europe became increasingly aware that their interests did not coincide with the interests of those who controlled the state bureaucracies of Europe.

There was a feeling in western Europe that life was improving. The terrible uncertainties of the 15th and 16th centuries were being replaced by a dawning sense that the future would be better than the past. The awareness of an uncontrolled madness in the air, which Foucault described, was being displaced by a sense that Europeans, by devoting themselves to the reform of society, could take control of their own destinies.

But, as we have seen, the reform of society required, first, the reform of the person. Those who wanted to reform society recognized that such a change required the reformation of individuals. Individuals should apply themselves to self-development, to self-improvement. Then society would indeed be reformed.[96]

While the world was still in turmoil, the primary ideological assumptions of the emerging dominant groups in western Europe were becoming more certain. Amongst 'responsible' people [97], those who were demanding increasing freedom and control in western Europe, the feudal thinking of the

past was being displaced by what we now term 'modern' ways of understanding the world. Now, if western Europeans could ensure that people lived by the laws being uncovered in the natural and social worlds they would surely usher in a golden age of prosperity.

Thinkers of the 17th century applied themselves to utopian schemes and dreams. Whether in the writings of Bacon or Campanella, Comenius or Dury, of Hartlib or Hobbes, social philosophy became the discernment of necessary alterations in the present to ensure the realization of a better future. And, it was assumed, the necessary alterations could be ascertained through reasoned consideration of the natural laws which underwrote all valid human activity and organization. The protesters of western Europe became increasingly sure of themselves, aware that they had a destiny to fulfill.

Samuel Hartlib (or possibly Gabriel Plattes), author of a treatise on the requirements of the 'perfect society', *A Description of the Famous Kingdome of Macaria* (1641), œquoting Petty (1649), claimed that the whole world should be reformed:

> [T]hat ... the whole World may bee enhappined and all at last come to live in plenty and peace etc. and all warr's cease.

Such reformation could only happen, however, if those who were determined to ensure it had the political authority to set the necessary changes in place.

There was indeed a tide in the affairs of men which taken at its flood would lead to the millennium. The future would be better than the present - provided that society was reorganized to allow people to fulfill their own private destinies and, in the process, bring into being a perfect society based upon the natural laws established by God and being spelt out by Hugo Grotius[98] and other jurists.

If Aquinas was correct, and each person had a place and purpose in society, then society could only be reformed if individual people were reformed, 'realizing their potential' by living their lives in accordance with the natural laws which God had established. [99] 'Responsible' Western Europeans (those who were becoming recognized as the 'middle ranks') were becoming conscious of the goal-oriented nature of life in this world. The individual life should demonstrate *progress*. An individual should aim at *self-improvement*, and self-improvement could only be judged through increasing mastery over the material world around one.

Over a period of more than three hundred years, economically oriented western Europeans moved to a focus on the future, a condemnation of tradition as a validation of action or organization, and an assumption that *progress in this world was inevitable for those who obeyed the laws of God.* Therefore, those who did not progress could be assumed to have not been obedient to the laws of God. As Gellner put it:

> The consequence of a belief in progress ... is that time ceases to be morally neutral ... there is, at the very least, some predisposition to tie up *past* with *bad* (in one word: *backward),* and *future* with *good (progressive).*
> (Gellner 1978, p. 3)

From the late 15th century onwards, with the writing of Erasmus and More, the responsibility of western Europeans for securing the future had become a preoccupation of western Europe. Europe was alive with millenarian

speculation and interpretations of the apocalypse. This time of turmoil and madness was surely the time preceding the return of Christ, and that would herald the arrival of the perfect age.

Before that day, the events spelt out in the Revelation of John [100] would be fulfillled. The Anti-Christ would be bound and cast into a pit which would be shut and sealed over him for a thousand years. The Beast would be captured and cast into the 'lake of fire that burns with brimstone'. And those who had not worshipped the beast or its image and had not received its mark on their foreheads or their hands would reign with Christ in a perfect society of the blest for a thousand years.

For the subsequent four hundred years the social philosophers of western Europe were to focus on the required precursors of the millennial age which was surely almost upon the world. So institutionalized did this focus become that philosophers were to forget its origins, were to accept its societal assumptions, with their implicit religious underpinnings, without acknowledging them. Europe engaged in a quest for utopia - assumed to be attainable - and in a discovery of the necessary social alterations which must occur to ensure its arrival.

Europe became focused on the future - a real and yet, at the same time, an ideal future towards which the present should be molded. And, because people were now becoming recognized as self-developing, independent and opposed to one another, the attainment of the ideal depended on the diligence with which individuals ensured that they fulfillled the potential of their separate lives.

In the political arena, no less than the philosophical, there was an air of expectancy and of duty. As Trevor-Roper has eloquently put it:

> [Oliver Cromwell] believed that a new heaven and a new earth were coming ... and that Christian men had a duty, while reforming the society around them, and gathering up their strength to beat back the temporarily triumphant Anti-Christ, to seek the key to the Scriptures, which were now being fulfillled: the vials that were being poured out, the trumps that were being sounded, and the inscrutable number of the Beast.
> (Trevor-Roper 1972, p. 282)

As Hartlib claimed, Europeans were in the process of uncovering 'that model by which the whole world should be reformed' and of ensuring its practical outworking in this world.

Since the millennium was within reach of western Europeans, people had a duty to apply themselves to ensuring its arrival. For the next three hundred years the 'responsible' people of western Europe undertook to organize those who were 'not responsible', ensuring that they lived moral, productive lives. As Polanyi explained,

> under Elizabethan law the poor were forced to work at whatever wages they could get and only those who could [demonstrably] obtain no work were entitled to relief.
> (Polanyi 1957, p. 79)

The view that the able-bodied poor should be put to work reinforced an emerging belief in the need for employment as both an obligation and a duty. Those who were gaining political and economic control of western Europe were becoming convinced that the promised utopia would be realized only if people diligently applied themselves to whatever work was

available. The state should ensure that employment was available for those without work, and there should be no charity in the form of unearned hand-outs.

Yet, in the early 17th century, this was more easily said than done. As Foucault described:

> Despite all the measures taken to avoid unemployment and the reduction of wages, poverty continued to spread in the nation. In 1622 appeared a pamphlet, *Grievous Groan for the Poor,* attributed to Thomas Dekker, which ... condemns the general negligence:
>
> > Though the number of the poor do daily increase, all things yet worketh for the worst in their behalf; ... many of these parishes turneth forth their poor, yea, and their lusty laborers that will not work ... to beg, filch, and steal for their maintenance, so that the country is pitifully pestered with them.
>
> It was feared that they would overrun the country, and since they could not, as on the Continent, cross the border into another nation, it was proposed that they be 'banished and conveyed to the New-found Land, the East and West Indies'.
>
> In 1630, the King established a commission to assure the rigorous observance of the Poor Laws ... it recommended prosecuting beggars and vagabonds, as well as 'all those who live in idleness and will not work for reasonable wages or who spend what they have in taverns'. They must be punished according to law and placed in houses of correction.
> (Foucault 1971, pp. 49-50)

The necessity to work had become recognized either as a requirement of natural law which, of course, made it an inescapable obligation, or as a requirement of sanctification. As Foucault put it:

> If it is true that labor is not inscribed among the laws of nature, it is enveloped in the order of the fallen world. This is why idleness is rebellion - the worst form of all ... the sin of idleness is the supreme pride of man once he has fallen, the absurd pride of poverty ...
>
> In the Middle Ages, the great sin ... was pride ... All the 17th century texts, on the contrary, announced the infernal triumph of Sloth: it was sloth which led the round of vices and swept them on.
> (Foucault 1971, pp. 56-7)

Joyce Appleby claimed that

> laws were not seen as coming down from authority; rather they worked up from the propensities of people. Policy makers could best realize their aims by working with the known nature of man.
> (1978, p. 96)

All people were ruled by the same natural tendencies and biases, so it was possible to formulate legislation which could be applied to everyone, no matter what their status or position. Good law was universally applicable.

Of course, since, as Roscoe Pound (1921) observed, the natural laws sprang from the common law rights of 17thcentury society, in fact they closely reflected the social circumstances in which they were formulated. Louis Dumont has said of this focus on the propensities of human beings as the basis for law that:

> For the moderns, under the influence of Christian and Stoic individualism, natural law, as opposed to positive law, does not involve social beings but individuals, i.e. men each of whom is self-sufficient, as made in the image of God and as the repository of reason.
>
> This is to say that, in the idea of jurists in the first place, first principles regarding the constitution of the state (and of society) have to be extracted, or deduced, from the inherent qualities of man taken as an autonomous being independently of any social or political attachment.
>
> ... in short, the hierarchical Christian Commonwealth was atomised at two levels: it was replaced by a number of individual states, themselves made up of individual men.
> (Dumont 1965, pp. 29-30)

Those who were morally upright disciplined themselves, living by the natural laws which underwrote all reasonable human endeavor.

This emerging focus on independent individuals was strongly supported by Puritanical insistence on the independent rights of individuals to approach their God directly without relying on mediation by a professional hierarchy. However, the apparent consequences of this insistence on separate rights seemed to be social chaos.

Many people became disturbed by the apparent civil consequences of Puritanical insistence on the rights of independent individuals. Bertrand Russell has neatly summed up the fears of the mid-17th century:

> Every community is faced with two dangers, anarchy and despotism.
>
> The Puritans, especially the Independents, were most impressed by the danger of despotism.
>
> Hobbes, on the contrary having experienced the conflict of rival fanaticisms, was obsessed by the fear of anarchy.
> (Russell 1979, p. 539)

If one emphasized independent individual rights, one had, simultaneously, to spell out independent individual responsibilities.

Moral people abided by the terms of the social contract. Their lives conformed to the natural law requirements of all members of society. And those natural laws could not be challenged. They had been established by God. If, as Newton was to demonstrate and Galileo had already described, the planets obeyed natural laws when orbiting the sun, equally, members of society obeyed natural laws when they conformed to the moral rules of society.

By the mid-17th century, with the English revolution, political power in England passed into the hands of property owners. For almost two hundred years they had been arguing for the curtailment of power derived from tradition. Laws which stemmed from 'traditional' authority were increasingly regarded as suspect.

The legal systems of western Europe, but particularly of Britain, were being refashioned to reflect the basic assumptions underpinning what we now call 'democracy'. Protestant jurist-theologians provided the theoretical charter based upon the natural rights of human beings. This gave legitimacy to the individualism of Protestant and merchant groups and to an increasingly insistent demand for economic and political freedom to pursue one's own interests.

In the Europe of decaying feudalism, land ownership had become increasingly seen as ownership of the thing itself, with particular social and material costs and prices attaching to it. Not only was there an emerging recognition of the differences between government and people, there was a parallel recognition of the difference between people and their physical environments.

It was becoming increasingly certain to most western European landowners that people *used* land rather than being identified with and defined in terms of locality. It was becoming equally clear that the poor were potential labor and that, just as property owners had a duty to use their land resources productively, so government should ensure that this labor resource was prepared and able to be employed productively.

Sir William Coventry, somewhere round 1670, put it most clearly when he argued for the repeal of the Poor Laws and the development of workhouses 'where such as will not work for themselves may be compelled to work for others'.

'Public' V 'Private': Oppositional Couplets; Categories of Likeness

> ...there is, at the very least, some predisposition to tie up *past* with *bad* (in one word: *backward),* and *future* with *good (progressive).* (Gellner 1978, p. 3)

Appleby has summed up the new mood well:

> The emancipation of property owners from most forms of political control over the use of their land and money had shifted the source of economic planning from regulations shaped by the past to private decisions oriented toward the future.
>
> Where earlier the disposal of a harvest or the pursuit of a trade had been conditional upon the likely social impact, the acceptance of near-absolute property rights had driven a wedge between society and the economy.
>
> With the curtailment of political oversight over economic life, the formal link between the material resources of the country and the people to be sustained by them had been cut. The commonwealth had become an aggregation of private wealth.
> (Appleby 1978, p. 151)

In western Europe, decentralization of political authority, reassertion of individual rights and responsibilities, and demand for deregulation of economic activity became interfused. These became increasingly seen in terms of oppositional couplets:

- Government versus People;
- Public versus Private;
- Political versus Economic;
- Regulation versus Enterprise;
- Tradition versus Progress.

And, as perceptions matured, demands for clear separation between the social expressions of those oppositions became more forceful.

This separation was not simply a matter of recognizing and spelling out social oppositions. Not only were there oppositional pairs, there were also conceptual categories of likeness:

Government Public Political Regulation Tradition	-AND-	People Private Economic Enterprise Progress

It became difficult to assert the need for the clear separation of one oppositional pair without, by implication, asserting the need for the rest.

Entrepreneurs became religiously and socially respectable. But they did not, for these reasons, become any less earthly-minded. It was their individualistic pragmatism which had brought them into alignment with religious protest groups. Each party in the alignment simply assumed their own orientation in those with whom they associated.

They should Become "Habituated to Labor and Fatigue"

The consequences of this new-found respectability and assumption of religious morality were not to the advantage of less fortunate members of society. Yet, as Wilson argues in focusing on the 18th century poor law,

> The social legislators of the Restoration aimed at nothing less than making the poor a source of profit to the state by forcing them to work for reduced wages [but]
>
> ...what came to be regarded by later critics as a system of calculated brutality and repression arose in the first place not from unconcern or harshness, but out of a desire to protect the efforts of those local authorities who were trying hardest to improvise remedies. (Wilson 1969, pp. 119, 134)

As property owners and their allies took control of government, they became increasingly insistent that the 'natural laws' which underwrote their activities should be applied to all people. So important did it appear to be to ensure that the poor became involved in productive activity that otherwise moral and upright people could entertain extreme measures to ensure that this happened.

A major problem among the poor was that there appeared little desire on their part to increase their material possessions or to indulge in work for work's sake. There was therefore little incentive to engage in continued labor beyond that which was required to supply their perceived needs [101]. This attitude made labor inefficient and the laboring poor unreliable workers. They needed external stimulus to labor. In 1700, in setting out labor laws for the Crawley Iron Works, Crawley spells out his problem:

> Some have pretended a sort of right to loyter, thinking by their readiness and ability to do sufficient in less time than others. Others have been so foolish to think bare attendance without being imployed in business is sufficient ... Others so impudent as to glory in their

> villany and upbrade others for their diligence.
> (quoted in Thompson 1967, p. 81)

The poor felt that they were being employed for a particular set of tasks. Crawley felt that he had hired their *potential to labor,* and that they should 'put in a good day's work'. His solution was to provide external checks on the punctuality and performance of laborers:

> Every morning at 5 a clock the Warden is to ring the bell for the beginning to work, at eight a clock for breakfast, at half an hour after for work again, at twelve a clock for dinner, at one to work and at eight to ring for leaving work and all to be lock'd up.
> (quoted in Thompson 1967, p. 82)

Since there was no internalized discipline in these laborers, they had to be regimented and checked by those who could supply such discipline.

Over succeeding decades this problem of ensuring greater reliability and effort from the laboring poor was a perennial concern of those who wanted to harness the productive possibilities of the century. In order to ensure consistency, those in charge seemed to need to be constantly vigilant against a population apparently determined to impair their constitutions by laziness and dull their spirits by indolence (Thompson 1967, p.83).

Employers were looking for ways in which consistent effort could be guaranteed. One of the best seemed, initially, to compel laborers to conform to clock time. Factories had clocks built into their facades, which chimed the time so that laborers would know when to start work.

Schooling was quickly seen as one of the prime means by which people could be taught the importance of punctuality and sustained labor so that,

> by the time the child reached six or seven it should become "habituated, not to say naturalized to labor and fatigue".
> (Thompson 1965, p. 84)

Inevitably, over time, less scrupulous employers started to manipulate their clocks, starting early and finishing late by altering the time shown:

> ... in reality there were no regular hours; masters and managers did with us as they like. The clocks at the factories were often put forward in the morning and back at night, and instead of being instruments for the measurement of time, they were used as cloaks for cheatery and oppression.
> (quoted in Thompson 1965, p. 86)

This practice, far from undermining people's reliance on measured time, made people increasingly conscious of 'correct' clock time, of working 'to the clock'.

However, all the measures adopted during the 18th century to retrain people to 'use their time productively' were of mixed success, and on into the 19th century employers and reformers continued to lament the indolence of the laboring poor [102].

In the second half of the 18th century, Townsend provided one of the more extreme solutions to the problem of compelling people to diligent work, which was to be taken up in the early 19th century:

> ...hunger is not only a peaceable, silent, unremitted pressure, but, as the most natural motive to industry and labor, it calls forth the most powerful exertions; and, when satisfied by the free bounty of another,

> lays a lasting and sure foundation for good will and gratitude ... (œJoseph Townsend 1786)

To the bridle of time discipline was to be added the spur of necessity. If people's needs could be kept at a high level, then their efforts to supply their needs would ensure consistent long-term 'habits of industry'. The silent, unremitting pressure of a constant threat of starvation, which could only be countered by engaging in wage labor, could be relied on to channel people into 'adopting those habits of industry, which always tend to steadiness and sobriety of conduct, and to consequent material wealth and prosperity' (Codere 1950, p. 24).

These means were to be reinforced by developing education for the poor. From John Bellers who, in 1696, suggested the establishment of 'colleges of industry' in which the 'involuntary leisure of the poor could be turned to good account' (quoted in Polanyi 1957, p. 105), to increasingly frequent attempts at the social education of the poor during the 18th and early 19th centuries. It became a recognized social responsibility of mature people to re-educate the morally suspect poor and to ensure, in the meantime, that they were gainfully employed.

By the middle of the 18th century, the primary ideological assumptions of modernity had become well established. Now, it seemed, to most well-educated, well-enculturated western Europeans that people were (or should be) undeniably separate, private, self-developing, acquisitive individuals whose moral and social worth could be calculated by observing the extent and nature of their private property.

It seemed equally certain that economic enterprise should be undertaken by private individuals and corporations, not by the state, but that the state had responsibility to ensure that the workforce was properly trained and that those who would not work were put to work.

Perhaps the most successful of the 18th century social philosophers was Adam Smith [103] - not because he had anything particularly new or revolutionary to say - but precisely because what he had to say expressed the emerging primary ideological assumptions of western European industrialism when increasing numbers of British people were already organizing their lives and thinking in terms of them.

He made explicit, in an organized form, what people already unconsciously 'knew'. And, of course, he is recognized as the father of economics. He also, in a way which may now be difficult to understand if one reads his writings, became an immensely popular author. His work, particularly *The Wealth of Nations* (Smith 1974), which was first published in 1776, became the topic of drawing room discussion. People easily identified with his description of how the world was, or should be, organized, but that description was novel in the literature of the time.

Western Europeans did not become economically oriented because Adam Smith provided a systematized account of rational economic behavior. Those in control were already economically oriented. Adam Smith systematically described what was happening around him. The primary assumptions of those in control in the mid-18th century already assumed the existence of independent, self-interested, competitive, acquisitive, rational beings, focused on life within an economic environment.

Adam Smith made the inevitable, *moral,* by spelling out the system of laws which underwrote economic behavior. Since economic behavior was

governed by rational conformity to natural laws it could scarcely be otherwise than morally acceptable.

By the late 18th century, at the outset of what we now refer to as the *industrial revolution,* prosperous western Europeans *knew* that life should be lived in an economic environment, that they were private, self-promoting individuals whose lives were oriented to use of the material world, with the correct forms of relationship and organization spelt out in the 'economy'.

Moral people worked hard. The evidence of their morality was their increasing prosperity. Their increasing prosperity could best be demonstrated by increased accumulation of possessions and by increased consumption. The ways in which they should engage in economic activity were all spelt out by the 'principles' through which they could guarantee both individual prosperity and the wealth of the nation. Those principles had been distilled through five hundred years of history.

Moral western Europeans 'knew' that there were *natural laws,* and that, whether they had been established by God or not, conformity to them would lead to a better world. On the other hand, failure to live by them would bring chaos and poverty. Western Europeans had a moral duty to transform the world by reorganizing it to conform to the rules and regulations which guaranteed successful economic endeavor and burgeoning material prosperity.

Conclusion

The past two hundred years have seen the primary ideological presumptions of Western Europe become those of more and more of her people, whether in Europe or in colonized lands. And, as Western Europeans have become increasingly convinced that these presumptions are features of the real world, they have increasingly devoted their time to defining and particularizing the rules and principles of economic activity and organization.

The past fifty have been years in which Western 'experts' have increasingly insisted on reorganizing the rest of the world to engage in 'correct' economic activity and organization. This reorganization requires:

- the establishment of institutions and bureaucracies to govern economic enterprise;
- the reorientation of government to guarantee a secure fiscal, legal and social background appropriate to the self-interested, contractual activities of private individuals in pursuit of wealth and independence;
- and the establishment of the statutes and regulations governing 'formal economic activity'.

One of the continuing problems for Western Europeans, who are as convinced of the need to transform the world as their forebears were, is that so little of the economic activity in Third World countries conforms to the prescriptions of formal economics. People seem, all too easily, to engage in forms of activity and develop forms of organization which are clearly 'informal' and 'illegitimate'.

As was said at the start of this discussion, the primary ideological assumptions of any community change through time. They both reflect

experiences of the past and modify those of the future. The primary ideological assumptions of Western Europeans have given birth to a number of competing secondary ideologies, and to a felt compulsion on the part of Europeans to refashion the rest of the world to participate in 'economic development'.

Both the Western assumption of the independent existence of an 'economic environment' and the equally accepted belief that there is an objective set of laws governing behavior in that environment come from, and reflect, the particular historical experiences of Western Europeans over a thousand years.

Every community has such a history, whether written or not. And all communities think and act on the basis of primary ideological presumptions which stem from their own unique history. It is as difficult to change the forms of organization and behavior of other communities which are based on their primary ideological assumptions as it would be for Western Europeans to live their lives in terms of the understandings of another society.

To the extent that Western 'experts' demand that other communities deny those basic features of their world which they 'know' to be true, and that they, instead, live by Western presumptions, they bring confusion and disorientation to individual lives and to communities. If these communities need to 'develop', that development must be on their own terms, based upon their own primary assumptions and filtered through their own secondary ideologies. Otherwise, advisers bring not 'development' but confusion to the lives of other people.

If there are increasing numbers of people who are becoming marginalized in non-Western communities, they are being marginalized by forms of organization, interaction and understanding which come from Western Europe's historical experiences. Only by allowing them to reorganize the world from their own perspectives can that marginalization be countered. Then, of course, Western Europeans will find themselves marginalized, unable to come to grips with the forms of organization and interaction which they experience when living in those communities.

If other communities, organizing life in terms of their own primary assumptions, become industrially organized, it may well be that some will prove to be better at the game of competitive profit making than the West. But the West is likely to find it difficult to understand what gives them their edge [104]. They are also likely to argue that the competitive advantage of those communities comes from their engaging in illegitimate forms of economic organization and activity.

Chapter 4:
How Born Again Christians Rescued Capitalism

They have divided their nations...

In Search of the 'Greatest Good' - The *Summum Bonum*

- *The Economy* : a new 'Environment'

The Need to separate Government and Commerce

A Deeply Religious Capitalist Revival

- Born-Again to Industry: the Conversion of the little gentry
- Born Again Manufacturers and Retailers

A New Moral Leadership and Support Network

- First The Savages at home, then the rest of the World!

- ...they have divided their nations into two classes, wolves and sheep. I do not exaggerate. This is a true picture of Europe. ...man is the only animal which devours his own kind; for I can apply no milder term to the governments of Europe, and to the general prey of the rich on the poor. (Thomas Jefferson, 1787) [105]

The 18th century saw the crystallization of what, in later centuries, would be considered 'modern' forms of understanding and action [106]. This was the century of 'the enlightenment':

- the time when western European educated and wealthy 'middle sorts' [107] became increasingly convinced of the *material* nature of life in this world;
- the time when they began to live life by truly 'rational' principles as independent, autonomous, self-interested individuals whose activities would inexorably produce both individual and social well-being;
- the time when they took increasing responsibility for mastering and profitably 'using' the natural world;
- the time when most of the remaining rural laborers and small farmers were dispossessed of their livelihoods and robbed of their access to land;
- the time when the activities of Protestant evangelists, coupled with the catastrophic failure of small businesses and impoverishment of trades people (the 'little gentry'), dependent on the patronage of the 'poor', kick-started capitalism into an industrial revolution;
- and the time when the 'middle sorts' finally took full responsibility for re-educating the 'indolent poor' [108].

This was the century in Western European history when the turmoil of previous centuries had distilled into a new version of 'objective reality' for those who held the reins of power. It was the century in which they would take responsibility for transforming the rest of the world to live by the reality they now lived in - starting with their own, home grown 'savages'. It

was also the century in which the justification for natural laws shifted from divine decree to the innate characteristics of environments in a self-existent natural world [109].

In social thought, independent, autonomous individuals became the 'atoms' of human interaction and society. As Louis Dumont put it,

> the hierarchical Christian Commonwealth was atomised at two levels: it was replaced by a number of individual states, themselves made up of individual men.
> (1965, pp. 30)

The material realm, also, would be found to be comprised of independent 'atoms' - the building blocks of a new reality resulting from the new understanding of the world. And a new 'environment' would be conceived, to contain and explain the newly apprehended natural laws found to be driving human ambition and the wealth of nations.

In Search of the 'Greatest Good' - The *Summum Bonum*

All the presumptions of the past concerning the nature and purpose of natural laws remained intact. It seemed absurd to question the *Summum Bonum* consequences of employing them in furthering human control of the material world [110]. By conforming to and employing the principles being uncovered in daily life, human beings could look forward to living in the best of all possible worlds.

Immanuel Kant would explain this at the end of the century,

> The realization of the *Summum Bonum* in the world is the necessary object of a will determinable by the moral law. But in this will the perfect accordance of the mind with the moral law is the supreme condition of the *Summum Bonum*.
> (1788 Bk 2, Ch. 2, pt. 4)

For increasing numbers of the 'middle sorts' in the 18th century, individuals were self-existent, self-developing beings. The presumption of previous centuries, that "the state is by nature clearly prior to the family and to the individual, since the whole is of necessity prior to the part" (Aristotle, *Politics* Bk 1, Part 2) [111] now seemed under attack.

To the intellectual protagonists of the century, the controversy between atomism (human beings can be thinking, rational beings independently of social relations) and holism (social relations are essential to human beings insofar as they are thinking, rational entities) was a real one, perceived as a confrontation between materialism and spirituality, between atheism and godliness. It was, however, the logical outcome of Aquinas's model in an age when life within this world became the dominant focus, with religion secondary in importance to material prosperity for those who held the reins of power.

Now, one did not start from a presumption of perfect wholes and distill the laws which enabled them and determined the nature of their parts. One started with the 'atoms' from which the wholes were extrapolated and determined the innate characteristics of those atoms. One then extrapolated from that information to ways in which the atoms could best be 'developed' and combined to yield their *potential* [112] .

For those 'on the side of God', human beings reaped the rewards of their morality. And that morality was summed up in obedience to the 'will of God' spelt out in the natural laws he had established to ensure the perfection of the natural world.

For those 'on the side of nature', human beings exercised their innate talents, pursued their own 'natural' interests, and reaped the rewards of successfully doing so. Conformity to the 'real' nature of human beings, it was assumed, must necessarily result in the *Summum Bonum*.

It is this implicit presumption of collective good being a necessary outcome of individual self-interest [113] which is the inconsistent heart of utilitarian philosophies of the period and of the gamut of utilitarian and economic models which have flowed from them.

œBernard Mandeville's acerbic verse on the ways in which the private vices of the bees of a hive produced prosperity for the whole, set the scene for confrontation between the two perspectives,

... every Part was full of Vice,
Yet the whole Mass a Paradice;
Flatter'd in Peace, and fear'd in Wars
They were th'Esteem of Foreigners,
And lavish of their Wealth and Lives,
The Ballance of all other Hives.

Such were the Blessings of that State;
Their Crimes conspired to make 'em Great;
And Vertue, who from Politicks
Had learn'd a Thousand cunning Tricks,
Was, by their happy Influence,
Made Friends with Vice: And ever since
The worst of all the Multitude
Did something for the common Good.
(1705, lines 155-168)

By the 1720s Mandeville's verses, together with a range of similar writings, were provoking a storm of protest from those who knew that the material gains of prudence and industry came not from self-interested greed but from correct application of and adherence to the laws of God which underwrote the natural world.

It seemed that the very basis for morality was being undermined. If Mandeville's assertions were right, then morality was a chain about the neck of society, and immorality was virtue well disguised. The fundamental principles underpinning the natural rights of human beings seemed to be under challenge as these thinkers pointed to greed and self-interest as the fundamental motivational factors leading to material success and the consequent *Summum Bonum*.

By the 18th century, there were a number of fundamental presumptions which 'responsible' western Europeans subconsciously employed in 'making sense' of their world [114] :

- *order* was built into the 'structure' of the universe;
- the material and sensible world was separate from and independent of the supernatural, governed by its own ordering principles;
- human beings were separate from, and should control and 'develop' their material environments which, when developed, would yield their 'potential';
- entities within any environment could be separated into their constituents which could then be recombined in a range of ways, limited only by human ingenuity and the laws governing form and process in each environment.
- the principles upon which 'natural order' rested were not only explicable and immutable, but also, in their correct utilization, would inexorably produce social and individual well-being. Even if, in the short term, this did not appear to be the case.
- there could be 'no gain without pain' [115]. Not only did the responsible people of western Europe believe in the existence, and positive consequences of employing natural laws, they also firmly believed

> that short term hardship is usually necessary in order to secure long term well being [116].

The Economy : a new 'Environment'

The search for natural laws, and determination to live by them, had been a preoccupation of western Europeans over several centuries. That search focused on phenomena which were identified as belonging within recognized 'environments' of the natural world. Sets of natural laws were derived from and legitimate within the domains within which they had been distilled.

By the 18th century, a number of distinct environments had been identified in the non-human material realm [117]. However, in the realm of human existence in the natural world, no distinct environments had been identified. All human activity was considered contained within the 'social' domain, interconnected and subject to the same set of 'moral' laws.

At the start of the 18th century, the money-makers moved to center stage. Their behaviors became accepted as important to the well-being of all members of society and the nature of their activities became the focus of serious deliberation. Mandeville's observations might have been delivered with sardonic humor, but he meant what he said.

Natural laws were not merely important in explaining the operation of the natural world, they also justified what they explained. They provided legitimate, indeed, necessary means for successfully manipulating (for the common good) those areas of the natural world which western Europeans recognized as having objective existence. Now, however, it seemed as though the area of natural law which applied to human behavior was flawed. How could it be that the self-interested 'unsocial' behavior of those engaged in trade could contribute to the *Summum Bonum* ?

Attempts to explain this, were to produce recognition of the first social 'environment', anticipated in the 17th, but formally outlined in the 18th century - *The Economy*. Since its 'discovery', this new environment, through the laws and associated structures formulated and reformulated within it, has increasingly dominated and controlled life in Western European communities.

In the first half of the 18th century, the money-makers of Europe were in relatively secure political control. Their activities were accepted as fundamental to social and individual wellbeing by those who now dominated political life in Britain and Western Europe.

However, it became increasingly obvious that there were certain fundamental human behaviors which seemed to underwrite economic success, which were not in harmony with the moral laws which western European jurists had identified and spelt out in the 17th century [118]. These behaviors had not been incorporated within the moral law structures developed in the 17th century and seemed, once they were identified, to challenge and often invalidate them.

Bernard Mandeville (1718) directly focused on this problem in his *Fable of the Bees*. As Harold Cook explained,

> The book seemed to argue that what most people recognized as human vices were the main engines of the collective good.

Mandeville's critics,

> correctly detected a view of reason that made it largely into a device for calculating ends rather than for developing inner moral wisdom. The essay began with a meditation on whether people really did act out of charity, defined as
>
> > that sincere Love we have for our selves ... transferr'd pure and unmix'd to others, not tied to us by Bonds of Friendship or Consanguinity.
>
> Acts on behalf of friends and family, or to gain honor and public respect, were not counted as truly charitable by this definition. Nor were any actions arising from the passions of pity or compassion, which make us feel better when we indulge them.
>
> > Pride and Vanity have built more Hospitals than all the Virtues together,
>
> Mandeville declared, referring sarcastically to the recent munificent gifts in the will of Dr. John Radcliffe.
>
> Mandeville went on to declare that
>
> > Charity, where it is too extensive, seldom fails of promoting Sloth and Idleness, and is good for little in the Commonwealth but to breed Drones and destroy Industry.
>
> He urged that while the helpless needed relief, most seeking charity should be put to work.
> (1999, pp. 101, 104)

For the next fifty years controversy was to rage in gentry circles as to whether the recognized virtues of a social conscience *did* undermine sound economic management and promote sloth, or whether the apparent logic of Mandeville's assertions was nothing more than well phrased sophistry.

For those who believed that the moral virtues were primary and that life should conform to them, it was necessary to actively address the social problems of the age through education and a variety of forms of welfare. For those who saw the virtues of the age as undermining sound economic management, well-meaning people simply compounded the difficulties they sought to ameliorate. This was to be a theme which grew louder as the century passed, producing a range of policies aimed at ensuring that the gentry were freed to disciplined self-interest. [119]

In the intellectual climate of the 18th century, it is scarcely surprising that someone should finally conclude that such behavior related to a particular realm of social life, an environment with its own internal logic and operational principles or laws. The necessary behaviors which underpinned success in this environment really did seem to conflict with the recognized moral virtues which applied to the rest of life.

Of course, if an environment was discovered, it would be found to be governed by its own set of natural laws, essential to successful endeavor in that environment, but illegitimate in other environmental contexts. Behaviors and attitudes which seemed to threaten the moral values of social and spiritual life, could be contained, insulated within the bounds of this new environment.

Appropriately, the nature of this new environment was to be distilled and explained by someone who had trained for the Anglican clergy and could be considered a morally responsible gentleman. As Adam Smith (1723-1790) explained, in a hugely popular text entitled *An Inquiry Into the Nature and*

Causes of the Wealth of Nations (1776), the apparent contradiction between moral virtue and the requirements of successful economic activity was due to a confusion of environments.

It could be traced to a failure to recognize that all *economic* activity conformed to sets of principles which were appropriate to *economic* behavior. There was a confusion of environments implicit in the observed contradiction.

Just as all other environments in the world were governed by natural laws which determined their characteristics, so was 'the economy' governed by a set of natural laws. These laws determined not only its characteristics, but also the kinds of behavior appropriate for individuals and groups *when engaged in economic activity*.

So, behavior which was highly appropriate in economic activity could still be regarded as entirely inappropriate in other spheres of life. On the other hand, to apply those values which related to non-economic activity within an economic setting would produce economic malaise.

'The economy' was a self-existent, self-sustaining environment, with its own peculiar characteristics and principles of organization and behavior. And, of course, if natural laws were found within this newly described environment, human beings had a moral responsibility to live by them. [120]

The movement of the money-makers of western Europe from the demonized periphery of the 10th and 11th century medieval world [121] to the sanctified center of the new modern world was complete. They not only could be considered moral by association with religious reformers, now they were moral because of the very behaviors and attitudes in which they engaged in making money.

Indeed, a new kind of immorality was to emerge, that demonstrated by people who, when engaging in economic activity, did not conform to the necessary behaviors and attitudes and so jeopardized not only their own activity, but the activity of all those with whom they associated. What Kant was to assert concerning moral law could be asserted with equal certainty of economic law, 'the perfect accordance of the mind with the [economic] law is the supreme condition of the *Summum Bonum*.' As Adam Smith explained, considering the activities of merchants,

> ... he intends only his own gain, and he is in this, ... led by an invisible hand to promote an end which was no part of his intention. Nor is it always the worse for the society that it was no part of it. By pursuing his own interest he frequently promotes that of the society more effectually than when he really intends to promote it.
>
> I have never known much good done by those who affected to trade for the public good. It is an affectation, indeed, not very common among merchants, and very few words need be employed in dissuading them from it.
> (1776, Book 4 Ch. 2)

Here was a solution which rescued moral virtue, while establishing the appropriateness, indeed, the *necessity* of self-interested behavior in economic activity.

In keeping with the times, Smith claimed to have distilled the laws of economics through an examination of the actual economic behavior of people [122]. In doing so he seemed to satisfy both sides of the controversy.

He had distilled his laws from the 'real' world, but he had, at the same time, rescued moral virtue from the materialist assault. Both camps could accept the laws he presented without seeming to betray their own positions [123].

The capitalist could, quite reasonably, be a self-interested individual intent on his own gain on Friday and a public spirited philanthropist on Sunday (or even at the same time in different contexts!) and remain a truly moral, consistent person throughout.

Inevitably, Adam Smith became the 'father of economics', the person who first spelt out the natural laws which underwrote economic organization and activity. At the same time, his writing reaffirmed, for Western European 'responsible' people, the correctness of both their understandings of the world and their preoccupation with economic activity.

Of course, when one distills the fundamental attributes of human beings from the current behaviors of oneself and one's compatriots, inevitably, those behaviors which stem from the primary ideological presumptions of one's own community become accepted as the fundamental attributes of all people.

Adam Smith did for economics what Pound (1921) claimed Grotius did for the "natural rights" of human beings [124]. Just as the common law rights of the English became the natural rights of all people in the 17th century, so the economic predilections of 18th century British gentry became the instinctive behaviors and economic motivations of human beings [125].

From that time to the present, western Europeans, whether in their homelands or in their colonized worlds, have assiduously applied themselves to refining and expanding the 'natural laws' which underwrite economic activity and organization. Of course, the task is not yet, and never will be, complete. As we've already seen, the primary ideological presumptions upon which human understanding is founded are in long-term flux through a Heraclitean[126] dialectical interaction with the environments which human beings define and within which they live.

Over the last two hundred years western Europeans have attempted to reach a consistent and coherent explanation of the positive consequences of the exercise of both economic self-interest and moral virtue.

- Could it be that the apparently contradictory requirements of economic and moral law might, in some less than obvious way, or at some 'deeper' level of congruence, work together for good?
- Might human beings achieve much more in life through holding the requirements of moral and economic law in tension?

If this could be shown then, indeed, economic activity would receive its final validation [127] .

It was, perhaps, inevitable, that it would be the foremost Western European philosophical thinker of the late 18th century who would first convincingly draw the threads together. John Locke's philosophical validation and justification of modern primary ideological presumptions had established the early credentials of modern business [128]. Immanuel Kant, a century later, would explain why the apparently contradictory sets of economic and moral laws were *both* essential in reaching toward the *Summum Bonum*.

There is an innate antagonism between opposed human capacities which is mediated in human nature. Through a dialectical tension, or 'antagonism', between self-interest and sociability, all the finest qualities of human society and achievement are generated.

> By antagonism, I here mean the unsocial sociability of mankind - that is, the combination in them of an impulse to enter into society, with a thorough spirit of opposition which constantly threatens to break up this society.
>
> The ground of this lies in human nature. Man has an inclination to enter into society, because in that state he feels that he becomes more a man, or, in other words, that his natural faculties develop. But he has also a great tendency to isolate himself, because he is, at the same time, aware of the unsocial peculiarity of desiring to have everything his own way; and thus, being conscious of an inclination to oppose others, he is naturally led to expect opposition from them...
>
> All the culture and art which adorn humanity, the most refined social order, are produced by that unsociability which is compelled by its own existence to discipline itself, and so by enforced art to bring the seeds implanted by Nature into full flower.
> (Kant 1784 p. 147)

Human beings are 'compelled' by their unsociability to *discipline* themselves and from that discipline flow the enhancements and benefits of 'all the culture and art which adorn humanity'. The corollary, of course, is that lack of self-discipline threatens the 'refined social order'.

Human beings who wished 'to bring the seeds implanted by Nature into full flower' had a responsibility not only to be self-disciplined, but also to discipline those who seemed unable or unwilling to discipline themselves. Stifle that urge to unsociability, and one stifles human progress. At the heart of human progress lies disciplined independent individualism. The manure of competitive self-interest grows beautiful flowers! [129]

By the middle of the 19th century Kant's explanation had grown into a belief [130] in the innate propensity of human beings, allowed to indulge in unfettered self-interest and self-promotion, to produce the common good. The moral virtues of an earlier age were to be displaced, for many western Europeans, by a belief that all things work together for good - provided self-disciplined individuals are freed to pursue their own self-interested ends.

Life was to be considered an evolutionary adaptation of individuals to their environments. Provided it was not distorted and choked by government regulation and direction, this would result in the best possible adaptation of not only individuals but of human societies to their environments [131].

The Need to separate Government and Commerce

Increasingly, as the 19th century unfolded, it was to be argued that social and political controls, regulations, and 'interference' in individual lives produced only social ill. The only role for government was that of ensuring that no-one and nothing interfered with the right of each self-disciplined individual to pursue his or her own self-interest uninhibited by social and political rules and regulations. The role of government would become seen as that of a 'watchdog' of private liberty and a stern school-master to those who threatened disciplined self-interest.

For those who took the new doctrine to extreme, and there were many very influential people in this camp by the latter half of the 19th century, governments should not get involved in trying to 'improve' society. Such attempts were doomed to long-term failure. The role of the state was the *protection* of those who, through their disciplined self-interest, had acquired the wealth which was its sure reward [132]. The 'free market' would sort out everything else!

Thomas Huxley (1871) described the position of those who opposed legislative attempts at improving the lot of the poor in the second-half of the 19th century:

> ... the Education Act is only one of a number of pieces of legislation to which they object on principle;
>
> and they include under like condemnation:
>
> - the Vaccination Act, the Contagious Diseases Act, and all other sanitary Acts;
> - all attempts on the part of the State to prevent adulteration, or to regulate injurious trades;
> - all legislative interference with anything that bears directly or indirectly on commerce, such as shipping, harbours, railways, roads, cab-fares, and the carriage of letters;
> - and all attempts to promote the spread of knowledge by the establishment of teaching bodies, examining bodies, libraries, or museums, or by the sending out of scientific expeditions;
> - all endeavors to advance art by the establishment of schools of design, or picture galleries;
> - or by spending money upon an architectural public building when a brick box would answer the purpose.
>
> According to their views, not a shilling of public money must be bestowed upon a public park or pleasure ground;
>
> not sixpence upon the relief of starvation, or the cure of disease.
>
> Those who hold these views support them by two lines of argument.
>
> They enforce them deductively by arguing from an assumed axiom, that the State has no right to do anything but protect its subjects from aggression. ...
>
> These views are supported *a posteriori,* by an induction from observation, which professes to show that whatever is done by a Government beyond these negative limits, is not only sure to be done

> badly, but to be done much worse than private enterprise would have done the same thing.
> (œAdministrative Nihilism (1871) in *Collected Essays*, 1893, p. 258-9) [133]

In order to understand how these views could become so dominant one needs to understand the social and political tensions of the preceding century. The 18th century saw the flowering of the assertion of near-absolute property rights and the private aggregation of wealth, which had matured in the previous century. Self-interested pursuit of wealth and accumulation of property had become socially approved.

Over the next 150 years, the gentry pursued their own interests at the expense of all those who lacked the political or economic power to resist them. They dispossessed most of the small holders of Britain and completed the alienation of the commons [134] from those who had for centuries relied on access to it for survival.

In the process, millions lost access to rural resources and were forced into relying on parish welfare support [135]. Then, because the burden became too great for the parishes to sustain in the long-term, the dispossessed were compelled to move to the emerging industrial towns of Britain. As the process compounded the problems of the poor, many were compelled to move to the 'New Found' lands which were rapidly becoming a destination for people who felt or found themselves disenfranchised by developments in the 'Home Country' [136].

By the start of the 18th century, Britain, with most of the rest of western Europe to one extent or another, had in place all the necessary primary ideological understandings, motivations and organizational processes and practices which would produce both the discipline of economics and the 'industrial revolution'. What it lacked, was a deep religious commitment to capitalism.

The 'middle sorts' now thought and organized life as capitalists. However, their earthly-minded materialism, self-satisfied complacency and self-interested stripping of the livelihoods and entitlements from more than half the population could very easily have produced not an industrial revolution but a 'revolution of the proletariat'. Without the continued religious dedication and commitment to 17th century morality of a small minority of the gentry, the self-interested greed of the 'middle sorts' in the early 18th century might well have reduced capitalism to a footnote in European history.

A Deeply Religious Capitalist Revival

(18/03/16)

But for the peculiar consequences of the dispossession of small landholders and the consequent undermining of small business through much of Britain, capitalism might well have faltered in the 18th century, another 'blind alley' of history [137]. Those who held the purse-strings of Britain, in their self-interested drive to accumulate property and wealth, not only dispossessed 'the poor', they threatened the livelihoods and wellbeing of less affluent members of the middle ranks. Less wealthy households and individuals, who held to the same understandings and were motivated by much the same impulses as the financiers, stock-holders and large property owners, were being threatened by their activities with both social ruin and material destitution. [138]

These 'little-gentry' found themselves victims of policies and practices geared to enhancing the wealth and increasing the property of those with political clout. And, as they either lost their livelihoods or became fearfully aware of the possibility of becoming destitute, they found themselves being treated as though they were members of those 'lower ranks' who 'ought' to be subjected to the disciplines of the century.[139]

It would be easy to see battle lines drawn in 18th century Western Europe between the reforming 'middle ranks' and the oppressed 'lower ranks' of the century. But this would be a distortion of reality. Those consigned to the lower ranks of society had lived through the same centuries as the middle rank reformers. The growing influence and authority of the money makers of western Europe had not left them untouched.

While the broad rankings of society included the aristocracy, gentry and 'the poor', there were, between each ranking, large numbers of people who did not quite fit the stereotypes of the age:

- There were aristocracy who more properly seemed to be middle ranking in their behavior and in their fortunes, and middle ranking people who moved easily in the ranks of the nobility.
- There were middle ranking people who, in their behavior and fortunes could easily be ranked with the poor, and people who might be considered peasants or yeomen but who moved easily in the ranks of the gentry.
- In particular, there was a substantial grouping which comprised small landholders, artisans, tradespeople and other small business people who certainly considered themselves separate from 'the poor', and, in their own minds, were ranked as 'almost gentry'.

The 'almost gentry' and those who identified with them as employees and neighbors - in England, who had fought with the forces of Oliver Cromwell - very often held the opinions of the gentry toward the 'idle poor' as strongly, or more strongly than those whose lifestyles seldom brought them into direct contact with such people. They had long ceased to consider themselves members of 'the poor'. They were, in their own minds, closely allied with the gentry and, through their networks of associates and friends this perception was continuously reinforced.

As is all-too-often true in such situations, those who subconsciously sensed that they could easily be lumped together with people they considered hierarchically inferior to themselves, strongly emphasized the differences, emphasizing the negative stereotypes of those from whom they wished to be separated [140].

The 'little gentry' of the 18th century were strong in their denunciations of people who seemed to expect the parish to support them. Why should the parishes, and therefore, people who provided the parishes with their income, support the lazy poor who were, in growing numbers, relying on parish support for their subsistence?

Paradoxically, as these people found their own livelihoods under threat they more strongly resented the costs of supporting the indigent. They were not presuming that some day they also might need parish help - the specter of being forced into the ranks of the poor was, for these people, one they could scarcely contemplate. Rather, their own difficulties were best addressed through minimizing the demands of the parish on their own incomes.

As the reformers set about rationalizing land ownership and use, these people found themselves caught up in the consequences of the policies. Rural laborers and small holders were dispossessed and driven from the land and the infrastructural supports sustained by them collapsed.

As is true in the present in countries all around the world, as rural communities disintegrated, both those directly affected by the reformist policies of the century and all those who depended on them for their subsistence, found their livelihoods collapsing and found themselves no longer able to subsist in the countryside. As they lost their means of livelihood they found themselves defined with the poor by the authorities, rather than recognized as members of a disenfranchised 'lower middle' ranking in society. Toynbee (1884) described it all:

> at the conclusion of the 17th century it was estimated by Gregory King that there were 180,000 freeholders in England,... less than a hundred years later, the pamphleteers of the time, and even careful writers like Arthur Young, speak of the small freeholders as practically gone...
>
> 'The able and substantial freeholders,' described by Whitelock, 'the freeholders and freeholders' sons, well armed within with the satisfaction of their own good consciences, and without by iron arms, who stood firmly and charged desperately,' - this devoted class, who had broken the power of the king and the squires in the Civil Wars, were themselves, within a hundred years from that time, being broken, dispersed, and driven off the land.

The 18th century was a century of wealth and well-being for the middle and upper ranks of society but, as Toynbee (1884) says, in the midst of all the wealth and prosperity which began in the 18th century, there were vast numbers of destitute people. The later 18th and 19th centuries were to demonstrate that unfettered competitive self-interest does not necessarily produce the *Summum Bonum* [141].

Wendeborn, a German living in England during the second half of the 18th century described what he saw,

> In no other country are more poor to be seen than in England, and in no city a greater number of beggars than in London. A foreigner who hears of many millions annually raised for the benefit of the poor... will

> find himself unable to explain how it happens, that in his walk he is, almost every hundred yards, disturbed by the lamentations of unfortunate persons who demand his charity.
> (quoted in Simon 1908 p.60)

As the 18th century unfolded, those people in the lower-middle ranks of British communities [142] looked for support and help from those whom they had long considered their superiors and community leaders. All-too-often, they found not only no support, but an active rejection of them and the difficulties they faced. They seemed to have been condemned by those they sought to emulate to a life of fear and possible destitution.

These 'almost poor', 'almost middle ranking' people knew that their only hope of avoiding the destitution which was all around them lay in being accepted, and so being supported by the middle ranks who seemed to be escaping the worst consequences of the reforms of the era. They both deeply wanted to be accepted by them and, at the same time, felt a deep need to be identified as *not* belonging to the pernicious ranks of the slothful.

They were not vagabonds and wastrels. They took life seriously and wanted nothing more than to be recognized as morally upright, desirous of owning and conserving property and willing to engage in work to that end. They had already adopted, or were more than willing, if they could find employment, to adopt "those habits of industry, which always tend to steadiness and sobriety of conduct, and to consequent material wealth and prosperity" (Codere 1950, p. 24).

They found the means of achieving both of these heartfelt longings in the religious revivals which swept Britain and the American colonies (soon to become the United States) through the 18th and on into the 19th century. The religious revivals were to provide a means for lower-middle ranking people to demonstrate and reaffirm their respectability.

Nothing reduces human beings to greater despair and distress than threat of the imminent loss of not only the means of livelihood but of self-esteem and status. The lower middle ranks of the 18th century found themselves facing possible destitution and treatment as though they belonged with those who, as Joseph Townsend (1786) described them later in the century, had

> by their improvidence, by their prodigality... drunkenness and vices, ... dissipated all their substance... by their debaucheries... ruined their constitutions, and reduced themselves to such a deplorable condition that they have neither inclination nor ability to work. [143]

There seemed no way out, no way in which they could reassert their status and respectability and demonstrate their commitment to industry and to all the associated 'middle sort' moral virtues of the century.

Then, seemingly out of nowhere, they were thrown a lifeline. Preachers, clearly members of the gentry, began travelling the country, offering them acceptance, legitimacy, and the possibility of banding together into societies of disciplined, industrious, moral people. They flocked to hear them and to commit their lives to their causes in the hundreds of thousands. At meeting after meeting, they expressed their heartfelt relief at the possibility of redemption, of committing themselves, unreservedly, to a life of industry and frugality, of religious and moral discipline and virtue [144].

Born-Again to Industry: the Conversion of the Little Gentry

The preachers were bemused both by their own success in attracting such crowds to hear them speak, and by the depth of the emotional response to their message. Time and again, to messages as prosaic as many of the œsermons of John Wesley, people lost emotional control, falling to the ground, crying uncontrollably, losing control of their faculties. And the fervor with which they sang the songs of the revival was a testimony to the depth of their despair and their revived hope for the future.

In the early to mid 18th century the middle ranks increasingly confused money-making and religious ideals. More and more of them justified themselves through involvement in money-making activities and the churches, which had been so strong in the 17th century, found it difficult to attract and hold members [145].

At the same time, the minority who took their religion seriously felt increasingly ill at ease with the worldliness and materialism of the age and felt themselves burdened with a responsibility of their own to maintain their spiritual focus. John Wesley, as a young man in 1734, expressed it well in writing to his father,

> I take religion to be, not the bare saying of so many prayers, morning and evening, in public or in private; nor anything superadded now and then to a careless or worldly life; but a constant ruling habit of the soul; a renewal of our minds in the image of God; a recovery of the Divine likeness; a still increasing conformity of heart and life to the pattern of our most Holy Redeemer.
> (quoted in Harrison, 1942, p. 17)

Through the 18th century, in the face of what such people saw as a constantly increasing hedonistic materialism among the affluent middle ranks, they held to their faith and brought it to those who were prepared to listen. But, of course, they carried within them the understandings of their time and of their social ranking.

As historians have stressed over the years [146], the religious revivals of the 18th century were conservative, not radical in orientation. The disciplines imposed on and accepted by the converts have been viewed as repressive and restrictive. Yet, as we will see, these were the very features which resulted in its enormous influence over the subsequent three hundred years in, first, English speaking countries and communities, and then, through the subsequent efflorescence of capitalism, in much of the rest of western Europe.

It was one of the early concerns of the Wesley brothers and other members of the 'Holy Club' at Oxford (from which many of the preachers came) that they too easily succumbed to laziness, a great 'weakness of the flesh', when God wanted them to 'employ their time profitably'. Industry and frugality, as John Wesley was to repeat time and again, are the inevitable outcomes of true godliness.

The following advice to his followers, in a tract published in 1762, providing instructions for daily living to those who belonged to Methodist Societies, is typical of his views on the subject,

> Be active. Give no place to indolence or sloth; give no occasion to say, 'Ye are idle, ye are idle.' Many will say so still; but let your whole spirit and behavior refute the slander. Be always employed; lose no shred of

> time; gather up the fragments, that nothing be lost. And whatsoever thy hand findeth to do, do it with thy might. [147]

If human beings found themselves destitute, if they felt that God had abandoned them, they had only to commit their lives to Him and live as He had intended them to live. This would inevitably result in God's blessing. The demonstration of one's commitment to God was the diligence with which one applied oneself to 'one's calling'. If one was called to preach, then preach one must. If one was called to ply one's trade, then ply one's trade 'as unto God'. As Wesley put it, "Religion must necessarily produce both industry and frugality, and these cannot but produce riches." (quoted in Thompson 1980, p. 391)

In the 18th century, for both the religiously committed and for the majority of more loosely religious people of the middle ranks, progress was closely tied to God's plan for the world. Those who lived by his precepts, through their commitment and dedication, would ensure that the future would be that which He had planned. To show weakness in the face of unrepentant immorality was to endorse such behavior. One rejoiced 'with the Angels at one sinner brought to repentance', but one thundered the wrath of God to those who willfully refused His grace.

The century saw many very successful evangelists carrying this message to the 'lost'. It was, however, John Wesley, a man who knew that God had a plan for the world and that His plan could only be worked out through people who dedicated themselves to ensuring it, who was to fashion the doctrinal base for evangelical Protestantism over the next two hundred years. He was, in their hundreds of thousands, to 'convert' the deeply threatened lower-middle ranks to 'Methodism' [148]. In doing so, he was also to set the scene for the 'Victorian morality' of the next century.

In the 16th and 17th centuries, emphasis on the freedom of the individual from domination by both political and religious bureaucracies had led, in some instances, to anarchy, to an *anti-law* (antinomian) view of the rights of the individual. Since the individual was saved by grace, any attempt to merit God's favor through 'works' countered the grace of God. So, it was, in the most extreme forms of antinomianism, argued that the individual could display the depth of the grace of God through ignoring or contravening both moral and social rules and regulations.

In reaction to this, Luther, Calvin and other protest leaders of the 16th century emphasized the importance of civil law and order, and required their followers to live closely regulated lives. Nonetheless, the evils of the centuries were commonly believed to be a consequence of this lawless strain in extreme forms of Protestantism.

By the turn of the 18th century the common teaching was that, while individuals were saved by grace through faith, this salvation was demonstrated in the life of the individual through the Christian's 'blameless' life - as Jesus had said, "By their fruit you will recognize them" (Matthew Ch. 7 Verse 16). Wesley, as a consequence both of his family's experiences while growing up and of his own disputes with antinomian pietists and Calvinist dissenters, developed a theology which, while perhaps not as consistent as those of earlier protestant leaders, nonetheless directly addressed what he perceived to be fundamental weaknesses of both antinomianism and Calvinism.

Calvinists stressed the Divine prerogative in salvation. Since people were saved by grace, not works, no person could *do* anything to gain salvation, it

was a 'free gift of God'. If people had to believe in order to be saved, they had to perform a 'work', that of actively believing. To get around this problem, Calvin had argued that God had, from the time of creation, 'elected' those to be saved. All that happened when people became religiously 'awakened' was that they became aware of what had already happened.

This awakening did not bring about their salvation, they simply became conscious of the salvation which God had accomplished 'before the foundation of the world'. Because they now knew they were among the elect, they delighted to do the will of God. Any person who was truly one of the elect, once he or she realized this, would, in thankfulness to God, want to live to please him. By their lives they would show that they really were among the elect. Of course, the flaw in this was that if people were destined to be saved, no matter what they did, then the door was always open to antinomianism.

Wesley, as a confirmed high church Anglican, was brought up in a religious environment in which faith and works went hand in hand. One showed one's faith through membership of the church, and one 'worked out one's salvation with fear and trembling'. The danger of this approach was, of course, the one which the Calvinists sought to avoid through the doctrine of election. People could be seen as 'earning' salvation through their works - the papist doctrine which Protestants claimed had brought about the Reformation in the first place.

Wesley's solution, while perhaps logically flawed, was nonetheless persuasive for ordinary people not embroiled in the intricacies of theology. First, people were saved by God's grace, through the active exercise of their free will. This was the only 'work' that any person could do to merit salvation. No form of morality, no form of legal rectitude, no membership of any religious body could bring a person to salvation. They merely exercised their 'free-will' in deciding whether or not they wanted to be saved.

When the person approached God in this way, He always accepted them. As a hymn of the period put it - "Only Believe, Only Believe, all things are possible, Only Believe". So, there were no 'elect', with the rest of humanity damned whether they liked it or not.

When people, aware of their utter helplessness and sinfulness, approached God, He gave them a 'new life', they were 'born again'. It was no longer them, but 'Christ in them'. They were given the 'Spirit of Christ' and from that point on *could* please God by their works, since they were not their own works, but the works of 'Christ in them, the hope of glory'. They were on the path to sanctification. Their hearts having been reoriented to God, they were being "transformed by the renewing of their minds".

As Kathryn Long has put it, speaking of attitudes reflected in the religious revivals of that century in 19th Century United States,

> the stress on personal piety confirmed long-standing convictions that the only true path to social change came through individual conversions.
> (1998 p. 107)

However, Wesley felt the need for some stronger reason for living lives 'acceptable to God' than an individual desire to be sanctified. Not only were people saved through an act of faith, they could also be lost through an act of will. The person who did not live to God, lived to self and, therefore, gave

room to evil. This was why one had to 'work out one's salvation with fear and trembling'.

Wesley was to teach, for more than half a century, that while individuals were saved by grace through faith, and could not begin to please God until they had been 'born again', they could also commit spiritual suicide by failing to live as God intended them to. Such people had 'the form of godliness but denied the power of it'. When these people who were 'neither hot nor cold' were found within a community of Christians they should be expelled. Christians had a duty to discipline one another.

Those who were not "pressing on toward the goal" of the renewing of their minds, were 'backsliding'. And Christians could recognize such people. As Jesus had said,

> By their fruit you will recognize them... Not everyone who says to me 'Lord, Lord', will enter into the kingdom of heaven, but only he who does the will of my Father who is in heaven.
> (Matthew 7: 16, 21)

So, one either pressed toward the goal, or one was in danger of being rejected by God - and, if by God, then also by Wesleyan Christians.

The theology might have been shaky, but the motivational message was forceful. It proved hugely successful in motivating those who accepted the message on both sides of the Atlantic over the next two hundred years.

By the end of the 18th century they would become a major religious, economic and political force within Britain and the emerging United States of America, deeply dedicated to industry and frugality, to the principle of "whatever your hand finds to do, do it with all your might". And it was they, not the financiers, bankers, and landowners of the country, who provided the engine for what was, indeed, to be an 'industrial revolution' which would set Britain and her transatlantic offspring on course to world empire and economic domination in the next centuries.

In a century when the moral commitment of the gentry to industry and frugality faltered, and might well have died, a new kind of 'gentleman' emerged, religiously dedicated to the unending pursuit of wealth and property, and to innovative production.

Born Again Manufacturers and Retailers

The religious organizations which grew from the revivals or were transformed to accommodate them, provided these people with an ongoing means of deeply reaffirming the values which their 'conversions' had affirmed. Through them, they could re-establish the networks of respectability in which they had been brought up, and promote those values as essential to salvation for all human beings.

They *knew* that 'but for the grace of God', they too would have found themselves counted among the destitute of the century. They also quickly learned, through the preaching and teaching of the itinerant evangelists who were their leaders and mentors, that, having been saved by grace, through faith, they had begun lives of discipline and commitment to all the virtues of the century.

The Wesleyan Methodist societies, classes and bands provided the clearest model, but what John Wesley built up over more than fifty years in England was replicated with modification by many other evangelists not only in

England but through Ireland, Wales, Scotland and the American colonies [149]. The religious revivals of the time were, largely as a result of Wesley's vision, strongly organized, with the redeemed encouraged to long-term discipline and direction by their peers and leaders.

The deep, emotional nature of their conversion, based on a commitment to the moral values of those who brought the possibility of redemption to them, resulted in them being far more committed and determined to live by the understandings of the century than those who, till this time, had been the major promoters of modern values. By the mid 19th century, the religious revivals of Britain and the United States were overtly focused within the newly successful middle ranks of the population.

The 1858 revival in New York sprang from "a weekly prayer meeting for businessmen" (Long 1998, p. 13). Those involved in the religious 'awakenings' which recurred over more than a century on both sides of the Atlantic from the early 1730s onwards, became, over the next two centuries, the moral center, the 'moral majority' of the western communities in which they lived.

They were convinced that only through faith and reliance on 'the grace of God' had they escaped catastrophe, committed to living by both moral and economic laws and convinced, as Kant explained, that

> All the culture and art which adorn humanity, the most refined social order, are produced by that unsociability which is compelled by its own existence to discipline itself, and so by enforced art to bring the seeds implanted by Nature into full flower.

When they sang "Amazing grace! How sweet the sound that saved a wretch like me", they meant it with every fiber of their being.

The 18th century had launched a new, emotionally committed, community of capitalists. The driving force of the 'industrial revolution' was to come, not from the financiers and well-established gentry of the era, but from those who had been redeemed to be productive.

The term 'Methodist industrialist' was, by the early 19th century, a common descriptor for those who took both their religion and their productive enterprise seriously. They established factory towns and day schools and were concerned not only with money-making, but also with the moral development of those they employed.

Andrew Ure, in 1835, speaking of Richard Arkwright's [150] contribution to the emergence of the industrial factory explained this:

> What his judgment so clearly led him to perceive, his energy of will enabled him to realize with such rapidity and success, as would have done honour to the most influential individuals, but were truly wonderful in that obscure and indigent artisan...
>
> The main difficulty did not, to my apprehension, lie so much in the invention of a proper self-acting mechanism for drawing out and twisting cotton into a continuous thread, as in the distribution of the different members of the apparatus into one cooperative body, in impelling each organ with its appropriate delicacy and speed, and above all, in training human beings to renounce their desultory habits of work, and to identify themselves with the unvarying regularity of the complex automation.

> To devise and administer a successful code of factory discipline, suited to the necessities of factory diligence, was the Herculean enterprise, the noble achievement of Arkwright.
> (*The Philosophy of Manufactures*, 1835)

The revivals of the 18th century shared little with the cerebral, theological drive for religious reform which had brought 16th and 17th century protestant groups into being. They were 'charismatic', as that term has come to be used of similar movements in the 20th and 21st centuries.

Those who were 'saved', displayed all the passion for salvation and for recognition one might expect from people who felt themselves trapped and destined to be treated as what they were not. And they accepted and determined to live by the precepts and directives of their spiritual mentors.

Their mentors reaffirmed the presumptions of capitalism. As Whitefield, one of the very successful evangelists of the century on both sides of the Atlantic explained,

> Nothing tries my temper more than to see any about me idle; an idle person tempts the devil to tempt him... if anybody says the Methodists [followers of the Wesley brothers] teach to be idle, they injure them. We tell people to be at their work early and late, that they may redeem time to attend the word. If all that speak against the Methodists were as diligent, it would be better for their wives and families. What, do you think a true Methodist will be idle?
> (quoted in Armstrong 1973, p. 123)

A New Moral Leadership and Support Network

The Methodist movement of the 18th century found its leadership, not in the dissenting churches, descendants of the puritanical, protestant movements of the 16th and 17th centuries, but in the established Church of England. And, although the hierarchy of the state church seemed reluctant to be associated with such enthusiastic Christianity, the leaders of the movement were, largely, committed to ensuring that their converts remained within the Church. So, for more than fifty years, the tightly organized and disciplined Methodist societies remained religious communities connected to the parishes of the state church.

This prolonged association did more to convince dedicated Methodists of the worldliness and lack of moral leadership in higher levels of society than almost anything else could have. Since the Anglican clergy were appointed by the Anglican hierarchy, local communities had little influence over those selected to lead them. Very often, they found themselves having to endure leadership which seemed almost inimical to the lives they had committed themselves to leading. As Archibald Harrison put it,

> The Methodists themselves were increasingly reluctant to attend services conducted by clergy with no apparent interest in spiritual religion, and, too frequently, with reputations far below the standards of the gospel it was their business to proclaim.
> (1942, p. 169)

They became increasingly convinced that they, themselves, would have to provide the moral leadership they sought. They could not look to their social superiors for moral direction. Rather, they could expect that those above them would, at best, display a lukewarm attitude to the moral virtues.

For these 'born again' Christians, the 'upper middle ranks', together with the aristocracy, were largely composed of people who, as Paul had explained to Timothy (2 Tim. 3:5), held "the form of religion but denied the power of it." Wesley had no hesitation in endorsing Paul's advice, "Avoid such people". He provided his own description of their shallowness, "So much paint and affectation, so many unmeaning words and senseless customs among people of rank" (quoted in Armstrong 1973, p. 88).

Those 'born again' in the 18th century revivals became the guardians of morality and prosperity. So dominant did they become that the virtues they espoused and promoted became the virtues of more than a century of middle ranking people. Even those who were, in truth, part of the earlier gentry, largely untouched by the religious revivals, found themselves having to publicly endorse the virtues. And born-again Methodists knew, with a conviction confirmed by experience, that if they did not hold the moral center, no one would.

The stern nature of the discipline they imposed on each other was tempered by social responsibility for those who repented and joined their ranks. The societies and classes of Methodism were not just religious groupings, they took moral, social and economic responsibility for each other. In doing so, they formed strong support networks, providing a social and economic refuge for people who saw the world closing in on them. As Armstrong described,

> The societies helped the poor among their members - it was one of the duties of the stewards to arrange such relief. The maintenance of a

> 'lending stock' by the societies meant that loans of from one to five pounds could be made to poor members on the recommendation of the borrower's class leader.
> (1973, p. 88)

This approach to the problems of the poor in their ranks is very similar to some of the 'pump priming' activities of 'credit banks' over the last forty years in 'developing' areas. The primary difference is that the pump priming lending of Methodist societies went to people who were already oriented to capitalist endeavor and whose activities were overseen by others of similar bent.

The lending did not produce the capitalist orientation, as some credit societies seem to presume will happen in Third World communities. Rather, it facilitated small business activity for people already aware of the need for frugal industry, the deferment of short term rewards for long term gain, and intent on the accumulation of capital as a means of demonstrating their inherent morality [151].

Methodists did not develop small scale credit societies among the unredeemed poor as a means of stimulating small business among them. They knew that money lent to such people would be spent on present needs and wants, not used to make more money.

In fact, many of those who were 'saved' from the ranks of 'the poor', failed to remain within the societies. They quickly proved themselves unreliable borrowers, who could not be trusted to use the money given them 'wisely' and, consequently, fell short of the moral requirements of the communities in which they found themselves.

The Methodists, quite unconsciously, selected people of like temper, those who were already committed to the middle ranking virtues of the century. Those whose background was among the 'poor' seldom demonstrated the long term 'habits of industry' which ensured acceptance.

Not only was this kind of support given within Methodist societies to help members out of poverty, it was also seen as a means of ensuring that they remained committed to Methodism. The networks of Methodism provided strong business support to small business people. Those who found themselves expelled from a society because they failed to measure up to the spiritual and moral requirements of the group, often found that their businesses suffered once they no longer had access to the networks through which their business activity had been established.

John Wesley, ever a practical leader, realized the power which such support had in ensuring that people remained committed to the cause, or were drawn back to commitment through being helped in this way. In a letter to the Methodist Society at Keighley, London, in 1779, he describes the financial difficulties into which a former member of the Society had fallen.

The person concerned, one William Shent, had for many years been a faithful member of the Society, but had been disciplined some time earlier and expelled for not living up to the moral requirements of membership. With support from the group removed, his business activities fell apart and he and his family were now in danger of being evicted from their home. Wesley wrote,

> Who is he that is ready now to be broken up and turned into the street? William Shent. And does nobody care for this? William Shent fell into sin and was publicly expelled from the Society; but must he

> also starve? Must he with his grey hairs and with all his children be without a place to lay his head?...
>
> Who is wise among you? Who is concerned for the Gospel? Who has put on the bowels of mercy? Let him arise and exert himself in this matter. You here all arise as one man and roll away the reproach. Let us set him on his feet at once. It may save both him and his family. (Brash 1928, p. 105)

It is in this group of religiously committed capitalists that one must look to find the capitalist spirit of the 19th century, that spirit to which the British prime minister Margaret Thatcher referred when she claimed, in the late 1970s, that British people should revive the moral values of the previous century.

The superficial charge laid against 19th century middle ranking people, that their morality was largely hypocritical, only holds if one fails to recognize the large number of fellow travelers who came under the influence of Methodists and members of those dissenting Churches which were reinvigorated through participation in the 18th century religious revivals. It is a testament to the social force of the movement, that the values of those saved by grace in the 18th century, became the values of an age.

Of course, although the religious revivals of the 18th century produced a morally committed middle class of capitalists, *they brought their values with them* into the revival. The revival preachers and teachers of the 18th century strongly reaffirmed the important moral values of the middle ranks of western European communities. Those from the lower middle ranks, who found themselves most directly threatened by the reforms of the period, were drawn to leaders who offered them both recognition and practical support.

In a time when little distinction was being drawn between the poor and the lower middle ranks, reformers set out to teach the lower ranks the importance of work. In the process, those who were converted developed strong, religiously reinforced support networks which enabled them to succeed in business in a way that had not been possible in earlier times.

Wesley summed up the impact of Methodism on the lives of his followers in a sermon toward the end of his life,

> The Methodists grow more and more self-indulgent, because they grow rich. Although many of them are still deplorably poor... yet many others, in the space of twenty, thirty or forty years, are twenty, thirty, yea, a hundred times richer than they were when they first entered the society. And it is an observation which admits of few exceptions, than nine in ten of these decreased in grace, in the same proportion as they increased in wealth. Does it not seem (and yet this cannot be) that Christianity, true scriptural Christianity, has a tendency to destroy itself?
> (quoted in Armstrong 1973, p. 95)

While the Methodists took their religion seriously, all their energies were focused on life within this world. The religious virtues they promoted were capitalist virtues from the 17th century, shaped by the understandings of the 18th. They lived in an age when self-interest and the private accumulation of wealth and property were assumed to result in the *Summum Bonum*. As Appleby has explained,

> Where earlier the disposal of a harvest or the pursuit of a trade had been conditional upon the likely social impact, the acceptance of near-absolute property rights had driven a wedge between society and the economy. With the curtailment of political oversight over economic life, the formal link between the material resources of the country and the people to be sustained by them had been cut. The commonwealth had become an aggregation of private wealth.
> (Appleby 1978, p. 151)

Good Methodists knew that self-interested private enterprise, driven by a deep commitment to industry and frugality, and resulting in the private accumulation of wealth, were virtuous. As Harrison says,

> The Wesleyans were particularly numerous among the shopkeepers, farmers, and better-class artisans... In some cathedral cities nearly all the shops in the High Street would be Methodist shops and a great Wesleyan congregation would gather under the very shadow of the Cathedral... In big business and in Northern factories, too, Wesleyan Methodism was prominent and grew in wealth in the prosperous years. (1942, p. 180)

As Methodists grew wealthy they found themselves able to emulate the lifestyles and become accepted by the middle sorts with whom they had long desired to be identified. Methodism provided a moral leavening to the 19th century. In the process, the 'old money' middle ranking families took on a veneer of 'morality' which enabled the 'new money' Methodists to interact with them without seeming to betray their Methodist values. The values of the two groupings slowly merged. In business one emphasized disciplined self-interest. In social life one accepted philanthropic responsibility for the 'improvement' of the poor.

By the 19th century, Methodists and others belonging to communities which came out of the 18th century revivals were dominant in both manufacturing and retailing. Those who were the descendants of 17th and 18th century gentry very often provided the finance for the more extensive of their activities. As Andrew Ure (1835, pp. 20,1) described, while explaining the emergence of factories in the late 18th century,

> In its precise acceptation, the Factory system is of recent origin, and may claim England for its birthplace. The mills for throwing silk, or making organzine, which were mounted centuries ago in several of the Italian states, and furtively transferred to this country by Sir Thomas Lombe in 1718, contained indeed certain elements of a factory, and probably suggested some hints of those grander and more complex combinations of self-acting machines, which were first embodied half a century later in our cotton manufacture by Richard Arkwright, assisted by gentlemen of Derby, well acquainted with its celebrated silk establishment.

From the outset, as Brash (1928, p. 179) says, "Methodism was an army of missionaries". Every convert was a potential evangelist, every society and class accepted an evangelical mission to 'the lost'. Those who were at the forefront of the religious revival movements in Wales, England, Ireland, Scotland and in the various American colonies, believed they had been directly chosen by God. They had His mandate to "bring sinners to repentance", and if they failed, the damnation of those they had failed to reach would be their responsibility. They *knew* that the warning God had given Ezekiel was theirs also,

> ... if the watchman sees the sword coming and does not blow the trumpet to warn the people and the sword comes and takes the life of one of them, that man will be taken away because of his sin, but I will hold the watchman accountable for his blood.
> (Ezekiel 33:6)

Equally, they accepted the responsibility that Wesley had made his own. They not only 'saved' the lost, they *organized* them into churches and communities, and they introduced the disciplines of 18th and 19th century Methodist Christianity and economic rationality to those they organized in these ways. They had the responsibility not only to bring salvation to the lost, but, in the process, to bring them civilization and consequent material prosperity.

Richard Whateley, Archbishop of Dublin, in 1854, explained the problem,

> Men, left in the lowest, or even anything approaching the lowest, degree of barbarism, in which they can possibly subsist at all, never did, and never can raise themselves, unaided, into a higher condition [152].

Because all human beings were sinners, and because 'enlightenment' depended on the grace of God, not only were people 'saved' from perdition, they were also, inevitably, saved to a new way of life, to a higher level of civilization than they could ever reach on their own. They were, by God's grace, and by the disciplines of their churches, delivered from lives of sloth and indigence into lives of industry and prosperity. Through this they would

> overcome the present disposition either to sloth or to enjoyment. This habit is slowly acquired, and is in reality a principal distinction of nations in the advanced state of mechanic and commercial arts.
> (Ferguson 1767 Part 2, Section 2)

As Herbert Schlossberg described,

> In 1837 a clergyman in Leeds remarked that
>
> > the most established religion in Leeds is Methodism, and it is Methodism that all the most pious among the Churchmen unconsciously talk,
>
> That is, Methodism, which by then had separated from the Church of England, had come to dominate the thinking of the city to the extent that even Anglicans had been swallowed up in its spirit, albeit without realizing it...
>
> The "secular' 18th century, when we look beneath the surface, turns out to be the start of a profound spiritual revival. As it spread from the Church of England throughout the society, it affected the life of non-Anglican, or Dissenting, congregations. The chapels in which the dissenters worshiped increasingly rang with the ideas and hymns of the evangelical movement.
> (2000, pp. 8, 10)

By the mid 19th century, Methodism would become the leavening of Victorian Britain. From the high, to the lower-middle, to the artisanal 'working class' (but seldom to the 'idle poor'), the British increasingly committed themselves to the understandings of Methodism, to a religiously invigorated capitalism.

The American War of Independence resulted in a hiatus in direct influences from Britain to the American colonies. The revival in Britain preceded a

similar movement in the colonies by some thirty to forty years. The missionaries of the British 'Awakening' proved most effective as the colonies settled down and law and order were reimposed under the new United States administration.

As Mary Cayton (1997) explained, between 1794 and 1832 thousands of converts streamed into the non-conformist churches of British North America, and, as in Britain, the bulk of those who committed themselves to an active religious life were involved in petty-business. As Cayton said,

> Especially in the Northeast, then rapidly being drawn into a net of complex market relationships, those entering upon the responsibilities of adulthood but also many of other life stages, and members of an emerging entrepreneurial class but also those of other stations and callings, were caught up in intensified religious expression.
>
> They experienced conversions, joined organizations designed to promote a host of benevolent causes, and swelled church rolls. They were Congregationalists and Presbyterians, Baptists and Methodists, and together they comprised a movement that historians in retrospect have called the Second Great Awakening.

First The Poor, Then The World!

What started in Britain, very quickly reached outward to the whole world. Those who entered the movement in the 18th century knew that there were no geographical boundaries to bringing sinners to repentance. With Wesley, they asserted that the world was their parish.

Out of the 18th century religious revivals came the evangelical missionary movement of the 19th and 20th centuries. And, as they moved into the world, they took their Western European lower middle class values with them. As Cairns has described of missionary attitudes in central Africa in the 19th century,

> The proper attitude was indicated by Carson of the L. M. S. [London Missionary Society] who, after noting that African men spent 'much time in indolence', remarked that it was inconceivable 'how the practice of that vice in the African race can be supposed to conduce to happiness in them when it makes us so miserable'.
> (1965, p. 80)

Those who were 'born again' should, in the minds of these missionaries, be born into frugal, self-disciplined industry, into conserving possessions, into accumulating wealth, and into using the wealth they accumulated 'wisely'.

They took capitalism to the world. And, since people in other communities seemed to have so little internalized discipline, so little regard for prudent, productive endeavor, they realized they had a responsibility to discipline and train them.

Out of missionary endeavor among the poor, among the destitute in western Europe, and out of similar activity among the 'benighted' of other regions, came a strong belief in the need for practical education to teach converts to live as 'God had intended them to live'.

But, despite all its success in the Anglo-speaking world, and the extensive network of societies and churches which sprang from the movement, very few of those on the lowest rungs of the social order were drawn into the revival movement. The redemption of the lower middle rankings of British

and North American communities still left large numbers of poor dispossessed and cast adrift in the century, relatively untouched by the revivals which had swept their countries.

The redemption of the artisans, tradespeople and small holders of the century did not predispose them to accepting the irreligion and laziness of the poor. It made them resolute in doing something about 'the problem'. They did not have to look far to find those who constituted it. They were on their own door step, a group of people who defied all law and morality. James Kay (1832) described the lower classes inhabiting a district in Manchester,

> This district has sometimes been the haunt of hordes of thieves and desperados who defied the law, and is always inhabited by a class resembling savages in their appetites and habits. It is surrounded on every side by some of the largest factories of the town, whose chimneys vomit forth dense clouds of smoke, which hang heavily over this insalubrious region.

Capitalism was in full bloom! It was time for the new moral capitalist leaders of Britain to tame and civilize the hordes of thieves and desperadoes which lived on their own doorsteps. And they set about it with all the determination they had employed in building their new industrializing world.

Chapter 5:
The Virtuous Capitalist, The Poor and the Wasteland

[Factory Workers] pamper themselves into nervous ailments by a diet too rich and exciting for their in-door occupations
(Andrew Ure 1835, p. 298)

Bubbles and Wasteland

Who *were* 'The Poor'?

- Who's to blame for their poverty and degrading circumstances?

What shall we do with The Poor?

- The Poor are lazy with no desire to 'Better Themselves'!
- Born Again or Not - They need to Learn Discipline!
- They'll work if they're hungry!
- We'll Compel Them through Laws and Regulations!
- Let's Train their Young
- And ... No Charity!!

Don't allow them to organize - it's Bad for Them!

- Organizations of Artisans
- Organizing the 'Working Poor'

Conclusion

> The trader, in rude ages, is short-sighted, fraudulent, and mercenary; but in the progress and advanced state of his art, his views are enlarged, his maxims are established: he becomes punctual, liberal, faithful, and enterprising; and in the period of general corruption, he alone has every virtue, except the force to defend his acquisitions. He needs no aid from the state, but its protection; and is often in himself its most intelligent and respectable member.
> Adam Ferguson (1767 Pt 3, Section 4)

Ferguson's description of 18th century Western European gentry in the 2nd half of the 18th century is in stark contrast to Thomas Jefferson's description,

> ...they have divided their nations into two classes, wolves and sheep. I do not exaggerate. This is a true picture of Europe. ...man is the only animal which devours his own kind; for I can apply no milder term to the governments of Europe, and to the general prey of the rich on the poor.
> (Thomas Jefferson, 1787 [153])

Jefferson was a visitor to Europe and his reaction is that of a relatively detached outsider witnessing the consequences of the enlightened self-interest of the gentry: injustice and oppression of those least able to defend themselves - the poor.

Ferguson was a Scottish gentleman. He had lived inside the bubble of middle class Western European society all his life and saw everything outside that bubble as a wasteland which needed to be reclaimed.

If that wasteland was to be reclaimed, its inhabitants rescued from poverty, moral depravity and sloth, it would be because the gentry set the example and took responsibility both for 'developing' their environments and for re-educating the indolent poor. Those who practised enlightened self-interest did so for the most moral of reasons. They were securing the future for everyone. They needed protection from the state to ensure that all the benefits which flowed from enlightened self-interest were realized [154].

The wasteland was a 'nursery for thieves and villains'. They were poor because they were indisciplined and lazy, not because of the rapacious greed of the gentry! [155] The poor lacked the virtues that had become natural to the gentry.

When middle ranking people looked at a gentleman they saw a virtuous man. Adam Smith, in a book appropriately entitled *The Theory of Moral Sentiments,* explained it well. It was from the realization that such people were securing the future for everyone in society that there,

> arises that eminent esteem with which all men naturally regard a steady perseverance in the practice of frugality, industry, and application, though directed to no other purpose than the acquisition of fortune. The resolute firmness of the person who acts in this manner, and in order to obtain a great though remote advantage, not only gives up all present pleasures, but endures the greatest labor both of mind and body, necessarily commands our approbation. [156]
> (1759 Part 4 Ch. 2)

Such people did not merely pursue prudent self-interest for their own gain or because others insisted they should. They knew, in their own hearts, that prudent, self-interested industry and frugality were amongst the most important of the virtues:

> In the steadiness of his industry and frugality, in his steadily sacrificing the ease and enjoyment of the present moment for the probable expectation of the still greater ease and enjoyment of a more distant but more lasting period of time, the prudent man is always both supported and rewarded by the entire approbation of the impartial spectator, and of the representative of the impartial spectator, the man within the breast.
> (Smith 1759, Part 6 Section 1)

The 18th and 19th centuries were the centuries in which capitalism was to flourish, unfettered by laws and regulations. It was to be the period when the long-term impact of unregulated capitalism on the living conditions of the poor would become obvious.

What would happen to the least fortunate, to the inhabitants of the wastelands, when the 'steady perseverance in the practice of frugality, industry, and application, though directed to no other purpose than the acquisition of fortune' was allowed full play?

Who *were* 'The Poor'?

They were the dispossessed, inhabitants of the wastelands of Western Europe. They were the rubble of feudal society. For them, feudal understandings [157], inevitably warped and altered by the centuries of turmoil, confrontation and change in western Europe, were still central.

But, the patron-client structures of the feudal past were gone. There were no patrons on whom they could rely, no institutional supports which might protect their rights. They had lost those over more than three hundred years of feudal decay and collapse. They had become

> hordes of thieves and desperados who defied the law ... a class resembling savages in their appetites and habits
> (James Kay (1832)).

Thomas More had described their plight two centuries earlier, when their patrons resolved 'to enclose many thousand acres of ground'.

> ... [T]he owners as well as tenants are turned out of their possessions, by tricks, or by main force, or being wearied out with ill-usage, they are forced to sell them.
>
> By which means those miserable people, both men and women, married and unmarried, old and young, with their poor but numerous families (since country business requires many hands), are all forced to change their seats, not knowing whither to go; and they must sell almost for nothing their household stuff, which could not bring them much money, even though they might stay for a buyer.
>
> When that little money is at an end, for it will be soon spent, what is left for them to do, but either to steal and so to be hanged (God knows how justly), or to go about and beg? And if they do this, they are put in prison as idle vagabonds
> (1516, œ*Utopia* , Book 1)

Not much had changed in two centuries!

They were the dispossessed of Western Europe, the weak who could not defend themselves against patrons turned capitalist (or, as Jefferson put it, 'turned wolf'). They constituted separate communities from the gentry, money makers and aristocracy of Europe, only connecting with them as menials, laborers, vagabonds and thieves. They had not socialized with or shared the interests and understandings of the middle ranks. The gentry, with their distinctive ways of living, moved in social spheres beyond their vision, and, largely, beyond their interest.

Among the more intemperate descriptions of these people is that given by œDaniel Defoe (1725?), son of a tallow chandler (a member of the *Worshipful Company of Butchers*) and aspiring member of the gentry. His writings grew in popularity through the 19th century:

> How many frequent robberies are committed by these japanners? And to how many more are they confederates? Silver spoons, spurs, and other small pieces of plate, are every day missing, and very often found upon these sort of gentlemen; yet are they permitted, to the shame of all our good laws, and the scandal of our most excellent government, to lurk about our streets, to debauch our servants and apprentices, and support an infinite number of scandalous, shameless

> trulls, yet more wicked than themselves, for not a Jack among them but must have his Gill.
>
> By whom such indecencies are daily acted, even in our open streets, as are very offensive to the eyes and ears of all sober persons, and even abominable in a Christian country.
>
> In any riot, or other disturbance, these sparks are always the foremost; for most among them can turn their hands to picking of pockets, to run away with goods from a fire, or other public confusion, to snatch anything from a woman or child, to strip a house when the door is open, or any other branch of a thief's profession.
>
> In short, it is a nursery for thieves and villains; modest women are every day insulted by them and their strumpets; and such children who run about the streets, or those servants who go on errands, do but too frequently bring home some scraps of their beastly profane wit; insomuch, that the conversation of our lower rank of people runs only upon bawdy and blasphemy, notwithstanding our societies for reformation, and our laws in force against profaneness; for this lazy life gets them many proselytes, their numbers daily increasing from runaway apprentices and footboys, insomuch that it is a very hard matter for a gentleman to get him a servant, or for a tradesman to find an apprentice [158].
>
> Innumerable other mischiefs accrue, and others will spring up from this race of caterpillars, who must be swept from out our streets, or we shall be overrun with all manner of wickedness.

Who's to blame for their poverty and degrading circumstances?

They were childish ingrates, who expected something for nothing, who refused to take life seriously and suffered the consequences of their indisciplined laziness. It was time for them to grow up, to accept responsibility for life, not live on unearned handouts.

Bernard Mandeville expressed it well. If one supported people through offering them unearned handouts they would become lazy and dependent on welfare.

> Charity, where it is too extensive, seldom fails of promoting Sloth and Idleness, and is good for little in the Commonwealth but to breed Drones and destroy Industry.
> (Appendix to 1724 edition of *Fable of the Bees* entitled 'An Essay on Charity and Charity-Schools')

Samuel Smiles (1859), in a popular book of the mid 19th century, entitled *'Self-Help'*, provided the reasons why, after one hundred and fifty years of unregulated capitalism, the poor were still poor, all-too-often living and working in sub-human conditions. They were 'the extravagant', who 'wasted their resources'. It was their own fault if they were poor!

> ...the lesson of self-denial - the sacrificing of a present gratification for a future good - is one of the last that is learnt. Those classes which work the hardest might naturally be expected to value the most money which they earn. Yet the readiness with which so many are accustomed to eat up and drink up their earnings as they go, renders them to a great extent helpless and dependent upon the frugal.
>
> Any class of men that lives from hand to mouth will ever be an inferior class. They will necessarily remain impotent and helpless, hanging on

> to the skirts of society, the sport of times and seasons. Having no respect for themselves, they will fail in securing the respect of others. In commercial crises, such men must inevitably "go to the wall." Wanting that husband power which a store of savings, no matter how small, invariably gives them, they will be at every man's mercy, and, if possessed of right feelings, they cannot but regard with fear and trembling the future possible fate of their wives and children.
>
> "The world," once said Mr. Cobden to the working men of Huddersfield,
>
>> has always been divided into two classes - those who have saved, and those who have spent - the thrifty and the extravagant.
>>
>> The building of all the houses, the mills, the bridges, and the ships, and the accomplishment of all other great works which have rendered man civilized and happy, has been done by the savers, the thrifty; and those who have wasted their resources have always been their slaves.
>>
>> It has been the law of nature and of Providence that this should be so; and I were an imposter if I promised any class that they would advance themselves if they were improvident, thoughtless, and idle.
>
> (œ1859, Chapter 9 Para.5)

œSamuel Scriven's 1842 report to the House of Commons on factory conditions in 'Mines and Manufactories', outlined the problems in dealing with the poor. No matter what good, virtuous gentlemen did, nothing could be improved so long as the poor behaved as they now did.

To contextualize Scriven's views, one needs to remember the contemporary situation in which he was writing.

The Speenhamland decrees [159] in the late 18th century allowed employers to pay "market rates" for labor, which soon drove wages below what was necessary to maintain subsistence. Parishes were required to make up the shortfall from their rates. The significance of this is that wages really did fall below what was considered necessary to ensure subsistence. It was not possible to live on the wages of just one or two members of the family without parish support.

In 1834 the Poor Laws were amended to remove this 'burden' from the parishes, transferring it to the poor. After all, what had they to complain about? All they had to do was 'get a job'.

Parents, in 1840, did not send children to work because they were 'proverbially improvident'. They desperately needed every penny they could get. As William Booth could still explain at the end of the century,

> ... the want of money is the cause of an immensity of evil and trouble. The moment you begin practically to alleviate the miseries of the people, you discover that the eternal want of pence is one of their greatest difficulties.
> (œWilliam Booth (1890))

This, however, is clearly not the view of Samuel Scriven:

The manufacturers are gentlemen who 'evince a warm-hearted sympathy for those about them in difficulty or distress, contribute as much as possible to their happiness, and are never known to inflict punishments on the children, or to allow others to do so':

> The manufacturers are a highly influential, wealthy, and intelligent class of men: they evince a warm-hearted sympathy for those about them in difficulty or distress, contribute as much as possible to their happiness, and are never known to inflict punishments on the children, or to allow others to do so.
>
> It, would be invidious to particularise individuals, but I should do them injustice as a body if I did not acknowledge their liberality in allowing me unrestrained admission to every department of their works, as well as the desire they have shown to render me every assistance and co-operation, with the view of carrying out the objects of the Commission ...

They can hardly be held responsible for the consequences of the lifestyles of their proverbially improvident employees.

> The processes being such as to admit of the employment of whole families father, mother, and some two, three, or more children - their united earnings are sometimes 3l. or 4l. per week: but, proverbially improvident, and adopting the adage,- "sufficient unto the day is the evil thereof", they squander the proceeds of their labor in gaudy dress, or at the skittle-ground and ale-house; so that, when overtaken by illness or other casualty, and thrown for a few days out of work, they resort to their masters for a loan, or to the parish workhouse for relief.

Thoughtless and improvident parents, showing no regard for the consequences to their offspring, permit them to continue working in sub-standard conditions. So long as they can reap the advantages of their labor they encourage them to work in conditions like these:

> The processes and departments to which I beg leave to direct your especial attention are the dipping, scouring, throwing, plate, saucer, and dish making, and printing, as those in which very young children are found. The effects I have observed in the first and second, on many of the older hands, and the evidence I have recorded from all, have satisfied me that they are the most pernicious and destructive in the whole process of potting.
>
> It is true that in many instances persons have been known to have worked as dippers many years without any material consequences resulting, or being perceptible, and they will tell you "'tis not so bad now as formerly, when a greater proportion of the poisonous metal entered into the composition of the liquid;" but even in them, whose constitutions may have been less susceptible of its influences, I have been able to trace in their dull and cadaverous countenances its insidious workings.
>
> In most of the rooms there are one or two adults, with their attendant boys, whose business it is to bring the ware in its rough, or, in the phraseology of the potter, in its biscuit state, from the warehouse or painting-room to the tub. By constant handling, the fingers become so smooth and delicate that they sometimes bleed, and thereby render the process of absorption more certain and rapid. The dipping itself; performed by the man, is momentary, and, when completed, the article is passed on to the boys for shelving and drying; the liquid consists of borax, soda, potash, with whiting, stone, and carbonate of lead, finely ground and mixed together with water; for coarse goods a large proportion of lead is used, and in some cases arsenic.

The workers seem to have a complete disregard of the dangers around them. They recklessly eat their meals in the most unhygienic of surroundings.

> Both men and boys have their hands and cloths almost always saturated with it; and reckless of the danger they incur, seldom or ever change, or use precautionary measures, frequently taking their meals in the same room, sufficiently satisfied to wipe their hands on their aprons. I have never seen rooms provided for cleansing, although it appear in some of the returned schedules that there is plenty of water and at their command.
>
> From their disregard of prophylactic measures; you will not be surprised that paralysis, colica pictonum, epilepsy, and a host of other nervous diseases; are to be met with in all their aggravated forms. The most constant, however, is that of partial paralysis of the extensors of the hands in men, and of epilepsy in children, accompanied at all times with obstinate constipation of the bowels and derangement of the alimentary canal.
>
> But the strongest assurance that can be adduced of the deleterious effect that this process has on children, to be found in the evidence of the men themselves, who, when their affections have been appealed to as fathers of families, have invariably, to the question " Would bring your own son to the dipping-tub ?" replied " No: " and in the instance of John Cooper he continued because I love my child, and would rather that should live."
>
> The average amount of weekly wages for men in this department is 30s., for boys 5s., which is higher than in many others, and obtained as an equivalent for " the risk they run." This pay is a strong temptation to the thoughtless and improvident parent, who, regardless of consequences to their offspring, permit them, so long as they reap the advantages of their labor, to continue in this pest-house.

The parents seem to have no interest in educating their children, sending them at too early a period of life to labor from morning till night.

The masters show the concern one would expect from socially aware gentlemen. They acknowledge and lament the children's low and degraded condition.

The problem really is the total indifference of the parents.

> I almost tremble, however, when I contemplate the fearful deficiency of knowledge existing throughout the district, and the consequences likely to result to this increased and increasing population, and would willingly leave the evidence to speak for itself, did I not feel that I should ill discharge my duty were I to shrink from the task; on an examination of the minutes of evidence which I have the honour to forward from Cobridge, Burslem, etc. etc., it will appear that more than three-fourths of the persons therein named can neither read nor write.
>
> An internee may be possibly drawn that I may have been partial in my selection of them, but I beg distinctly to be understood as having on all occasions had them before me irrespective of any educational competency they may have possessed. But it is not from my own knowledge that I proclaim their utter, their absolute ignorance. I would respectfully refer you to the evidence of their own pastors and

masters, and it will appear that as one man they acknowledge and lament their low and degraded condition.

My experience has satisfied me that this state of things is attributable to the three following causes:

30) The first, and perhaps most prominent, I conceive to be that of sending children at too early a period of life to labor from morning till night, in hundreds of cases for 15 or 16 hours consecutively, with the intermission of only a few minutes to eat their humble food of " tatees" and " stir pudding", and where they acquire little else than vice, for the wages of ls. or 2s. per week, whereby they are necessarily deprived of every opportunity of attending a day or evening school.

31) Another is the total indifference of parents, who, although in numberless instances earning from 2s. to 3s. or 4s. per week, and not requiring the early labor of their offspring, nevertheless care so little about their immediate or future welfare, as to be equally satisfied whether they continue in ignorance or not.

32) A third is doubtless the poverty of others unemployed.

The workers appear to have no self-respect. They live in disgusting, squalid conditions,

The position of the town being elevated, and upon the brow of a hill, it is consequently exposed to the winds from all quarters, but more especially to the north-east, for a valley approaches the town in this direction, and serves to give force and increased effect to the cold winds which prevail from that quarter.

It is to this elevated position and free ventilation that I am disposed to attribute our comparative exemption from epidemic and certain endemic diseases, especially to the common fever of the country, which in the summer and autumn more particularly prevails in the surrounding towns of Burslem, Newcastle, and Stoke; whilst Hanley and Shelton suffer much less from the disease. But owing to this position and particular exposure to the most ungenial wind of the heavens, the north-east, I conceive a peculiar character is, to a certain extent, given to the diseases of the town-pulmonary affections prevailing very extensively.

The direction in which the streets are built might have slightly counteracted this unfavorable exposure, but unfortunately the inhabitants have, no doubt in ignorance and without design, given it increased effect by arranging most of the streets on the north-east and eastern side of the town in a direction parallel to the current of the wind when it blows from this quarter.

There is a small closely-built district near the centre of Hanley, called Chapel Field, and a series of blind streets branching off from the main street in Shelton, both which places are crowded with inhabitants living in squalid poverty. Many of the inhabitants of these spots, but especially the children, have a peculiarly sickly aspect, most probably from the poor and improper food they take, conjoined with the impure air they breathe. Numbers of children die during infancy in these quarters of the town, and fevers and other epidemic diseases prevail there most extensively and in their most virulent forms.

In different parts of the town and on its outskirts there are many stagnant pools in which vegetable matter is constantly undergoing a

> process of putrefaction, for they are used for the purpose of steeping hazel-rods in, to render them more pliant in the use to which they are applied, that of forming crates, in which the earthenware of the neighbourhood is packed.

They are very well paid in comparison with workers in other manufacturing districts but their improvidence is their undoing!

> The wages paid in this neighbourhood are good, better than those of most other manufacturing districts. Habits of improvidence prevail notwithstanding extensively; and it not unfrequently happens that men who draw 3s. a-week for their own work and that of their children, suffer some of the evils and many of the irregularities of poverty.
>
> Intemperance in intoxicating drinks is a serious evil among the working class. Many of them allowing their families almost to starve to beg in order that they may indulge in this vice. The numbers of public-houses, beer, and spirit shops being great, and the latter appearing to enjoy a very prosperous trade ...

The women do not acquire those domestic habits which would best fit them for housewives and mothers. They continue to work while they are pregnant and then send out their infants to nurse during the day.

> The females, from being employed from an early age in the manufactories as transferrers painters, burnishers, etc., do not acquire those domestic habits which would best fit them for housewives and mothers: and it frequently happens that when they are bearing children they continue to labor in the manufactories, and send out their infants to nurse during the day, This is a source of great mortality amongst infants, for they are fed by their nurses chiefly with bread steeped in water, and they early become sickly, and die of various diseases of the digestive organs, those of the chest, or head ...

One could continue with this report, but it is simply more of the same: atrocious conditions, and improvident, irresponsible inhabitants who seem to disregard both their own and their children's wellbeing.

The Report concludes with a set of appendices in which both responsible people of the towns and employees in the various factories are given a voice. The conclusions to the first and last of these is given below.

Scriven Report: Doctors report on health conditions: Appendix No. 1. A few REMARKS on the GENERAL and sanatory condition of the town of HANLEY and SHELTON, and its Inhabitants, more especially with respect to the Health of the Children of the Working Classes:

> ...In conclusion I may add, as the result of my observation from a residence of 17 years in this town, during which time I have practised as a surgeon, that children are sometimes cruelly overworked, in the process of plate-making especially, and that in other labors, and in the collieries, they are exposed to very unhealthy occupations. They also suffer greatly from the improvident and intemperate habits of their parents. In such cases their clothing is defective, and especially towards the end of each week their food very scanty. Their education is exceedingly imperfect, and the religious instruction they receive ought to be much more contemplate in the department of morals.
> (Signed) J. B. DAVIS, Surgeon

Perhaps we should allow the Reverend Aitken to have the final comment. Scriven Report: Teachers & Clergy reports: Appendix No. 119. LETTER from

the Rev. R. E. Aitkens, incumbent of Hanley:

> Sir;
> To the inquiries which you have been pleased to submit to me respecting the moral condition of the children employed in the manufactories in this place, I cannot give any additional evidence to that which you have received from the worthy master of the National School, which you read in my presence before him, and which with some slight alterations, in which he concurred, I confirmed viva voce. I am not sure whether it was expressed in your notes that the school is under the superintendence of the incumbent of Hanley.
>
> Respecting the two subjects of inquiry (at the bottom of p.10 and the top of p.11) to which, by your marginal mark, you have directed my especial attention, I beg to offer the following observations, which are the result of considerable experience.
>
> I have almost invariably found that the habits invariably acquired by women, rendering them more or less fit to perform their duties as wives and mothers, depend infinitely less on the occupations by which they procure their maintenance, than in their domestic training by the instructions and examples of their mothers. Let the mother be industrious, notable, decorous, and devout, and generally you will find her daughters of the same character, whether they continue to reside at home and earn their livelihood by the use of the needle, or whether they are employed in the manufactories. I have uniformly found the case in this rank of life similar to the oft-debated and endless question of the respective advantages of public or private schools among the higher and middle classes of society. In both cases the eventual moral habits of individuals will depend more on the dispositions which they bring from home than what they acquire in the school or manufactory.

(15/01/16)

No reference is made to the consequences of changes in the Poor Laws. Wages are assumed to be more than adequate for the legitimate needs of the inhabitants. And adverse conditions are largely of their own making.

These were the conditions of 'the poor' in Britain after one hundred and fifty years of politically dominant capitalist development.

We need to ask how conditions like these emerged.

What shall we do with The Poor?

In the 18th and 19th centuries, 'the poor' were to find that it was time for them to be re-educated. They were to become the 'mission field' for morally upright, responsible Western Europeans. And for the good of both 'decent society' and their immortal souls, they were to be taught discipline and obedience, they were to be taught to work. It would be a long, drawn-out and painful process, and those being re-educated would endure much misery and heartache, but they were going to be taught.

Although it might seem a cruel policy, the only reasonable way of dealing with those who needed help was to compel them to work. There were times in life when one had to be cruel to be kind. As James argued,

> the social legislators of the Restoration aimed at nothing less than making the poor a source of profit to the state by forcing them to work for reduced wages.
> (in Wilson 1969, p. 119)

But they did not do so vindictively. This was not a 'class war', it was a class-focused re-education program. As Wilson says,

> what came to be regarded by later critics as a system of calculated brutality and repression arose in the first place not from unconcern or harshness, but out of a desire to protect the efforts of those local authorities who were trying hardest to improvise remedies.
> (1969, p. 134)

The Poor are lazy with no desire to Better Themselves!

A major problem encountered in dealing with 'the poor' was that they seemed to have little desire either to accumulate possessions or to save for the future [160]. And, perhaps more importantly for those who now held the reins of power in Britain, and, increasingly, in the rest of western Europe, the poor did not seem to understand or appreciate the vital importance of work, for its own sake, that is, for its character building potential [161]. This was not merely a concern of the 18th century. It had become an increasingly important concern of 'responsible' people over the previous two hundred years.

œEdmond Fitzmaurice explained that Sir William Petty, writing in 1665, recognized how intractable the problem was of getting 'The Poor' to work consistently. They seemed content "to live in a condition little above that of animals".

> His own observations of the habits of the cloth-workers in England and of the Irish peasantry compelled him, however reluctantly, to the opinion that the general standard of living was as yet too low to make high daily wages of any advantage to the laborer, because of their tendency at once to reduce their hours and be content with wages just sufficient to support existence at a very low level of material civilization.
>
> "It was observed," he says,
>
>> by clothiers and others who employ great numbers of poor people, that when corn is extremely plentiful that the labor of the poor is proportionately dear and scarce to be had at all, so licentious are they who labor only to eat, or rather to drink.

It was the same in Ireland, especially since the introduction of that

> breadlike root, the potato. A day of two hours labor was there sufficient to make men to live after their present fashion, and the cheapness of food was the excuse for the people to live in a condition little above that of animals.

(1895, p. 220)

Sir Josiah Child, in 1668, put his finger on the problem,

> And for our own Poor in England, it is observed, that they live better in the dearest Countries for Provisions, than in the cheapest, and better in a dear year than in a cheap, (especially in relation to the Publique Good) for that in a cheap year they will not work above two days in a week; their humor being such, that they will not provide for a hard time; but just work so much and no more, as may maintain them in that mean condition to which they have been accustomed.
> (Josiah Child, œBrief Observations Concerning Trade and Interest of Money, London, Printed for Elizabeth Calvert at the Black-spread Eagle in Barbican, and Henry Mortlock at the Sign of the White-Heart in Westminster Hall. 1668)

The poor seemed focused on the present, unaware of the future, living from hand to mouth.

Sir Henry Pollexfen pronounced in 1697 that

> the advances of wages hath proved an inducement to idleness; for many are for being idle the oftener because they can get so much in a little time;

and Bernard Mandeville in 1714 asserted that

> Every Body knows that there is a vast number of Journey-men ... who, if by Four Days labor in a Week they can maintain themselves, will hardly be persuaded to work the fifth; and that there are Thousands of Laboring Men of all sorts, who will ... put themselves to fifty Inconveniences ... to make Holiday.

(Hatcher 1998, p. 68)

Ferguson identified the problem as one of being 'uncivilized'. In straying from speaking of the poor to speaking of the barbarian, Ferguson, in common with most other writers of the 18th century, betrayed his view of the poor in his own country. It was as though they belonged to another society, alien and devoid of the moral virtues of the civilized; impetuous, artful, rapacious, violent, deceitful and slothful,

> Actuated by great passions, the love of glory, and the desire of victory, roused by the menaces of an enemy, or stung with revenge; in suspense between the prospects of ruin or conquest, the barbarian spends every moment of relaxation in the indulgence of sloth.
>
> He cannot descend to the pursuits of industry or mechanical labor: the beast of prey is a sluggard; the hunter and the warrior sleeps, while women or slaves are made to toil for his bread.
>
> But shew him a quarry at a distance, he is bold, impetuous, artful, and rapacious: no bar can withstand his violence, and no fatigue can allay his activity.
> (œ1767 Part 2, Section 3)

As Foucault (1971) claimed, for 'responsible' western Europeans of the 17th and 18th centuries, sloth had become the worst of all sins, and productive labor the best of all disciplines and virtues, having its own, inevitable rewards.

'The poor', like the barbarians, appeared unable to understand why this should be so. Consequently, they labored for only so long as was necessary to supply their meager wants and needs and then focused on other activities, more often than not, various forms of 'time wasting' such as socializing and 'loitering'.

For 18th and 19th century reformers, 'loitering' was a pernicious pastime of those who were 'slothful', those who seemed content with their miserable lot and who clearly lacked all motivation to 'better themselves' [162]. œJohn Marshall (1698), in a commentary on John Bunyan's writings, put it well,

> Bunyan well knew that idleness engenders poverty and crime, and is the parent of every evil; and he exhorts his runner to the greatest diligence, not to 'fool away his soul' in slothfulness, which induces carelessness, until the sinner is remediless ...[163]

Born Again or Not - They need to Learn Discipline!

The nature of the activity in which 18th century responsible people were to engage in getting the poor to commit to consistent work was strongly influenced by their religious predisposition. For those less religiously inclined, the poor could be disciplined to work through legal compulsions; for those who saw religious commitment as central, no amount of discipline, no depth of punishment could bring about the needed transformation until the heart and soul of the individual had been *reborn* [164].

For the great majority of middle ranking people, the answer lay in laws and regulations, in disciplining and directing the activity of those who threatened the prosperity of the age. But, for a significant minority, those who still strongly identified with the religious longings and ambitions of the 17th century, the problems of the age could not be overcome simply through compulsion and legislation. Before people could even contemplate such transforming changes in their lifestyles they needed to be empowered by God. People needed to be 'born again', starting out on a new life empowered by God to become sanctified in mind and body.

They would still have to yield to discipline, and they would still have to show that perseverance and industry which marked the truly moral person, but the transformation could not begin until they had been made into new people, saved to serve God in the way He chose (and Responsible Western Europeans knew) they should. Having yielded their lives to God, they should focus on the life before them, determined to "work out their salvation with fear and trembling".

œJohn Wesley, in 1762, adjured his followers,

> Be always employed; lose no shred of time; gather up the fragments, that nothing be lost. And whatsoever thy hand findeth to do, do it with thy might.

Only God could perform the miraculous transformation which was needed in the lives of those who were trapped in sloth and its consequences. Unless there was true repentance, born of clear understanding of the depths of depravity in which they were sunk, there could be no redemption.

The redeemed, in gratitude to God, would apply themselves unstintingly to virtuous, productive lives. As Charles Wesley, in a popular hymn of the period, wrote,

> Depth of mercy, can there be, mercy still reserved for me? Can my God his wrath forebear, me the chief of sinners spare?

Isaac Watts put it equally eloquently,

> Amazing grace, how sweet the sound that saved a wretch like me! I once was lost, but now I'm found, was blind, but now I see!

Once that transformation had been made, it was the responsibility of the redeemed to make the most of the new lives they had received at God's hand.

Over the next two hundred years these alternative focuses were to produce very different determinations in those who held them.

Those who saw the future as one of discipline and punishment *knew* that attempting to relieve the sufferings of the poor would be counter-productive.

œHerbert Spencer (1884), in the late 19th century, was still wrestling with how best to ensure that 'The Poor' acquired 'the capacities needful for civilized life'. This had exercised the minds of 17th and 18th century writers like Petty, Child, Pollexfen, Marshall, Mandeville, Defoe, Ferguson and Townsend. Yet, at the end of the 19th century, it had still not been resolved.

Spencer explained what he believed was required to make the lower classes 'fit for the social state'. Those who felt sorry for the poor, who wanted to rescue them from the harshness of their lives, were working against the tide of human evolution. All the evils of the age; the poverty, degradation, maltreatment of the lower classes 'are unavoidable attendants on the adaptation now in progress':

> To become fit for the social state, man has not only to lose his savageness, but he has to acquire the capacities needful for civilized life. Power of application must be developed; such modification of the intellect as shall qualify it for its new tasks must take place; and, above all, there must be gained the ability to sacrifice a small mediate gratification for a future great one.
>
> The state of transition will of course be an unhappy state. Misery inevitably results from incongruity between constitutions and conditions. All these evils which afflict us, and seem to the uninitiated the obvious consequences of this or that removable cause, are unavoidable attendants on the adaptation now in progress.
>
> Humanity is being pressed against the inexorable necessities of its new position - is being molded into harmony with them, and has to bear the resulting unhappiness as best it can. The process must be undergone, and the sufferings must be endured.
>
> No power on earth, no cunningly-devised laws of statesmen, no world-rectifying schemes of the humane, no communist panaceas, no reforms that men ever did broach or ever will broach, can diminish them one jot.
>
> Intensified they may be, and are; and in preventing their intensification, the philanthropic will find ample scope for exertion. But there is bound up with the changes a normal amount of suffering,

> which cannot be lessened without altering the very laws of life. (1884 Ch. 3, p. 40)

For Spencer, as for the vast majority of 'responsible' Western Europeans of the 18th, 19th, and 20th centuries, human beings were on a millenarian evolutionary journey. There was a *direction* to social change and that direction, provided people took their responsibilities seriously, was upwards, into a future of growing material prosperity and well-being.

The utopian presumptions of the previous two centuries [165] had become a part of the background of understanding for the 'middle sorts' of western Europe. And, with the absorption of these presumptions into the unconscious substrate of reasoning, the implied dangers of not pressing toward that goal of the 'upward call of God' became similarly internalized, no longer a matter of belief but one of certainty, no longer religiously justified, but now materially certified.

The progress of humanity was written into the material constitution of human beings, just as the changes in the earth's surface and in the heavens were increasingly being seen as consequences of inescapable and unstoppable 'forces of nature'.

The attitudes of western European employers in the 18th and 19th centuries toward the poor were hundreds of years in the making. By the 15th century, employers and landowners were already convinced that 'the poor' would only work consistently if compelled to do so. Their experiences following the Black Death of the mid 14th century [166], when labor became very scarce while the tasks to be done remained about the same as they had been when there was a much larger workforce, convinced them that they could not rely on the goodwill of those they employed.

Of course, if one sees the situation from the laborers' point of view, the demands made of them from the early 1350s onwards were entirely unreasonable. The presumption that those who remained would meet all the laboring demands previously met by as much as double their number five years earlier, resulted in them being required to work for very long hours, for very little more reward.

Since they were geared to labor as a means of meeting needs and wants rather than as a means to the open ended accumulation of money and possessions, once they obtained the cash they needed it seemed pointless to continue working. There were better things to do than work when the product was no longer needed.

How deep-seated such understandings and motivations in life are, and how difficult it is to retrain people to new perspectives. 'Responsible' western Europeans had been passing laws and organizing processes of retraining for 'the poor' for more than three hundred years before the concerted efforts of the 18th and 19th centuries.

The 'responsible public' of the 18th century was, undoubtedly, largely comprised of self-serving, self-interested, self-promoting individuals who wanted the world organized to their benefit. They were, however, nonetheless, convinced of the historical necessity underpinning the reforms they supported.

The world, for them, was becoming, more and more certainly, a world of resources and a world of productive, wealth-generating activity. They were the vanguard of the future, creating a world which would benefit all. But, to effectively pursue these goals, the laziness, indiscipline and profanity of the

'lower rank' had to be addressed. œDaniel Defoe, of *Robinson Crusoe* fame, described the problem in the 1720s,

> ... the conversation of our lower rank of people runs only upon bawdy and blasphemy, notwithstanding our societies for reformation, and our laws in force against profaneness; for this lazy life gets them many proselytes, their numbers daily increasing from runaway apprentices and footboys, insomuch that it is a very hard matter for a gentleman to get him a servant, or for a tradesman to find an apprentice.

In the 18th century, following a relative lull in activities during the later 17th century, the enclosure of common land, dispossession of peasant landholders and consolidation of landholdings took on new momentum. As it did so, the ranks of dispossessed and indigent people were swelled by those moved from the land. The common view of 18th century reformers was that almost half of the land available for farming in Britain was 'waste', that is, not used 'profitably'. They set out to make it economically productive and efficient.

They'll work if they're hungry!

> The poor know little of the motives which stimulate the higher ranks to action - pride, honour, and ambition. In general it is only hunger which can spur and goad them on to labor; yet our laws have said, they shall never hunger. The laws, it must be confessed, have likewise said that they shall be compelled to work.
>
> But then legal constraint is attended with too much trouble, violence, and noise; creates ill will, and never can be productive of good and acceptable service: whereas hunger is not only a peaceable, silent, unremitted pressure, but, as the most natural motive to industry and labor, it calls forth the most powerful exertions; and, when satisfied by the free bounty of another, lays a lasting and sure foundation for good will and gratitude ...
>
> The wisest legislator will never be able to devise a more equitable, a more effectual, or in any respect a more suitable punishment, than hunger is for a disobedient servant. Hunger will tame the fiercest animals, it will teach decency and civility, obedience and subjection, to the most brutish, the most obstinate, and the most perverse. (œJoseph Townsend 1786)

Sir Josiah Child had identified the problem in the 17th century, the poor "work so much and no more, as may maintain them in that mean condition to which they have been accustomed". It was time to make sure that they received no more than would keep them working. And it was time to take away any supports the poor might be relying on other than wage labor.

The 'responsible' people of the mid 18th century found a way to do this which would both force the poor into a consistent commitment to work and ensure the rational reorganization of the countryside. They accelerated the alienation of common lands and the dispossession of small holders:

> The enclosure of commons had been going on for centuries before 1760, but with nothing like the rapidity with which it has been going on since, it is known that 554,974 acres were enclosed between 1710 and 1760, while nearly 7,000,000 were enclosed between 1760 and 1845. (œArnold Toynbee (1884))

The dispossession of small holders gathered momentum as the 18th century unfolded. Toynbee (1884) summarized the movement,

> A third result of landlord supremacy was the manner in which the common-field system was broken up. Allusion has already been made to enclosures, and enclosures meant a break-up of the old system of agriculture and a redistribution of the land. This is a problem which involves delicate questions of justice.
>
> In Prussia, the change was effected by impartial legislation; in England, the work was done by the strong at the expense of the weak. The change from common to individual ownership, which was economically advantageous, was carried out in an iniquitous manner, and thereby became socially harmful.
>
> Great injury was thus done to the poor and ignorant freeholders who lost their rights in the common lands.
>
> In Pickering, in one instance, the lessee of the tithes applied for an enclosure of the waste. The small freeholders did their best to oppose him, but, having little money to carry on the suit, they were overruled, and the lessee, who had bought the support of the landless 'house-owners' of the parish, took the land from the freeholders and shared the spoil with the cottagers.
>
> It was always easy for the steward to harass the small owners till he forced them to sell... The enclosure of waste land, too, did great damage to the small freeholders, who, without the right of grazing, naturally found it so much the more difficult to pay their way.

Those who lost access to lands joined the ranks of 'the poor', forced to live on the charity of parishes or move to the outskirts of towns in an attempt to find some alternative means of subsistence. As they did so, the 'problem of the poor' became increasingly obvious to responsible citizens [167].

The problems attending the enclosure of common lands were just the tip of the iceberg. At the same time as people who relied on common lands found themselves denied access, small holders who held sufficient land to make ends meet found that their lands, in the eyes of those who held political power, were 'waste land' that could be 'more productively' used. They found the political conditions of the time stacked against them.

Large landowners had gained the whip hand and set out to dispossess the yeomen of England of the lands they held:

> To summarise the movement: it is probable that the yeomen would in any case have partly disappeared, owing to the inevitable working of economic causes. But these alone would not have led to their disappearance on so large a scale. It was the political conditions of the age, the overwhelming importance of land, which made it impossible for the yeoman to keep his grip upon the soil.
> Toynbee (1884)

People who, until the mid 18th century, had felt themselves relatively safe from the dispossession experienced by rural laborers and others who relied heavily on access to the commons for survival, now found themselves the target of land reform.

Their problems were not only brought on by rapacious landlords and changes in statutes which were strongly weighted against them. They were compounded by the movement of industry through the 18th century from

the countryside into towns. Traditionally, small holders had augmented their income by spinning, weaving and other forms of handicraft. As these activities became the focus of factory development, the returns for their labors were greatly reduced. Very often the market for their produce simply disappeared.

Many who were not evicted or defrauded of their properties, found that they could no longer make a living from the land they held, and were either compelled by circumstance into sending more and more members of their households into towns in search of work, or found themselves having to accept the very low prices being offered for rural land and move to the rapidly growing towns and cities of western Europe (but particularly of England). And, as is always true under capitalism, the increased labor which became available to employers resulted in constant reductions in wages.

We'll Compel Them through Laws and Regulations!

For the Middle Ranks, of course, the problems were not those of dispossession and abuse, they were problems of sloth and intemperance, which inevitably resulted in crime and violence. The poor were fundamentally lazy and unwilling to put the needs of the country above their own petty concerns and interests. They would, if they could, undermine all that was being achieved in ensuring the 'wealth of the nation'.

The indolent poor must be compelled to contribute to the prosperity of the country, and the government must act strongly and decisively to deal with what was rapidly becoming not 'the poor' but 'the criminal' class. John Simon described the scene,

> Sir Samuel Romilly [1786] in his *Observations on a Late Publication, intituled Thoughts on Executive Justice*, reviews the criminal law of England, and says -
>
> > The first thing which strikes one is the melancholy truth that among the variety of actions which men are daily liable to commit, no less than one hundred and sixty have been declared by Act of Parliament to be felonies without benefit of clergy; or, in other words, to be worthy of instant death. [168]
>
> Romilly founds his statement on Blackstone's Commentaries; and, in a note, he draws attention to the fact that, since the publication of those Commentaries, the number of felonies had been considerably augmented by the legislature. Sydney says
>
> > To steal a horse or a sheep; to snatch property from the hands of a man and run away with it; to steal to the amount of forty shillings in a dwelling-house, or privately to the value of five shillings in a shop; to pick a pocket of only twelve pence and a farthing; these offences all continued till the end of the eighteenth century to be punishable with death.
> > *England and the English*, vol. ii. pp. 268, 269.
>
> Mr. John Latimer, in *The Annals of Bristol in the Eighteenth Century*, gives a list of the persons executed in that city during the first half of the eighteenth century. The list is confessedly incomplete, but, so far as we can judge by its details, executions for murder were comparatively infrequent. Out of the seventy-seven criminals whose cases and crimes are cited, only eighteen suffered death for murder. The rest were executed for offences, which would now be punished by imprisonment.

> It is no wonder that the number of executions in England was great. Lecky tells us that, when Blackstone wrote, it was a very ordinary occurrence for ten or twelve culprits to be hung on a single occasion, and for forty or fifty to be condemned at a single assize. In 1732 no less than seventy persons received sentence of death at the Old Bailey. In the same year eighteen persons were hung in one day in the town of Cork.
> *History of England*, vol. i. p. 505.
>
> ... It is painful to record these brutalities, but it is impossible to understand the temper of the English people in the eighteenth century unless we do so. An utter callousness to the sufferings of criminals prevailed. We may go further. Those sufferings were a source of pleasurable excitement to the crowds that witnessed them. When the death-carts rumbled along the road from Newgate to Tyburn, the pavements were crowded with spectators. From the windows of the houses, hosts of people looked out with admiration upon the jaunty men who, with nosegays on their breasts, journeyed on the solemn path that broke away so suddenly into eternity.
>
> Let the wanderer along the present Oxford Street imagine the scene. Let him try to conceive the possibility of its repetition to day. He will then be able to form some idea of the immeasurable distance that divides us from the spirit and the customs of the eighteenth century.
>
> We ask in amazement if any voice was raised in Church or State, against the brutal punishments contained in the criminal code of England. The answer is disappointing. The ascertained facts show that, so far as the executions for felony are concerned, not only was there an absence of protest, but such executions were approved by the most enlightened opinion of the time.
> (œ1908 p. 63)

Boswell recorded a discussion between Samuel Johnson and Sir William Scott in 1783, when told that criminals to be hanged were no longer to be publicly paraded on the way to execution,

> ... He said to Sir William Scott, 'The age is running mad after innovation; all the business of the world is to be done in a new way; men are to be hanged in a new way; Tyburn itself is not safe from the fury of innovation.'
>
> It having been argued that this was an improvement,-'No, Sir, (said he, eagerly,) it is NOT an improvement: they object that the old method drew together a number of spectators. Sir, executions are intended to draw spectators. If they do not draw spectators they don't answer their purpose. The old method was most satisfactory to all parties; the publick was gratified by a procession; the criminal was supported by it. Why is all this to be swept away?'
>
> I perfectly agree with Dr. Johnson upon this head, and am persuaded that executions now, the solemn procession being discontinued, have not nearly the effect which they formerly had.
> (œBoswell 1791)

Punishments were not to be viewed as acts of vengeance, but as cautionary devices, discouraging others from similar behavior (reminiscent, of course, of œThomas More's 1516 description:

> ...the severe execution of justice upon thieves, who ... were then hanged so fast that there were sometimes twenty on one gibbet

- there has been a long history of blaming and punishing victims in western Europe).

Throughout the century, the vastness of the problem, and the difficulties of dealing with it, occupied the minds of socially aware, responsible people. Those most directly involved in addressing the problem felt a sense of hopeless frustration at the immensity of the task which confronted them. It was not that a *few* of the 'lower rank' were lazy and degenerate, this seemed to be the condition of everyone.

E. P Thompson described the attitude of Josiah Tuck, dean of Gloucester, in 1745,

> 'the *lower* class of people' were utterly degenerated. Foreigners (he sermonized) found 'the *common people* of our *populous cities* to be the most *abandoned*, and *licentious* wretches on earth': 'Such brutality and insolence, such debauchery and extravagance, such idleness, irreligion, cursing and swearing, and contempt of all rule and authority... Our people are *drunk with the cup of liberty*.'
> (1967, pp. 80-81)

Daniel Defoe in the 1720s seems to have put the common view of 'responsible members of the public' into words in a pamphlet entitled, œ*Everybody's Business Is Nobody's Business Or, Private Abuses, Public Grievances: Exemplified In the Pride, Insolence, and exorbitant Wages of our Women, Servants, Footmen, etc.* , which rapidly ran to five editions.

As he says in the preface to the fifth edition, his intentions, in writing the pamphlet have,

> had the good fortune to meet with approbation from the sober and substantial part of mankind; as for the vicious and vagabond, their ill-will is my ambition.

His language is blunt and his views uncompromising,

> It is with uncommon satisfaction I see the magistracy begin to put the laws against vagabonds in force with the utmost vigour, a great many of those vermin ... having lately been taken up and sent to the several work-houses in and about this city; and indeed high time, for they grow every day more and more pernicious...
>
> I, therefore, humbly propose that these vagabonds be put immediately under the command of such taskmasters as the government shall appoint, and that they be employed, punished, or rewarded, according to their capacities and demerits; that is to say, the industrious and docible to woolcombing, and other parts of the woollen manufacture, where hands are wanted, as also to husbandry and other parts of agriculture.

His solution to the problem of the unreliability of day workers and servants was to pass innumerable laws and regulations governing their behavior with which they

> must either comply or be termed an idle vagrant, and sent to a place where they shall be forced to work. By this means industry will be encouraged, idleness punished, and we shall be famed, as well as happy for our tranquillity and decorum.

Not only were the poor idle, irreligious and wanton, those who were employed could simply not be trusted. Defoe's pamphlet provides one

example after another of the duplicity, deceit and light-fingeredness of servants and other employees. They displayed

> saucy and insolent behavior, ...pert, and sometimes abusive answers, [and] daring defiance of correction.

If they were not watched constantly, they would cheat their employers of all their belongings.

E. P. Thompson described the lengths to which Crowley, owner of the Crowley Iron Works, went in attempting to get his employees to work and in trying to protect himself from their blatant dishonesty. In preambles to two of the 'Orders' of the extensive 'Law Book' of the Company, Crowley wrote,

> I having by sundry people working by the day with the connivance of the clerks been horribly cheated and paid for much more time than in good conscience I ought and such hath been the baseness and treachery of sundry clerks that they have concealed the sloath and negligence of those paid by the day...
>
> To the end that sloath and villany should be detected and the just and diligent rewarded, I have thought meet to create an account of time by a monitor, and do order and it is hereby ordered and declared from 5 to 8 and from 7 to 10 is fifteen hours, out of which take 1½for breakfast, dinner, etc. There will then be thirteen hours and a half neat service...
>
> [This service must be calculated] after all deductions for being at taverns, alehouses, coffee houses, breakfast, dinner, playing, sleeping, smoaking, singing, reading of news history, quarelling, contention, disputes or anything foreign to my business, any way loytering. (1967, pp. 81-2)

The stress on the 'period of work', and of ensuring that employees worked their full number of hours, was, of course, not new to the 18th century. It was a growing concern of merchants and landowners through the late 14th and 15th centuries, and it grew in importance in succeeding centuries [169]. By the 18th century, Crowley felt it unnecessary to justify this stress.

Everyone who mattered *knew* that people labored for a set period of time each day, and that they *ought* to spend all of that time 'on the job'. Work was not simply 'labor', it was spending *a set time* in a 'place of employment' where the time was 'owned' by the employer.

Not only 'the poor' were organized to 'work time' and 'leisure' or 'non-work' time, so were the industrious middle sorts. Only the gentry, who spent their time in 'public' activities, were not organized in this way. But they too had their sphere of service and should, also, allot a period in each day to the performance of their 'duties'.

While one could rely on responsible members of the community taking their work commitments seriously, this simply could not be assumed of 'the poor'. They would cheat and steal and rob employers of the time they wanted to be paid for. Only constant vigilance, thorough regulation and supervision could ensure that they spent their time in work rather than in taverns, alehouses, and coffee houses, 'loitering' rather than working.

The poor were, as they had been seen for centuries, unreliable, untrustworthy, dishonest, lazy and duplicitous. Responsible people in the 18th century realized that if they continued in this 'savage' state they

threatened all the advances of civilization which seemed promised in the century.

Something had to be done to address what, to the responsible citizens of Britain and the rest of western Europe, was both a disgrace and a dire threat to the well-being of every responsible person. This mass of unredeemed, degenerate humanity had to be redeemed, retrained, made responsible.

Let's Train their Young

In the 18th century, as in earlier centuries, the means to ensuring conscientious commitment to work by employees were all based on external regulations and legal compulsions. If enough pressure was applied, and people were organized and supervised thoroughly, their work commitment would improve. Government provided the background legislation compelling the poor to work, and individual industrial enterprises provided additional structures and regulations ensuring that laborers really did labor.

(16/01/16)

But, despite all these measures, the problem of getting the poor to take their laboring responsibilities seriously seemed worse than ever. It was clear that the problem could not be addressed simply by trying to coerce and police adults. It was very difficult to change the habits of a lifetime.

Aphorisms were at hand to justify one of the approaches to retraining the poor: You can't teach an old dog new tricks; you've got to break a horse when it's young. If laws and regulations alone did not work, perhaps overt training of the young would do it.

Edgar Furniss described a range of opinions on the matter expressed during the 18th century,

> Very significant of the point of view of these writers are the projects which they advanced for shaping and moulding the characters and destinies of the children of the laboring classes.
>
> Many of these projects strike the modern reader as almost fantastic distortions of justice, but it is necessary that we bear in mind, in attempting to gain an insight into the attitude of their authors, that the proposals were advanced for the good of the nation, and not for the immediate benefit of the children who were to supply the material for experimentation.
>
> William Temple, always an extremist in his point of view, devised one of these:
>
>> When these children are four years old, they shall be sent to the country workhouse and there taught to read two hours a day and be kept fully employed the rest of their time in any of the manufactures of the house which best suits their age, strength and capacity.
>>
>> If it be objected that at these early years, they cannot be made useful, I reply that at four years of age there are sturdy employments in which children can earn their living; but besides, there is considerable use in their being, somehow or other, constantly employed at least twelve hours in a day, whether they earn their living or not; for by these means, we hope that the rising generation will be so habituated to constant employment that it

> would at length prove agreeable and entertaining to them ...
> (William Temple, *Essay* (1770))

(œ1920, p.114 [170])

Children had to be taught, as John Locke (1692) had explained in the late 17th century, to defer gratification of immediate, imprudent desires and lusts in favor of working towards long-term, prudent rewards for diligent endeavor. This would benefit not only the individuals themselves, but also their dependents and communities.

They had to learn the immorality, the sinfulness of sloth and the virtue, the sanctifying power of industry. The evangelist of the age, John Wesley, put it very clearly,

> Know ye not then so much as this, you that are called moral men, that all idleness is immorality; that there is no grosser dishonesty than sloth; that every voluntary blockhead is a knave? He defrauds his benefactors, his parents, and the world; and robs both God and his own soul.
>
> Yet how many of these are among us! How many lazy drones, as if only fruges consumere nati! "born to eat up the produce of the soil." How many whose ignorance is not owing to incapacity, but to mere laziness!
> (œ1741 sermon)

It was becoming clear to 18th century responsible people that the horse must be broken when young, or not at all. As Sir John Eardley Wilmot, Chief Justice of the Common Pleas explained in 1777,

> Obedience is one of the capital benefits arising from a public education, for though I am very desirous of having young minds impregnated with classical knowledge, from the pleasure I have derived from it, as well as the utility of it in all stations of life, yet it is but a secondary benefit in my estimation of education; for to break the natural ferocity of human nature, to subdue the passions and to impress the principles of religion and morality, and give habits of obedience and subordination to paternal as well as political authority, is the first object to be attended to by all schoolmasters who know their duty and do it.
> (œ*The Gentleman's Magazine* (1811) Volume 109 p. 449 [171])

Through the second half of the 18th century, and on into the 19th, both focuses were to be developed. On the one hand, laws and regulations compelling people to work would be strengthened and applied more and more vigorously, and alternative means of material support would be removed wherever possible. On the other, increasing emphasis would be placed on training the young.

This was not, of course, *education*, as given to the children of the middle ranks. That might well back-fire, giving the children of the poor ideas which were beyond their station. Among those who had not been directly involved in or affected by the religious revivals of the period, the view of education for the masses which Bernard Mandeville expressed in 1724 seems to have been standard,

> From what has been said it is manifest, that in a free Nation where Slaves are not allow'd of, the surest Wealth consists in a Multitude of laborious Poor; for besides that they are the never-failing Nursery of Fleets and Armies, without them there could be no Enjoyment, and no Product of any Country could be valuable.

> To make the Society happy and People easy under the meanest Circumstances, it is requisite that great Numbers of them should be Ignorant as well as Poor. Knowledge both enlarges and multiplies our Desires, and the fewer things a Man wishes for, the more easily his Necessities may be supplied.
>
> The Welfare and Felicity therefore of every State and Kingdom, require that the Knowledge of the Working Poor should be confined within the Verge of their Occupations, and never extended (as to things visible) beyond what relates to their Calling. The more a Shepherd, a Plowman or any other Peasant knows of the World, and the things that are Foreign to his Labor or Employment, the less fit he'll be to go through the Fatigues and Hardships of it with Chearfulness and Content.
>
> Reading, Writing and Arithmetick, are very necessary to those, whose Business require such Qualifications, but where People's livelihood has no dependence on these Arts, they are very pernicious to the Poor, who are forced to get their Daily Bread by their Daily Labor....
>
> Going to School in comparison to Working is Idleness, and the longer Boys continue in this easy sort of Life, the more unfit they'll be when grown up for downright Labor, both as to Strength and Inclination. Men who are to remain and end their Days in a Laborious, Tiresome and Painful Station of Life, the sooner they are put upon it at first, the more patiently they'll submit to it for ever after.
> (*Fable of the Bees* (1724) Appendix: œAn Essay On Charity, and Charity Schools).

This view of the educational requirements of the poor remained dominant through the century. An anonymous writer to the *Gentleman's Magazine* in 1797 put it even more clearly,

> Industry is the great principle of duty that ought to be inculcated on the lowest class of the people, as it is the best and most effectual barrier against vices of every kind; as it occupies the mind, and leaves no vacancy for licentious thoughts and mischievous projects...
>
> The laborious occupations of life must be performed by those who have been born in the lowest stations; but no one will be willing to undertake the most servile employment, or the meanest drudgery, if his mind is opened, and his abilities increased, by any tolerable share of scholastic improvement: yet these employments and this drudgery must be necessarily performed... and, surely, none can be more properly fitted for this purpose than those who have been born in a state of poverty.
>
> The man, whose mind is not illuminated by one ray of science, can discharge his duty in the most sordid employment without the smallest views of raising himself to a higher station, and can take his rest at night in perfect satisfaction and content.
>
> His ignorance is a balm that soothes his mind into stupidity and repose, and excludes every emotion of discontentment, pride and ambition. A man of no literature will seldom attempt to form insurrections, or plan an idle scheme for the reformation of the state.
> (in Goldstrom 1972, p. 22,3)

Mr Davies Giddy, member of parliament, in a debate on the Parochial Schools Bill in 1807 [172], expanded on the problems of educating the poor:

> ['The giving of education to the laboring classes' would] be found to be prejudicial to their morals and happiness; it would teach them to despise their lot in life, instead of making them good servants in agriculture and other laborious employments to which their rank in society had destined them; instead of teaching them subordination, it would render them factious and refractory, as was evident in the manufacturing counties; it would enable them to read seditious pamphlets, vicious books, and publications against Christianity; it would render them insolent to their superiors; and, in a few years, the result would be, that the legislature would find it necessary to direct the strong arm of power towards them...
> (in Goldstrom 1972, p. 29)

For these people the problem was one best dealt with by direct means:

- through finding a variety of ways of compelling the poor to work;
- reducing the circumstances of those who refused to work to such low levels that they would have no option but to accept whatever work was offered;
- and by retraining their offspring to become habituated to work.

The impact of the 18th century revivals resulted in a very different approach being employed by those who accepted that they had a duty of care for the weak and the poor.

The 19th century saw the proliferation of day schools for the poor. The aims of the schools, however, were in line with sentiments expressed through the 18th and 19th centuries. Wilmot's views on education for the poor, given above, seem to have summed up the aims of most day schools. The aims of public school education for the middle classes were rather different (though public schools did emphasize "habits of obedience and subordination to paternal as well as political authority").

An advertisement explaining the object of the Kennington District Schools, in 1824, provides a clear explanation of their purpose,

> The object in forming Establishments of this nature, which now happily exist in almost every Parish and District throughout the Kingdom, is, to train the Infant Poor to good and orderly habits, - to instil into their minds an early knowledge of their civil and religious duties, - to guard them, as far as possible, from the seductions of vice, - and to afford them the means of becoming good Christians, as well as useful and industrious Members of Society: - These are the benefits proposed by the Promoters of these Schools; benefits, it is presumed, not more essential to the Children themselves, and their Parents, than to the Community at large.
> (Silver and Silver 1974, p.1)

As a consequence of the 18th century revivals, Sunday Schools [173] emerged in the second half of the century as a means of providing a rudimentary education to both children and adults in association with religious worship services.

Samuel Scriven, in his 1842 Report to Parliament, described what he considered to be the value of the Sunday schools he investigated,

> There are in the district Sunday-schools belonging to the church, and to dissenters of many denominations, but chiefly to Methodists of the

"Wesleyan", " New Connexion", "Christian Association", and "Primitive" connexion. In these are congregated immense numbers of children of both sexes.

The practice of all is to open their doors at nine o'clock in the morning, and close them at half past ten, when they retire to the religious worship of their respective churches or chapels: to open again at one o'clock, and retire at half past two generally, for the same purpose, thus giving three hours of instruction deducting half an hour for prayer and singing, with which they commence their duties.

There are defects in the system of Sunday-school training, or whence arises the fact of children whose depositions I hand you from Burslem, the very pride of the potteries, their very seat of learning, being so profoundly ignorant as not to know one letter from another, and yet regularly "attend Sunday schools" my deliberate opinion is; that in an educational point of view they are not doing the good which is attributed to them: first, on account of the limitation of the hours of schooling; next; from the absence of writing, and other such secular instruction; and, thirdly, on account of the teachers; who with honour be it spoken, are eight-tenths of the working classes, yet unequal to the task of teaching.

I do not mean to detract from the merits of Sunday-schools as a source of religious knowledge, which by some is considered the basis upon which all others should be built, or from the moral effects resulting from the congregating of children in religious places; or from associating with religious friends; but would rather give my humble praise to the many sects who have with such determined efforts striven to stem the torrent of infidelity, profligacy, and drunkenness, and continue with pious zeal, in imitation of their founder, to extend the knowledge and love of God. [174]

And ... No Charity!!

Among the most unfortunate consequences of government 'hand-outs', in the minds of many writers of the 18th and 19th centuries, was their negative impact on the willingness of the poor to work. One of several writers quoted by œEdgar Furniss (1920), in examining the issue, was William Temple,

> Temple wrote at a time when the poor rates were computed at two and a half millions of pounds annually and were continually on the increase; when the minds of men were filled with fresh memories of the destructive riots which the past four years had seen; when, in fact, there seemed to be lacking no evidence of the despair-engendered viciousness of the lower classes necessary to convince the short-sighted observers of the day of their innate depravity.
>
> Temple proceeded to find the cause of this immorality in the existing laws for poor relief:
>
>> Our poor laws are at present a snare to the poor, and leave them loose to idleness, debauchery and insolence; because they depend on these laws for support in necessity; and knowing that a justice of the peace will relieve them, they despise parish officers, insult the inhabitants, and do not feel themselves obliged to their benefactors for what they receive.
>>
>> It is upon the poor laws that the poor rely and not upon their own behavior and conduct; and this tends to destroy all subordination as

> well as gratitude and mutual esteem. (William Temple, 1770, *Essay*)

> But the writer's belief that the poor laws were responsible for the condition he decried, did not cause him to absolve the laborer from all blame for his " idleness, debauchery, and insolence."

> The reaction of the laborers toward these well-intentioned efforts to ease their life conditions, was rather construed as evidence of a deep-lying moral taint in the character of the people, a proneness to evil which became pronounced in the presence of conditions in the least degree favorable to an indulgence of their congenital habits of indolence and debauchery.

> Temple concluded that life had been made too easy for the laborer, that he had fallen into the evil ways so congenial to his temperament, and that necessity alone could enforce labor - the labor which the poor man owed to his nation; necessity, visualized in hard times, low wages, high prices, toil-inducing want.

> This is the one strong note which sounds through the writings of the eighteenth-century social reformers, the demand for rigorous life conditions to discipline the laborer and purge his character of the evil habits of "luxury" and "sloth," a demand which takes a variety of forms during the period, advocating different expedients, all calculated to render the hard lot of the laboring classes still harder....
> (Furniss 1920, pp. 106-7)

Joseph Townsend, in *œA Dissertation on the Poor Laws*, in 1786, provided perhaps the most rational, calculated solution to the problem of compelling the poor to work when he suggested that the best means was to strip them of all alternative means of livelihood; and reduce wages to the bare minimum required for subsistence. The problem, as many had explained through more than two centuries, was that the poor would work for only so long as they absolutely had to in order to obtain their subsistence. If they could do this in three or four days of work then they would only work for that period. So, it was clearly counterproductive to provide them with above-subsistence wages.

For Townsend, as for Mandeville, Temple, Ferguson and many other writers of the century, one of the greatest errors of reformers over the previous two centuries was that they had attempted to deal with the problem of poverty by providing welfare payments of various kinds to those who were destitute. In doing so, they expanded and perpetuated the very problem they were trying to address [175].

First, Townsend states the problem, stemming, he believes [176], from the old monastic system which supported the poor in their indolence and was dismantled when Henry VIII, in the early 16th century, broke up the monasteries and appropriated their possessions.

> At the dissolution of the monasteries, the lazy and the indigent, who were deprived of their accustomed food, became clamorous, and, having long since forgot to work, were not only ready to join in every scheme for the disturbance of the state, but, as vagrants, by their numbers, by their impostures, and by their thefts, they rendered themselves a public and most intolerable nuisance [177].

According to Townsend, these wretches, once succored by the Church and, in the main, a product of the foolishness of misplaced charity, were, with the breakup of the feudal Church in England, forced to fend for themselves.

Only, having for so long been fed and clothed by the religious communities, they no longer possessed the skills, motivation or inclination to work for their own living.

Now, according to Townsend, in the latter part of the 18th century, it was time to seriously address the problem posed by the descendants of those lazy and indigent wards of the Church. And, since the responsible people of the age now approached everything rationally, presuming that in a rational consideration of the elements of a problem the solution would become plain, this problem should be approached in that way.

> There never was greater distress among the poor: there never was more money collected for their relief. But what is most perplexing is, that poverty and wretchedness have increased in exact proportion to the efforts which have been made for the comfortable subsistence of the poor; and that wherever most is expended for their support, there objects of distress are most abundant; whilst in those countries or provincial districts where the least provision has been made for their supply, we hear the fewest groans. Among the former we see drunkenness and idleness cloathed in rags; among the latter we hear the chearful songs of industry and virtue.
> (Townsend 1786)

So, the solution was obvious, take away charity. Misplaced charity breeds the problems it claims to address. Force the poor to fend for themselves and they will develop those skills which they presently lack. Having learned to work, they will come to enjoy it and their regions will resound to "the chearful songs of industry and virtue".

How could the state go about this without provoking widespread civil unrest? Again, Townsend claimed, to understand the solution one needed to examine measures previously tried and determine why they had failed.

Through the previous two hundred years, the major approaches to the problem of the laziness and indigence of the poor had involved legislation and social compulsion. Innumerable laws had been passed compelling the poor to work. None had succeeded. Even more laws had been passed, and draconian penalties applied to address the immorality and dishonesty of the idle poor; again, without any apparent success in dealing with the problems of crime and immorality among the poor. So, to continue with either of these seemed pointless.

The poor were clearly not motivated to work through any sense of pride in achievement, ambition or self-respect. They were 'not yet civilized'. But they must be taught to work. Best, therefore, to resort, not to manmade laws and compulsions, which are seldom successful, but to those 'natural' motives which drive human beings to labor.

Freemen should not be compelled to work, but they can be motivated by lowering their incomes to levels which will reduce them to 'the bread line'. Then they will work because they need to, and the wages they receive will lay

> ...a lasting and sure foundation for good will and gratitude.
>
> The slave must be compelled to work; but the freeman should be left to his own judgment and discretion; should be protected in the full enjoyment of his own, be it much or little; and punished when he invades his neighbour's property. By recurring to those base motives which influence the slave, and trusting only to compulsion, all the

> benefits of free service, both to the servant and to the master, must be lost.
> (Townsend 1786)

The second half of the 18th century saw the final push to strip away small-holdings from the rural poor of Britain, making them entirely dependent on wage-labor for subsistence.

> The enclosure of commons had been going on for centuries before 1760, but with nothing like the rapidity with which it has been going on since, it is known that 554,974 acres were enclosed between 1710 and 1760, while nearly 7,000,000 were enclosed between 1760 and 1845.
> (Toynbee, 1884)

If the poor were going to eat, they would have to accept wage labor. And the wages they would receive would be those which the market set. Of course, in a labor market flooded by the rural dispossessed, competition for work gave employers an enormous advantage and wages dropped below amounts required for subsistence.

The Speenhamland decrees in the late 18th century allowed employers to pay "market rates" for labor, which soon drove wages below what was necessary to maintain subsistence. Parishes were required to make up the shortfall from their rates. This soon placed parish finances under great strain.

In 1834 the Poor Laws were amended to remove this 'burden' from the parishes, transferring it to the poor. After all, what had they to complain about? All they had to do was 'get a job'. As Andrew Ure insisted in 1835, many workers "pamper themselves into nervous ailments by a diet too rich and exciting for their in-door occupations"!

Don't allow them to organize - it's Bad for Them!

> ... Before the "strike" of 1836-7, many of [the houses] were tenanted by their owners; but that unfortunate and mistaken attempt to coerce their masters, provoked by some few itinerant demagogues that visited the neighbourhood under the pretence of improving the condition of their occupants, occasioned most of them to change hands, and contributed to reduce those who were in a previous state of prosperity and happiness, to one of dependence, humiliation, and poverty, from which they have never recovered.
> (Scriven Report 1842 Point 11)

> The workmen... very seldom derive any advantage from the violence of those tumultuous combinations, which, partly from the interposition of the civil magistrate, partly from the necessary superior steadiness of the masters, partly from the necessity which the greater part of the workmen are under of submitting for the sake of present subsistence, generally end in nothing, but the punishment or ruin of the ringleaders.
> (Adam Smith 1776, p. 85)

Confrontations between employers and workers were not new to the 19th century. They had occurred throughout western Europe over more than three hundred years [178]. And, because legal force has always favored employers and landowners [179], it was inevitable that throughout the period laws would exist constraining united action on the part of workers.

Adam Smith (1776), in his most famous work, *The Wealth of Nations*, described the nature of confrontation between workers and employers in the mid 18th century; an astute description which has proved valid over the past two hundred years [180].

In the 19th century and later there would be two quite distinct groups of 'workers'. One group would have its roots in the artisanal groupings of the 18th century and feel a 'natural' connection with their employers. The other group would come from 'The Poor' and bring quite different motivations and understandings with them into the 'workplace'. Both groups would confront employers with their demands, but laws would apply most effectively to the second group, to the 'working poor'.

The anti-combination laws of 1799-1800 most directly addressed the artisanal workers who were already effectively organizing at the start of the 19th century. And it was toward them that many of the restrictions on worker protest activity written into the 'repeal' of those laws during the 1820s would be directed. It would not be until the second half of the 19th century that the second group would begin to have an effective voice in protesting working conditions.

Organizations of Artisans

Christiane Eisenberg provided an account of the emergence of the 'labor aristocracy' of the 18th and 19th centuries,

> The guilds split into the wealthy masters' and merchants' Livery Companies (whose functions were soon restricted to sociability) and the Yeomanries of poorer artisans, masters as well as journeymen. Most members of the Yeomanries becoming sooner or later dependent on merchants and other putters-outs, the numbers of self-employed artisans diminished.
>
> In his 1776 Wealth of Nations Adam Smith wrote of twenty men working for wages for every one who was his own master. In a more recent study, this calculation has been confirmed for London, which by the end of the 18th century was by far England's largest center of artisanal production.
> (1991 p. 510)

As a consequence of the 18th century Revivals, the lower middle ranking people of Western Europe were reorganized and firmly placed as an urban small-business and artisan 'class', with some of the more ambitious providing the manufacturing elites of the 19th century.

The artisanal groups provided a skilled labor force. They were allied to those whose morality and self-image came out of the 18th century revivals. They were capitalist, not pre-capitalist in orientation [181]. They held many of the capitalist understandings of the world and attitudes toward the idle poor even more strongly than the 'old-money' middle ranking people of the time [182].

(27/02/16)

Artisans, employing artisan apprentices of their own, either maintained their own small businesses or became attached to large manufacturing enterprises. As productive enterprises grew in size, many became either sub-contractors to those businesses or became skilled employees. Focusing on Birmingham and Sheffield, Maxine Berg described the scene in the first half of the 19th century:

> From the 1820s there was a rise in the size of establishments, the introduction of machinery, and falling apprenticeship and wages. It was in this period that the balance of power shifted away from the skilled artisan to the larger scale unit.
>
> This dramatic break between the large and small producers appeared to prevail in most of the town's industries between 1829 and 1840, whether they were 'traditional', such as tailoring or the leather trades, or new mechanised industries, such as steel-toymaking. The large-scale units dominated the town by 1840, and the small firm depended on the credit and market facilities controlled by the larger ...
>
> Often, independent artisan producers moved by choice into the factory, where by subcontracting they could maintain the viability of their small enterprises
> (1993 pp. 19, 21).

In either case, they remained detached from the 'ordinary worker', a distinct group of small-scale capitalists who supported each other and met in their own clubs and institutes[183]. They increasingly needed to organize to protect their interests and, in the process, became recognized as a radical force within British society.

Inevitably, since through the later 18th and the 19th century they increasingly found themselves working in the same enterprises as the 'working poor', the distinctions between the groups blurred at the boundaries. Some of them, over time, became leaders in Union movements among the 'working poor', a 'labor aristocracy', concerned to improve the lot of less fortunate workers.

However, most remained aloof, a group with their own interests to pursue. As James Jaffe (2000) has described, even now, when unionization is weak, it is as often because workers mistrust unionization as because employers and governments deliberately attempt to prevent workers from collective bargaining.

At the start of the 19th century, articulate workers and trades-people, the artisans of the period, were as suspicious of organizations which focused on the independent rights of the laboring poor as were their employers. This made attempts at worker organization very difficult.

They were motivated by all the moral virtues of the age. They knew the importance of both industry and frugality! Christine Macleod (1999) provided a picture of:

> the innovative pursuits of shop-floor inventors in the grimy workshops and factories of Victorian Britain ... It is important to emphasize that we are dealing here with the upper echelons of the working class. The 'working man' that Victorian commentators had in mind was almost certainly 'the respectable artisan',

a member of the lower-middle classes of Victorian Britain. Driven by the entrepreneurial spirit of the 18th century revivals among the 'little gentry', they provided much of the innovative force of the 19th:

> It was a commonplace in mid-nineteenth-century Britain that the majority of inventors were working men, and both sides in the 'patent controversy' - reformers and abolitionists - claimed to be acting in the interests of the working-class inventor as they advocated contrary strategies.

> 'Generally, inventions come from the operatives', Paul Rapsey Hodge, himself an inventor, engineer and patent agent, told a parliamentary select committee in 1851. Isambard Kingdom Brunel concurred, as did patent agent Thomas Webster, who explained that,
>
> > In an established manufacture, improvement must consist in small details; the workman is better educated as to, or has more experience of, the wants of the machine than any other person.
>
> The Manchester engineer, William Fairbairn, insisted that in larger mechanical engineering firms it was the 'working partner' (or a foreman or manager) who was responsible for most inventions, 'from his great experience and desire to expedite the work', but then explained that such a man had usually 'been originally a workman, who [had risen] by his industry and careful attention to business'. (Macleod 1999 p. 19)

Robin Pearson gave a description of some of them in the 19th century,

> ...the lower middle class, a heterogeneous body of tradesmen and small employers who came to dominate the public life of the industrial suburbs in the mid-Victorian decades ...
>
> In the local press, in almanacs and histories, in lectures at political clubs, school halls and mechanics' institutes, shopkeepers and small employers invoked a community sentiment which was at once radical in its hostility to central authority, and conservative, in that it sought to maintain their hegemony in the out-townships at the expense of a labor solidarity based on class opposition.
>
> The latter was attempted, for instance, via repeated homilies to the worker to accept his lot. Praise for the nobility of work was qualified by strictures on the need for humility and caution, "knowing one's place," both in the sense of loyalty to one's local community, and in the sense of social deference.
> (1993, p. 21)

The emerging lower middle classes of Britain felt as threatened (or, perhaps, more threatened because of their own social proximity) by attempts at political organization amongst the recently 'idle poor' as did their social superiors. The 'Working Classes' of Britain were composed of people like those described by Don Herzog:

> ...workers banded together in clubs, some more formal than others, and met in alehouses to talk about politics. One churchman catalogued the rise of "Revolutionary Clubs" figuring they meant the onset of riots and worse. Other conservatives were unhappy, too, pondering the malignant example of France's Jacobin Clubs.
>
> In 1802, the *Leeds Mercury* printed a letter musing over such nightly meetings:
>
> > Almost every street in a large town has a little senate of this description; and the priviledges of sitting in council over the affaires of the nation, and a pot of porter has long been claimed by free Britons...
>
> (1998 p. 60)

Their experiences during the 18th century had made them suspicious about the moral reliability of those who still held political power and control of most major financial institutions [184]. This had left them with a reinforced

conviction of the importance of the separation of commerce and politics, and a growing belief in the moral inadequacy of state institutions, including the state church. They were even more dismissive of the poor.

Organizing the 'Working Poor'

In 1834, in response to continued concern among the middle ranks about the laziness, lack of moral fiber and costs of maintaining the 'idle poor', the Poor Laws were amended. As Thomas Carlyle wrote in 1839,

> The New Poor-Law is an announcement, sufficiently distinct, that whosoever will not work ought not to live. Can the poor man that is willing to work, always find work, and live by his work?
>
> ... A man willing to work, and unable to find work, is perhaps the saddest sight that Fortune's inequality exhibits under this sun.
> (Thomas Carlyle, Chartism, 1885 (1839), p. 21)

John Fielden, a member of parliament and, himself, a cotton manufacturer from Lancashire, spoke against the conditions applying to the 'working poor' in 1836:

> Here, then, is the "curse" of our factory-system; as improvements in machinery have gone on, the "avarice of masters" has prompted many to exact more labor from their hands than they were fitted by nature to perform, and those who have wished for the hours of labor to be less for all ages than the legislature would even yet sanction, have had no alternative but to conform more or less to the prevailing practice, or abandon the trade altogether.
>
> This has been the case with regard to myself and my partners. We have never worked more than seventy-one hours a week before Sir JOHN HOBHOUSE'S Act was passed. We then came down to sixty-nine; and since Lord ALTHORP's Act was passed, in 1833, we have reduced the time of adults to sixty-seven and a half hours a week, and that of children under thirteen years of age to forty-eight hours in the week, though to do this latter has, I must admit, subjected us to much inconvenience, but the elder hands to more, inasmuch as the relief given to the child is in some measure imposed on the adult.
>
> But the overworking does not apply to children only; the adults are also overworked. The increased speed given to machinery within the last thirty years, has, in very many instances, doubled the labor of both.
> (œJohn Fielden, M.P., 1836, pp. 34-35)

The abject poverty and destitution of vast numbers of casual and low paid workers and unemployed people through the 18th and 19th centuries makes any belief in the *Summum Bonum* [185] consequences of disciplined self-interest seem myopically absurd.

If capitalism flourished and bloomed through this period, it provided little relief for the poor. A few contemporary descriptions of Manchester and similar regions, representative of a much larger body of literature from the period, paint a grim picture:

Alexis de Tocqueville, in the 1830s, described the scene as he approached Manchester:

> An undulating plain, or rather a collection of little hills. Below the hills a narrow river (the Irwell), which flows slowly to the Irish sea. Two

> streams (the Medlock and the Irk) wind through the uneven ground and after a thousand bends, flow into the river. Three canals made by man unite their tranquil lazy waters at the same point. On this watery land, which nature and art have contributed to keep damp, are scattered palaces and hovels.
>
> Everything in the exterior appearance of the city attests the individual powers of man; nothing the directing power of society. At every turn human liberty shows its capricious creative force. There is no trace of the slow continuous action of government. Thirty or forty factories rise on the tops of the hills I have just described. Their six stories tower up; their huge enclosures give notice from afar of the centralisation of industry.
>
> The wretched dwellings of the poor are scattered haphazard around them. Round them stretches land uncultivated but without the charm of rustic nature and still without the amenities of a town ... Some of [the] roads are paved, but most of them are full of ruts and puddles into which foot or carriage wheel sinks deep ...
>
> Heaps of dung, rubble from buildings, putrid, stagnant pools are found here and there amongst the houses and over the bumpy, pitted surfaces of the public places ...
>
> Amid this noisome labyrinth from time to time one is astonished at the sight of fine stone buildings with Corinthian columns ... But who could describe the interiors of those quarters set apart, home of vice and poverty, which surround the huge palaces of industry and clasp them in their hideous folds?
>
> On ground below the level of the river and overshadowed on every side by immense workshops, stretches marshy land which widely spaced muddy ditches can neither drain nor cleanse. Narrow twisting roads lead down to it. They are lined with one-storey houses whose ill-fitting planks and broken windows show them up, even from a distance, as the last refuge a man might find between poverty and death.
>
> Nonetheless the wretched people reduced to living in them can still inspire jealousy of their fellow beings. Below some of their miserable dwellings is a row of cellars to which a sunken corridor leads; twelve to fifteen human beings are crowded pell-mell into each of these damp, repulsive holes.
> (œ1958, pp.105-6)

James Kay described an area of Manchester between 1831 and 1844,

> The cottages are very small, old and dirty, while the streets are uneven, partly unpaved, not properly drained and full of ruts. Heaps of refuse, offal and sickening filth are everywhere interspersed with pools of stagnant liquid. The atmosphere is polluted by the stench and is darkened by the thick smoke of a dozen factory chimneys.
>
> A horde of ragged women and children swarm about the streets and they are just as dirty as the pigs which wallow happily on the heaps of garbage and in the pools of filth.
>
> In short, this horrid little slum affords as hateful and repulsive a spectacle as the worst courts to be found on the banks of the Irk. The inhabitants live in dilapidated cottages, the windows of which are broken and patched with oilskin. The doors and the door posts are broken and rotten.

> The creatures who inhabit these dwellings and even their dark, wet cellars, and who live confined amidst all this filth and foul air-which cannot be dissipated because of the surrounding lofty buildings-must surely have sunk to the lowest level of humanity.
>
> That is the conclusion that surely must be drawn even by any visitor who examines the slum from the outside, without entering any of the dwellings. But his feelings of horror would be intensified if he were to discover that on average 20 people live in each of these little houses, which at the moment consist of 2 rooms, an attic and cellar. One privy - and that usually inaccessible - is shared by about 120 people.
>
> In spite of all the warnings of the doctors and in spite of the alarm caused to the health authorities by the condition of Little Ireland during the cholera epidemic, the condition of this slum is practically the same in this year of grace 1844 as it was in 1831.
> (from *The Moral and Physical Condition of the Working Classes* by James Phillips Kay MD (1844))

Phil Chapple provides a glimpse into conditions in Preston in 1844,

> > A visitor entering Queen Street, finds himself facing a row of privies of more than 100 yards long. The doors of the privies are about 6 feet from the house doors opposite and the space between one privy and another is filled up with all imaginable and unimaginable filth; so that the street consists of passages little more than 6 feet wide, with dwelling houses on one side and a continuous range of necessaries, pigsties and middens on the other, with a filthy surface drain running along one side ... 12 houses have their only outlets upon this disgusting and pestiferous passage.
>
> The working-class slums of the mid-19th century English industrial town have fascinated and horrified social historians for decades. The example above, from the Reverend J. Clay's report on Preston in 1844, presented a vision of squalor repeated many times over across industrial urban England.
>
> In such environments children were born, lived, played and worked, and for hundreds of thousands life was short and brutal ... While industrialization and urbanization undoubtedly brought about great national wealth, they also produced misery ...
> (Chapple 2000, p. 42)

Attempts by the 'working poor' to improve their lot were strongly resisted through both centuries.

In 1835 Andrew Ure examined conditions in factories, with a typical middle ranking understanding of the world in which he lived. As he explained,

> It seems established by a body of incontestable evidence, that the wages of our factory work-people, if prudently spent, would enable them to live in a comfortable manner, and decidedly better than formerly, in consequence of the relative diminution in the price of food, fuel, lodgings, and clothing. (p.306)

Earlier in the same publication he described the problem of workers' agitation against their conditions,

> The textile manufactures consist of two distinct departments; one carried on by multitudes of small independent machines belonging to

the workmen, another carried on by concatenated systems of machinery, the property of the masters ...

The operatives of the latter class are necessarily associated in large bodies, and moreover have no capital sunk in machinery or work-shops. When they choose to strike they can readily join in the blow, and by stopping they suffer merely the loss of wages for the time, while they occasion to their master loss of interest on his sunk capital, his rent, and his taxes, as well as injury to the delicate moving parts of metallic mechanisms by inaction in our humid climate.

There are several cotton-mills in Manchester, of which the interest on sunk capital amounts to from 5,000l. to 10,000l. per annum. If we add to the loss of this interest, that of the profit fairly resulting from the employment of the said capital, we may be able to appreciate in some measure the vast evils which mischievous cabals among the operatives may inflict on mill-owners, as well as on the commerce of the country ...

Proud of the power of malefaction, many of the cotton-spinners, though better paid, as we have shown, than any similar set of artisans in the world, organized the machinery of strikes through all the gradations of their people, *terrifying, cajoling* the timid or the passive among them to join their vindictive union.

They boasted of possessing a dark tribunal, by the mandates of which they could paralyze every mill whose master did not comply with their wishes, and so bring ruin on the man who had given them profitable employment for many a year. By flattery or intimidation, they levied contributions from their associates in the privileged mills, which they suffered to proceed, in order to furnish spare funds for the maintenance of the idle during the decreed suspension of labor.

In this extraordinary state of things, when the inventive head and the sustaining heart of trade were held in bondage by the unruly lower members, a destructive spirit began to display itself among some partisans of the union. Acts of singular atrocity were committed, sometimes with weapons fit only for demons to wield, such as the corrosive oil of vitriol, dashed in the faces of most meritorious individuals, with the effect of disfiguring their persons, and burning their eyes out of the sockets with dreadful agony.

The true spirit of turn-outs among the spinners is well described in the following statement made on oath to the Factory Commission, by Mr. George Royle Chappel, a manufacturer of Manchester, who employs 274 hands, and two steam-engines of sixty-four horse power.

> I have had several turn-outs, and have heard of many more, but never heard of a turn-out for short time. I will relate the circumstances of the last turn-out, which took place on the 16th October, 1830, and continued till the 17th January, 1831. The whole of our spinners, whose average (weekly) wages were 2l. 13s. 5d., turned out at the instigation, as they told us at the time, of the delegates of the union. They said they had no fault to find with their wages, their work, or their masters, but the union obliged them to turn out.
>
> The same week three delegates from the spinners' union waited upon us at our mill, and dictated certain advances in wages, and other regulations, to which, if we would not adhere, they said

> neither our own spinners nor any other should work for us again! Of course we declined, believing our wages to be ample, and our regulations such as were necessary for the proper conducting of the establishment.
>
> The consequences were, they set watches on every avenue to the mill, night and day, to prevent any fresh hands coming into the mill, an object which they effectually attained, by intimidating some, and promising support to others (whom I got into the mill in a caravan), if they would leave their work. Under these circumstances I could not work the mill, and advertised it for sale, without any applications, and I also tried in vain to let it.
>
> At the end of twenty-three weeks the hands requested to be taken into the mill again on the terms that they had left it, declaring, as they had done at first, that the union alone had forced them to turn out. The names of the delegates that waited on me were, Jonathan Hodgins, Thomas Foster, and Peter Madox, secretary to the union.
>
> (Andrew Ure 1835 pp. 281-4)

Andrew Ure's account of the duplicity and greed of workers in the cotton industry who "pamper themselves into nervous ailments by a diet too rich and exciting for their in-door occupations" is representative of many middle class writings on attempts at unionization by the working poor during the first half of the 19th century. As he continues,

> We have seen that the union of operative spinners had, at an early date, denounced their own occupations as being irksome, severe, and unwholesome in an unparalleled degree. Their object in making this misrepresentation was obviously to interest the community in their favor at the period of their lawless strike in the year 1818.
>
> Subsequently to this crisis, some individuals of their governing committee made the notable discovery, that if the quantity of yarn annually spun could by any means be reduced, its scarcity in the market would raise its price, and consequently raise the rate of their wages. They accordingly suggested the shortening of the time of labor to ten hours, as the grand remedy for low wages and hard work; though at this time they were receiving at least three times more wages than hand-loom weavers for the same number of hours' employment, and therefore had very little reason to complain of their lot.
>
> In fact, it was their high wages which enabled them to maintain a stipendiary committee in affluence, and to pamper themselves into nervous ailments by a diet too rich and exciting for their in-door occupations. Had they plainly promulgated their views and claims, they well knew that no attention would have been paid to them, but they artfully introduced the tales of cruelty and oppression to children, as resulting from their own protracted labor, and succeeded by this stratagem to gain many well meaning proselytes to their cause. (1835, pp. 298-9)

William Booth, a Methodist evangelist, at the end of the 19th century could still say,

> Alas, what multitudes there are around us everywhere, many known to my readers personally, and any number who may be known to them by a very short walk from their own dwellings, who are in this very plight!

> Their vicious habits and destitute circumstances make it certain that without some kind of extraordinary help, they must hunger and sin, and sin and hunger, until, having multiplied their kind, and filled up the measure of their miseries, the gaunt fingers of death will close upon them and terminate their wretchedness.
>
> And all this will happen this very winter in the midst of the unparalleled wealth, and civilization, and philanthropy of this professedly most Christian land.
> (Booth 1890, Preface)

These conditions had first emerged some three hundred years earlier. They had grown steadily worse over two hundred years. Capitalism was built on these foundations [186].

In the second half of the 19th century, with wealth flowing to Britain from its considerable empire, conditions for the poor slowly improved. Robert Steinfeld (2007) has given a succinct explanation of the freedoms won by workers' unions in the 1870s:

> the "Employers and Workmen Act," which eliminated criminal penalties for breaches of employment contracts in most cases, and the "Conspiracy and Protection of Property Act," which repealed the Criminal Law Amendment Act, revised the controversial picketing clause, and completely removed trade disputes between employers and workmen from the reach of the common law of criminal conspiracy [187].

While still oppressive, conditions for the 'laboring poor' of Britain were changing for the better. They were rapidly deteriorating for colonial populations.

Conclusion

... If the love of money is the root of all evil, the want of money is the cause of an immensity of evil and trouble. The moment you begin practically to alleviate the miseries of the people, you discover that the eternal want of pence is one of their greatest difficulties.

In my most sanguine moments I have never dreamed of smoothing this difficulty out of the lot of man, but it is surely no unattainable ideal to establish a Poor Man's Bank, which will extend to the lower middle class and the working population the advantages of the credit system, which is the very foundation of our boasted commerce.

It might be better that there should be no such thing as credit, that no one should lend money, and that everyone should be compelled to rely solely upon whatever ready money he may possess from day to day. But if so, let us apply the principle all round; do not let us glory in our world-wide commerce and boast ourselves in our riches, obtained, in so many cases, by the ignoring of this principle.

If it is right for a great merchant to have dealings with his banker, if it is indispensable for the due carrying on of the business of the rich men that they should have at their elbow a credit system which will from time to time accommodate them with needful advances and enable them to stand up against the pressure of sudden demands, which otherwise would wreck them, then surely the case is still stronger for providing a similar resource for the smaller men, the weaker men.

At present Society is organized far too much on the principle of giving to him who hath so that he shall have more abundantly, and taking away from him who hath not even that which he hath.

If we are to really benefit the poor, we can only do so by practical measures. We have merely to look round and see the kind of advantages which wealthy men find indispensable for the due management of their business, and ask ourselves whether poor men cannot be supplied with the same opportunities. The reason why they are not is obvious. To supply the needs of the rich is a means of making yourself rich; to supply the needs of the poor will involve you in trouble so out of proportion to the profit that the game may not be worth the candle.

Men go into banking and other businesses for the sake of obtaining what the American humorist said was the chief end of man in these modern times, namely, "ten per cent." To obtain a ten per cent. what will not men do? They will penetrate the bowels of the earth, explore the depths of the sea, ascend the snow-capped mountain's highest peak, or navigate the air, if they can be guaranteed a ten per cent. I do not venture to suggest that the business of a Poor Man's Bank would yield ten per cent., or even five, but I think it might be made to pay its expenses, and the resulting gain to the community would be enormous.

Ask any merchant in your acquaintance where his business would be if he had no banker, and then, when you have his answer, ask yourself whether it would not be an object worth taking some trouble to secure, to furnish the great mass of our fellow countrymen, on sound business principles with the advantages of the credit system, which is found to work so beneficially for the "well-to-do" few.

> Some day I hope the State may be sufficiently enlightened to take up this business itself; at present it is left in the hands of the pawnbroker and the loan agency, and a set of sharks, who cruelly prey upon the interests of the poor.
>
> The establishment of land banks, where the poor man is almost always a peasant, has been one of the features of modern legislation in Russia, Germany, and elsewhere. The institution of a Poor Man's Bank will be, I hope, before long, one of the recognized objects of our own government. (œWilliam Booth (1890))

William Booth was a Methodist preacher. He would found a movement, *The Salvation Army*, which still, today, accepts a deep responsibility for providing practical help (in Booth's words, 'soup, soap and salvation') to the poor [188]. His practical approach to poverty was based on the tried and true principles of Methodism [189]. Their influence on both policies and practice in 'reforming the poor' would lead to the development of 'welfare' programs both by other religious organizations and Western governments. The wastelands of Western Europe and its offspring would slowly but surely be converted into a 'lower middle capitalist class'.

True to the vision of John Wesley, the mission to redeem the lost would not stop with the poor of London, or even of Western Europe. Western Europeans now had vast colonial territories. There was a new wasteland - vast and daunting in its scope - and Western Europeans could not escape their God-given responsibility for reclaiming it, bringing 'soup, soap and salvation' to the lost. The West knew that it was destined to bring 'civilization' and 'development' to the populations of the world.

One could paraphrase the song 'Streets of London', written by Ralph McTell in 1969,

> So how can you tell me you're lonely,
> And say for you that the sun don't shine?
> Let me take you by the hand and lead you through the streets
> of - *any of a thousand slums around the world*
> I'll show you something to make you change your mind.

Chapter 6:
Capitalism and Work: the White Man's Burden

The nature of work

The White Man's Burden
- Getting things into Perspective!
- The 'Development' Business
- Of globalization and 'Failing States'
- The Decay of Western Influence

Work discipline, titles of consumption and status
- The Computer Revolution
- Life Beyond 'Work': What fate awaits human beings and their societies?
- Globalization, Free Trade Zones and Definitions of Employment
- Distinction between Labor and work
- The Able-bodied and the Disabled - The Deserving Poor

Work and its antonyms
- Work and leisure

The organization of work

Teaching Western Europeans to work

The morality of work

From indolent subsistence to Labor-pool Worker
- Teaching 'The Poor' to work
- Teaching 'The Natives' to work

Conclusion
- A Personal Observation

Western people do not work in order to live.
They live to work!

- The nigger is a lazy beast and must be compelled to work - compelled by Government - with a stick.
(Sir Rudolph Slatin [190] (in Gilbert Murray œ1900 p. 135))

- Suppose that, at a given moment, a certain number of people are engaged in the manufacture of pins. They make as many pins as the world needs, working (say) eight hours a day.

  Someone makes an invention by which the same number of men can make twice as many pins as before. But the world does not need twice as many pins: pins are already so cheap that hardly any more will be bought at a lower price.

  In a sensible world, everybody concerned in the manufacture of pins would take to working four hours instead of eight, and everything else would go on as before. But in the actual world this would be thought demoralising. The men still work eight hours, there are too many pins, some employers go bankrupt, and half the men previously concerned in making pins are thrown out of work.

  There is, in the end, just as much leisure as on the other plan, but half the men are totally idle while half are still overworked. In this way, it is

insured that the unavoidable leisure shall cause misery all round instead of being a universal source of happiness. Can anything more insane be imagined?
(Russell 1935 pp.16,17)

The White Man's Burden

The 19th century was the century in which unregulated capitalism lay at the heart of most Western European public and private policy and practice. It was the century in which 'The Poor', long a vexing problem for responsible people - and, of course, a source of cheap labor and profit for capitalist enterprise - were taught to work.

By the end of the century, life was slowly improving for Western Europe's poor. But, for the responsible middle classes of Western Europe, the job was far from complete! A new 'Poor' had been found, indigent and slothful, in need of discipline and direction, in the extensive colonies for which they had accepted responsibility.

The next century would be the one in which Western working poor slowly gained legal rights and entitlements, enshrined in labor awards [191]. The wealth flowing into Western countries from the rest of the world would bring increasing material prosperity, improved living conditions, healthier diets, and even, for a period, the chance to pursue 'leisure' activities. This would not be true for the inhabitants of Europe's colonial empires.

The 19th was not only the century when The Poor learned to work. It was also the century of Western European colonial expansion. Populations around the world found themselves included, whether they liked it or not, in Western European empires.

A 1990 editorial in *The Ecologist* provides a bleak picture of a prime purpose of that expansion:

> "History", wrote the French philosopher Voltaire, "is a fable upon which we are all agreed". So far as the colonial period goes, the fable would have us believe that the colonial powers were primarily motivated by a desire to bring "progress" and "civilization" to their colonies. Whilst this may indeed have been true of the missionaries who trail-blazed Europe's colonial expansion, it was far from the minds of the main architects of colonial rule.
>
> Contemporary writings... [192] make it clear that for the governments of the day, the principle justification for colonialism was unashamedly economic. Colonies provided the means by which the metropolitan powers could secure access to cheap food, cheap raw materials and labor, new markets for manufactured goods and new investment opportunities. It was as simple as that.
> (œ*Ecologist* Vol 20 No 6 1990 p. 202)

œHirst, Murray and Hammond (1900) examined the formation of and conduct in British colonies in a book entitled *Liberalism and The Empire* :

> Our colonies, like most other colonies, owe their original existence, in one sense or another, to mere adventure or the power of the sword. They owe their vitality and strength, and most of the finer characteristics which make them almost unique in the history of colonization, to very different causes: to the policy of non-interference, to the studied avoidance of aggression, to toleration and generous amity between conflicting creeds and diverse races, to Liberal principles and Liberal ideas.
>
> ...Authority, force, firmness, the detection of offences, the assertion of rightful claims and the punishment of enemies, are, no doubt,

> principles of great power and value in the world as it now stands; but they are not, and never have been, sufficient alone.
>
> Self-criticism, persuasion, patience, a wise blindness to offences, a reluctance to stand on the outermost edge of every right, the appeasement of enmities, are principles also of great and, one used to hope, of increasing value.
>
> ...A fabric of human lives so vast as that for which Her Majesty's Government is now responsible surely demands for its good guidance both high principles and profound prudence.
>
> ...There is no sentiment in a nation so dangerous, there is no sentiment so easy to stimulate, as the false excess of patriotism [193]. (1900 Preface pp. v, vi, xi)

Gilbert Murray (1900) in an essay entitled *The Exploitation of Inferior Races...* provided a summary of common colonial practice toward 'the natives' in British colonial territories,

> The 'corvee' or forced labor system, which implied a kind of formal, though very limited, 'slavery', is said to be still practised in some parts of British India, and exists in a very severe form in Natal. In Egypt it was abolished by us some years ago, but seems - though the statement has been denied - to have been reintroduced during the Soudan campaign under irregular and therefore exasperating conditions (Daily News, March 8, 1899).
>
> In the Soudan itself we have, of course, recently proclaimed the formal abolition of slavery. The system we propose to substitute for it has been lucidly described by Sir Rudolph Slatin in an interview which appeared in several newspapers. [For instance, Daily Mail, March 11, 1899. 135]
>
> 'The nigger is a lazy beast,' said Slatin, 'and must be compelled to work - compelled by Government.' ' How?' asked his interlocutor. 'With a stick,' was Slatin's reply. Those who have followed the course of Slatin's singular career can perhaps form some notion of the probable weight of that stick!
> (œ1900 p. 135)

J. L. Hammond (1900) in an essay entitled *Colonial and Foreign Policy*, summed up the British attitudes and responsibilities to its empire,

> It is the major premiss of the Imperialist argument that British civilization is the best in the world...
>
> The moral hegemony of the world which we have undertaken - we are ready to share it with America when she behaves herself to our satisfaction or when Europe is more than usually insolent - might be expected to imply that our conduct and our influence should act as a beneficent example upon other States. The phrase is that we are the schoolmasters of Europe...
>
> As schoolmasters we are told that we stand outside the discipline of the school. Mr. Bryce has shown that during the negotiations with the Transvaal Government we contrived to provoke war before we had discovered a *casus belli* [194] .
>
> It is not pretended that these negotiations would have been so conducted if we had been dealing with a Great Power, or, indeed, if we

> had known the strength of the Transvaal. In other words, we were taking advantage of our physical superiority.
>
> And how is that course of action defended? By reminding ourselves of our missionary character! By recalling all the blessings which the world will reap from the extension of our Empire!
> (in Hirst *et al* (1900) pp. 174-5)

Getting things into Perspective!

Perspective is everything in understanding the real world.

From the Western European perspective, their colonies demonstrated their civilized approach to their responsibilities in life. Francis Hirst (œ1900, p. v) explained why:

> They owe their vitality and strength, and most of the finer characteristics which make them almost unique in the history of colonization... to the policy of non-interference, to the studied avoidance of aggression, to toleration and generous amity between conflicting creeds and diverse races...

It all looked very different from the colonial perspective [195].

In a book entitled *Path to Nigerian Freedom*, Obafemi Awolowo, later to be a prominent Yoruba politician in independent Nigeria, spelled out his view of the nature of the colonial territory known as Nigeria and of the relationship between Nigerians and their colonial masters:

> The conquest of one nation by another in an unprovoked act of aggression cannot be justified by any standard of morality. Britain came to Nigeria of her own choosing, and with motives which are only too well known. She sought to impose her rule on the various tribes that inhabited the country in order to attain her own selfish ends.
>
> There was then no question of trusteeship. This was the result of a later compunction of conscience which usually dawns on any evil-doer who is not hardened beyond redemption.
>
> Those tribes with whom she first came into contact resisted the unwarranted attack on their political independence. They were overpowered by force of arms. Thereafter, each tribe was faced with a choice of one of two roads leading to subjection: defeat or surrender...
>
> There are various national or ethnical groups in the country. Ten main groups were recorded during the 1931 census as follows: (1) Hausa, (2) lbo, (3) Yoruba, (4) Fulani, (5) Kanuri, (6) Ibibio, (7) Munshi or Tiv, (8) Edo, (9) Nupe, and (10) Ijaw. According to Nigeria Handbook, 15th edition, 'there are also a great number of other small tribes too numerous to enumerate separately...'
>
> It is a mistake to designate them 'tribes'. Each of them is a nation by itself with many tribes and clans. There is as much difference between them as there is between Germans, English, Russians and Turks for instance. The fact that they have a common overlord does not destroy this fundamental difference...
>
> All these incompatibilities among the various peoples in the country militate against unification.... It is evident from the experiences of other nations that incompatibilities such as we have enumerated are barriers which cannot be overcome by glossing over them.
> (Awolowo 1947, pp. 24,48-9)

A passage from a 1924 speech [196] by Prince Marc Kojo Tovalou Houènou, a Dahomeyan (now Benin) who fought for France in the 1st World War, provided a bleak African perspective on the 'colonial experience':

> Europe has inaugurated in the Colonies an area of veritable savagery and real barbarism which is carried out with science and premeditation - with all the art and all the refinement of civilization. The unfortunate natives have mingled their destinies with yours...
>
> We understand nothing of the egotistic and barbarous aims sought by certain civilized people who believe that civilization can only reach its zenith by ignoring original laws, and by debasing and enslaving men who have the natural right to live, to evolve, and to attain the full expression of their being...
>
> ...The problem arose at the moment of the discovery of America when Europeans intoxicated by glory, adventure, and above all by rapine, sought to conquer new territories which did not belong to them.
>
> They destroyed the aborigines - exterminated them! Then, terrified at the void they had created around them and being themselves incapable of labor, they turned to Africa for workmen. It was Africa that furnished contingents for penal labor - this Africa with whose unhappy history you are unacquainted but which some day, one of her sons will outline for you in darts of fire, - a monument of shame for that civilization of which you boast.
>
> Without humanity there is no civilization!
>
> If the monsters, full of vice, sodden with alcohol, contaminated by disease, whom you send to us, have nothing else to offer than what they have already given us, then keep them yourselves, and let us revert to our misery and our barbarity. The whole fatality that burdens Eschyllian tragedies cannot compare with the blackness of the African tragedy.
>
> Under cover of civilization, men are hunted like deers, plundered, robbed, killed; and these horrors are presented afterwards in eloquent orations as blessings. Hypocrisy and knavery are added to crimes! (œHouènou (1924) 1979, pp. 228,9)

By the end of the 19th century, Western European nations had divided the world amongst themselves. As Awolowo (1947) claimed of British practice:

> Those tribes with whom she first came into contact resisted the unwarranted attack on their political independence. They were overpowered by force of arms. Thereafter, each tribe was faced with a choice of one of two roads leading to subjection: defeat or surrender.

Hillaire Belloc put it well in a poem [197] which celebrated the deployment of the first Vickers machine gun (the Maxim). The British South Africa Company used several of them in what was euphemistically called a 'war' against the Ndebele in Matabeleland (southern Zimbabwe) in November 1893 (Blood was a Maxim gunner's name):

> I shall never forget the way
> That Blood stood on this awful day
> Preserved us all from death.
> He stood upon a little mound
> Cast his lethargic eye around,
> And said beneath his breath;

> 'Whatever happens, we have got
> The Maxim Gun, and they have not.'

As a popular British song of the period put it:

> Some talk of Alexander,
> And some of Hercules
> Of Hector and Lysander,
> And such great names as these.
> But of all the world's great heroes,
> There's none that can compare
> With a tow, row, row, row, row, row,
> To the British Grenadier

Millions of people around the world found themselves included within European empires, their lives reorganized to ensure that they, like The Poor of Western Europe in previous centuries, learned to work. There was a great deal to be done, and the responsible people of Western Europe, as 'schoolmasters' to the world, knew that they had a duty to ensure that 'the natives' (the Western colonial term for 'The Poor' of the world) learned to work.

An introduction to the summary of the UNESCO (2002) œ*International Symposium on Post-Development* has phrased it well,

> By 1914, 84.4 % of the world's terrestrial area had been colonized by the Europeans. With colonization there came a new paradigm of development.
>
> ...According to many voices the paradigm of development has not changed. It emerges in new forms, in the current pursuit of neoliberal globalization.
>
> According to François Partant, the French banker-turned-critic of development;
>
>> the developed nations have discovered for themselves a new mission - to help the Third World countries advance along the same road to development which is nothing more than the road on which the West had guided the rest of humanity for several centuries.
>>
>> [Partant, F., *La Fin du Developpement*, Francois Maspero, Paris, 1982]

As any well enculturated Western European would have told you [198], colonialism, no matter what a few leftist trouble-makers and opportunists might say, was *not* about 'exploiting' the natives. They were children in need of parental direction, supervision and discipline. In their child-like simplicity they simply did not realize the true potential of the lands within which they lived and their true responsibilities before God. They had been living from hand-to-mouth and had neither the intelligence nor skills needed to realize their own potential.

It was the responsibility of Western Europeans to 'teach them the practice of frugality and industry' which they themselves had learned over four centuries - to 'develop' them [199]. At the end of the 19th century, this was Western Europe's inescapable responsibility. It was 'the White Man's burden'.

Rudyard Kipling (1899) [200] explained it:

Take up the White Man's burden -
Send forth the best ye breed -
Go bind your sons to exile
To serve your captives' need;
To wait in heavy harness,
On fluttered folk and wild -
Your new-caught, sullen peoples,
Half-devil and half-child.

...To seek another's profit,
And work another's gain.

...Watch sloth and heathen Folly
Bring all your hopes to nought.

Take up the White Man's burden -
And reap his old reward:
The blame of those ye better,
The hate of those ye guard -
The cry of hosts ye humor
(Ah, slowly!) toward the light: -
"Why brought he us from bondage,
Our loved Egyptian night?"

...Take up the White Man's burden -
Have done with childish days -
The lightly proferred laurel,
The easy, ungrudged praise.
Comes now, to search your manhood
Through all the thankless years
Cold, edged with dear-bought wisdom,
The judgment of your peers!
(Rudyard Kipling *McClure's Magazine* 1899)

They would go where civilized people had never before ventured, assume the heavy duties of parenthood, and shine the light of civilization and the Gospel into the 'spiritual darkness' of 'heathen lands'.

Lowell Mason had expressed it well in a missionary hymn written in 1823,

From Greenland's icy mountains, from India's coral strand;
Where Afric's sunny fountains roll down their golden sand:
From many an ancient river, from many a palmy plain,
They call us to deliver their land from error's chain.

What though the spicy breezes blow soft o'er Ceylon's isle;
Though every prospect pleases, and only man is vile?
In vain with lavish kindness the gifts of God are strown;
The heathen in his blindness bows down to wood and stone.

Shall we, whose souls are lighted with wisdom from on high,
Shall we to those benighted the lamp of life deny?
Salvation! O salvation! The joyful sound proclaim,
Till earth's remotest nation has learned Messiah's Name.

Waft, waft, ye winds, His story, and you, ye waters, roll
Till, like a sea of glory, it spreads from pole to pole:
Till o'er our ransomed nature the Lamb for sinners slain,
Redeemer, King, Creator, in bliss returns to reign.

Western Europeans were on a millenarian mission [201]. Good would triumph over evil, order over chaos, frugality and industry over improvidence and indolence. Responsible people, whose souls were 'lighted with wisdom from on high', had a duty to those who 'call us to deliver their land from error's chain'. And, a duty to ensure that all was in readiness for the arrival of that millenarian golden age. If this entailed a little harshness, discipline and social disruption, that was unfortunate but necessary!

All schoolmasters knew that true learning requires obedience. As Sir John Eardley Wilmot had explained in the late 18th century,

> to break the natural ferocity of human nature, to subdue the passions and to impress the principles of religion and morality, and give habits of obedience and subordination to paternal as well as political authority, is the first object to be attended to by all schoolmasters who know their duty and do it.
> (*The Gentleman's Magazine* (1811) Volume 109 p. 449 (originally in Volume 73 p. 136))

Middle class Western Europeans had learned the lessons of their own history well.

> The resolute firmness of the person who acts in this manner, and in order to obtain a great though remote advantage, not only gives up all present pleasures, but endures the greatest labor both of mind and body, necessarily commands our approbation.
> (Adam Smith 1759 Part 4 Ch. 2)

The 'Development' Business

'The natives' would never progress or become 'developed' without Western European help. Richard Whateley, Archbishop of Dublin, in 1854, had explained the problem,

> Men, left in the lowest, or even anything approaching the lowest, degree of barbarism, in which they can possibly subsist at all, never did, and never can raise themselves, unaided, into a higher condition.
> (in Campbell 1871 Pt 1 P.1)

Unless those already enlightened took responsibility for enlightening those who lived in darkness they would continue in ignorance and sloth! Missionary attitudes in central Africa in the 19th century, and on into the 20th, have been summed up neatly by Cairns,

> The proper attitude was indicated by Carson of the L. M. S. [London Missionary Society] who, after noting that African men spent 'much time in indolence', remarked that it was inconceivable 'how the practice of that vice in the African race can be supposed to conduce to happiness in them when it makes us so miserable'.
> (1965, p. 80)

Western European 'responsible' people of the middle ranks had taught their own poor the evil of sloth and the virtue of work over more than six centuries [202]. They brought both the experiences and practices they had acquired in doing so with them as they tackled the problem in their colonies.

As they had determinedly set about teaching the poor to work, they had also taught *themselves* that work was indispensable to a moral life. The Western European middle classes which took responsibility for reorganizing

vast areas of the world during the later 19th and the 20th centuries, were committed to work, for its own sake. It was *moral* to work and *immoral* not to do so.

In the words of Adam Smith, asserted by countless other writers of the 17th to 20th centuries (and still being asserted today), the lives of virtuous people would and should demonstrate,

> a steady perseverance in the practice of frugality, industry, and application, though directed to no other purpose than the acquisition of fortune.
> (1759 Part 4 Ch. 2)

Western middle classes became and have remained convinced that everyone *should* work for their living and that they have a responsibility to ensure that the indolent *do* learn to work. To appreciate the driving force of the invasion of the world by Western Europeans over the past two centuries, we need to understand the Western belief in the fundamental importance of work, for its own sake, for its character building potential.

Of course the West invaded (and continues to invade) the world for its resources. Of course the West has profited from its appropriation of the environments of others. But they have done so for the best of all possible reasons.

They were and are in the 'Development' business! [203] In 'developing' the territories of the world, they were enabling the 'development' of their inhabitants. They were bringing order to the chaos of their lives, they were providing them with the opportunity to work. They were in the 'job creation' and 'work training' business!

Russell's observations, with which we started this discussion, highlight the inevitable consequences of human beings building particular understandings into their primary ideologies [204]. Work became a form of organization and activity which no longer needed to be 'explained'. To question its importance was either absurd or subversive. To suggest that the working day should be halved, was foolish. To suggest that work was not of equal importance everywhere on earth was equally silly. The reason why the rest of the world was impoverished and 'backward' was that they did not know how to 'put in a full day's work' [205].

Over the past seven hundred years Western individuals and communities have progressively been reorganized and reoriented to what we now know as *economic* principles and practices [206]. People *know* that the economic presumptions contained within and expressed through the forms of organization within which they are enmeshed are correct, they make *intuitive sense* [207].

The need for constant expansion of self-interested consumption and accumulation, as evidences of commitment to work, is built into the primary ideologies of Western communities. Western people are not *ensnared* in the forms of meaning and organization and processes of interaction and activity within which they find themselves. If those forms were not there, they would feel compelled to create them or something very similar to them. Indeed, they have done precisely this through most of the world as they have gained influence in other communities [208].

Although Western people *think* the principles which underpin the forms of organization and interaction in terms of which they organize their lives, they have not always thought in these ways or organized their lives by the

fundamental economic principles which now govern life. The emergence of "modern" ways of thinking and organizing life was slow and painful for most Western Europeans [209] .

The majority of people, during the 16th to early 20th centuries, had to be *taught* to take these principles seriously, and the disciplines imposed on them by those Western Europeans who gained control of government and who were already thinking in these ways were harsh [210].

Since the basic presumptions and principles of thought of a community determine all the behaviors and interactions of its people, they cannot easily be altered. Attempts at such radical social engineering inevitably disrupt communities and confuse and confound the minds of their members [211]. Western Europe did not escape cultural confusion as its cognitive frame changed. As Foucault (1971) described, in Western Europe it produced, over several centuries, a pervasive awareness of uncontrolled madness in the minds of most people.

During the seven centuries it took Western communities to shift from feudalism to modern ways of thinking, the constantly expanding "middle classes" [212] recognized a deep responsibility for re-educating the "lower classes" [213].

The final triumph of modern ways of thinking in Western communities has been heralded over the past 50 years by the progressive disappearance of the "lower classes" as more and more people who come from such backgrounds have begun to think and act in middle class ways [214]. With the advent of colonial empires, Western middle classes found themselves with a similar responsibility to 'the natives' of the world.

Of Globalization and 'Failing States'

When human beings are convinced of the rightness of their causes they usually feel a moral responsibility to compel those who don't understand or live by the principles which underpin their lives to conform to them.

We have seen the disastrous consequences of this many times in the 20th and 21st centuries. From Stalin, to Hitler, to Pol Pot, to the ethnic-cleansings of the 1990s, to numerous wars waged by both Western and other communities, human beings have amply demonstrated their insistence that those who are weaker than they should be made to think and live as they do.

Western Europeans have been engaged in such a mission for the past several centuries, and chief amongst their concerns has been the need to convince people everywhere of the importance of *work*.

Western people are, of course, not the only ones enmeshed in home-grown systems of meaning, organization and interaction. This is the condition of humanity. People, everywhere, organize themselves and their worlds in ways which are consonant with their forms of categorization and classification.

The problem, in trying to understand both ourselves and others, is that, just as the languages of people are historically determined and unique to the communities which speak them, so are the forms of organization and interaction in communities. They are expressions of the underlying principles of categorization and classification which have been historically, and subconsciously, shaped through history [215].

The Decay of Western Influence

Western people *know* that work is important, and organize their individual lives and their communities in ways which stress and reinforce the importance of the organizational forms and processes of interaction required by work. But, let's not forget that other communities are just as consistent in their thinking, just as certain of the importance of their own understandings of the world, and just as committed to maintaining them through time. And, because these structures and principles are historically, and uniquely determined within communities, it is most unlikely that they will reinforce or give coherence to the Western commitment to work.

People can, of course, be taught the Western understandings, and, while the West is dominant and they need to behave in those ways in order to succeed in that Western dominated world, they will appear to live by those understandings. However, if the influence of the West wanes, so too does the commitment of those people to ordering their lives by Western understandings. Then, they begin, inevitably and less than consciously, to reshape their own behaviors and interactions to fit the unconscious ordering principles of their own communities.

Britain, in the 5th century A.D., provides an excellent historical illustration of this.

By 400 A.D. the Romans had occupied Britain for almost four hundred years [216] and had determinedly set about making it into a Roman Province. As œGildas (c.494 or 516-c.570) says, Britain

> was no longer thought to be Britain, but a Roman island; and all their money, whether of copper, gold, or silver, was stamped with Caesar's image.
> (Chapter 7)

Yet, on the withdrawal of the Roman legions between 400 and 410 A.D., life rapidly reverted to pre-Roman ways. As œCatherine Hills (1990) says,

> around 400 AD Romanists see the end of most of the kinds of information which can be deployed to reconstruct life in Britain for the previous three and a half centuries. Written sources disappeared, and coins, wheel-thrown pottery and masonry building went out of use...
>
> [E]ssentially, from a Romanist's point of view it is obvious that the institutions and way of life of Roman Britain disappeared soon after 400 AD. The absence of 'Roman' kinds of evidence means that we are dealing with a different kind of society, possibly a different kind of people.

Any region which has been subjected to enforced reorganization and commitment to externally imposed understandings of the world will experience a period of turmoil and chaos as those imposed forms become less dominant in the lives of inhabitants.

Britain, in the 5th century, experienced just such turmoil as rival 'kings' battled for ascendancy and neighboring groups, taking advantage of the chaos, invaded the region. Gildas, a century after the exodus of the Roman legions, provided a graphic (if polemically biased) description of the chaos which ensued with the waning of Roman influence in Britain,

> ...neither to this day are the cities of our country inhabited as before, but being forsaken and overthrown, still lie desolate; our foreign wars

having ceased, but our civil troubles still remaining.
(Chapter 26)

As the empires of Western Europe have crumbled, the institutions in their post-colonial territories, established by them to ensure continuity with the colonial past, have become decreasingly effective. The 21st century has produced its own examples of post-colonial territories suffering turmoil and chaos in the increasing numbers of 'fragile' and 'failed' states which are a growing concern for Western people [217].

Many post-colonial territories are in various stages of change. They are slowly, but inevitably, metamorphosing into communities which exhibit similarities with the pre-colonial communities from which they came. Any reassertion of pre-colonial principles of categorization and classification will inevitably be slow and difficult. Over time, forms of organization and interaction will emerge which echo those of the past though they will, of course, not simply replicate past forms.

First, any form which emerges is simply one of a range of possible forms, any or all of which might be generated from the same fundamental categorical principles. So, even if the same principles were in operation one would find different surface forms over time.

Secondly, the principles themselves are not static, they change through time and the forms of interaction and organization which emerge will reflect such changes.

This has been demonstrated time and again in Third World communities as Western influence has become less dominant.

Of course, the longer the period during which a community has been subjected to enforced reorganization to Western understandings of reality, the greater the disruption. It is inevitable that there will be chaos and turmoil as opposing groups attempt to reorder their worlds to their own advantage.

(28/11/16)

As people no longer order their lives by those *rational* [218] forms of meaning and organization which the West has introduced into their communities, Western people will inevitably feel threatened. They will (and do) consider that they have a responsibility to intervene and re-impose forms of organization which they see as rational and necessary to successful integration into the global economy.

This is particularly true when non-Western people appear to lose their commitment to forms of organization and activity which maximize the possibility and quality of productive employment. Then, Western people know that if they cannot organize *themselves* to work, it is perfectly acceptable, indeed, necessary, that multi-national enterprises base their productive activities in their communities. This is one of the reasons why Western organizations have argued so strongly for economic globalization over the past thirty years.

(17/01/17) For many people in Third World countries however, globalization seems like a new form of ruthless colonialism, a conspiracy of the rich against the poor and defenceless[219]. As Marjorie Mbilinyi, author of *Big Slavery: The Crisis of Women's Employment and Incomes in Tanzania* (1991), claimed:

> We could have a lot of despair in Africa right now. Many of us see this as a moment of mass genocide. And it's a very conscious one, we think, on the side of at least some big government actors as well as some of the actors in agencies like the World Bank and the IMF.
>
> The peoples of Africa are being steadily impoverished. They are also being dispossessed of their lands. Governments like Tanzania, partly in response to popular demand, had begun to nationalize assets and try to guide the economy in the direction that would meet the basic needs of the people and increase national control and make it more inward oriented. Now we have complete reversal so that it is almost worse than in the colonial period.
> (Mbilinyi 1994)

Fantu Cheru claimed of African experience:

> The overwhelming consensus among the poor in Africa today is that development, over the past 25 years, has been an instrument of social control. For these people, development has always meant the progressive modernization of their poverty.
>
> The absence of freedom, the sacrifice of culture, the loss of solidarity and self reliance which I personally observed and experienced in many African countries, including my own, explains why a growing number of poor Africans beg: please do not develop us!
> (Cheru 1989, p. 20)

The International Consortium of Investigative Journalists (ICIJ) has summarized investigations into the World Bank's track record in 'helping' 'the poor' most affected by the consequences of its policies, programs and projects in countries around the world. See the ICIJ's œ *Investigative Projects* for this and other relevant projects. Its key findings on World Bank activities:

- Over the last decade, projects funded by the World Bank have physically or economically displaced an estimated 3.4 million people, forcing them from their homes, taking their land or damaging their livelihoods.
- The World Bank has regularly failed to live up to its own policies for protecting people harmed by projects it finances.
- The World Bank and its private-sector lending arm, the International Finance Corporation, have financed governments and companies accused of human rights violations such as rape, murder and torture. In some cases the lenders have continued to bankroll these borrowers after evidence of abuses emerged.
- Ethiopian authorities diverted millions of dollars from a World Bank-supported project to fund a violent campaign of mass evictions, according to former officials who carried out the forced resettlement program.
- From 2009 to 2013, World Bank Group lenders pumped $50 billion into projects graded the highest risk for "irreversible or unprecedented" social or environmental impacts - more than twice as much as the previous five-year span.
  (*ICIJ*, œEvicted and Abandoned: The World Bank's Broken Promise to the Poor, Accessed 17 January, 2017)

One can but agree with Bill Mitchell's assessment of the true usefulness of anachronous Western institutions which have been adapted to compel nonwestern peoples and communities to conform to Western ideological understandings:

> The IMF was created to provide funding support to nations under the Bretton Woods system of fixed exchange rates when their trading accounts endangered their capacity to sustain the agreed parities. After the system collapsed in August 1971 (effectively), the IMF had no further purpose. It reinvented itself as a neo-liberal attack dog on government intervention, and, as such, has no progressive (productive) role to play and should be scrapped. Similarly, the World Bank.
>
> The OECD was created (as the Organisation for European Economic Co-operation (OEEC)) to manage the Marshall Plan funds that Canada and the US provided to reconstruct Europe at the end of World War II. It has similarly outlived its productive purpose and is now a major source of disinformation. Even in the realm of fiction, there are much better fiction writers than exist within the bowels of the OECD in Paris. (Bil Mitchell, "Poor fiction from the OECD - the organisation should be abolished, *Billy Blog*, November 28, 2016)

Neoliberal ideologues have proved remarkably adept at seizing anachronous Western institutions and remaking them into neoliberal attack dogs. The IMF, along with the World Bank, are the organizations they subverted to ideogical ends in Third World countries, and, more recently, in the peripheral nations of the European Union.

Western people, however, *know* that those Western financial and 'development' oriented institutions are not aiding and abetting multi-national enterprises in exploiting resources and cheap labor. They are opposing socialist, dictatorial and anarchic tendencies. They are ensuring that communities are once again guided into market-led economic development. Multinationals are providing much needed capital and expertise which might help to turn those countries once more back to *economic* prosperity. Not only are they providing some cash inflow to communities, they are, even more importantly, reintroducing them to "work discipline".

Work discipline, titles of consumption and status

(04/04/17) (26/06/17) (22/02/19) (08/10/19) (10/10/19) (24/08/20)

Over seven centuries of teaching themselves and their 'Poor' the importance of work, Western people have built a wide range of presumptions into the concept to buttress its importance. It has become important for its own sake, a form of organization and activity to which all truly moral people commit themselves.

Any suggestion that people should be freed from work to other activity without losing income would be regarded by most Western people as impractical, irresponsible, foolish or subversive. While many people might find Bertrand Russell's vignette with which this discussion started, clever, few would accept that his solution is 'practical'.

A 2019 *University of Maryland* report has summarized the process by which human beings are, slowly but surely, being herded into new forms of 'work' as artificial intelligence matures and existing 'jobs' are displaced[220]:

> Being able to solve problems and analyze data will not be the keys to your success in the future, says marketing professor Roland Rust at the University of Maryland's Robert H. Smith School of Business. Artificial intelligence will soon have that covered. If you expect to have a viable career, you better get in touch with your emotions, he says, because the "Feeling Economy" is coming....
>
> "It means that if humans want jobs, they better get good at feeling," Rust says. "Things like interpersonal relationships and emotional intelligence will be much more important." Even though people skills have always been important, what the researchers conclude is that the value of these skills will soon be of unprecedented importance....
>
> "This is something that is going to hit people before they know it," says Rust. "It's already happening. We're already seeing the shift in feeling as being more important, not only in terms of employment growth, but in terms of compensation growth. There is greater compensation growth in feeling than there is in thinking. This is really across the board - you name a job and we can show a shift from thinking to feeling."...
>
> "You certainly don't need to worry about things like multiplication tables," he says. "You can do that on a machine, and everybody's cell phone will do that for them. That kind of skill is just useless."
>
> Rust says we better get used to the idea of AI doing more. He thinks AI will eventually even take over most of the emotional tasks of relating to people. And as AI gets more sophisticated, there's no going back, he says. "The genie is out of the bottle."
> (œAnalysis of US labor data suggests 'reskilling' workers for a 'feeling economy', University of Maryland News Release 7 October 2019)

And yet the emphasis on 'work' in the capitalist world has not diminished. People, in a globalized capitalist world, must still 'work for a living' in a world fast moving toward 'share the scraps' job markets.

Marshall Auerback, writing on *American Compass* (a conservative 'think tank' which 'promotes a distinctly conservative approach to economics'), has described what has happened in the 21st century:

> The tech industry buzzword "gig" has distracted society from important questions about the gig economy that are surprisingly traditional: whether a business has employees or contractors, and how it can avoid payroll taxes and legal liability. Countless Silicon Valley business models have been built under the guise of gigs, Uber and Lyft two of the best-known cases, which is ironic considering that for all of their high-tech pretensions, at the core both are taxi and food delivery services. But with state governments like California facing increasing revenue shortfalls and an estimated 57 million gig workers in the United States noting a lack of employer protections and fair wages, the matter has shifted to the courts.
>
> ...In a genuinely independent contractor relationship, the quid pro quo is higher pay as an offset to the lack of paid benefits. But companies in the gig economy generally don't operate this way: Uber and Lyft pay minimum wages that in many instances compel employees to work 70-80 hours per week to make a living. That considerably impinges on the contractor's supposed work-time flexibility, as well as rendering it virtually impossible to afford decent benefits, such as adequate health insurance, let alone sick pay or vacation leave. In the words of a recent

> report of the National Labor Relations Board's Office of the General Counsel (NLRB GC), "Uber drivers - who earn about $9-$10 an hour - can't expand revenues because they can't control prices or expand their customer base - the only thing they can do is drive more hours." In the words of a recent report of the National Labor Relations Board's Office of the General Counsel (NLRB GC), "Uber drivers - who earn about $9-$10 an hour - can't expand revenues because they can't control prices or expand their customer base - the only thing they can do is drive more hours."...
>
> ...While they are called "independent contractors," their independence is illusory because the so-called "entrepreneurs" in reality "do not even have basic control over how they deliver rides... [and] are 'supervised' by semi-automated and algorithmic systems that track their acceptance rates, time on trips, speed, customer ratings, and other factors, and drivers can be 'deactivated' based on these factors." That's not a co-equal work relationship between an employer and an independent contractor; it's more a form of indentured servitude facilitated by 21st century surveillance technology.
> (Marshall Auerback, œThe Gig Economy Is Paving the Road to Serfdom, *American Compass*, The Commons, Aug 23, 2020)

The Computer Revolution

(01/05/17) (25/02/19)

This has never been better demonstrated than in the Western response to the computer revolution. During the 1960s Western people first became aware of the transforming possibilities of the computer revolution which was looming on the horizon.

A report from a specialist committee to President Lyndon Johnson of the USA in 1964 examined the issue and made a number of recommendations. They were summarized by Macbride in 1967:

> Distribution of titles of consumption (i.e., money) has been via jobs... this will have to end. The continuance of the income-through-jobs link as the only major mechanism for distributing effective demand - for granting the right to consume - now acts as the main brake on the almost unlimited capacity of a cybernated productive system.
>
> Further, up to this time resources have been distributed on the basis of contributions to production, with machines and men competing for employment on somewhat equal terms. In the developing cybernated system, potentially unlimited output can be achieved by systems of machines which will require little cooperation from human beings.
> (Macbride (1967, p. 195); see œAD Hoc Committee on the Triple Revolution (1964) [221])

Numerous articles were written in newspapers and magazines speculating on how people would *fill in their time* when robots and other computer based technologies made their lives easier and freed human beings to leisure activity. And, equally, speculation was rife as to "how to distribute the abundance that is the great potential of cybernation" when consumption was no longer tied to work.

How would we distribute income to people when machines were doing the producing and money had become simply a means to obtain goods and services produced by them, with the "income-through-jobs link" broken?

Of course, there seems no logical reason why, if we invent machines to do our work for us, we should not reward ourselves by gaining increased leisure time and by distributing the means for obtaining the goods and services produced in some other way than as rewards for work. The reality, however, has been very different from the speculated futures of those articles[222].

Daron Acemoglu and Pascual Restrepo have addressed the likely impact of the robotization of industry on the jobs and incomes of people in industrialized countries in the 21st century, with a special focus on the United States. They have summarized their findings:

> As robots and other computer-assisted technologies take over tasks previously performed by labor, there is increasing concern about the future of jobs and wages. We analyze the effect of the increase in industrial robot usage between 1990 and 2007 on US local labor markets. Using a model in which robots compete against human labor in the production of different tasks, we show that robots may reduce employment and wages... [W]e estimate large and robust negative effects of robots on employment and wages across commuting zones. (Daron Acemoglu and Pascual Restrepo, œRobots and Jobs: Evidence from US Labor Markets, NBER Working Paper 23285, March 2017)

What is seldom addressed is the inevitable consequence of the post 1970s 'off-shoring' of labor-intensive industry. The jobs most likely to be amenable to automation are also those jobs which have, over the past fifty years, been relocated to take advantage of weak legislative protections, low (or non-existent) taxation regimes and low-cost labor in free trade zones, maquiladoras and export processing zones - wherever labor is cheap and regulation relaxed or non-existent.

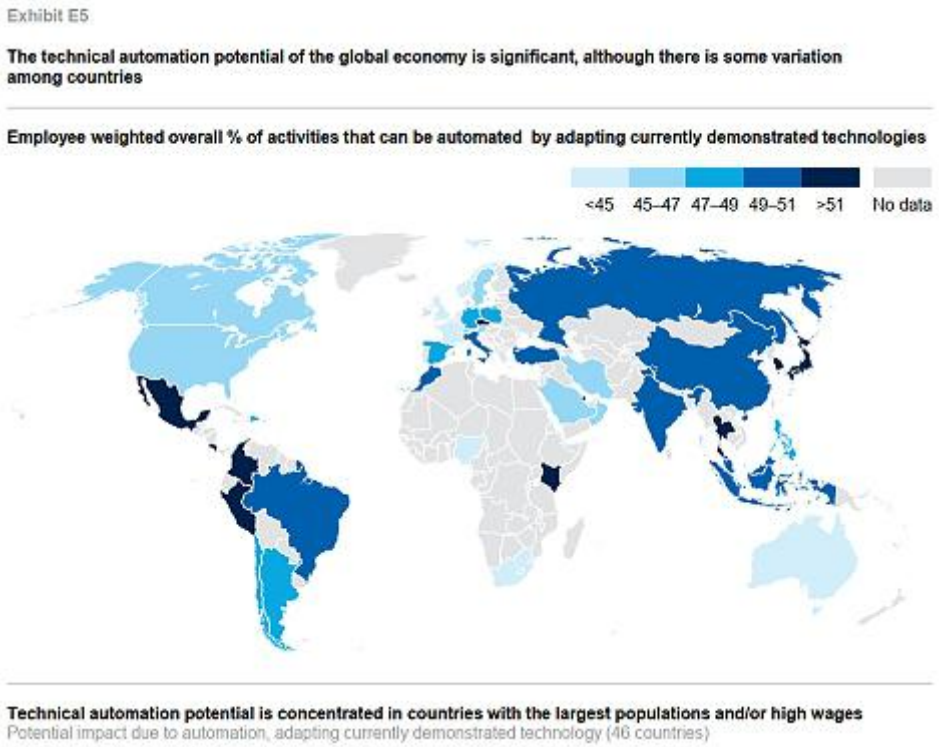
The low-hanging fruit of readily automatable industry in Western regions has largely already been exploited. Many of the remaining jobs, increasingly in service industries, are less susceptible to robotization (at least in the near-term).

In January 2017, James Manyika (*et al*) produced a report entitled *A Future that Works: Automation, Employment, and Productivity*. As they summarized:

> We are living in a new automation age in which robots and computers can not only perform a range of routine physical work activities better and more cheaply than humans, but are also increasingly capable of accomplishing activities that include cognitive capabilities. These include making tacit judgments, sensing emotion, or even driving - activities that used to be considered too difficult to automate successfully.
>
> The automation of activities can enable productivity growth and other benefits at both the level of individual process and businesses, as well as at the level of entire economies, where productivity acceleration is sorely needed, especially as the share of the working-age population declines in many countries. At a microeconomic level, businesses everywhere will have an opportunity to capture benefits and achieve competitive advantage from automation technologies, not just from labor cost reductions, but also from performance benefits such as increased throughput, higher quality, and decreased downtime. At a macroeconomic level, based on our scenario modeling, we estimate

automation could raise productivity growth on a global basis by as much as 0.8 to 1.4 percent annually.

In a summary map they provide an estimate of the technical automation potential of the global economy



(James Manyika, Michael Chui *et al*, œ*A Future that Works: Automation, Employment, and Productivity*, McKinsey Global Institute, January 2017, Pp. 4, 15)

Life Beyond 'Work': What fate awaits human beings and their societies?

(04/03/23)

All this underscores the importance of challenging the increasingly myopic Western capitalist definition of human beings as a 'workforce' and 'consumer base'. It really is important to reconstitute the Commons.

Kai-fu Lee has cogently explained where 21st century developments in 'artificial intelligence' are taking the capitalist world. As he asks: 'What is to be done?'.

> ...A.I. products that now exist are improving faster than most people realize and promise to radically transform our world, not always for the better. They are only tools, not a competing form of intelligence. But they will reshape what work means and how wealth is created, leading to unprecedented economic inequalities and even altering the global balance of power.
>
> It is imperative that we turn our attention to these imminent challenges...
>
> Unlike the Industrial Revolution and the computer revolution, the A.I. revolution is not taking certain jobs (artisans, personal assistants who use paper and typewriters) and replacing them with other jobs (assembly-line workers, personal assistants conversant with computers). Instead, it is poised to bring about a wide-scale decimation of jobs - mostly lower-paying jobs, but some higher-paying ones, too.

> This transformation will result in enormous profits for the companies that develop A.I., as well as for the companies that adopt it...
>
> We are thus facing two developments that do not sit easily together: enormous wealth concentrated in relatively few hands and enormous numbers of people out of work. What is to be done?
> (Kai-fu Lee, œThe Real Threat of Artificial Intelligence, *New York Times*, SundayReview | Opinion, June 24, 2017)

The world is facing a future of enormous wealth concentrated in relatively few hands and enormous numbers of people out of work. What is to be done?

The author's possible solutions need to be compared with the conclusion reached in that 1964 report to President Lyndon Johnson of the USA:

> Distribution of titles of consumption (i.e., money) has been via jobs... this will have to end. The continuance of the income-through-jobs link as the only major mechanism for distributing effective demand - for granting the right to consume - now acts as the main brake on the almost unlimited capacity of a cybernated productive system.

In a truly intelligent, empathic world, there would be no debate.

It is becoming increasingly obvious that we are witnessing an unstoppable computerized displacement of increasing numbers of 'gainfully employed' human beings. The future is likely to be either the one envisaged in that 1964 report: a world where human beings are no longer seen as capitalism's 'workforce'; or one in which human beings increasingly live in a "share-the-scraps" economy; as David Graeber expressed it: a world of "bullshit jobs".

But this is not how it should all end! We are - or at least I've been led to believe that we are = an intelligent species. It is inevitable that we will find ways of minimizing the effort needed to supply the needs of life.

The challenge is how, in an industrialized, capitalist society, to ensure the livelihoods and meaningful existence of all its members. That is, how can we distribute 'titles of consumption' (i.e., money) in ways other than through 'work'? And, how can we prepare communities of human beings for life after 'work'?

The answers are obvious but have been obscured by those who have benefitted most from an outdated and injurious system of wealth distribution and human 'employment'.

Let's move on to the new reality - that the age of 'jobs' and 'work' requiring the organized use of human 'labor' is thankfully ending. We are not there yet but, with the necessity of limiting consumption in an age when automation has rapidly increased productive output, it is time for a new understanding of what life is all about.

We already have all the infrastructural means needed to enable the distribution of income and goods and services to people without requiring them to 'turn up for work'. What we are increasingly desperately needing is an alternative understanding of the meaning and purpose of life.

The survival of our species depends, quite literally, on confronting and resolving this challenge.

Lant Pritchett, in an essay entitled 'People Over Robots: The Global Economy Needs Immigration Before Automation', has offered a 'solution'

which would perpetuate the present organization of capitalist societies:

> We live in a technological age - or so we are told. Machines promise to transform every facet of human life: robots will staff factory floors, driverless cars will rule the road, and artificial intelligence will govern weapons systems. Politicians and analysts fret over the consequences of such advances, worrying about the damage that will be done to industries and individuals. Governments, they argue, must help manage the costs of progress. These conversations almost always treat technological change as something to be adapted to, as if it were a force of nature, barreling inexorably into the staid conventions and assumptions of modern life. The pace of change seems irrepressible; new technologies will remake societies. All people can do is figure out how best to cope.
>
> Nowhere is this outlook more apparent than in the discussion of automation and its impact on jobs. My local grocery store in rural Utah has hung, with no apparent sense of irony, a sign proclaiming the company's support for U.S. workers above a self-checkout machine, a device that uses technology to replace the labor of an employee with the labor of the customer. Much ink has been spilled in explaining how automation threatens some low-skilled workers and what governments should do to help: for instance, countries could support retraining initiatives, revamp education systems, or invest in redistributive schemes. At the same time, many governments hope that machines can save their economies from the consequences of demographic decline and aging. Techno-optimists argue that the United States and many other wealthy countries need automation to make up for dwindling working-age populations and looming gaps in workforces. Happily, they suggest, the advance of technology will sweep aside the troubles of demography.
>
> But these debates and arguments miss a very simple point. As seismic as it may seem, technological change is not a natural force but the work of human beings. Of course, technology has radically improved human lives: no one wants to live without electricity, flush toilets, or (in Utah) central heating. In other cases, however, it is new policies, and not new technologies, that societies need most....
> (Lant Pritchett, "People Over Robots: The Global Economy Needs Immigration Before Automation, *Foreign Affairs*, February 28, 2023)

But, of course, that answer is no answer! It is the equivalent of poor Hans's attempt to avoid dyke collapse by sticking his finger into the developing breach.

We should embrace and harness the new technological possibilities. They should become the blessed inheritance of humanity not the means for the enslavement of most to the dubious 'benefit' of a few.

Both 'money' - titles of consumption - and human technologies are human inventions. Let's harness both to the benefit of all!

As we explore what has happened over the past century we should be constantly asking ourselves:

Is there a better way to distribute income and supply human needs than condemning humanity to endless 'work', 'poverty' and exploitation?

That is one of the most important challenges that confront us in this crisis - filled 21st century!

Globalization, Free Trade Zones and Definitions of Employment

(17/07/18)

In the 21st century people either work for longer hours, with more demanding pressures, or find themselves, involuntarily, committed to casual and part-time work or to unemployment queues. And the incomes of people are, if anything, more closely tied to work than they were forty years ago. Business taxes, duties, tariffs and other forms of public impost on economic activity have been reduced to ensure the continued competitiveness of industry. And government services and welfare payments have correspondingly been cut back [223] - often because it has been claimed that they 'reward improvidence' [224].

Through the rest of the world over the past thirty years, the globalization of productive enterprise has resulted in the reorganization of entire populations to provide low paid labor for export goods.

For graphic illustration of this, see Michael Zhang, Apr 05, 2013, œEye-Popping Photographs of Hong Kong High-Rise Apartment Buildings

(Each window represents a family (or more))

See Bettina Wassener and Grace Tsoi, œHave-Nots Squeezed and Stacked in Hong Kong (*New York Times*, September 27, 2013) for a depressing description of what happens when hyperglobalization makes workers 'redundant'. At what point does the relocation of production to regions where the costs of production are lowest; coupled with callous disregard of those disenfranchised and discarded, morph into ill-disguised slavery and crimes against humanity (the œRome Statute of the International Criminal Court defines these as: "... particularly odious offenses in that they constitute a serious attack on human dignity or grave humiliation or a degradation of human beings.")?

Raveena Aulakh provides a damning assessment of conditions in a Bangladesh factory:

> A Bangladesh factory that sews garments for The Gap and Old Navy brands routinely forces workers to work over 100 hours a week and they are slapped, shoved and punched, says a damning report.

It also says workers live in penury, earning 20 to 24 cents an hour, and illegal firings are regular.

The report titled "Gap and Old Navy in Bangladesh: cheating the poorest workers in the world" was released Thursday by Pittsburgh-based Institute for Global Labour and Human Rights.

Charles Kernaghan, director of the institute, said in the report "these abuses have been going on for more than two and a half years." (Raveena Aulakh/Torstar News Service, œBangladesh factory that sews garments for The Gap and Old Navy accused of abusing workers, *Cambridge Times* (Canada), Oct 04, 2013;

The factory building in Rana Plaza, whose collapse in April of 2013 killed 1,129 garment workers.
œ Credit Khaled Hasan for The New York Times

see also, this *Institute for Global Labour and Human Rights* summary: œTwo Excellent Articles Expose Gap in Bangladesh; Stephanie Clifford and Steven Greenhouse, *New York Times*, September 1, 2013, œFast and Flawed Inspections of Factories Abroad)

From the mid 1970s, transnational companies increasingly began to locate their low-wage production activities in selected Third World countries, taking advantage of new transport developments, particularly the development of container shipping which transformed Western waterfronts during the 1970s.

Those who were most directly involved in Third World development planning and programs saw this new movement to produce low-wage goods in Third World countries as providing a new base for national development in those countries. With the failure of import substitution industrialization, and the faltering of value-added industrial development [225], this new move by transnational companies to relocate in Third World countries was seen as a 'window of opportunity' for Third World people.

Where government-directed planning had not succeeded, private investment from Western countries would. Development agencies, therefore, strongly promoted various forms of deregulation to facilitate transnational investment in the Third World.

The result, for Western populations, was a transient affluence as goods made in non-Western sweat-shops flooded Western supermarkets and malls. It also resulted in increasing unemployment among low-skilled

workers. This last effect was rapidly disguised, in Western nations, by altering the definition of employment to include all people who 'did any work at all for pay or profit'. The U. S. Bureau of Labor Statistics gives the current definition of employment,

> ...people are considered employed if they did any work at all for pay or profit during the survey week. This includes all part-time and temporary work, as well as regular full-time, year-round employment. (œUSBLS 2010)

Even one hour of paid work in a week now qualifies an individual for definition as 'employed'. The definition has been completely divorced from any consideration of a 'living income'. The relation between 'employment statistics' and living standards has been broken, allowing for the disguised growth of a low paid, marginalized workforce in Western countries [226].

A EurekAlert summary of a report by Lambert, Henly and Haley-Lock (2010) entitled *Managers' Strategies for Balancing Business Requirements with Employees' Needs*, provides a glimpse into the situation in 2010,

> The United States workforce, battered by an economic slowdown, now includes a record number of workers who are involuntarily working part-time due to reduced hours or the inability to find a full-time job.... Hourly workers - the majority of the wage and salary workforce - are especially susceptible to reduced, irregular and fluctuating hours, and the myriad of challenges associated with them....
>
> The Census Bureau uses the term for those who work less than 35 hours a week because they could not find a full-time job or those who work reduced hours due to "slack demand." In November 2009, 9.2 million workers fell in this category, the highest level in recorded history.
>
> Other recessions also have seen an increase in involuntary part-time workers, she said. For example, the labor market added 1.5 million involuntary part-time workers between 1981 and 1982 for a total of 6.8 million workers, surging up again to add 2.3 million between 1992 and 1993 for a total of 6.7 million workers.
>
> "I think it is important to underscore that employment has become increasingly precarious over the past 30 years, not just during recessionary periods, due to structural changes in the economy, reductions in labor protections and evolving employer practices that pass risk from the market onto workers," Lambert said. "The current recession highlights these insecurities, bringing much-needed attention to the plight of disadvantaged workers who are struggling to keep their jobs as well as maintain sufficient hours to make ends meet.
>
> The problems faced by hourly, low-level workers are unlikely to go away when the economy fully recovers."
>
> In good times and bad, employers frequently use "just-in-time" scheduling practices - setting hourly workers' schedules with limited advance notice to accommodate fluctuating demand - as a means of maintaining a tight link between labor costs and demand.
>
> Unpredictable schedules not only make it harder for workers to determine their incomes, they also make it hard to plan for childcare and family life, Henly said.
>
> "Unpredictable work schedules can translate into instability in family routines and practices, placing additional burdens on already strapped

> and busy families, their caregivers and extended family members," she said.
> (œEurekAlert 31 Aug. 2010 'Hourly workforce carries burden during recession' [227])

Across the Western world, the consequences of low wage competition from Third World nations, coupled with increased emphasis on migration into Western countries from depressed regions of the world have become endemic. Work conditions for low-skilled Western workers have continued to deteriorate.

Andrew Crane *et al*, in a study entitled 'Innovations in the Business Models of Modern Slavery: The Dark Side of Business Model Innovation', describe conditions in the United Kingdom in the second decade of the 21st century. Forms of 'debt bondage', peonage and indenture have evolved in this 21st century to invisibly blend into 21st century employment practices:

> People trapped in modern slavery can be 'underworked' by ruthless employers, to increase their debt bondage and provide revenue from living costs.
>
> The assumption that victims of exploitation are worked like 'slaves' is shielding extra layers of exploitation, shows research led by the University of Bath's School of Management, published by the Academy of Management.
>
> The study of the food and construction sectors in the UK found that far from being worked as hard as they can, victims can sometimes be given no work for several weeks, or only a few hours a week.
>
> Gangmasters take on more workers than they need and deliberately avoid giving victims work. They provide them with accommodation and money for food, on the proviso it is paid back when they start earning; cultivating dependence and debt bondage, most common among migrant workers in the agricultural sector.
>
> Victims become 'coerced consumers', forced into spending wages on accommodation, food, transport and other goods provided by their employer. They are driven deeper into debt, securing funds from family members abroad, or instant loan services.
>
> In other cases, workers will accumulate large amounts of debt, usually with undisclosed premium interest rates, that they cannot repay. They are pushed further into financial dependence and become increasingly susceptible to continued exploitation.
> ('œUnderworked' victims of modern slavery endure extra exploitation, *EurekAlert* Summary, Public Release: 16-Jul-2018)[228]

In Third World countries, a variety of 'free trade zones' were established as governments competed to attract transnational companies [229].

From the late 1970s, Western governments, seeking ways in which to stimulate their own faltering trade [230], lowered tariff barriers to selected Third World countries. However, the consequences have been rather different than initially anticipated by the experts [231].

(16/04/17)

So, what has gone wrong? Why have not new technologies, which have, unarguably, enabled more efficient and less labor intensive production, enriched human beings everywhere and freed them to non-work activity? In order to understand why, in a climate which should have led to shorter

working hours and increasing material prosperity, people have found themselves working harder and for longer, amongst other things [232], we need to understand the peculiar nature of *work* in Western communities.

Distinction between Labor and work

Through the past seven centuries Western people have evolved a very distinctive and peculiar understanding of the nature of work [233], which necessitates making a clear distinction between the terms *labor* and *work*.

The term *labor*, for our purposes, will refer to any activity which includes expenditure of physical or mental effort especially when difficult or compulsory. It is normally defined as human activity that provides goods or services.

Work, on the other hand, cannot be so simply defined since it not only includes labor but a variety of moral presumptions about the nature of labor.

The following discussion of work, for reasons which we have already spelt out, relates only to understandings in Western communities. Nothing we are talking of can simply be translated to "human beings" at large. They are culturally specific understandings which reflect the peculiar history of Western communities over the past several centuries.

The term *work*, as we will define it, includes the services performed by workers for an *income* since one of the important reasons given by people who are asked why they work is that without work they would not be "able to afford to live". As Macbride (1967 p.195) put it, "Distribution of titles of consumption (i.e., money) has been via jobs" [234].

But it does not only refer to activity which generates an income. It is also, and perhaps far more importantly, the term we use to imply that an object is performing as *it was meant to perform* [235] . So, we are able to ask "is it working?", and the person to whom we are speaking knows that in order to answer the question he or she must check its *performance* and that performance should be judged against the *potential* of the item.

There is a teleological dimension to the term. 'Work' is understood, in a less than conscious way amongst most Western people, to be directed toward an end or shaped by a purpose, primarily related to individuals *achieving their potential*. People *ought* to work.

This understanding of the meaning of work implies that objects, or people, have been designed to perform in certain ways. When they are performing as they have been designed to, they are *working.* When they are doing something other than what they have been designed to do, they are *not working* or they are *disabled*.

The Able-bodied and the Disabled - The Deserving Poor

During the 17th to 19th centuries in Western Europe, there emerged a clear division between the "deserving" and the "undeserving" poor. Those who were undeserving were those who, while "able-bodied", yet were not employed and/or relied on welfare support to one extent or another for subsistence. The deserving poor were those who could not help being unemployed. The largest category of these were people who were classified as in some way "disabled" as a consequence of some physical imperfection or other which interfered with their ability to be employed.

During the 17th and 18th centuries, as Mackelprang and Salsgiver (1996) explained, it was assumed that it was the responsibility of the community to repair these imperfections so as to ensure that such people could engage in work.

> In the United States, institutions dedicated to perfecting the imperfect sprang up (Rothman, 1971) with the hope that professional intervention could cure these inadequacies. When a cure was not possible, people with disabilities could at least be trained to become functional enough to "perform socially or vocationally in an acceptable manner"
> (Longmore, 1987b, p. 355).

Over the past two centuries, Western communities have identified a variety of "disabled" people. Into this residual category are placed any who are, in any way, "deficient". The range of people placed into this category is remarkably wide, including those who are mentally retarded or otherwise mentally 'impaired', blind, deaf, lame, exhibiting some other form of physical abnormality or 'deformity', or suffering from any of a variety of long-term illnesses.

Even today, the term "disabled" is applied to any who are in any way "impaired" and are therefore "dependent". This is exemplified in the acts passed in most Western countries over the past fifty years, such as the *Americans with Disabilities Act* (1992) which guaranteed to the physically or mentally impaired protection against discrimination (see Anderson 1992). This category includes not only those with physical or mental problems, but also many whose "impairment" is social in nature.

But for the need to be able to perform at "work" and so ensure their "independence" [236], there could be little reason for the existence of such a widely inclusive category of people. These are the "dependent" ones, those who must be "cared for".

During the 19th century Western communities developed quite specific programs for dealing with these "unrepairable" people. Such people were concluded to be permanent "dependents" who should be cared for by the community but were, nonetheless, a drain on its resources. It was believed that they should, to a large extent, be separated from the rest of the community lest others become in some way contaminated.

> Professionals lost confidence in their ability to perfect people with disabilities, concluding that they were innately unproductive and thus endemically without worth. No intervention could bring about change because the laws of nature deemed people with disabilities unfit (Longmore, 1987a).
>
> People with disabilities were to be prevented from marrying or having children for fear of propagating their imperfections.
>
> As the 19th century progressed, institutions to deal with the threat and nuisance of people with disabilities increased dramatically, and they were increasingly isolated and institutionalized, sometimes in sub-human conditions.
> (Mackelprang and Salsgiver (1996))

Work and its antonyms

For those who are not "handicapped" or "disabled", there are two contrasting states to *work* in Western communities. The first is usually termed *unemployment*, this is, as most dictionaries define the term, "a period of *involuntary idleness* ". It is during periods of *un* employment that people are paid "the dole". Synonyms of the term include: alms, charity, gratuity, handout, mite, pittance, trifle. Being unemployed is assumed to be related to misfortune and heartache, to living from hand-to-mouth.

The unemployed person is being denied the *opportunity to work*, and there is something morally wrong with a person who accepts this situation with equanimity. People who are not given the chance to work *should* feel a sense of adversity, of affliction, of being judged as good-for-nothing and worthless. Those who lose their jobs are said to have been *declared redundant*.

Work and leisure

(04/08/19) (11/08/19) (26/11/19)

While Western people assume the right to 'leisure time', this is not a right which even in the 21st century is universally recognized or honored. The 'forty hour week' was something which Western working people gained only after prolonged, organized protest. It was only in the 1930s that legal acceptance of the principle of a forty hour week was finally won in Western nations. It never has been in most Third World nations. Paid annual leave was also first included in Western industrial awards during the 1930s (though usually only one week).

It was during the boom years following the Second World War that both the forty hour week and annual leave became accepted as basic entitlements in Western industrial labor awards. The effective period during which 'leisure' has been available to the bulk of Western working people has been less than sixty years.

During the discussion on 'leisure' which follows we need to realize how long it took to have such time recognized as legitimate and for how short a time it has been a 'basic entitlement' for Western workers.

While most Western people over the past fifty years have assumed the right to limited working hours and paid annual leave, the entitlements have always been questioned by employers and are by no means ensured into the future. Since the 1970s, low paid workers have found their entitlements slowly whittled away. Many need to juggle more than one job in order to 'make ends meet'. [237]

Worker benefits, hard-won through the New Deal's reinvigoration of labors' rights of workplace organization in the United States, have been seriously eroded in the post-1970s period. What started out as a move of low-skilled labor from Western to Third World nations, has grown into concerted campaigns to strip worker entitlements and benefits from US employees in order to ensure employers a 'level playing field' in a globalizing capitalist world.

Steven Greenhouse has described the 2019 consequences:

> The United States is the only advanced industrial nation that doesn't have national laws guaranteeing paid maternity leave. It is also the

> only advanced economy that doesn't guarantee workers any vacation, paid or unpaid, and the only highly developed country (other than South Korea) that doesn't guarantee paid sick days. In contrast, the European Union's 28 nations guarantee workers at least four weeks' paid vacation.
>
> Among the three dozen industrial countries in the Organization for Economic Cooperation and Development, the United States has the lowest minimum wage as a percentage of the median wage - just 34 percent of the typical wage, compared with 62 percent in France and 54 percent in Britain. It also has the second-highest percentage of low-wage workers among that group, exceeded only by Latvia.
>
> All this means the United States suffers from what I call "anti-worker exceptionalism."
>
> ... Labor unions are weaker in the United States than in other industrial nations. Just one in 16 private-sector American workers is in a union, largely because corporations are so adept and aggressive at beating back unionization. In no other industrial nation do corporations fight so hard to keep out unions.
>
> The consequences are enormous, not only for wages and income inequality, but also for our politics and policymaking and for the many Americans who are mistreated at work.
> (Steven Greenhouse, œYes, America Is Rigged Against Workers: No other industrial country treats its working class so badly. And there's one big reason for that, *New York Times*, August 3, 2019)

In 2019, the assault on both US and other Western workers has intensified as the lower 60% of workers: the precariously employed, 'gig' and other 'contract' populations, struggle to keep their heads above water. Bama Athreya has neatly summarized the direction in which worker exploitation has gone over several decades:

> ...[W]e're seeing major global policy institutions divert attention from the corporate-led globalization that's eroded working conditions everywhere. Instead, they're suggesting that somehow it's the robots' fault. Technology is a problem for labor rights - but not in the way many people think. The debate over robots taking our jobs is divorced from the reality of extreme capital concentration in the digital economy - which is far more responsible for eroding workers' rights.
>
> Capital concentration globally has vastly exceeded the levels we were protesting in the late 1990s. A select few tech companies dominate the entire globe, and their CEOs are among the richest men the world has ever known. Many of their enterprises are virtual, allowing them to elude responsibility for everything from taxes to workplace conditions.
>
> Companies like Uber and Amazon's Mechanical Turk claim that they are neither employers nor service providers but merely intermediaries, matching clients who desire services with contractors to provide said service. But the platforms these companies run use algorithms to fragment work and pit workers against one another in new ways, forcing them to bargain against one another for gigs in a new, digitally-enhanced race to the bottom. From pedicab drivers in Cambodia to domestic workers in Tanzania, people around the world are learning that the only means to another gig is through an app. Even editing and design work are being offshored, and then 'optimized,' through unaccountable digital brokers like Rev and Upwork.

> Journalist Steven Hill revealed the extent of this problem in *Raw Deal*, his expose on the industry. "In the name of hyper (market) efficiency, suddenly the 'extraneous' parts of a worker's day are being eliminated," Hill wrote. "Micro-gigs with job brokerages like TaskRabbit and Elance-Upwork are reducing workers' value to only those exact minutes someone is raking the leaves, or on the computer, or banging the nails or mopping the floor, or engaged in a specific task, toiling away and producing."
>
> The digital economy also enables platform companies and their clients to amass incredible amounts of individual data about their workers. This can be used for "algorithmic management" - a euphemism for the use of artificial intelligence for data collection and continuous surveillance of workers. Algorithmic management, as a recent report from Data & Society notes, enables platforms to control ever more fragmented bits of a worker's time, agency and labor. Companies can use behavioral "nudges" to incentivize workers to work harder, faster, or provide labor on demand at all hours.
>
> Penalties are also part of the machine learning. Workers that choose not to accept certain jobs for on-demand delivery, domestic or ride-hailing services can be penalized by being put in "time out" or even "deactivated," or banned from the platform, the Data & Society report finds. This fear of deactivation can coerce workers to accept undesirable gigs and hours.
>
> And then there are the out and out ways in which platforms incentivize clients and workers to break labor laws....
> (Bama Athreya, œTwenty Years After Seattle, Is There a New Race to the Bottom?, *Inequality*, November 25, 2019)

As Nicholas Kristof has belatedly recognized,

> ...The relentless assault on labor has gained ground partly because, over the last half-century, many Americans - me included - became too disdainful of unions. It was common to scorn union leaders as corrupt Luddites who used ridiculous work rules to block modernization and undermine America's economic competitiveness....
>
> ...[I]t's now clear that the collapse of unions - the share of employees belonging to unions has plunged to 10 percent in 2018 from 35 percent in the mid-1950s - has been accompanied by a rise of unchecked corporate power, a surge in income inequality and a decline in the well-being of working Americans.
>
> For all their shortcomings, unions midwifed the birth of the middle class in the United States. The period of greatest union strength from the late 1940s through the 1950s was the time when economic growth was particularly robust and broadly shared. Most studies find that at least one-fifth of the rise in income inequality in the United States is attributable to the decline of labor unions.
>
> Unions were also a formidable political force, and it's perhaps not a surprise that their enfeebling has been accompanied by a rise in far-right policies that subsidize the wealthy, punish the working poor and exacerbate the income gap.
> (Nicholas Kristof, œTrump Finds a Brawler for His War on Workers: America's working class is in desperate shape, and its longtime protectors - unions - have lost much of their power, *New York Times*, Opinion, August 10, 2019)

In Third World countries, with labor organization weak or non-existent, it is not uncommon for workers to be employed for six days a week and ten hours a day. This, of course, leaves very little time for 'leisure activities'.

There is, however, where leisure is accepted as a legitimate entitlement of workers, a state in which the person is *not working* both legitimately and necessarily. This is a state of *voluntary idleness*. The overarching, positive antonym for work is *leisure*, which can be divided into active and passive categories of behavior.

The active forms of leisure include pastimes, sports, games, recreation and other *amusements*. These are times when the person "charges the batteries", engaging in refreshing diversions so that they will be mentally and physically re-tuned to better perform in the realm of work. The passive forms of leisure include: relaxation, repose, rest, requiescence. These periods should provide the person with stillness, with a tranquility not possible in the busy round of work activities.

These times also have a *purpose*. They are times when the individual is able to distance himself or herself from the busy round and take stock, getting work into perspective so that they will perform more effectively and efficiently than before [238].

When people are found to be run-down, worn-out or exhausted by the pressing urgencies of work they can be prescribed times of leisure, when they can, for a period, escape the *duties of life* and become mentally and physically renovated. Even these times are considered to be intimately intertwined with work. They are not separate, alternative bases for life, they are the activities and times when human beings, who are *naturally and morally* fashioned for work, re-create themselves, and, in doing so, function more effectively within the world of work.

This conceptualization of *work* as "appropriate performance" is not closely tied to particular vocations or aptitudes [239]. It is, rather, in human beings, considered to be diligent application to productive endeavor [240]. It is very often dissociated from an individual's own aptitudes and abilities unless these have clearly been honed so as to improve the person's potential for work.

There is almost a sense of illegitimacy about "working" at something which one enjoys for itself - enjoyment, after all, is one of the definitional properties of *leisure*. If one was to respond to the question, "what would you do if you didn't have to work?" with the reply "what I am now doing" most Western people would find it difficult to accept. There seems to be a contradiction inherent in doing what one calls *work* in a time when one no longer is required to work.

So, for instance, an artist who paints because he or she greatly enjoys the activity, or a tennis player who makes a living from the game, seem in some way to be "cheating". Such people have blurred the boundaries between work and leisure. In order to ensure that this does not provide people with escape from the normal necessity to work they must be categorized as in some way "special". And, in order to remain legitimate they need to be seen as in some way "driven" to apply themselves to their activity by some inner compulsion. Work is about discipline, about applying oneself to activity which is in some way an imposition of ordered *endeavor* upon the individual.

Those who are not inwardly driven soon find that people around them supply much of the needed resolve to engage in work through their expressed attitudes toward these deviant people. It is the lucky few who are able to combine personal interest with work but they, driven to constant involvement in a form of activity which is normally defined as *leisure*, need to demonstrate that they have an extraordinary commitment to the attainment of perfection. They are *professionals* not "amateurs".

The realm of leisure is constantly being redefined as more and more leisure activities are *professionalized*, transforming them from leisure to work, from a form of activity presumed to be "relaxing" to one which the individual is diligently focused upon and from which the individual "derives an income". We speak of this phenomenon as the professionalization of sport, leisure etc..

The organization of work

Although one would hardly perform work if there were no income attached to it, there is more to work than the income obtained. Work should be performed over extensive periods of time, and the time set aside for it should be spent in activities which are clearly defined as "work related". Talking with someone involved in a large corporation, I was told the following story:

> Several people in an office had found that, by hurrying through their tasks, they were able to perform most of the day's required activities in the first three to four hours of the day. They therefore decided to do this and spent much of the afternoon in playing cards.
>
> The manager of their section of the corporation decided that this was entirely unacceptable (for reasons which you, if you are a Western person, will already understand, even if you can't articulate them). He called the offending workers into his office to remonstrate with them.
>
> They asked him whether there was any expressed dissatisfaction with the quality or consistency of their efforts. He answered that there wasn't but that there was a perception that they were lazy because they spent so much time in playing cards. He explained that they were not employed to play cards, but to carry out the duties of their positions.
>
> They were asked, in future, to "space" their work and spread it over the entire day. They were not to indulge in card playing or in excessive periods of "morning tea" or "afternoon tea" but were to use their time in "work related" activity.

This is, of course, reminiscent of Parkinson's (1957) Law:

> Work expands to fill the time available for its completion and subordinates multiply at a fixed rate, regardless of the amount of work produced.
>
> ...A lack of real activity does not, of necessity, result in leisure. A lack of occupation is not necessarily revealed by a manifest idleness. The thing to be done swells in importance and complexity in a direct ratio with the time to be spent.
> (œParkinson 1957)

A Western person, hearing this story, immediately recognizes a whole constellation of reasons why the workers could not be allowed to continue to "play" during "work hours". Work, in almost all forms of employment, covers a period, and tasks are performed through that period. There are, in all jobs not directly driven by assembly line practices or by "piece" work, times of disguised "inactivity" through the period. Most workers, if they concentrated their efforts, could perform the required tasks of their positions in much less than the *time span* of work.

It was this recognition which led to "œTaylorism " (see Taylor 1911), the scientific management programs of the early 20th century, which aimed to eliminate "inefficiencies" and ensure that workers performed in the most productive manner possible. It has, similarly, resulted in recent management strategies to "streamline" companies, through concentrating work activity within a smaller workforce [241].

As we observed earlier, these practices are aimed, at a time when new technologies are simplifying work tasks and increasing productivity in many areas, at increasing the work commitment of individuals, requiring them both to work harder and for longer hours. For reasons with which most Western people find it hard to disagree, new management strategies are aimed at *increasing* commitment to work, not at lessening it. And, we know that this is as it *ought* to be. As soon as we find that a term has a teleological dimension of this kind, we immediately also know that the term is a *prescriptive* one. The term *work* is such a term in the English language.

It is undeniable that *labor* is something in which all people everywhere engage because some of the tasks which need to be performed in any community require an expenditure of physical or mental effort which is at times irksome to those required to perform the tasks. However, the need to allot a specific period of each day to the performance of such tasks, and then to ensure that people are managed in such a way as to maximize their activity, is a distinctively Western need.

It is this allotment of set times to maximized labor-related activity which uniquely defines *work* in Western communities. This complements the equally unique relationship perceived between production, possessions and status in Western communities [242] and ensures that people are focused on the status maintenance and attainment prerequisites of their communities.

Because our drive to consumption and accumulation is open-ended, Western people argue that so too must our commitment be to producing the goods and services we "need" [243] . This is a *consequence* of the Western belief that individuals should diligently apply themselves to productive endeavor, to work, rather than a *cause* of it.

It is not that we work because our needs are constantly expanding. Rather, the ability to acquire a constantly expanding range and quality of goods and services *is evidence of our strong commitment to work* [244].

Of course, in the minds of most Western people the two are intimately connected. Since our prime means of obtaining the income necessary to obtaining the goods and services we need is work, we are quite sure that unless we work we will not be able to obtain those goods and services. This, of course, is true, but simply demonstrates how strongly Western people, over the past four centuries, have reinforced the need to work through closely tying both material wellbeing and status attainment and maintenance to its performance.

The most important forms of behavior, organization and meaning in any community are strongly reinforced through the ways in which they are made "necessary" through tying individual and communal wellbeing to them. So people sense that unless they are maintained, life will become increasingly difficult.

Over a period of more than four centuries Western European communities increasingly buttressed "work" in this way. Now, in the early 21st century, Western people are, indeed, very certain that unless they commit themselves to work, both their own wellbeing and the wellbeing of the communities in which they live will be at risk.

In a very real sense, Western people do not work in order to live, they live to work!

Teaching Western Europeans to work

So, how did it happen that Western Europeans became so convinced of the central importance of work? To understand this, we need to look back into Western Europe's historical experiences [245]. Here we will focus on a few of the presumptions and practices which led to the present Western commitment to work.

In the past, during the 16th to 19th centuries, as Foucault says,

> If it is true that labor is not inscribed among the laws of nature, it is enveloped in the order of the fallen world. This is why idleness is rebellion - the worst form of all ... the sin of idleness is the supreme pride of man once he has fallen, the absurd pride of poverty...
>
> In the Middle Ages, the great sin... was pride... All the 17th century texts, on the contrary, announced the infernal triumph of Sloth: it was sloth that led the round of vices and swept them on.
> (Foucault 1971: 56-7)

As Foucault says, by the 17th century, responsible Western people [246] had come to believe that commitment to work was either based on natural law requirements, or that it was necessary to sanctification.

The emphasis, among the responsible people of 17th to 19th century Western Europe, was on the *necessity* to engage in work, that is, in productive enterprise; in realizing the *potential* of one's own capacity to labor; of one's own innate "talents"; and of the environment available for exploitation.

John Locke, in the late 17th century, put it like this,

> God gave the world to men in common; but... it cannot be supposed he meant it should always remain common and uncultivated. He gave it to the use of the industrious and rational (and *labor* was to be *his title* to it).
> (1982 (1690), p.21).

It was the necessity to "make the most of oneself through industrious endeavor" that lay at the root of the 18th and 19th century insistence that everyone become involved in productive endeavor.

As Locke (1982, Ch. 5) argued in 1690, God commanded human beings to labor, and the property they accumulated as a consequence of their labor *demonstrated their commitment to that industriousness* which God required. To do otherwise than industriously accumulate personal property was to rebel against the natural order established by God for the wellbeing of both individuals and communities. Not only was one rebelling against God, by breaking the natural laws for human "progress" the person was also refusing to take his or her communal responsibilities seriously.

The term *work* summarized and expressed, in human organization and behavior, the central presumptions of the emerging *primary ideology* of Western Europe [247]. Commitment to work demonstrated that the person, as an individual, was dedicated to obtaining the returns which the industrious gained for their dedicated effort. Those returns were important both to the individual and to the community in which he lived. Richard Baxter affirmed this when he proclaimed in 1678,

> If God show you a way in which you may lawfully get more than in another way (without wrong to your soul or to any other), if you refuse

> this and choose the less gainful way, you cross one of the ends of your Calling, and you refuse to be God's steward.
> (1838, p. 377)

As Foucault (1971:46) claimed, during the 17th to 19th centuries there was far greater concern about the consequences of *idleness* than of *illness*. It was considered the responsibility of both Governments and responsible citizens to *teach* the "idle poor" the virtues of consistent work. As Sir William Coventry, in the 1670s, claimed, poor laws [248], which protected the idle from the consequences of their sloth, should be repealed and the Government should establish workhouses [249]

> ... where such as will not work for themselves may be compelled to work for others
> (in Appleby 1978, p. 151).

Sayings emphasizing the sinfulness of sloth proliferated through Western Europe, summed up in a number of very similar English proverbs: "Idleness is the beginning of all sin"; "The devil makes work for idle hands"; "Idleness breeds vice"; "Idleness is the devil's workshop". If sloth was sin, indigence and pauperism were its consequences.

By the 18th century it was well understood that indigence was closely tied to immorality. The harshness of the workhouses between the 17th and 20th centuries was necessary to discourage the moral depravity of sloth. And, just as the evils of idleness were denounced, so the virtues of *industry* were heralded. There was virtue in *steady or habitual effort*, in *diligence in an employment*, in applying oneself in a disciplined way to productive endeavor, in

> adopting those habits of industry, which always tend to steadiness and sobriety of conduct, and to consequent material wealth and prosperity
> (Codere 1951, p. 24).

The morality of work

There was a *morality* in the consistent, daily commitment of the individual to work, to industriousness [250]. The individual gained respect and status through clearly demonstrating a consistent, continual commitment to harnessing his or her environment in the interests of accumulation and production. A *conspicuous* commitment to *industry* became the primary evidence of the individual's commitment to upholding the central moral values of Western Europe.

In any community, the morality of individuals is measured in terms of consistent commitment to the central tenets and understandings which drive and give force to systems of status and respect in the community. In Western Europe it became an accepted fact that "responsible people" work hard, and that, as Locke (1982, p. 27) said, "*Labor makes the far greatest part of the value of things* " [251].

So, it was entirely necessary that individuals who worked hard should retain possession of the things whose value they had thus increased and this "necessarily introduces *private possessions* " (Locke 1982, p. 22). Hard work gives value to objects, and the evidence of hard work is, therefore, an accumulation of private property. In order to demonstrate the virtues of individuals it was necessary that those who created value should possess the objects within which that value was expressed.

The accumulation of private property *by individuals* was both just and appropriate since, through their own industry, they had created the property they accumulated. It was neither appropriate nor just that those who created the wealth should be required to share it with others who did not create wealth. Rather, those who did not create wealth for themselves should be compelled to do so. Otherwise they would be a drain on those who through their own productive endeavor had accumulated wealth and had, in this way, demonstrated their commitment to the central moral values of their communities.

Responsible governments ensured that the conditions encouraging and facilitating such activity were maintained, and that those who were "not responsible" were "made responsible" by making the condition of their lives as difficult as possible until they committed themselves to work. This has remained, throughout the 20th and on into the 21st century, a prime responsibility of Government. Governments should educate and train the "workforce", and should provide every inducement and encouragement to people to "work". They should, conversely, strongly discourage idleness and vagrancy [252].

For the past several centuries Western European communities have had (and most still have) strongly enforced laws calculated to ensure that people were "gainfully employed" and had "visible means of support". Anything which might discourage people from strong and continuous commitment to work should be removed in the interests of ensuring that people "worked for their living". Over the past four centuries concerted efforts have been made by responsible Western Europeans to strip people of any other means of subsistence than work aimed at increasing the cash worth and extent of their private property.

From indolent subsistence to Labor-pool worker

Teaching 'The Poor' to Work

As a legacy of the feudal period in Western Europe, many poor peasants between the 16th and 19th centuries owned small parcels of land which provided all or part of their subsistence. They also had rights of use in areas of common land attached to manorial estates but available to all associated with the estate, whether small farmers or rural laborers, where they could forage and graze animals. The land was used for subsistence, not for increasing cash income or private property.

This focus in life was one which emphasized *communally determined limitations on the accumulation of property*, not an open ended accumulation of private property [253]. As such, in the minds of the responsible people of Western Europe, the land these people held was being used "inappropriately". Therefore, as Locke (1690 Ch. 5) reasoned, it should be forfeited to those who would use it "productively", that is, to increase cash income and private property.

Not only were these peasants using the lands they controlled inappropriately, because they obtained a part of their subsistence from it, wage labor, for many of them, was an additional source of income used to augment the subsistence obtained from their own or common land. The Poor were not strongly oriented to the emerging status systems based on accumulation and conspicuous consumption which were driving activity among those who had come to be called the "middle class". In

consequence, the "laboring poor" were unreliable workers. They seemed ready to work for only so long as was necessary to obtain the additional income required for a subsistence lifestyle. If they did not need the money, they saw little reason to work [254].

By the end of the 17th century it was already recognized by those who were gaining control in Western Europe that so long as the poor had access to land and could supply part of their own subsistence requirements independently of the emerging work oriented economy, they would continue to treat work in this way. The answer, of course, was to strip away the small parcels of land from the poor, and to take away their access to common land, making them entirely dependent on work in the cash economy for their subsistence. The reasons given for the expropriation of these lands were varied, including, of course, Locke's argument that land-holding should be rationalized to increase its economic productivity.

The upshot was that in England, between 1700 and 1845, more than seven million acres of common land was expropriated and consolidated in the hands of larger landowners who put the greater part of it into pasturage. Considerably more land was transferred from small to large landowners through the termination of leaseholds and through challenging ownership rights where small-holders lacked documentation supporting their ownership, though no records are available to determine the amount of land transferred in this way.

Those who lost their lands in this consolidation became wholly dependent on cash work and increasingly reliant on the social welfare provided by parishes under the Poor Laws. They became a 'labor-pool', dependent for their livelihoods on employment within the mines, factories and sweat-shops of Western Europe; in competition with each other for scarce jobs [255].

In the 19th and 20th centuries the responsible people of Western Europe found themselves with a new responsibility. They had long accepted their responsibility for re-organizing and re-educating the poor of Western Europe. Now they had to accept the same responsibility for 'the natives' of their colonies.

Teaching 'The Natives' to Work

Responsible Western people were well aware of the problems they had encountered in educating the poor in Western Europe over more than four centuries. They realized that one of the major mistakes made had been to engage in land reform without taking into account the movement of people from the countryside. Having nowhere to go, they had 'clogged the highways and byways' during the 16th and 17th centuries and become a major problem in the cities of the 18th and 19th centuries.

They determined not to make the same mistake in their colonies. The colonial authorities would divide the land into regions, setting aside some of the less agriculturally productive areas as 'native reserves' onto which the surplus native population could be moved. They would become a labor-pool of workers, managed by the colonial administration, and employed by various economic enterprises in the colony.

Western Europeans had learned over more than four centuries that human beings were independent individuals not communal beings [256]. As the British Prime Minister Margaret Thatcher, talking to *Women's Own* magazine, October 31 1987, explained,

> ...there is no such thing as society. There are individual men and women.

So, no account needed to be taken of existing indigenous forms of social organization or understandings of their environments. In colony after colony, they employed the same strategy:

- Assess the economic potential of the territory;
- determine where lower or higher concentrations of population were needed;
- pass the necessary laws and regulations to legitimize the reorganization;
- and move the native populations accordingly.

This freed up agriculturally valuable land for large scale farming and created labor pools for mining, plantation, large-scale agricultural enterprise and other economic activity. Colonial administrations also closely controlled movement of native populations out of their reserves. They would be allowed to move to administrative centers only by invitation and would return to their reserves afterwards. They would be selected for employment on the reserve and returned there when the employment was terminated.

The breakdown in law and order and in living standards among indigenous populations resulting from the complete disruption of their communities and individual lives were evidence, if any were needed, of the childlike inability of the natives to care for themselves [257].

Gilbert Murray (1900), a late 19th century student of British colonial labor practices, provided a clear summary of the systems of labor exploitation found in British colonies. It has been included in the following footnote [258].

He goes on to provide graphic examples of the ways in which 'useful' and 'useless' 'natives' were treated in various Western European colonies (see footnote [259)].

In the 19th century, during Western Europe's expansion into the rest of the world, the emphasis on the importance of work was as strong, if not stronger than in the 17th and 18th centuries. Western Europeans took their commitment to work with them as they invaded the rest of the world.

A common theme of those who wrote on the problems in countries and communities for which they felt they had to take responsibility was that "traditional" people seemed so unwilling to put in a "full day's work".

Cairns explained their attitude,

> The intrinsic value of work was revealed by Bishop Smythies (U. M. C. A. [Universities' Mission to Central Africa]) when he noted Africans east of Lake Nyasa clearing ground and cultivating 'on the steepest, most stoney slopes' of a mountain side.
>
> > This seems to point to one good thing which may come from the evil of African wars [[260]]. If all was quiet and there was no fear of... marauding tribes and yet no civilization to quicken thought, in a climate where everything comes easily to hand so readily if there are only rivers as there are here, the people would have nothing to keep them from becoming more and more enervated.

(1965, p. 79)

Henry Drummond, commenting on the people of the same area, claimed that "apart from eating, their sole occupation is to talk, and this they do unceasingly" (Cairns 1965: 79). As Cairns claims of European attitudes,

> the general attitude was that work, more for the sake of the virtues which it fosters than for the wealth it created, was necessary to a well-ordered purposeful life
> (1965, p. 79).

Western Europeans, intent on colonial expansion, believed that they were on a "civilizing" mission and that one of their most important responsibilities was to teach people in other countries and communities to *work*. Sir Rudolph Slatin's remedy for the people of The Sudan, described by Gilbert Murray, was an example of a common theme,

> 'The nigger is a lazy beast,' said Slatin, 'and must be compelled to work - compelled by Government.' ' How?' asked his interlocutor. 'With a stick,' was Slatin's reply.
> (Gilbert Murray œ1900 p. 135)

Bernard Magubane provided a succinct description of Western attitudes toward non-Western communities in his description of relations between Europeans and Africans in South Africa,

> Before they were physically subdued, African traditional societies with plenty of land confronted the requirements of capitalism with difficult problems. The wants of an African living within his subsistence agriculture, cultivating his own *mealies* (corn), were confined to a *karosss* (skin cloak) and some pieces of home-made cotton cloth. The prospects of leaving his family to work in a mine, in order to earn wages with which he could buy things he had no use for, did not at once appeal to him.
>
> James Bryce observed that,
>
>> The white men, anxious to get to work on the goldreefs, are annoyed at what they call the stupidity and laziness of the native, and usually clamour for legislation to compel the native to come to work, adding, of course, that regular labor would be the best thing in the world for natives.
>
> (Magubane 1975, p. 233)

This belief in the virtue of work was, by the 19th century, so ingrained in Western Europeans that they *knew* that it was both logical and rational that people be compelled to work, no matter what their objections. Western Europeans had a moral duty to teach the world to work, and they have gone about it in non-Western communities with a missionary zeal.

Over the past forty years, with the resurgence of deregulated capitalism, the reorganization of non-Western regions and communities to serve the demands of capitalism has continued apace. In free trade zones, maquiladoras and export processing zones, wherever labor is cheap and regulation relaxed or non-existent, people will work in substandard conditions, receive low wages, and live in slums.

And, all the while, Western peoples and those who emulate their lifestyles in non-Western countries and communities will continue to expand their consumption and accumulation of the products of that exploitation.

Conclusion

So long as commitment to work, and its inevitable companions - ever-expanding consumption and accumulation - are among the central primary ideological presumptions of Western communities, unregulated capitalism will continue to produce conditions like these around the world.

The emphasis upon the importance of work in Western communities has not diminished in the 20th and 21st centuries. Writers as diverse as Thorstein Veblen, John Dewey, Hannah Arendt and Daniel Bell have argued that work is a moral imperative and has, as Bell put it, "always stood at the center of moral consciousness" (in Wolfe 1997 p. 559) [261].

The most important duties and responsibilities of community members, those which, as Kant ((1785) 1909) suggested, secure our own "freedom", are strongly reinforced through the ways in which they are made "necessary" to both individual and communal wellbeing. In Western communities, a wide range of common-sense reasons is given as to why people must be involved in work:

- The economic wellbeing of the country *requires* that everyone commit themselves to consistent hard-work - only in this way will the gross national product continue to grow and the economy "expand". Bureaus of Statistics publish tables showing "days lost" due to a lack of commitment to work, to absenteeism [262].

- People who don't put work first fail to establish themselves financially and so become a drain on the community through becoming, at one time or another in their lives, dependent on "welfare". Consequently, their children become "disadvantaged" and in later life are unable to "achieve their potential" in the world of work.

- Those who diligently apply themselves to work become "successful" and grow in self-confidence. They earn respect from others and become recognized as dependable and reliable (or, alternatively, as ruthless and dominant). In consequence they become leaders, those who will be able to take up responsibilities and see them through [263].

These understandings permeate Western consciousness. They are presented and reinforced in many different ways. Perhaps the most pervasive and effective ways in which they are reinforced are through the varieties of forms of product and service promotion and in the various forms of "entertainment" to which the vast majority of Western people subject themselves for three or four hours a day.

Whether in salacious soap operas, or in advertisements for motor cars, those most admired are usually those who seem to have been able to succeed in the workplace, in the economic arena. They are wealthy, suave, sophisticated, with the easy grace of those who know their *own worth*. They provide models against which we can measure ourselves or that we can attempt to live by.

To the successful go the spoils! To them belong the fast cars, the yachts, the lavish entertainments and the lifestyles of the "rich and famous". Far from challenging the central moral tenets of Western communities, the magazines and television entertainments of the West strongly reinforce them.

The West is no longer centrally concerned with sexual morality - that belongs to a past age, when people were prudish and no-one seemed prepared even to talk about the possibility of sexual adventure. It is no longer centrally concerned with violence since most of its entertainments glorify it, though it is roundly condemned in the abstract.

It is, of course, centrally concerned with social justice: in a "user pays" environment people get what they deserve! And it is centrally concerned with economic success, which is *assumed* to be related to work.

There is little evidence that people living in Western communities are evolving beyond their deep-seated moral commitment to work. After a brief flirtation with the 'evils' of 'regulation', 'protectionism' and 'social welfare' [264] in the 1930s-1970s, Western communities have reasserted their subordination to deregulated capitalism and commitment to:

- Individual self-promotion through expanding consumption,
- A 'user-pays' world,
- And unconstrained 'development' of the world's economic resources.

A Personal Observation

Others have explained that the amazing efflorescence of knowledge and invention of the past three hundred years could not possibly have occurred without the capitalist work ethic. It has been the drive to 'profit', William Booth's '10%', which has brought about this explosion in intellectual exploration. I agree. Without an external goad and without a drive to harness human intelligence in this way, the achievements of the modern era would largely not have occurred.

The epitaph of the era might well be, that human beings have been driven to, and beyond, the limits of their individual and communal intellects by those myopically committed to self-promotion and the accumulation of material wealth.

The focuses of intellectual endeavor in the West have far-too-often *not* emerged from the intellectual curiosity of the researchers, but from a short-sighted drive to satisfy and shape the demands of the employment and investment marketplaces.

The forces which have channeled and circumscribed Western intellectual endeavor have seldom come from intelligent exploration and understanding of long-run consequences. They have been determined by the needs and wants of the capitalist and the consumer.

Chapter 7:
Capitalism and its Colonies:
Nation-States, Third World Nations, Development and Failing States

- Capitalism and its colonies
  - Nation-states
    - Who were the 'Middle-Sorts'?
    - Nations as enclaves of common-interest migrants
    - Colonies as the globalization of the Nation-State
    - Unraveling Empires
    - Taking over alien political and administrative structures
  - The Last Western Colony (and its Native Reserves)
  - After the Colonies
    - A Few Assumptions underpinning post-colonial 'development'
    - International forces
      - Development Agencies, Human Rights and Structural Adjustment Programs
      - Confusing Intra-national tensions with international confrontations
      - It's Unipolar or Multipolar Hegemony: Let's All Fight for 'Freedom'!
  - It's time for a New World Order
  - Problems of nation-building
    - Decentralization of Political and Governmental organization
    - Indigenous Nations have the right of self-determination
    - The World is Awash in Weapon Systems
  - Parliamentary democracy, one-party states, military coups
    - One Party States
    - Military Coups
    - Political, Economic and Social Integration: A Patron-Client World
    - From 'Soldiers of Fortune' to 'International Security Companies '
    - Civil-military Rule
  - The *Appearance* of Democracy
  - Of the post-Cold War 1 years:
    - Corruption
    - Terror
    - Neoliberalism
  - The Depressing (but realistic) Conclusion

(13/02/16)(27/08/18)

By 1914, 84.4 % of the world's terrestrial area had been colonized by the Europeans. With colonization there came a new paradigm of development. Cecil Rhodes is reputed to have expressed this paradigm eloquently:

> We must find new lands from which we can easily obtain raw materials and at the same time exploit the cheap slave labor that is available from the natives of the colonies...
> (UNESCO (2002) œInternational Symposium on Post-Development)

- They were overpowered by force of arms. Thereafter, each tribe was faced with a choice of one of two roads leading to subjection: defeat or surrender...

  There are various national or ethnical groups in the country [Nigeria]. Ten main groups were recorded during the 1931 census as follows: (1) Hausa, (2) lbo, (3) Yoruba, (4) Fulani, (5) Kanuri, (6) Ibibio, (7) Munshi or Tiv, (8) Edo, (9) Nupe, and (10) Ijaw.... 'there are also a great number of other small tribes too numerous to enumerate separately...'

  It is a mistake to designate them 'tribes'. Each of them is a nation by itself with many tribes and clans. There is as much difference between them as there is between Germans, English, Russians and Turks for instance. The fact that they have a common overlord does not destroy this fundamental difference...

  All these incompatibilities among the various peoples in the country militate against unification.... It is evident from the experiences of other nations that incompatibilities such as we have enumerated are barriers which cannot be overcome by glossing over them.
  (Awolowo 1947, pp. 24,48-9)

- We define weak states as countries that lack the essential capacity and/or will to fulfill four sets of critical government responsibilities:

  - fostering an environment conducive to sustainable and equitable economic growth;
  - establishing and maintaining legitimate, transparent, and accountable political institutions;
  - securing their populations from violent conflict and controlling their territory;
  - and meeting the basic human needs of their population...

  We term countries in the bottom quintile "critically weak states" and deem the 3 weakest states in the world "failed states." Failed states perform markedly worse than all others - even those in their critically weak cohort...

  Bottom Quintile:
  Somalia; Congo, Dem. Rep.; Burundi; Sudan; Central African Rep.; Zimbabwe; Liberia; Côte D'Ivoire; Angola; Haiti; Sierra Leone; Eritrea; North Korea; Chad; Burma; Guinea-Bissau; Ethiopia; Congo, Rep.; Niger; Nepal; Guinea; Rwanda; Equatorial Guinea; Togo; Uganda; Nigeria
  (œRice and Patrick 2008, pp. 3, 9-11)

Given the wide range of tensions, contradictory demands and confrontations to which Third World nations have been subjected by Western capitalist nations over the past 80 years, it is a testament to human resilience that there are any which still escape being classified "critically weak states".

Western people have, over the past three centuries, confidently applied their own understandings and forms of organization to the rest of the world. They have done this in the sure knowledge that these represent the most advanced, developed and sophisticated of all forms of understanding and organization available to human beings.

To introduce those forms to non-Western people has been to start them on the road to capitalist development. It has been assumed that this enables them to by-pass the historically long and thorny route taken by Western Europeans in achieving their advanced state of organization and understanding.[265] Chief amongst the forms of organization, thought to be most important in moving into the modern world, have been the political and economic forms of the industrialized West.

To understand the problems encountered in Third World nations over the past sixty years, we need, first, to examine a few of the presumptions underpinning Western political organization and activity as they have been shaped in concert with capitalism over the past four centuries.

Nation-states

From the 16th to the early 20th century, Western Europe experienced widespread, drastic economic reorganization. Capitalism became the ideological frame of life for the middle-classes of Western Europe. From the 17th century this capitalist reorganization coincided with a revolutionary, middle-class driven, political reorganization of the region [266].

Who were the 'Middle-Sorts'?

The nation-state was presumed to be comprised of citizens who, individually, first and foremost, identified with the nation rather than with regions within the nation. They saw the nation's achievements as their own; the nation's problems as personal problems; and they so committed themselves to the nation that when it became threatened, if necessary, they were prepared to die for it. Thomas Hobbes set out the requirements of such a 'Commonwealth' in his *Leviathan* (1651 Chapter 17, œ'Of The Causes, Generation, And Definition Of A Commonwealth') [267].

Capitalism is based on *individual independence*, not on *interdependence* [268]. Its political frame has echoed the motivations of the middle ranking individuals who were at the heart of the revolutionary changes of the period. It requires 'democracy'. But this was, always, a 'democracy' of 'responsible' people - a democracy of the middle-classes. The history of voting rights in Western democracies reflects the changing fortunes of sub-populations as they have become accepted by the middle-class base which still largely controls Western democracies [269].

The new political entities, nation-states, represented the interests of the middle-classes. In almost every ethnic community in Western Europe, one could find these people - 'middle sorts' - who socialized and identified with each other across community boundaries and shared common interests both through the state territory in which they were living, and throughout Western Europe. These people, in the communities incorporated into each nation-state, were presumed to be not only able, but willing to subordinate their ethnic and regional interests and commitments to the interests and requirements of the larger political whole within which they were placed.

So, what was it that bound middle ranking people together in this way?

Nations as enclaves of common-interest migrants

An important feature of Western European nationhood has been the 'nationalism' of its people, their apparent identification with the nation-state and its political and bureaucratic organizations, and acceptance of the

state's directive legitimacy. Because most Third World national governments have great difficulty in gaining and maintaining acceptance from their populations, we need to understand how European nation-states [270] attained and maintain legitimacy.

'Nation' was a term which originally referred to administrative regions of the medieval Western-Orthodox Church. These western European Orthodox Church regions were governed through bureaucratic organizations controlled by regional ecclesiastical administrators. The representatives of those regions in Rome lived in a set of enclaves known as 'nations'. As Thomas Dandelet (1997) has explained,

> it was in medieval Rome that the numerous local identities of Europe were commonly grouped under the five major "nations" of France, England, Spain, Italy, and Germany.

A rag-bag of regions not included in those named was referred to as the 'Netherlands' (the lands beyond the recognized regions).

People who lived in these regions not only thought of themselves as members of their local communities but also knew the names of the administrative regions of the Church within which they lived. Their rulers, on their accession to power, were anointed to their positions by the regional ecclesiastical administrators [271]. So, almost inevitably, over a thousand years, political aspirations became identified with the regions and with the names they bore.

The medieval use of the term 'nation', following the western European Orthodox Church's usage of the term in Rome, referred to enclaves of middle-ranking people (those who, from the late 16th century, would consider themselves the 'responsible people' of western Europe), migrants from the same region, who shared some common interest or focus in life. These were the nascent middle-classes of Western Europe, those who, by the 19th century, would espouse 'democratic capitalism'.

During this discussion, we need to remember that the term 'nation' was applied to two quite distinct ideas. The first was to administrative regions of the medieval Church; the second was to enclaves of people living outside their own administrative regions, who banded together, formed cooperative relationships and friendships and were referred to by the name of the administrative region from which they came.

More emphasis was given to 'region of origin' than to 'ethnic identity' in gaining entry and acceptance into a nation (an enclave of migrants), so that nations could consist of people who spoke different dialects or languages (the *lingua franca* was, of course, Latin), were of different ethnic ancestry, and possibly of very different skin shadings. This would prove important in the intermeshing of middle-class interests across culturally diverse regions of interconnected territories [272] as 'nation-states' emerged in the 18th and 19th centuries.

Nations (as enclaves) were medieval common-interest, fraternal groups [273]. Members accepted responsibility for each other and assumed support and co-operation from anyone who was identified as a group member. They developed friendships which over time expanded into extensive networks of support and acquaintanceship. The families of people connected in these ways entertained and accommodated visitors from other areas and regions, and assumed similar support if they travelled outside of their home area.

The principle of mutual support and acceptance was of central importance in claiming membership of a nation (Hobsbawm 1990, p. 16).

'Nations' of scholars existed at university centers. Each nation was comprised of people from a particular geographical/ecclesiastical area who supported one another and provided hospitality and security to visitors and new arrivals. The members of such nations maintained their links after graduating and moving to other places. One could move from a 'nation' at one university center, to its counterpart at another university center and be accepted because others in the new center already had connections in the center from which one had come.

Similar nations of merchants and traders existed, which shared identity with scholars and others identified as belonging to the same region as themselves. Networks of such groups developed throughout western Europe. A feeling of affinity emerged between those who identified with each other through membership in common networks of nations (as enclaves). It was these networked people from particular regions who would become the future electorates of emerging nation-states.

Not until the 18th and 19th centuries did the term come to include both the inter-linked people of a particular territory, and the political and bureaucratic state organization of that territory. When it did, this usually resulted from concerted political and/ or revolutionary action involving those who already saw themselves as interconnected and as belonging to the same nation.[274]

By the 18th century everyone in western Europe knew the name of the region within which they lived and identified themselves in some way as belonging to the region that bore that name. The regions which were metamorphosing into nation-states were, largely, nascent capitalist regions which had been involved in the Reformation. Most of them had renounced or greatly loosened their ties with Rome.

People living in the old medieval Western-Orthodox ecclesiastical districts seem to have had little difficulty in transferring their recognition of those districts to the emerging states and their bureaucratic structures. So, national identity (that is, nationalism) preceded the establishment of nation-states [275].

By the late 19th century, as a consequence of the historical connection between membership of 'nations' and education, trade and other productive and 'cultured' activities, middle-class Western Europeans had become convinced that

> As the individual chiefly obtains by means of the nation and in the nation mental culture, power of production, security, and prosperity, so is the civilization of the human race only conceivable and possible by means of the civilization and development of the individual nations. (List (œ1885, Ch.15))

The nation, which for middle class Western Europeans of the 19th century, was synonymous with the state and its people, was the very embodiment of human existence. As Hegel explained in his lectures on *The Philosophy of History* :

> Subjective volition - Passion - is that which sets men in activity, that which effects "practical" realization. The Idea is the inner spring of action; the State is the actually, existing, realised moral life. For it is the Unity of the universal, essential Will, with that of the individual;

> and this is "Morality." The Individual living in this unity has a moral life; possesses a value that consists in this substantiality alone.
> ((2001, pp. 53, 4.) G. W. F. Hegel, œ*The Philosophy of History* , [1822-1837], translated by J. Sibree, 2001, Batoche Books, Kitchener, Ontario)

Not only was membership of a nation a prerequisite for each individual human being's 'civilization', 'mental culture', 'power of production' and 'morality', the aggregation of small ethnic groupings into large nation-states was assumed to be an evolutionary inevitability [276] . As œList (1885) explained:

> Between each individual and entire humanity, however, stands THE NATION, with its special language and literature, with its peculiar origin and history, with its special manners and customs, laws and institutions, with the claims of all these for existence, independence, perfection, and continuance for the future, and with its separate territory; a society which, united by a thousand ties of mind and of interests, combines itself into one independent whole, which recognizes the law of right for and within itself, and in its united character is still opposed to other societies of a similar kind in their national liberty, and consequently can only under the existing conditions of the world maintain self-existence and independence by its own power and resources. ...
>
> A large population, and an extensive territory endowed with manifold national resources, are essential requirements of the normal nationality; they are the fundamental conditions of mental cultivation as well as of material development and political power. A nation restricted in the number of its population and in territory, especially if it has a separate language, can only possess a crippled literature, crippled institutions for promoting art and science. A small State can never bring to complete perfection within its territory the various branches of production. In it all protection becomes mere private monopoly. Only through alliances with more powerful nations, by partly sacrificing the advantages of nationality, and by excessive energy, can it maintain with difficulty its independence.
> (Chapter 15)

Eric Hobsbawm put it well. For Western Europeans,

> nations were therefore, as it were, in tune with historical evolution only insofar as they extended the scale of human society, other things being equal.
> (1990, p. 33)

To quote the British philosopher, economist, employee of the British East India Company and, subsequently, member of parliament, J. S. Mill (1861):

> The most united country in Europe, France, is far from being homogeneous: independently of the fragments of foreign nationalities at its remote extremities, it consists, as language and history prove, of two portions, one occupied almost exclusively by a Gallo-Roman population, while in the other the Frankish, Burgundian, and other Teutonic races form a considerable ingredient.
>
> When proper allowance has been made for geographical exigencies, another more purely moral and social consideration offers itself. Experience proves that it is possible for one nationality to merge and be absorbed in another: and when it was originally an inferior and

> more backward portion of the human race the absorption is greatly to its advantage.
>
> Nobody can suppose that it is not more beneficial to a Breton, or a Basque of French Navarre, to be brought into the current of the ideas and feelings of a highly civilized and cultivated people - to be a member of the French nationality, admitted on equal terms to all the privileges of French citizenship, sharing the advantages of French protection, and the dignity and prestige of French power - than to sulk on his own rocks, the half-savage relic of past times, revolving in his own little mental orbit, without participation or interest in the general movement of the world. The same remark applies to the Welshman or the Scottish Highlander as members of the British nation. (Mill (1861) 1862 Ch. 16)

Hobsbawm has suggested that the minorities incorporated into the expanding nation-states of Western Europe accepted their incorporation as both positive and inevitable (one needs to remember that we are speaking of the interconnected middle ranking people, *not* of all those inhabitants in these regions who were excluded from middle-class networks):

> ... small nationalities or even nation-states which accepted their integration into the larger nation as something positive - or, if one prefers, which accepted the laws of progress - did not recognize any irreconcilable differences between micro-culture and macro-culture either, or were even reconciled to the loss of what could not be adapted to the modern age.
>
> It was the Scots and not the English who invented the concept of the 'North Briton' after the Union of 1707. It was the speakers and champions of Welsh in 19th century Wales who doubted whether their own language, so powerful a medium for religion and poetry, could serve as an all-purpose language of culture in the 19th century world - i.e. who assumed the necessity and advantages of bilingualism. (1990, p. 35)

Middle-class Western Europeans, convinced that the social, economic, and political world was evolving towards ever increasing size and complexity,[277] accepted that small ethnic communities must, inevitably, be absorbed into larger political structures, into nation-states.

Those states, it was believed, should be of sufficient territory, population and resources to enable involvement in the emerging international forms of trade and diplomacy developing amongst Western European nation-states and between them and the United States of America. Bigger was better! And, as ethnic and regional communities became incorporated, they inherited the rights of 'citizens' within the nation-state. So, the government could legitimately claim to represent them, as it did all other people who lived within its territory.

In speaking of nations we are speaking of the coalescence of the old medieval common-interest groups which came from a particular territory. People only identified themselves as members of 'nations' because they were distinguishing themselves from people of other regions of western Europe who shared similar interests and with whom they regularly interacted. The middle-classes of Western Europe were co-operatively interconnected with each other not only within their own national regions, but also across national boundaries. There was a great deal of intellectual, business and social movement between the various 'national' territories [278].

In most Western European territories, the sense of national identity, of mutual support and co-operation among the middle-classes, long preceded the recognition of the 'nation-state' as a political and bureaucratic organization which represented the interests of people who belonged to the nation.

It was not that a government was established which claimed authority within a territory, and that people who did not already identify themselves as belonging to a common nation were required to swear allegiance to it. Rather, nationalism preceded the nation-state, which received its legitimation from the already interconnected people of the territory. Representative government came from national revolution and the establishment of political and bureaucratic systems which represented the middle-class interests of those involved in the revolution.[279]

The nations of Western Europe included a range of middle-class people from ethnic and regional communities which saw their interests as coinciding with, or complementing those of other middle-class people with whom they identified in national government. National government could act in the interests of the whole territory, assuming support from the 'responsible' people in its various regions.

The focuses of government, its bureaucratic institutions and concerns, inevitably reflected the various interests and concerns of middle ranking people. They had become identified with the interests of the enclaves in which the sense of national identity had been forged. As nation-states emerged, middle ranking people could see their interests and concerns mirrored in government organization and policy making.

Since those people saw the government as representing their interests, they saw, in a truly Hobbesian sense, their interests as coinciding with the interests of the government. They could feel a sense of personal fulfillment in its achievements, and a sense of personal difficulty in its difficulties.

They took these understandings and commitments with them as they determinedly set out to reorganize the rest of the world in the late 19th and 20th centuries.

Colonies as the globalization of the Nation-State

European nation-states during the 19th century expanded into the rest of the world [280]. Wherever they went they extended their political authority through the establishment of protectorates and colonies. As they did in Europe, so they did in the rest of the world. They focused on territory, and *assumed* the integration of 'responsible' people within the boundaries of the territories they controlled.

Initially, Western European governments did not see their colonial territories as independently evolving nascent nation-states. They saw them as extensions of their own nation-state [281]. The 'colonies' were a part of the evolution of the Western European nation-state, its geographical extension into the world.

Like the Bretons, Basques, Welsh, Scottish, Irish and countless other minorities in Western Europe, so with the peoples of Western Europe's colonies. They would soon realize, as List (1885) had explained, the wonderful advantages of 'mental culture, power of production, security, and prosperity' which would be their inheritance. After all, it was obvious that

'the civilization of the human race' is 'only conceivable and possible by means of the civilization and development of the individual nations' [282].

Colonial populations were identified with 'The Poor' of Western Europe and designated 'natives'. A few, usually considered to be 'aristocratic' in some way, were identified as nascently middle-class and sent to the Home Land to be educated and incorporated into the ranks of the nation-state's middle-classes: "by special favor and grudgingly made, citizens" (Houènou œ(1924)). It was this select Western educated elite which would be handed control as the colonies gained independence in the post 2nd World War era.

The 'responsible' people (middle-classes) in colonial territories, whether of local or European origin, were small in number and could access political processes through the institutions at the center of empire. There seemed no reason to replicate political processes in the colonies. Colonies merely required a subset of the bureaucratic administrative structures of the 'home land' which would ensure their smooth functioning and integration into the political and bureaucratic systems of the colonizing nation-state [283].

Most colonial authorities established administrative machinery throughout their territories and assumed its acceptance by the people who inhabited the governed regions [284] . The colonial administrations became the governments of colonial territories. The head of government in the colony was, in British colonies, the 'Governor', representative of the monarch, and ceremonial head of the administration. Beneath him a hierarchy of administrative officials existed, which preserved and accentuated the social order of the Home Land. Similar authority structures were developed in most Western European colonies.

Houènou œ(1924), speaking of the French administrators he had dealings with in Dahomey (Benin), described:

> ... the daily abuses of the Colonial Policy, and in particular, of the Policy called Native Policy. This Policy is a source of perpetual vexations.
>
> Let me illustrate: A European passing along the highways can arrest a native and condemn him to 15 days imprisonment for the sole reason that he did not take off his hat to a white man. You will say to me that these are insignificant matters; but the arbitrariness goes much farther.
>
> The power of the Administrator is enormous. Contrary to that which happens in Europe, it is the accumulation of all powers; it is the accumulation of legislative and executive powers; it is the accumulation of judicial and administrative powers, - it is despotic power without control.

As the writer Somerset Maugham described them, colonial administrators, taken out of their European milieu, often appeared almost ludicrously self-important caricatures of their counterparts at the centers of empire.

In establishing administrative bureaucracies in colonies, colonial authorities believed they were involved in the historical evolution of those territories by linking them, through the colonizing state, into world-wide political and economic networks. It was believed that, given the evolutionary process of constantly increasing size and complexity, colonized populations could only benefit from (and should be grateful for) the establishment of colonial administration and reorganization of their communities.

As J. S. Mill, erstwhile resident in India and employee of the British East India Company, had put it,

> Experience proves that it is possible for one nationality to merge and be absorbed in another: and when it was originally an inferior and more backward portion of the human race the absorption is greatly to its advantage.
> (1861, Ch. 16)

To understand the political problems faced by Third World nations in the second-half of the 20th century, we need to realize how unanticipated was their emancipation from Western European colonial status. It was simply not presumed that they were in the process of moving toward 'independence' of any kind. As Winston Churchill said in a speech before the British House of Commons on 18th June 1940,

> If we can stand up to [Hitler] all Europe may be free and the life of the world may move forward into broad and sunlit uplands.
>
> If we fail, then the whole world, including the United States, and all that we have known and cared for, will sink into the abyss of a new dark age made more sinister and perhaps more prolonged by the light of a perverted science.
>
> Let us therefore, do our duty and so bear ourselves that if the British Commonwealth and the Empire lasts a thousand years men will say, "This was their finest hour".

The idea of grooming colonies for independence was an afterthought (in most cases post-2nd World War) of a dawning realization that, like it or not, most colonial territories were going to gain independence from their European schoolmasters. Most European governments were reluctant to relinquish control of their colonial territories but found themselves with few options.

Unraveling Empires

(16/08/18) (16/10/21)

The 2nd World War proved a watershed for colonial empires. The European powers were unable, during the war, to closely maintain supervision of their colonies and many colonial administrations had unraveled through neglect. The costs of re-establishing control in the face of increasingly organized resistance from colonial populations were prohibitive [285]. Colonial peoples had been co-opted into fighting for their European masters and had received both military training and counter-insurgency training which would serve them well as they returned home and asserted their right to independence.

Kwame Nkrumah, first prime minister of Ghana (1957-1960) and first president (1960-1966), in a 1965 book entitled *Neo-Colonialism, the Last Stage of imperialism*, provided a realistic, if jaundiced, view of the transition from colonial status to 'independence'. Nkrumah was of the same generation of African leaders as Awolowo of Nigeria, Kaunda of Zambia and œJulius Nyerere of Tanzania. And, like them, from his perspective, 'independence' was simply the new face of Western colonialism. As he explained,

> ...Developed capitalist countries [will] secure the maximum return in profit from such parts of the international financial complex as they control. However much private capitalism is exhorted to bring about

> rapid development and a rising standard of living in the less developed areas of the world... faced with a choice, capitalism... will come down on the side of exploitation.

Yasin Kakande has neatly summed up the 21st century consequences for the peoples of former African colonies:

> [T]he unchecked exploitation of the continent's natural resources by corporations from outside countries has forced desperate choices upon its citizens. Migrants looking for their own modicum of economic justice have come to the West. But, once they arrive, they discover the extraordinary extents to which they must prove their "worthiness" and acceptance in the same European nations that benefited from taking their homelands' natural resources for profit...
>
> The continent's natural and mineral resources are targets of predatory wealth where no costs are incurred for unfettered exploitation. In many African nations, dictatorial puppets, often handpicked and supported by their Western exploiters, continue this relationship. This occurs at the expense of their own citizens who need and would benefit the most from the resources of their homelands.
>
> Meanwhile, the continent's deprived migrants are seen as "nuisances" by white citizens in Western nations occasionally, but more often are portrayed as "burdens" that "threaten" the nation's economic livelihood.
> (Yasin Kakande, œOnly African Resources, Not Migrants, Are Welcomed Into Western Countries, *Truthout*, August 26, 2018)

Nkrumah's views remain pertinent in understanding 21st century Western attitudes toward former colonial territories:

> In order to halt foreign interference in the affairs of developing countries it is necessary to study, understand, expose and actively combat neo-colonialism in whatever guise it may appear. For the methods of neo-colonialists are subtle and varied. They operate not only in the economic field, but also in the political, religious, ideological and cultural spheres.
>
> Faced with the militant peoples of the ex-colonial territories in Asia, Africa, the Caribbean and Latin America, imperialism simply switches tactics. Without a qualm it dispenses with its flags, and even with certain of its more hated expatriate officials. This means, so it claims, that it is 'giving' independence to its former subjects, to be followed by 'aid' for their development. Under cover of such phrases, however, it devises innumerable ways to accomplish objectives formerly achieved by naked colonialism. It is this sum total of these modern attempts to perpetuate colonialism while at the same time talking about 'freedom', which has come to be known as neo-colonialism.
>
> Foremost among the neo-colonialists is the United States, which has long exercised its power in Latin America. Fumblingly at first she turned towards Europe, and then with more certainty after world war two when most countries of that continent were indebted to her. Since then, with methodical thoroughness and touching attention to detail, the Pentagon set about consolidating its ascendancy, evidence of which can be seen all around the world.
>
> Who really rules in such places as Great Britain, West Germany, Japan, Spain, Portugal or Italy? If General de Gaulle is 'defecting' from U.S. monopoly control, what interpretation can be placed on his

> 'experiments' in the Sahara desert, his paratroopers in Gabon, or his trips to Cambodia and Latin America?
>
> Lurking behind such questions are the extended tentacles of the Wall Street octopus. And its suction cups and muscular strength are provided by a phenomenon dubbed 'The Invisible Government', arising from Wall Street's connection with the Pentagon and various intelligence services.
> (Kwame Nkrumah, 1965, œ*Neo-Colonialism, The Last Stage of Imperialism*, Thomas Nelson & Sons, Ltd., London, Ch.18) [286]

Most European states found themselves with huge debts to the United States, which had bankrolled the war effort and then presented European governments with the bill. For the USA, war had proved good business. The US would use the leverage it gained to reshape the world in the ways which best suited its own interests.

The United States became banker to the world, holding the mortgages of all those states which had gone into debt to fight 'The War'. It became leader of, and a major supplier of armaments of all kinds to the 'Free World' - i.e. the world which accepted and followed its ideological understandings and leadership. For the next fifty years it would live on income generated by those mortgages and new mortgages negotiated with all those Third World countries which came into its orbit as European empires crumbled.

The internal infrastructures of Western European colonial powers had all but collapsed through the war years and they simply did not have the financial means to reassert control of their colonies. The real winners in the aftermath of the war proved to be the two emergent superpowers: the USA and the USSR.

There were new kids on the block, and they were going to take over the world. Neither had been involved in the 19th Century acquisition of colonial empires. They saw no reason why the weakened European states should retain the advantages which privileged access to their colonial empires gave them.

Through the post-war years, the USSR would champion the 'right' of colonial people to independence and back this up with military training and weapons support. The USA, realizing that it was in their interest to ensure they had unfettered access to the colonies, very strongly pressured Western European governments into granting independence to colonial territories.

Western European colonial powers faced the joint pressures of a 'Cold War' between the two superpowers (as they arm-wrestled for international dominance) and US insistence on free access to their colonies. With the combined problems of national indebtedness, costs of taking sides in the developing superpower confrontation, and re-establishing their own faltering infrastructures and economies, their empires became a mill-stone which most Colonial powers could do without.

Much as they might have wanted to retain them, and however strongly they attempted to assert the right to control, one after another, colonial territories gained independence. European colonial empires crumbled over about forty years between 1945 and the 1980s.

I was involved in research aimed at grooming a British colony - The Gilbert and Ellice Islands Colony - for independence as late as the early 1970s. As a preliminary to my research I investigated the administrative structures of the colony and found that trainee ministers from the indigenous population

had been appointed to each of the colonial administrative departments by the British administration. I was told that the aim was that they should learn how everything worked before taking over (some 3-4 years later).

Assuming that they would have departmental information at their disposal, and interested in their views of where things were going, I interviewed relevant ministers (there were, of course, no British counterparts in the colony since it was an administrative outpost of the British governmental bureaucracy).

They seemed genuinely surprised that I should want to talk with them. Once I began questioning them they quickly explained that they had no access to any ongoing activity or policy making in their departments. Their opinions were simply not sought by the administrative staff who generally thought them something of a nuisance. They had been given offices and titles but there was little or no 'grooming' going on!

Given the British Westminster system of parliamentary democracy, this was not surprising. In the Westminster System, there is a clearly established and carefully maintained separation between the political and administrative arms of government. Few administrative personnel knew how to 'train' future politicians - or felt that it was important to do so!

There was little long-term education or planning engaged in by any of the Western European powers as they handed governmental reins over to indigenous leaders [287]. Territories which went from colonial to post-colonial status, simply inherited the colonial bureaucratic machinery and had political processes and institutions appended to them, often less than two years prior to gaining independence.

Taking over alien political and administrative structures

(01/06/21) (06/07/22)

Colonies moved from being bureaucratic dictatorships to 'parliamentary democracies' with almost no education of the population in democratic ideas or procedures, and often with only a single election of political leaders prior to independence.

It could be claimed that this was because their European masters had simply lost interest, or were genuinely aggrieved at losing control. However, while those might have been considerations, it was also rather naively believed that democracy of the Western European kind was 'natural' to human beings. Freed from the dictatorial and capricious control of 'chiefs' and 'warlords', it was believed that people would revel in the new found freedom which Western forms of governmental organization gave them [288].

Many of the problems of Third World countries seem to center on attempts to recreate, in alien environments, Western-style 'nations' and Western-style 'nationalism' amongst their peoples. In attempting to emulate Western nations, they have introduced expectations and understandings which appear to fit very poorly into the cultural understandings and expectations indigenous to the peoples of post-colonial territories.

To understand the presumptions and expectations of those responsible for establishing new nations in the post-War period, we need to understand why they assumed the viability of such nation-states, and why they presumed that strong national sentiments amongst the people incorporated in such states would automatically follow the establishment of new nations. We also need to understand the nature of the political expectations and

presumptions of the populations which have, in large measure, shaped the post-War experience of Third World nations.

A growing chorus of Third World writers has insisted on the inappropriateness of such presumptions for the government of post-colonial countries. Julius Ihonvbere is among the clearer of such voices, claiming that:

> ... the masses in Africa, relate to the state as an exploitative, coercive and alien structure [whose] custodians lack credibility and legitimacy and are thus incapable of mobilising or leading the people.
> (Ihonvbere 1994, p. 43)

More recently, Kamilu Fage has claimed of Nigeria [289]

> ... Nigerian experience leaves much to be desired. After several attempts at democratization (involving constitutional reforms, elections etc), the country is yet to evolve a viable, virile and stable democracy that will elicit popular support and or even have direct bearing on the lives of the generality of the ordinary people.
>
> ... the subtle re-emergence of the ugly signs of the past (violence, bickering and fracas in the state and national assemblies, feuds between the executive and legislative arms of the government, electoral malpractices, corruption, oppression etc) raise the fear that Nigerian democracy is still on shaky grounds.
> (Fage 2007)

Richard Joseph of the Brookings Institute has given a somber description of Nigeria in 2010:

> In 2005, the U.S. National Intelligence Council predicted the "outright collapse of Nigeria as a nation-state within the next 15 years." Five years later, Nigerians themselves often refer to their country as a "failed state". What most characterizes life for its citizens is insecurity. Armed robbery has recently become more terrifying with kidnapping conducted to extract ransoms. On the eve of Nigeria's 50th anniversary in October 2010, basic needs in electricity, water, and public health are unmet. Even fuel for cars is often scarce in this major petroleum exporter.
>
> Nigeria is today a bruised and disoriented nation.
> (œJoseph 2010)

In 2021 Nigeria, long a troubled nation, is close to 'failed state' status. But, for Western 'experts' in statecraft, that is due to 'criminals, separatists, and Islamist insurgents who increasingly threaten the government's grip on power, as do rampant corruption, economic malaise, and rising poverty'.

The solution to all this is, of course, the re-involvement of Western 'experts' and their governments to clean up the resulting mess and re-establish political and civil order in the 'nation'.

John Campbell and Robert Rotberg, apparently confident that Nigeria (with more than a little help from such neo-colonialist nations as the US) can be reclaimed from its 'failed state' status, present their 'solution'. Nigeria might yet, finally, emerge into those broad and sunlit uplands of Western nation-statehood. As they explain:

> Nigeria is in big trouble. If a state's first obligation to those it governs is to provide for their security and maintain a monopoly on the use of violence, then Nigeria has failed, even if some other aspects of the

> state still function. Criminals, separatists, and Islamist insurgents increasingly threaten the government's grip on power, as do rampant corruption, economic malaise, and rising poverty.
>
> Most failed states in Africa - such [as] the Central African Republic, Somalia, and South Sudan - are small or marginal; Nigeria, by contrast, boasts a growing population of 214 million. It is expected to become the world's third-largest country by population by 2050. And prior to the COVID-19 pandemic, it had Africa's largest economy or its second-largest after South Africa (depending on how one measures). That is why state failure in Nigeria is having profound consequences for the entire region-and beyond. It bodes especially ill for the stability and well-being of weak states in Nigeria's vicinity, as evidenced by the spread of jihadi and criminal groups to Burkina Faso, Cameroon, Chad, Ivory Coast, Mali, and Niger.
>
> Nigeria's collapse can be reversed, however. Increasingly, prominent Nigerian opinion-makers are calling for an alternative to the current administration-whether through a national convention to rebuild the state from scratch, the breakup of Nigeria into smaller countries, or a domestic military takeover of the kind Nigeria has experienced repeatedly since independence in 1960. Many other Nigerians decry the government's inability to keep citizens safe but support its calls for external assistance in the form of economic and military aid.

Though, given the US track record across the world, I am more than dubious about their suggested solution to Nigeria's problems:

> ...[The] United States, must acknowledge that Nigeria is now a failed state. In recognition of that fact, they should deepen their engagement with the country and seek to hold the current administration accountable for its failures while also working with it to provide security and right the economy. In addition, they should engage and support Nigerian civil society as it forges what must ultimately be a Nigerian-led reconstruction effort.
> (John Campbell and Robert I. Rotberg, œThe Giant of Africa Is Failing:Only Nigeria Can Save Itself-but the United States Can Help, *Foreign Affairs*, May 31, 2021)

As we have seen, Nigeria's woes are not of recent origin. The region formally œcreated as a colonial territory by the British in 1914, comprised more than 250 different ethnic groupings and over 400 different languages and dialects spoken by groups within the new colony.

It is, of course, not alone in having been contrived by European colonial powers from an agglomeration of ethnic groupings, languages and dialects in a geographical region for their own purposes. Other post-colonial nations around the world suffer from very similar internal problems, seldom addressed in the rush to 'independence' in the post 1940s world. And, in consequence, attempts at 'democratically' organized government have seldom been successful.

Uzodinma Iweala, in a 2022 attempt to find some kind of a 'solution' to the ongoing problems of Nigeria, has provided an interesting sketch of its past experiences at building viable national governmental structures and alliances. As he explains:

> Nigeria has always seemed like an impossibility. From the moment of its independence in 1960, observers questioned the country's viability as a multiethnic, multireligious state. How could a country divided

> among two major religions and hundreds of different ethnic groups possibly stay together? When the devastating Nigerian civil war broke out in 1967, that skepticism appeared warranted. Perhaps, many concluded, Nigeria wasn't meant to be.
>
> Ever since the war, one of the chief aims of Nigeria's political project has been to prove the doubters, both foreign and domestic, wrong. A long line of civilian and military leaders have sought, sometimes with brute force, to preserve the unified state, which they have held up as a good unto itself regardless of its effect on the people. Each year, supposed experts from outside Nigeria declare that the state has failed and will soon disintegrate. And yet each year, Nigeria does not disintegrate. Instead, like a chronically sick patient who lacks a proper diagnosis and thus adequate treatment, it soldiers on, its condition steadily worsening.
> (Uzodinma Iweala, œNigeria's Second Independence: Why the Giant of Africa Needs to Start Over, *Foreign Affairs*, July/August 2022)

Any long-term viable political resolution of the national political problems of such nations is highly unlikely. They were cobbled together for Western European purposes with little or no understanding of indigenous realities. And, once established, they were 'supported' and required to persist as nation-states in a continued Western determination to retain access to and control of those regions to their own advantage. Any attempt to depart from preset Western-approved forms of government, if it challenged those interests, has been vigorously opposed

I have no 'solution' to offer. Such nations are contrived entities subject to continued exploitation by external powers. Without insulation from that exploitative interference in their affairs, it would be miraculous indeed for them to develop national political cohesion and coherence. Even if left to their own devices, as Britain's experience in the aftermath of Roman rule demonstrates, it will take many years to reconfigure their geographical regions to reflect indigenous realities.

The Last Western Colony
(and its Native Reserves)

Once again the US, with Western approval, is complicit in genocide
There are no innocent people... So We're Killing Them All!

What rough beast, its hour come round at last,
Slouches towards Bethlehem to be born?

Update Dates for this section

...Iraq, Afghanistan, Syria, Libya, Ukraine, Gaza...
The mask has slipped. The depravity revealed.
the true heart of a dying empire is bared...
Things fall apart; the center cannot hold;
Mere anarchy is loosed upon the world,
The blood-dimmed tide is loosed, and everywhere
The ceremony of innocence is drowned;
The best lack all conviction, while the worst
Are full of passionate intensity...
Death and destruction as far as the eye can see...
œ'Jewish Zionism' is become what 'Nazism' is: œa byword for 'Depravity'

The population profile of Israel, in 2024, is changing. As œpeople of empathic conscience choose to leave an Israel clearly being controlled by bigots, thugs and venal mega-wealth, others, ideologically sympathetic to the genocidal policies and practices of 2024 Israel, like moths to a flame, are being œattracted to the excitement and promise of a 'wild frontier' of 'The West'. A promise of self-aggrandizement, rapine, and of indulging their darker natures.

On the 26th of February, 2024, Mr. Ralph Wilde, the legal representative of the *League of Arab States*, before the *International Court of Justice* (ICJ), presented the League's case for the illegality of Israel's occupation of the whole of both historical and mandatory Palestine, and, further, the illegality of the United Nations' decision to pronounce the legal existence of the Jewish state of Israel in 1948.

The clear legal case for the illegitimacy of that United Nations decision to partition Palestine and proclaim the existence of the state of Israel, alienating more than three-quarters of the historical and mandatory State of Palestine, forms the introductory passage of the League's case.

This presentation sets the scene for all that follows in this section:

œTenth Hearing: ICJ on Israeli Policies in Occupied Palestinian Territories, *United Nations*, February 26, 2024.[290]

On the 25th of March, 2024, The œUnited Nations Security Council passed a resolution demanding an immediate ceasefire for the month of Ramadan, the immediate and unconditional release of hostages and "the urgent need to expand the flow" of aid into Gaza. There were 14 votes in favor with the United States abstaining because "We did not agree with everything with the resolution."

For both Israel and The United States, this was now a 'non-binding resolution' for which they had not voted. Both the 'abstention' and the Israeli reaction to it were mere optics in a US election year.

It's time to replace this useless Council with something that produces more than vain symbolic gestures in the face of humanitarian disaster and blatant genocide.

With neither Israel nor the US accepting the UNSC resolution, Israel has œcontinued its monstrous, genocidal crimes against humanity, with United States' support' [291].

> Satellites reveal the vast devastation across the Gaza Strip. The new reality that the Israel Defense Forces' operations have created will affect the entire region for years. This is how it looks:
>
> One of Israel's most dramatic acts in the war, which erupted following Hamas' terror attack, is the displacement of hundreds of thousands of Gazans from their homes and the destruction of large swaths of the Strip. Residents, military officials and journalists describe scenes of vast devastation. "It's like after an atomic bomb," one of them reported in Haaretz after visiting northern Gaza.
>
> An accurate estimation of the destruction is a challenging task due to the fog of war - and as the IDF restricts entry by journalists. But it's possible to create a map of the destruction using satellite data, which shows that at least half of all the buildings in the enclave are likely to have been damaged or destroyed, according to American researchers. Most of the destruction is in the north, but bitter fighting is also underway in the south, as is seen in the satellite data. Some 1.7 million Gazans have fled their homes during the war, and most of them are now in the south, the United Nations says. Huge tent cities have been put up along the Egyptian border. A new humanitarian, security and diplomatic reality has emerged, and it will shape the region for years to come.
> (Yarden Michaeli and Avi Scharf, œGazans Fled Their Homes. They Have Nowhere to Return to 'It's Mind-blowing': 1.7 Million Palestinians Escaped Israel's Bombardment of Gaza. Most of Their Homes Have Been Damaged or Destroyed, *Haaretz*, February 08, 2024)
>
> As the year [2023] draws to an end, 90% of the roughly 2.3 million inhabitants of the Gaza strip have been made homeless, chased by the Israeli military from the north to the south of the Gaza Strip and back, told to shelter in allegedly safe zones which are subsequently bombed. There is hunger verging on starvation, scant medical care, no fuel, no regular electricity supply, and no indication that the slaughter will end any time soon.
>
> The reason given by the US for vetoing the Security Council resolution demanding an immediate ceasefire was that this would be 'unrealistic'. Meanwhile the German government, led by its feminist foreign minister Annalena Baerbock, demands 'humanitarian pauses' as an alternative to peace, after which the killings are to continue until 'Hamas', prepared for death by a free UNRWA meal, will finally be 'rooted out'
>
> What is eerie is that in the unending stream of reports and commentary on the Gaza war it is hardly ever mentioned that Israel is a nuclear power...Israel has at its disposal the complete range of means of nuclear delivery, the so-called tripod: land-based, air-based, and sea-based. Israel's land-based nuclear missiles are allegedly kept in silos deep enough to withstand a nuclear attack, making them suitable not just for a first but also for a second strike.

> (Wolfgang Streeck, œMaster and Servant, *Sidecar*, December 20, 2023)

"This is the fastest decline in a population's nutrition status ever recorded. That means children are being starved at the fastest rate the world has ever seen." - Melanie Ward, *Medical Aid for Palestinians*.

> 1 MARCH - The news coming out of Gaza grows worse by the day, although we think each day it cannot get worse. The entire area is now on the verge of tipping into a famine. Half a million people are facing imminent starvation, according to senior U.N. officials. Yesterday, in northern Gaza, Israel opened fire on people as they crowded desprately around aid trucks in what is now being called the Flour Massacre. More than 100 people were killed, more than 700 wounded.
>
> In the West Bank, Palestinians live in fear of what the Israelis will do to them once the IDF is finished in Gaza. The Israeli authorities have killed more than 380 West Bank Palestinians since 7 October. This does not include the many killed by rabid right-wing settlers, who terrorize their Palestinian neighbors with impunity and the support of the IDF.
>
> As this catastrophe worsens, at this point surpassing al=Nakba in brutality, it is ever more urgent that Palestinian voices are heard.... (œ"Starvation as a weapon of war." Palestinian voices have never been more urgent, *The Floutist*, March 02, 2024)

The Western reaction in response to the indiscriminate killing of Palestinians and bombing of Palestinian 'reservations' has, at best, been muted, protesting the 'failure to adequately distinguish' between 'combatants' and 'civilians'.

As though, in a population which has been subjected to decades of abuse, terror and death at the hands of Israeli 'settlers' and supporting Israeli 'authorities', there will be any true demarcation between such assumed populations of Palestinians.

The Western reaction is, of course, unremarkable. The history of Western colonialism is fraught with similar suppression of 'native populations', denial of land and property rights and 'legally' justified treatment of indigenous populations as 'lesser humans' without prior claim to their invaded homelands.

The Israeli response to Palestinian 'aggression' is merely a 21st century demonstration of Western responses throughout the colonized world to indigenous attempts to defend their legitimate rights and protest their subjugation.

And, in April 2024, Western peoples have, once again, amply demonstrated their discriminatory 'anger' in their response to the killing of 'Western Aid Workers' (their response to the indiscriminate killing of Palestinians has, at best, been muted). [292]

The contrast between Western Mainstream Media protests at the indiscriminate killing of Palestinians over decades and the killing of 7 Western aid workers could not be more stark. Palestinian deaths and 'casualties' have simply not generated this kind of 'outrage'!

The rationale for treating Palestinians as 'illegitimate squatters', without legal right to their properties ('legitimizing' Israeli demolition of such 'unregistered' property) is a consequence of Israeli presumption of the

State's right and responsibility to legitimize property ownership through land and property registration.

All property claims based on pre-Israeli forms of property title are, by this process, rendered illegitimate. with those putative 'owners' required to obtain new legal title to their properties through appeal to the land and property registration processes of the Israeli State.

Colonizing Europeans, over several centuries, have treated their invaded territories as *terra nullius* - legally deemed to be unoccupied or uninhabited - presuming their right to ignore pre-colonial property rights, opinions and concerns of the colonized in pursuing their objectives. And the colonized have learned to impotently accept this.[293]

In December 2023 the world once again witnessed the impotence of its governments when faced with Western intransigence.

Once again, the hegemonic center of 'The West' treated the rest of the world with arrogant, dismissive contempt, and their governments metaphorically shrugged their shoulders and, displaying their impotence before the world, submissively accepted the US veto and went home!

On December 8th the United Nations Secretary-General António Guterres œaddressed an emergency meeting of the United Nations Security Council, called to 'discuss the catastrophic situation in Gaza....urging the body to help end carnage in the war-battered enclave through a lasting humanitarian ceasefire'.

Following that impassioned plea to council members, 'a resolution tabled late afternoon in the chamber calling for an immediate humanitarian ceasefire was vetoed by the United States'.

And, apparently, that was the end of the matter! The United States said 'No', so what could they do?

If the United Nations' most important decision making body could not decisively deal with an existing and ongoing genocide then what on earth is it there for?

In the first half of December, 2023, the only government actively attempting to punish Israel and its sponsors for their ongoing genocide is œthe war-torn nation of Yemen! [294]

The psychopathic evil of that Western colonizing Empire and its colonial proxy - Israeli authorities and their Defense Forces - is being openly, arrogantly and dismissively displayed before the world in the last months of 2023 and on into 2024.

But, as The West learned the hard way, prolonged colonial oppression breeds a people who yearn to be free and that, inevitably leads to liberation movements, armed struggle, and a growing awareness that freedom demands sacrifice.

What Israel is doing to the people of Gaza will not break their spirits, it will lead to a renewed determination to be rid of their oppressors[295].

On 5th December, 2023, five days after the 'multi-day pause in hostilities' (below) ended, the Gaza bombing has intensified and the Western Media insists on calling Israel's actions 'War'!

Words Matter!

What the world is witnessing in December, 2023 is not WAR, it is a Massacre: an act of cruel and wanton murder by psychopaths.

The Gaza populations are imprisoned victims of Genocide, And, The United States is fully complicit in this. It is providing the bombs, missiles, ammunition and air and sea cover enabling this heinous crime against humanity and is trying, despite the clear evidence, to convince humanity that it is 'doing all it can' to 'minimize casualties'!.

If the United States does not immediately withdraw all air and sea cover and cease delivering weaponry and monetary support to Israel then it is directly responsible for this massacre and must be held to account by the rest of the world!

> DUBAI, Nov 21 (Reuters) - A Qatar-mediated agreement between Israel and Hamas for the release of hostages and a multi-day pause in hostilities is in its "final stages" and is "closer than it has ever been," a source briefed on the talks told Reuters on Tuesday.
>
> The deal brokers the release of around 50 civilian hostages by Hamas and the release of Palestinian women and children from Israeli custody, the source briefed on the talks said.

This is the unparalleled legacy Israel and its Western sponsors present to humanity in early January 2024:

- As of January 7 at 2pm in Gaza (12:00 GMT): (œupdated here)
  - Killed: At least 22,835 - Including at least: 9,600 children, 6,750 women;
  - Injured: At least 58,416 With about 70 percent of them children and women;
  - Missing: more than 7,000;
  - Over half of Gaza's homes - 355,000 residential units - damaged or completely destroyed;
  - 370 educational facilities damaged; 23 hospitals no longer functioning, 104 ambulances damaged; 11 bakeries destroyed.

And all that was being discussed on November 21st was a 'multi-day pause in hostilities'!

After a cynical 6 day pause (ensuring that United States' citizens could celebrate their 'Thanksgiving Day' free of media reports on the Israeli genocide in Gaza (which might remind them of the œsad and horrific genocide of their own indigenous populations)) on December 01, 2023, the wanton killing recommenced and œHealth officials in Gaza reported 178 deaths and nearly 600 injuries in the renewed bombardment.[296].

The ongoing horror of a genocidal massacre of Gaza's population seems to have numbed the world into a fatalistic acceptance of what is happening.

Not even Israel's announcement that it intends to 'resettle' Palestinians in central African countries seems to have stirred the world's governments and international organizations to meaningful action against Israel. Shalom Yerushalmi of *The Times of Israel* explained:

> The "voluntary" resettlement of Palestinians from Gaza is slowly becoming a key official policy of the government, with a senior official

> saying that Israel has held talks with several countries for their potential absorption.
>
> Zman Israel, The Times of Israel's Hebrew sister site, has learned that Prime Minister Benjamin Netanyahu's coalition is conducting secret contacts for accepting thousands of immigrants from Gaza with Congo, in addition to other nations.
>
> "Congo will be willing to take in migrants, and we're in talks with others," a senior source in the security cabinet said....
>
> Last Monday, Netanyahu told a Likud faction meeting that he is working to facilitate the voluntary migration of Gazans to other countries.
>
> "Our problem is [finding] countries that are willing to absorb Gazans, and we are working on it," he said.
>
> The prime minister was responding to Likud MK Danny Danon, who claimed that "the world is already discussing the possibilities of voluntary immigration," though the idea has been roundly rejected by the international community.
> (Shalom Yerushalmi, œIsrael in talks with Congo and other countries on Gaza 'voluntary migration' plan, *The Times of Israel*, January 03, 2024)

Israel is openly explaining to the world that it is finding a 'solution' to the 'problem' created by sustained bombing of an entire population, destroying or damaging more than half of Gaza's residential properties. It will unceremoniously dump the victims in African nations bullied and bribed into accepting them.

Yet, still, the worlds' 'leaders' and its principal international forums fail to act.

We are witnessing the 21st century's version of the Nazi transport of ethnic populations to 'labor' camps. A new version of Germany's 'final solution' to the problem of unwanted 'nuisance' peoples from its territories by the Jewish Zionists of Israel. It took a long time for the World to react last time. How long will it take before it decides to act to prevent a repetition of these atrocities?

Or, instead, will it be another version of the œUnited States' 'Trails of Tears' in forced marches of US' Indigenous populations to 'reservations', with none of the perpetrators held to account?

It would, indeed, be naive to believe that, for Jewish Zionists, this 'relocation' program will conclude with the relocation of the Gazan population. Unless the World acts to stop all this in its tracks, the ethnic-cleansings will continue until all of that mythical 'Land of Israel' is emptied of its non-Jewish residents!

It is time for 'The West' to take moral and legal responsibility for ensuring that such acts of genocide and ethnic cleansing do not occur and that those involved are brought to trial.

Not one of the perpetrators, whatever their rank and whatever their 'justifications', must be allowed to escape answering for their crimes in the aftermath of it all [297].

The world's leaders have a duty, not only to their own constituents but to humanity, to, right now, begin the process of establishing the necessary

institutional structures, assembling the personnel required and compiling the lists of those who must not be allowed to escape justice.

From November 2023, the horror of the holocaust and the horror of Israel's demolition of Gaza should both be burned into the memories of all people. 'Never again' should any nation or organization be allowed to perpetrate such crimes against humanity.

But that will only happen if the world insists that, just as those responsible for Auschwitz had to be brought before an international tribunal to answer for their crimes, so must those responsible for the genocidal demolition of Gaza.

Genocide is genocide, no matter who the perpetrators and who the victims!

On December 29, 2023, South Africa œsubmitted a case to the International Court of Justice accusing Israel of genocide against Palestinians in Gaza.[298]

Mike Corder described Israel's response and determination to defend itself (no doubt with the aim of miring the challenge in years of legal wrangling):

> The Israeli government rejected "with disgust" the genocide accusations, calling it a "blood libel." A Foreign Ministry statement said South Africa's case lacks a legal foundation and constitutes a "vile exploitation and cheapening" of the court.
>
> Israel also accused South Africa of cooperating with Hamas...
>
> The statement also said Israel operates according to international law and focuses its military actions solely against Hamas, adding that the residents of Gaza are not an enemy. It asserted that it takes steps to minimize harm to civilians and to allow humanitarian aid to enter the territory.
> (Mike Corder, œSouth Africa launches case at top UN court accusing Israel of genocide in Gaza, *Associated Press*, December 29, 2023)

On January 11th South Africa presented its case before the *United Nations International Court of Justice*. In a truly professional and detailed expose of Israel's genocidal behavior, the South African team presented example after example to illustrate their case. The entire presentation should become a model for those who, in future cases, prepare and present their evidence. It can be viewed in a video posted on YouTube by the United Nations œSouth Africa levels accusations of 'genocidal conduct' against Israel at UN Int'l Court of Justice.

On January 12th, Israel presented its rebuttal: œIsrael defends itself against genocide case brought to ICJ by South Africa. *Democracy Now*, presented its considered view of Israel's performance in a video presentation entitled œ'"Gaslighting & Cherry-Picking": How Israel Is Defending Itself at World Court on Charges of Genocide.

In a deft inversion of reality, the opening Israeli presentation began with the argument that 'the applicant has put before the court a profoundly distorted factual and legal picture'. It then proceeded to present its own 'profoundly distorted factual and legal picture', a masterclass, as *Democracy Now* explained, of gaslighting and Cherry-Picking' in defense of genocide bringing to mind the United States' defense of its 2003 invasion of Iraq.

In 2023-4 we are confronted by a Western colonial enterprise demonstrating, once again, the true nature of The West's invasion, subjugation and exploitation of peoples around the world over the past 500

years. Those crimes against humanity have, in large measure, been buried beneath an avalanche of self-righteous propaganda.

This must not be allowed to happen now! Let's, at last, bring an end to 500 years of genocidal colonization. Never again must the perpetrators of such crimes be allowed to escape justice.

I'm sure Houènou would have concluded that, had 17th - 19th Century colonizing powers been able to access weapons such as those used by Israel in the 21st Century, they would unhesitatingly have employed them to subdue their 'native rebellions'. And the 'justifications' they would have given (had they even felt them necessary) would have been very similar to those we are hearing from the psychopathic Western colonizers of this century!

As Indrajit Samarajiva says:

> This is why the open support for openly genocidal Israel comes so easy. They're following the same old genocidal program, just with modern bombs and mass media.
>
> Genocide is the glory of Europe and the genesis of America. Hell, it's even in the Declaration of Independence....
>
> Call the inhabitants of the land you want savages, and then mercilessly savage them. As my historical thesis goes, same shit, different day.
>
> America inherited Britain's colonies after WWII and continued genociding natives, just with more modern machinery and more mendacity. They undertook numerous murder campaigns across the Middle East in living memory, and are now making a graveyard of Gaza, brutally accelerating the slow-motion genocide of Palestine. The same old pogromming is just the latest TV programming. To a disgusting amount of highly propagandized people, this is still a good thing.....
> (Indrajit Samarajiva, œThe Deep Coding Of Genocide In The Western Brain, *indi.ca*, November 02, 2023)

We must not allow the West to bury its crimes against Palestinian people using the self-righteous propaganda of Western colonialism and we must certainly not allow the psychopaths responsible for this heinous crime to belittle it using the language of colonialism: the 'self-defense' of 'innocent settlers' and 'civilians' against 'unprovoked' native belligerence.[299]

Over the past 75 years, Western nations have consistently claimed that they 'support a two state solution' to the Israel/ Palestine 'problem'. And, over the past 75 years, at the same time, the aggressive, state-supported, movement of 'Israeli Settlers' into putatively 'Palestinian' lands has continued uninterrupted.

This is the very definition of 'hypocrisy': "feigning to be what one is not or to believe what one does not : behavior that contradicts what one claims to believe or feel" (*Merriam-Webster Dictionary*).

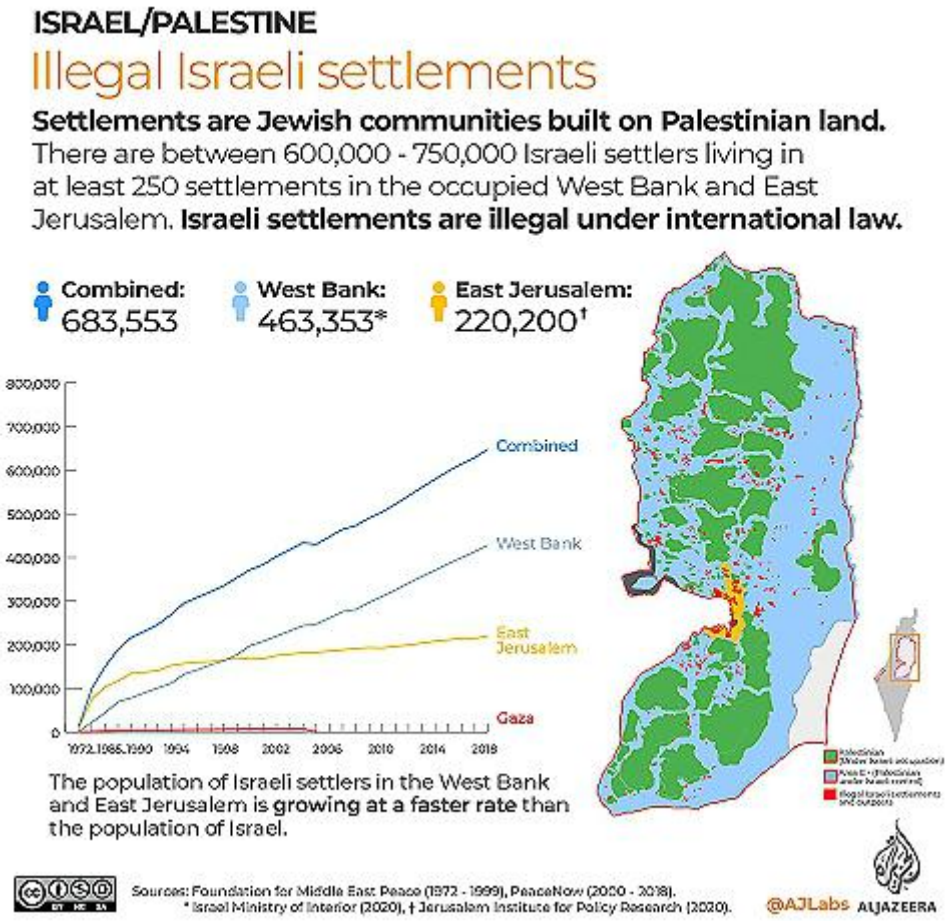
The 'problem' of the expansion of 'illegal' settlements on Palestinian lands is so large that any attempt at a 'two state solution' to it all seems not merely unlikely but patently impossible.

In an *Al Jazeera* episode of 'Centre Stage' Ilan Pappé argues that a two state solution to the Israel/ Palestine problem is no longer possible and the only solution, a unified Palestinian State including both Jewish and

Palestinian peoples, is only possible if/ when the present-day Israel has 'gone through a de-Zionization (or decolonization) process'.

This, he argues, is realistically possible provided that Palestinians become politically unified, prepared to take advantage of an unravelling Israel 'disintegrating from within'.

> ...We can see now, the struggle within Jewish society between two camps, the secular Jews and the religious Jews, and they find it very difficult to find anything in common.
>
> So, first of all, I think that this is disintegrating from within. I think there is an implosion of the society from within.
>
> Secondly, the state relies so much on the United States that the moment that there is a scenario by which America, for whatever reason, not necessarily pro-Palestinian reasons, is unable or unwilling to provide the financial military aid to Israel, it has less capacity to keep its economy or military capacity.
>
> So, I think, I'm much more clear about the disintegration of the Zionist project. I really think we're beginning to see the end of this...
>
> œ*Al Jazeera* English, Centre Stage: In Gaza now, it's worse than ethnic cleansing, February 25, 2024..



An *Aljazeera* report entitled 'Mapping Israeli occupation: Thirteen maps explain how Israel's military control over the Palestinian people affects every aspect of their lives.' described it all:

> There are more than 700 road obstacles across the West Bank, including 140 checkpoints. These checkpoints severely limit Palestinian freedom of movement. While Palestinians may have to wait for hours

> at these checkpoints and travel along segregated road networks, Israelis can travel freely on their own "bypass roads" which have been built on Palestinian land to connect illegal Israeli settlements to major metropolitan areas inside Israel.
>
> About 70,000 Palestinians with Israeli work permits cross through Israeli military checkpoints on their way to their workplaces every day. They work beyond the Green Line inside Israel due to the high unemployment rate in the Palestinian territories - a byproduct of the 54-year Israeli occupation....
>
> Since 2002, Israel has been constructing a wall that stretches for more than 700 kilometres. The concrete barrier is one of the most powerful symbols of the Israeli occupation of Palestinian land.
>
> The wall, which reaches up to eight metres high, cuts deep into Palestinian territory and has resulted in the confiscation of large swaths of fertile Palestinian land, the ghettoisation of Palestinian towns and villages, and has cut off thousands of Palestinians from social services, schools and farmland.
> (Mohammed Haddad, œMapping Israeli occupation: Thirteen maps explain how Israel's military control over the Palestinian people affects every aspect of their lives, *Aljazeera*, May 19, 2021)

For Jewish and Christian Zionists there has, at least since the œpost WW1 League of Nations Mandate for British administration of the territories of Palestine and Transjordan, been no genuine drive toward establishing a 'two-state solution' to the 'problem' of the Palestinian inhabitants of the region.

'Ethnic Cleansing' is not a recent Zionist aspiration.

Since the œBalfour Declaration's commitment to establishing a "national home for the Jewish people", Zionists have always seen any attempt to establish definitive boundaries to Jewish occupation as interim compromises settling their 'right to possession' of that territory without setting the boundaries of future conquest.

Ethnic Cleansing from The River of Egypt to the Euphrates River' has always been the undeclared policy of Zionism.[300]

In June 2023 the Israeli Government handed responsibility for accelerating the movement of 'settlers' into Palestinian areas to religious and ultranationalist politicians with close ties to the settlement movement. Finance Minister Bezalel Smotrich, a firebrand settler leader, was granted cabinet-level authority over settlement policies and vowed to double the settler population in the occupied West Bank.

Elaborating on his June 2023 mission to accelerate the movement of 'settlers' into Palestinian areas, on December 31, 2023, Smotrich spelt out Israel's intention of 'ethnic cleansing' Gaza:

> In an interview to army radio, the far-right minister said that his "demand" was for the Gaza Strip to stop being a "hotbed where two million people grow up on hatred and aspire to destroy the State of Israel."
>
> Without outlining his preferred method, Smotrich then suggested that the removal of around 90 percent of Gaza's residents would help achieve his goal. "If there are 100,000 or 200,000 Arabs in Gaza and

not two million, the whole discourse about the day after will be different," he said.

[For further information see:]

- œPopulation transfer under cover of war: A visit to the forsaken land of settler militias
- œIsraeli rightists are trying to reframe a Gaza population transfer as a 'moral act'
- œIsraeli lawmakers keep pushing for transfer under the guise of humanitarian aid

The Religious Zionism party chairman then noted that in order to regain security, Israel must control the Gaza Strip, and that "in order to control the territory militarily over time, you must also have civilian presence there."

Smotrich's comments are the latest in a growing list of troubling remarks by Israeli lawmakers to seemingly support expelling Gazans en masse out of the Strip in order to ensure Israel's security after the war....
(Israel News, œ'100-200,000, Not Two Million': Israel's Finance Minister Envisions Depopulated Gaza, *Haaretz*, December 31, 2023)

Since June 2023, aggressive settler invasions of Palestinian lands, including killing those who resisted, increased dramatically. Israel had, effectively, declared an all-out war against the Palestinian populations of both The West Bank and Gaza. All with explicit United States' endorsement and both military and diplomatic support [301].

In October 2023 Hamas, the elected government of Gaza, in an act of desperation in the face of unprecedented violations of Palestinian rights and responsibilities over the past several months, attacked Israel.[302]

After œseventy five years of Western colonial invasion and expropriation of Palestinian lands and livelihoods, Palestinians effectively retaliated to that invasion and subjugation, launching an attack on the self-proclaimed 'only democracy in the Middle East'.

The Israeli response has been horrific. As the Israeli Defense Minister Yoav Gallant insisted in a comment reminiscent of Nazi explanations of concentration camp victims, "œWe are fighting human animals"

A 12 October 2023 United Nations report described what was happening:

> Humanitarians are continuing to support Gaza's population as best they can. The UN World Food Programme (WFP) said that together with UNRWA it delivered fresh bread from "bakeries still able to operate" and food to over 175,000 displaced people across 88 shelters on Wednesday, with plans to "reach over 800,000 people across Palestine".
>
> The humanitarian affairs coordination office (OCHA) reported that mass displacement has been continuing, increasing by 30 per cent in just the previous 24 hours, said UN Spokesperson Stêphane Dujarric, briefing reporters in New York.
>
> This brings the cumulative figure to more than 338,000, "of whom over two thirds are taking shelter in schools run by UNRWA", the UN Relief

> and Works Agency, he added. Nearly 218,000 internally displaced people (IDPs) are sheltering in 92 of their schools.
>
> More than 2,500 units of housing have been destroyed or severely damaged and rendered uninhabitable, while nearly 23,000 others have sustained moderate to minor damage.
>
> At least 88 education facilities have been struck, including 18 UNRWA schools, two of which were used as emergency shelters for displaced people, as well as 70 Palestinian Authority schools.
>
> This means that for the sixth consecutive day, more than 600,000 children have had no access to education in a safe place in Gaza", said the Spokesperson.
> (œHumanitarians call for urgent aid access to Gaza, *UN News*, 12 October 2023)

Once again the US, with Western approval, is complicit in genocide

With œthousands killed, many more injured, and incessant indiscriminate bombing, Gaza with its trapped and abused population is being systematically demolished. John Helmer summed up the situation on 21 October, 2023:

> On the Gaza front, Hamas has fought the IDF to a standstill outside the Gaza border wall. The Israel Air Force has dropped about 4,000 tonnes of bombs per week, 8,000 tonnes to October 21; that is more than the US Air Force dropped on Afghanistan in the peak year of 2019.
>
> More than 3,500 Palestinians have been killed so far, including at least 1,030 children and hundreds of family units; more than 12,500 people have been injured, one million Palestinians displaced, and thousands of homes destroyed. About 1,200 are missing believed to be trapped under the rubble.
>
> The Israeli and US government record, reported by the Institute for the Study of War (ISW) in Washington, documents the continuing firing from Gaza into Israeli territory in what the ISW calls its "œIran updates".
>
> A prolonged IDF siege threatens to kill several hundred thousand Palestinians by starvation, dehydration, disease, and a combination of artillery and aerial bombardment, while leaving the Hamas forces relatively unscathed and waiting to inflict a higher rate of casualties on the IDF than it has ever experienced.
>
> ...On the northern front across the Lebanon border, there have been exchanges of missile, drone, anti-tank rocket, artillery, and mortar fire between the IDF and Hezbollah. There have been casualties on both sides. Border settlements on the Israeli side have been evacuated to the south....
> (John Helmer, œMemo On The Final Solution For One State - Israel Or Palestine, *Dances with Bears*, October 21, 2023)

And, in the midst of this classic Western colonial response to 'native unrest' in its colonies, The United States, with Western approval, has colluded in the genocide:

> The Pentagon has deployed two aircraft carriers - and their supporting ships - to the eastern Mediterranean since the Israel-Hamas conflict

> started.
>
> The ships are meant as a deterrent to ensure the conflict does not expand, but bring a significant amount of power to a region that already hosts a number of US military ships, planes and troops.
> (œUS aircraft carriers: What they bring to the Middle East, *The Straits Times*, 16 October 2023)

Eight days later, with Israel blocking all humanitarian assistance and incessantly bombing Gaza, *Defense News* provided a summary of US 'support' weaponry being committed to Israel's 'defense' against 'Hamas Terrorists'[303]:

> U.S. Defense Secretary Lloyd Austin recently announced the Defense Department is also deploying a Terminal High Altitude Area Defense battery and Patriot air defense battalions to the region.
>
> By providing Iron Domes, the U.S. continues to widen the spigot of security aid entering Israel. In the week after Hamas' attack, Pentagon and Israeli officials announced the arrival of American aircraft stocked with air defense supplies and munitions. It has since expanded this aid to include artillery rounds, armored vehicles and precision-guided munitions, according to Israeli and American officials.
>
> The supply effort is just one stream in a larger outpouring of American support....
> (Noah Robertson, Bryant Harris and Jen Judson, œUS agrees to send two Iron Dome batteries to Israel, *Defense News*, October 25, 2023)

The sociopathic core of Western Capitalism is becoming increasingly obvious.

Not only has it carpet-bombed those it designates 'enemies', 'terrorists' and 'threats': destroying homes and lives and leaving devastation in its wake, in 2023 It has protected its protégé, Israel, from outside attack while it proceeds with the psychopathic demolition of its rebellious native reserve[304].

This Hamas led rebellion against Palestinian oppression is the culmination of years of indiscriminate Israeli violence:

> "After this operation there will not be a single Hamas building left standing in Gaza, and we plan to change the rules of the game,'' said armed forces deputy chief of staff Brigadier General Dan Harel...
>
> "We are hitting not only terrorists and launchers, but also the whole Hamas government and all its wings,'' General Harel said.
>
> At least 57 civilians, including 21 children, have been killed in the Israeli bombardment, a UN spokesman said.
> (Adel Zaanoun, œIsrael bombs Gaza in 'all-out war' on Hamas, *News.com.au*, September 17, 2009)

That was 2009, but it could have been yesterday, last week, last year... A trapped and brutalized people, blamed for resisting Israeli oppression, for maintaining their identities and their self-respect, refusing simply to be victims.

Just in case the world has forgotten what European colonial expansion looked like: the subjugation of countries and communities through brute military force, Israel continues to remind us.

On October 12, 2023, Hamas, having survived years of determined Israeli attempts at bombing and destroying 'not only terrorists and launchers, but also the whole Hamas government and all its wings', is once again under attack. And, of course, Israel, the victim of 'unprovoked' beliigerence by 'Hamas Terrorists', has no option. Once again, the Israeli 'Prime Minister promises to make Hamas understand they "have made a mistake of historic proportions" for a war "we didn't want'.[305]

John Maggio, in yet another report by a Western reporter entitled 'Israel Declares War After Attacks From Hamas', described the scene:

> Palestinian militant group Hamas has launched an attack on Israel, firing rockets from the Gaza Strip and taking hundreds of soldiers and civilians as hostages over the border.
>
> Israeli Prime Minister Benjamin Netanyahu denounced these attacks on X, formerly known as Twitter. The Prime Minister promises to make Hamas understand they "have made a mistake of historic proportions" for a war "we didn't want."
>
> Hamas entered Israel on Saturday, October 7, attacking villages, military bases, and a music festival near the border. Some of the Hamas militants came across the border by breaching the several miles of border fencing between the Gaza Strip and Israel, while others flew across the border with motorized paragliders....
>
> The international community has had a mixed reaction to the attack. Numerous landmarks have depicted the Israeli flag and its colors as a show of support, including the Brandenburg Gate in Berlin, New York's Empire State Building, a screen in the Ukrainian capital of Kyiv, the Sydney Opera House, and the White House in Washington, DC. Just outside the UK's Israeli embassy, thousands of pro-Palestinian marched, letting off fireworks and chanting, "Israel is a terrorist state" and "free Palestine." Similar demonstrations have sprung up across the US, including in New York's Times Square and outside the Israeli consulates in Atlanta and Chicago.
> (John Maggio, œIsrael Declares War After Attacks From Hamas, *The Tower*, October 12, 2023)

The multipolar 21st century will be a violent one if nations tolerate Western (or any other) colonial invasion and occupation with its common response when 'native reserves' become 'troublesome':

Indiscriminate destruction and thousands of homeless victims

Damage caused by Israeli airstrikes in Beit Hanun in the northern Gaza Strip (Mahmud Hams / AFP/Getty Images)

The work of bigots, thugs, charlatans and venal mega-wealth, armed and funded by the center of world capitalism: the United States of America[306]. Sociopathically, callously '[œ]mowing the grass', with most of the Western World providing either implicit or explicit support:

> Recent violence in Jerusalem and airstrikes on Gaza - which have injured hundreds of people and killed dozens, including children are having a devastating impact on communities in the Occupied Palestinian Territories (OPT), the international medical humanitarian organization Doctors Without Borders/Médecins Sans Frontières (MSF) said today. MSF said the force used by Israeli police is unacceptable.
>
> "The Israeli bombing is incredibly heavy and stronger than previous bombing campaigns," said Hellen Ottens-Patterson, MSF head of mission in the OPT. "Relentless bombing has destroyed many homes and buildings all around us. It's not safe to go outside, and no one is safe inside, people are trapped. Emergency health workers are taking incredible but necessary risks to move around."
>
> From the evening of May 10 to the morning of May 13, the Gaza Ministry of Health reported that Israeli airstrikes had killed at least 67 people, including 17 children, with nearly 400 injured. The Israeli authorities reported the death of seven people as a result of rockets and missiles launched by Palestinian militant groups in Gaza during the same period.
> ([œ]Heavy Bombing by Israel is causing a catastrophic Situation in Gaza, *Médecins Sans Frontières*, May 13, 2021)

A "mutual and simultaneous" ceasefire was declared between Israel and Hamas to the David and Goliath (Israel would do well to remember the conclusion to that!) conflict between Hamas and Israel (beginning on Friday 21st May 2021 at 2 a.m.).

But this is, of course, merely the conclusion to this round of Israeli atrocities against Palestinian communities both in the occupied territories and within the borders of Israel. The checkpoints remain, Israeli control of the occupied territories remains. Israel will continue settling land it seized and occupied through war with its neighbors, while simultaneously relegating its

Palestinian citizens, who represent a fifth of the Israeli population, to increasingly abject, second-class status[307]

Khalil Shikaki summed up this 2021 version of Israel's ongoing 'mowing of the grass':

> The current confrontation is unfolding across four theaters. The Gaza-Israeli military bombardment has destroyed civilian infrastructure and killed more than 200 Palestinians, 30 percent of them children, and ten Israelis. Ethnonational tensions within Israel have sparked unprecedented intercommunal riots and violence between Arabs and Jews. Palestinians and Israeli police, extreme Jewish nationalist-religious groups, and settlers are in a standoff in East Jerusalem over access to Muslim holy places and the planned evictions of Arab families from the Shaikh Jarrah neighborhood. And in the West Bank, tensions are high after Israeli forces killed four Palestinian demonstrators and injured dozens more on May 18, a day of protest that engulfed major Palestinian cities. Nonetheless, tensions there remain contained by joint PA [Palestinian Authority] and Israeli efforts.
>
> These dynamics have been building since Israel invaded Gaza in 2014. That war marked the end of any real hope of striking a deal to end the conflict, as then U.S. Secretary of State John Kerry had been working to do. After 2014, relations between both sides worsened and the prospect of a two-state solution gradually diminished....
>
> There should be no illusion about the role of the international community here. At best, Arab states and others, including Washington, can help manage the conflict only by making the status quo sustainable. They do not, however, have the capacity or political will to force Israel to respect international law or Abbas and the PA to respect the norms of good governance. As hard as it may be, Israelis and Palestinians must do that themselves.
> (Khalil Shikaki, œFighting in Gaza Marks the Start of a More Violent Era: The Search for a Two-State Solution is Over, *Foreign Affairs*, May 19, 2021)

Houènou provided a bleak African perspective on the 'colonial experience':

> Europe has inaugurated in the Colonies an area of veritable savagery and real barbarism which is carried out with science and premeditation - with all the art and all the refinement of civilization. The unfortunate natives have mingled their destinies with yours...

The USA has, without accepting responsibility for the results, armed and funded this murderous regime and must be held responsible for Israel's behavior. If Western nations are not prepared to condemn both Israel and the United States for all this then they share complicity!

A song from my childhood, sung with feeling and reverence by members of the congregation, remains with me even now. Its first two lines were:

> Not to Sinai! Not to Sinai!
>
> But to Zion We've arrived...

And, when I asked what it meant, those deeply devout Pentecostalists opened their King James Bibles and turned to the Book of Hebrews, Chapter 12 Verses 18 and 22:

> For ye are not come unto the mount that might be touched, and that burned with fire, nor unto blackness, and darkness, and tempest...

> But ye are come unto mount Sion, and unto the city of the living God, the heavenly Jerusalem...

And they explained as simply as they could to an enquiring child: "We are not saved by 'Works', not saved by adhering to a Law which can only condemn us: We are saved by Grace, through the infinite and tender care of a loving God. Sinai stands for an impossible set of laws; Zion stands for the tender love of God for all His creatures and creation. This song reminds us of this fact and reminds us also that there is only one command: Love God and learn to love all his creatures and creation as He does. As Jesus commands us":

> Love the Lord your God with all your heart and with all your soul and with all your strength and with all your mind and Love your neighbor as yourself.(Luke Ch.10 V.27)

This command and the accompanying story of the Good Samaritan is founded in the Book of Leviticus:

> (08/04/19) The foreigner residing among you must be treated as your native-born. Love them as yourself, for you were foreigners in Egypt. I am the Lord your God.(Leviticus Chapter 19 Verse 34)

This was, indeed, the vision of a Zionist Utopia, given substance through the late 19th and early 20th centuries. As Yuval Achouch and Yoann Morvan describe:

> The Zionist utopia gave birth to another more specific utopia - the kibbutz - that developed in Palestine as a network of primarily agricultural communities starting in 1910. Influenced by the ways of thinking ranging from anarchism to socialism in its every form, the members of the first kibbutzim (plural of kibbutz, in Hebrew) set themselves in the forefront of a new type of socialist revolution. The kibbutzim multiplied: 7 in 1920, 32 locations in 1930, 85 in 1940 and nearly 150 on the eve of the State's birth in 1947 (Avrahami, 1998). The main tool of the Zionist national structure, the kibbutz was also one of the most downright successful socialist experiments in the world.
> (Yuval Achouch and Yoann Morvan, œThe Kibbutz and "Development Towns" in Israel: Zionist utopias: Ideals ensnared in a tormented history, Université Paris Ouest Nanterre La Défense, UMR LAVUE 7218, Laboratoire Mosaiques, 2012, Utopia and Spatial Justice, 5, May 2017)

So, what has gone wrong? Where is that utopian vision of an inclusive, caring, integrated community of human beings in the early 21st century?

What an inspiration to the world such a society would have been. But, like all such visions, it has been overtaken by bigots, thugs, charlatans and venal mega-wealth.

Hagai El-Ad, in a *New York Times* Opinion contribution focusing on an upcoming election in the self-proclaimed 'only 'real' democracy in the Middle East', entitled 'Democracy, Israeli Style: An election, a peace plan and an endless occupation', summed up the 21st century reality:

> Unless the international community... mak[es] Israel finally choose between further oppression of Palestinians and facing real consequences, the occupation will continue. The Trump administration, clearly, isn't up to this task. But the United Nations, including the Security Council, key member states of the European Union - Israel's largest trading partner - and international public opinion all have ample

> leverage. And Americans who sincerely believe in human rights and democracy, not just as empty slogans or bargaining chips but as genuine demands, need not wait until 2020 to flex their political power.
>
> Together with the systemic overtaking of lands and the imposition of restrictions on freedom of movement, the denial of political rights was one of the cornerstones of apartheid South Africa. That country, too, considered itself a democracy.
>
> Many Israelis will consider April 9 a celebration of democracy. It's not. This Election Day should be nothing more than a painful reminder of a deeply undemocratic reality, one that the Trump administration seems pleased to perpetuate - and which the rest of the international community will continue to allow until it finally stops looking the other way. We, the nearly 14 million human beings living on this land, need a future that is worth fighting for: one based on the common humanity of Palestinians and Israelis who believe in a future of justice, equality, human rights and democracy - for all of us.
> (Hagai El-Ad, œDemocracy, Israeli Style: An election, a peace plan and an endless occupation, *New York Times*, April 7, 2019)

Shlomo Ben-Ami has summed up the predictable outcome of the 2019 Israeli election:

> After another election dominated by disinformation and smears against Israeli Arabs, Prime Minister Binyamin Netanyahu has secured a fourth consecutive term. The outcome is an indictment of Israeli democracy, and particularly of the Israeli left and center, which responded to Netanyahu's open racism with pablum and platitudes...
>
> Sadly, the election leaves no doubt about what awaits Israel in the coming years. A cabal of Netanyahu cronies and family members, racist messianic settlers, and Orthodox parties with opportunistic designs on the state budget will drag Israel toward a new single-state reality that will resemble apartheid South Africa.
> (Shlomo Ben-Ami, œIsrael Doubles Down on Illiberal Democracy, *Project Syndicate*, Apr 10, 2019)

There are no innocent people... So We're Killing Them All!

(18/12/17) (10/01/18) (15/05/18) (21/01/19) (07/04/19) (23/05/18) (22/01/19) (30/12/23)

Twenty-first century Israel is the very antithesis of utopian Zionism, displaying a Godless sociopathic disregard for that Levitical command: 'The foreigner residing among you must be treated as your native-born. Love them as yourself, for you were foreigners in Egypt. I am the Lord your God.''

This morning I woke to a news report telling me that Israel was bombing Gaza because its people would not play dead; like a man who has his foot on the throat of another, telling him that this is his fault because he keeps on 'struggling'. As an Israeli spokesperson put it: "We have to bomb them because they keep shooting rockets at us".

This was œwritten on 4th December 2012.

Nothing has changed! The provocations remain[308]:

- US president Trump (2018) declared that the US embassy will move from Tel Aviv to Jerusalem - but that is nothing new. US presidents

have declared this to be their intention for the past several decades[309];

- œIllegal Israeli settlement building on occupied and expropriated Palestinian land has continued apace, but that has been true for decades;
- œIsraeli checkpoints throughout the remaining 'Palestinian' territories (looking more and more like impoverished Bantustans from South Africa's darkest apartheid period) remain;
- The checkpoint 'guards' (how prison-like the terms have become) are armed and increasingly willing to use deadly force to impose their authority. As Israel's Defence Minister, in 2018, œAvigdor Lieberman explained: "there are no innocent people in the Gaza Strip".

  John Helmer described the attitude, still prevalent among both Israeli Defense Force leaders and among many Israeli citizens, three months into Israel's October 2023~ murderous campaign in The Gaza Strip:

  - Since the start of Israel's genocide of Gaza, it has been the claim of the Israelis, their lawyers, and allies that there are no innocent civilians in Gaza, so they say that killing them all is neither a genocide nor a war crime.
  - Israel's President Isaac Herzog œsaid it in India in October.
    US Congressman Brian Mast œsaid it, following the Israeli lead.
    The US Navy analyst who spied for Israel and served half a life in US prison for his treason has œdeclared it in print.
    A French-Israeli lawyer œhas argued the legality on French television.
    (John Helmer, œBlow The Gaff, *Dances With Bears*, December 27, 2023)
- And the Israeli political establishment (incongruously proclaiming itself œthe only 'true democracy' in the region - despite its peremptory treatment of non-Jewish communities and people over many decades - œanother eerie echo of South Africa's apartheid era[310]) has become increasingly open in admitting that it has little or no intention of allowing the emergence of a truly independent, sovereign Palestinian state.

All those Western states which have either actively supported Israeli depredations in Palestinian areas (or have implicitly endorsed them through silence and positive interaction with the Israeli state) share complicity in this anachronous colonial enterprise. Conscience-salving 'aid packages' to Palestinian communities do not absolve those states from such complicity.

Michelle Alexander has explained the 'problems' envisaged by those who fail to speak out: placing expediency over morality in a time when the world is in desperate need of moral leadership[311]:

> ...Our elected representatives, who operate in a political environment where Israel's political lobby holds well-documented power, have consistently minimized and deflected criticism of the State of Israel, even as it has grown more emboldened in its occupation of Palestinian

> territory and adopted some practices reminiscent of apartheid in South Africa and Jim Crow segregation in the United States.
>
> Many civil rights activists and organizations have remained silent as well, not because they lack concern or sympathy for the Palestinian people, but because they fear loss of funding from foundations, and false charges of anti-Semitism. They worry, as I once did, that their important social justice work will be compromised or discredited by smear campaigns.
>
> Similarly, many students are fearful of expressing support for Palestinian rights because of the McCarthyite tactics of secret organizations like Canary Mission, which blacklists those who publicly dare to support boycotts against Israel, jeopardizing their employment prospects and future careers.
> (Michelle Alexander, œTime to Break the Silence on Palestine, *New York Times*, January 19, 2019)

In the face of such moral cowardice in Western communities, what is left for Palestinians to do but to futilely protest their impoverishing dispossession and imprisonment? [312]

I was brought up on the horrific stories of the Warsaw Ghetto during World War Two[313]. A trapped and brutalized people were blamed for resisting Nazi oppression, for maintaining their identities and their self-respect and refusing simply to be victims. I was inspired by those stories (and I still am!).

Now, I am witness to similar atrocities, but now I am supposed to accept that the behavior is reasonable because it comes from the West! (Yes The West!) No, this is not a 'Jewish' problem, any more than the atrocities of the past, committed against indigenous inhabitants of North America and many other colonial and post-colonial territories, were 'Protestant' or 'Roman Catholic' problems (and yes, Israel is a Western colony, politically, financially and militarily supported by the West; replete with its own nuclear arsenal and degrading and degraded 'native reserves'[314]).

The charters and legislative enablers contrived by European governments to justify, in their own minds, the subjugation and dispossession of colonial populations, is matched by similar legalisms of the past 50 years to justify Israeli activity[315]. This report to the US Congress: Jeremy M. Sharp, œU.S. Foreign Aid to Israel (Congressional Research Service RL33222, April 10, 2018) gives an interesting summation of the importance of US involvement in Israel's economic and military strength. As the 2016 version of the report said:

> Israel is the largest cumulative recipient of U.S. foreign assistance since World War II. To date, the United States has provided Israel $127.4 billion (current, or non-inflation-adjusted, dollars) in bilateral assistance. Almost all U.S. bilateral aid to Israel is in the form of military assistance, although in the past Israel also received significant economic assistance.
>
> At a signing ceremony at the State Department on September 14, 2016, representatives of the U.S. and Israeli governments signed a new ten-year Memorandum of Understanding (MOU) on military aid covering FY2019 to FY2028. Under the terms of the MOU, the United States pledges to provide $38 billion in military aid ($33 billion in FMF grants plus $5 billion in missile defense appropriations) to Israel. This

> new MOU will replace the current $30 billion 10-year agreement, which runs through FY2018.
>
> ...In addition, under the terms of the new MOU, the Administration pledges to request $500 million in annual combined funding for joint U.S.-Israeli missile defense programs such as Iron Dome, Arrow II and Arrow III, and David's Sling. Previous MOUs did not include missile defense funding. Finally, as part of the new MOU, it has been reported that Israel pledged to reimburse the U.S. government if Israel receives more congressional assistance for FMF or missile defense in the last years of the current MOU (2017-2018). Israel also may have pledged not to request that Congress appropriate regular or supplemental military aid to Israel above the agreed upon annual amounts in the 2019-2028 MOU except in emergency circumstances, such as a regional war. In response, many Members of Congress have reiterated that funds pledged by the executive branch in any MOU are always subject to Congressional approval and that Congress may appropriate funds as it sees fit....

This is a Western problem; yet another display of a predilection for blaming victims for the consequences of aggressive self-interest which stretches back at least to the late 15th century: they shouldn't get in the way; they need to accept that times are changing; they 'need to adapt'; they need to 'compromise'.[316]
(See Who *were* 'The Poor'? for some of the treatment meted out to their own 'poor' by 18th century British elites.)

The trajectory of this last 'born out of time' Western adventure into colonialism is ominous.

As Yeats presciently described it:

> Turning and turning in the widening gyre
> The falcon cannot hear the falconer;
> Things fall apart; the centre cannot hold;
> Mere anarchy is loosed upon the world,
> The blood-dimmed tide is loosed, and everywhere
> The ceremony of innocence is drowned;
> The best lack all conviction, while the worst
> Are full of passionate intensity...
> ...What rough beast, its hour come round at last,
> Slouches towards Bethlehem to be born?
> (W. B. Yeats, *The Second Coming*.)

After the Colonies

Following the Second World War, Western imperial powers, with varying degrees of reluctance, moved out of their colonies. As they did so, they created 'new nations', with responsibility for government usually inherited by Western-educated elites. Their training, based on Western European understandings of the world, led them to believe that Western forms of political and administrative organization were essential to the ongoing well-being of their people.

Most European commentators simply assumed that where there was a nation-state one would soon find an emerging sense of nationalism. The viability of the nation-state was taken for granted and political failure could only result from political and economic ineptitude and/ or from a failure to provide properly representative government. The subsequent histories of post-colonial states, in large part, reflect attempts to adapt Western nation-state organization to their territorial and ethnic realities.

Obafemi Awolowo's (1947) description/explanation of Nigerian realities was indeed prescient (and applicable to many other post-colonial nation-states).

Amongst the important influences on governments and people in Third World countries have been the reification of 'the state' and 'the people' in most discussion of Third World nations and peoples. This has been accompanied by the formulation of governmental policies based on that reification.

Instead of squarely facing and taking into account the ethnic diversities of post-colonial nation-states, there has been a belief in their inherent unity and ability to be treated as unified wholes. Their post-colonial reorganization has usually been undertaken as an exercise in 'modernizing' inherently homogeneous nation-states.

The modernization thesis,[317] espoused in various forms and with various emphases by most development specialists over the past fifty years, has been an optimistic one. It has assumed that, for those nations which genuinely and consistently implement the necessary social, political and economic changes, transformation into modern industrialized nation-states is inevitable.

A Few Assumptions underpinning Post-Colonial 'Development'

The state has been assumed to be a self-existent entity, separate from the communities which it controls, and able to impose necessary changes, however radical, on its populace [318]. Important responsibilities placed on new nation-states by development and 'nation-building' specialists have included establishing those institutions necessary to economic development, and providing the social and political climate necessary to stimulate self-interested, competitive material accumulation. It has been assumed that this would result in an inevitable 'take-off into self-sustained economic growth' (cf. Rostow 1956, 1961).

Because most political and economic theorists and practitioners believe that 'traditional' societies are being transformed into modern societies, with traditional features destined for oblivion, Third World communities have been regarded as transient. Problems encountered by 'traditionally oriented' individuals and communities are assumed to be, in large measure, consequences of this shift to modernity. So, rather than focusing on the

social problems of such communities, one needs to step up the pace of modernization.

Third World governments, it has been believed [319] should, therefore, in the face of the breakdown of law and order and social cohesion in traditional communities, more rigorously implement those measures which will transform them into industrialized nation-states, with all the advantages of such a transformation.

The dissolution of the old is a necessary precursor and concomitant of modernization and the state should keep its eyes firmly fixed on that goal, not deviating to attend to problems which are inevitable, but transient consequences of moving toward it. As Sangmpam put it:

> ... modernization theory assumes an imaginary society because the real society in the Third World is perceived as 'transient'
>
> ... Various solutions have been proposed to combat underdevelopment. Central to these solutions is the role assigned to the state as the 'engine of development'. Until recently, it was thought that an authoritarian state could better perform 'developmentalist' tasks.
>
> In recent years, the state has been invested with the capacity to move toward democracy, which presumably will lead to socioeconomic development. The belief in the state is reinforced by the call to 'bring-the-state-back-in', according to which the state and its policies reflect almost autonomous institutions and the actions of those occupying these institutions.
> (Sangmpam 1994, p. 1)

This assumes a 'government' separate from the people it governs, with political leaders somehow separate from and able to impose their policies on the populace (echoing colonial administrative practice). All this is based, of course, on a reification of 'government' and the separation of a 'political environment' from other 'environments' such as the 'economic' and the 'social' (see People and recognized Environments). It also assumes the depersonalization of government and a clear separation between its political and administrative arms, that is institutional, routinised Western-style government (see Max Weber (1968)).

Politicians, in Western countries, are usually identified with their parties and platforms. The people they represent assume that they will support their party in parliament and only secondarily focus on the local needs and interests of the electorate. Members of parliament are insulated from the impersonal institutional bureaucracies through which government policies are carried out.

In the Third World, these presumptions are usually difficult to sustain. Political activity is commonly not separate from other forms of activity, and those with political power exercise it personally. Political parties often find it difficult to pursue a coherent set of policies since members of parliament are focused on their own electorates' concerns. That is, government, both in formulating policy and in the delivery of services is *personalized* [320] .

For people who live in communities where it is both natural and proper for leaders to be personally connected with their followers, this personalization is unexceptional. Government is not separate from the people, and politicians access the administrative departments of government through networks of patron-client relationships which link not only the

administrative bureaucracy and politicians, but also politicians and their constituents.

International forces

From 1945 to 1990, post-colonial nations were subjected to a forty-five year period of 'cold war' between the two 'superpowers' which emerged from the Second World War. Both superpowers held contradictory, but nonetheless equally Western ideologies, which they each attempted to impose on the rest of the world.

This, in turn, split the world into three camps:

1. those who supported capitalism and saw in Marxism, communism and socialism the anti-Christ which denied individual human rights and enslaved subjects to the state (The First World);
2. those who saw in capitalism the rapacious greed of a few, subjecting the many to work for their individual and private gain (The Second World);
3. and a third, 'non-aligned' group, with many shadings, which sought to remain neutral, claiming to hold neither ideology, but some other political rationale suitable to their particular circumstances. It was in reference to this 'non-aligned' movement that the term 'Third World' first emerged.

Development Agencies, Human Rights and Structural Adjustment Programs

(04/08/16)

As new Third World nations emerged from the late 1940s onwards, confronted by enormous political and economic problems, the industrialized world became increasingly aware of the need to 'develop' 'undeveloped', 'under developed' and 'less developed' regions. It was strongly believed in 'Third World Development' circles, that, unless Third World communities were 'developed', they would fall prey to Soviet propaganda.

Over the next forty years, a wide range of national, international and voluntary 'development' organizations were established. Chief amongst these have been international organizations with charters which require them to fund and organize Third World development programs and plans.[321]

The World Bank and the International Monetary Fund (IMF) have had responsibility for advising governments on economic, welfare and development matters, for funding major projects, and for overseeing economic development in the new nations. In the process, they have widely been accused of imposing their own Western priorities and ideological interests on those governments most in need of assistance[322].

Fantu Cheru discussed this:

> In the words of former President Nyerere of Tanzania, the IMF has become 'the International Ministry of Finance', with enormous leverage to dictate the national policies of Third World governments ...
>
> As in the case of IMF loans, the [World] Bank grants credit only after a borrower-government signs a letter of intent in which it undertakes to

> comply with certain conditions. These conditions, however, go beyond the traditional IMF recipe and require major institutional reforms ...
>
> The critics of the IMF and the World Bank charge that these institutions represent the interests of Western countries and that their orthodox prescriptions are not appropriate to the circumstances of African countries as they fail to address the root causes of underdevelopment and unequal exchange.
> (Cheru 1989, pp. 35-6, 38-9)

The United Nations has provided a forum for interchanges between developed and developing countries. It has also often been accused of being a vehicle for the imposition of First World demands on Third World governments, including the imposition of sets of 'universal principles' relating to the rights of individuals and the responsibilities of governments.

Following the Second World War, with the ideological confrontation of capitalism and communism, Western nations became increasingly concerned with 'human rights', particularly with the right of individuals to freedom of movement and self-expression. No government should have the right to control movement. Of course, only 30 years earlier, Western European colonial powers had no difficulty in imposing severe restrictions on the movement of indigenous peoples within and from their colonies.

Not only were Third World governments pressured to implement such resolutions, the United Nations organizations formed to provide development assistance provided means of leverage to donor countries. Where First World governments disapproved of political processes and developments within the new nations, they very often used these international organizations as forums within which they could voice their concerns and through which they could pressure Third World governments for reform.

Accusations made against the activities of many of these organizations have been that the priorities which have been set, and the programs and projects which have been funded, have reflected First World rather than Third World concerns; and that these programs and the activities of international organizations have very often been motivated by 'human rights' issues which reflect the political concerns of First World nations.

The Indonesian Government, in 1993, spelt out its attitude to such First World pressures:

> Human rights questions are essentially ethical and moral in nature. Hence, any approach to human rights questions which is not motivated by a sincere desire to protect these rights but by disguised political or, worse, to serve as a pretext to wage a political campaign against another country, cannot be justified [323].

Given the international tensions of the 'Cold War' period, it is small wonder that the international political concerns of donor nations strongly influenced their development priorities. This led them to use development funding as a means of pressuring governments into endorsing their interests and concerns.

Much of the pressure exerted on post-colonial governments during this period was concerned, not with the material well-being of Third World peoples so much as with ensuring the commitment of governments and people to the ideological biases of the donor nations.

With the demise of the Soviet Union, 'non-alignment' has become anachronistic. Now there is only one highly successful and very dominant ideology (with its variants) in the West, with socialism and communism in disrepute. Those who, in the past, sought to remain nonaligned, now have little option but to accept the ascendancy of capitalism and attempt to reorganize their communities to participate in the rapidly expanding international capitalist system.

Many of them, in the 1980s and 1990s, at World Bank and International Monetary Fund (IMF) instigation, implemented structural adjustment programs (SAPs) to reorient their political and economic organization and activity to neoliberal, free-market requirements. As Jason Oringer and Carol Welch (1998) claimed,

> SAPs share a common objective: to move countries away from self-directed models of national development that focus on the domestic market and toward outward-looking development models that stress the importance of complete integration into the dominant global structures of trade, finance, and production. [324].

In the new international climate, no nation could escape involvement in the emerging global communications, financial, enterprise, information and entertainment networks. Nor could they insulate themselves from the deregulative forces which exposed populations to the vagaries of the international marketplace. These gave transnational corporations and organizations increasing influence within Third World national boundaries.

Confusing Third World intra-national tensions with international confrontations

(26/04/17)

As colonial territories, faced with a daunting array of problems and difficulties bequeathed by their erstwhile 'masters', gained independence, they entered a world threatened by the confrontation of two world industrial powers, allied with those erstwhile 'masters' and armed with weapons of mass destruction.

No country was immune from the resulting tensions and from the demands made upon them to support or oppose the Western and Eastern blocs.

While there was no Third World War during this period, there were innumerable 'brush fires' or small wars.

Third World countries, fraught with internal tensions and challenges to central authority, became the target of Cold War rivalries. As regional interests in Third World nations challenged central governments they looked for external support and ways of obtaining weaponry and military expertise. They soon learned the language of international Cold War confrontation and used it very effectively in appealing for backing for their insurrections.

First, convince a Cold War bloc that they were committed to its ideological position. Second, convince them that their opponent was on the side of the opposing bloc. Once done, this would quickly be followed by funding for their activities by the major world players and their allies. This 'funding' was, of course, not 'free'. The costs of the wars were borne by the Third World countries, not by those international players who 'supported' them.

Inevitably, once one side in an internal Third World national conflict received international support of this kind, the other side found itself the recipient of

'military aid' from the opposing bloc. In this way, superpower tensions spilt over into the rest of the world, reclassifying local disputes in Cold War terms and financially crippling the Third World nations involved in the disputes.

During the Cold War period, these reclassified wars were fought in colonial and post-colonial countries, with opponents armed and supported by the two superpowers or their allies. Each conflict was recast as an ideological confrontation between capitalism and communism, proxies for direct conflict between First and Second World players (the superpowers and their allies were only directly involved in three of these wars). Only two of them (in Northern Ireland and Turkey) were not fought on Third World soil.

Because they were insulated from the conflict, this period of worldwide turmoil and bloodshed has often been described by people in Western nations as a prolonged period of peace. That peace has usually been attributed to the balanced build-up of nuclear weapons, which guaranteed the 'mutually assured destruction' (with the appropriate acronym 'MAD') of the two superpowers should they enter into war with each other.[325]

In Third World nations, however, during the second half of the 20th century, millions of people were killed in wars which were bankrolled and armed by the superpowers and their allies in the name of the ideological confrontation of capitalism and communism.[326]

This was not a period when newly independent countries could concentrate on their 'development' equitably aided by 'developed' nations and development organizations whose interests in their affairs were wholly benign and positive. This was a period when countries which wished to receive 'aid' from the 'developed' 'First' (capitalist) or 'Second' (communist) worlds had to demonstrate their ideological commitment to the bloc which provided the aid.[327]

It was a period in which the bloc which did not provide the aid almost certainly attempted to develop and/or maintain festering discontent and rebellion within the country. The aim of this interference in the internal affairs of Third World countries was, through successfully fuelling insurrection, to replace the leadership with people committed to the ideology of the ideological bloc promoting the confrontation.

Throughout the Third World, governments, faced with the enormous task (inherited from colonial powers) of developing the infrastructures of 'modern' 'industrialized' countries, found themselves fighting 'insurgents' or 'rebels' or 'guerrilla movements', spending a great deal of their time, energy and resources on these conflicts.

Kick and Kiefer described the scene in the late 1980s:

> In the last few years, developing countries have spent nearly [US] $20 billion per annum on the importation of armaments ...
>
> Militarisation of the Third World coincides with a marked post-war change in the global theatres of war from the developed to the developing countries. In the first half of this century major wars involved direct contention between the prevailing world powers, but since 1945 the structure of international warfare has shifted.
>
> Sivard (1982) identifies 65 major wars and 10,700,000 civilian and battle deaths during 1960-1982, and with only two exceptions (Northern Ireland and Turkey) these wars were entirely fought on the territory of developing countries ...

> The rivalry between the capitalist and eastern socialist power blocs has ... been played out in the Third World by the provision of military equipment to local combatants, and less often by direct intervention either by the sponsors themselves or by their proxies.
> (Kick & Kiefer 1987, pp. 34, 44)

As Michael Renner described, 'more than $1.2 trillion worth of military equipment has been transferred [to Third World countries] during the past three decades' (1994, p.23).[328] It was small wonder that 'development' activities were less than successful, and that Third World governments, by the 1980s, faced bankruptcy and economic ruin.

Dan Connell spelt out some of the consequences:

> In 1991, of the 25 largest Third World debtors, 12 were at war, and many were on a war footing ...
>
> From 1970 to 1989, according to UN reports, Third World debt skyrocketed from $68.4 billion to $1,262.8 billion, leaving several nations owing more than they produce in annual income. Today, many countries have been forced to restructure their economies to keep up interest payments, while living standards plunge, urban squalor and rural poverty deepen, and infant and maternal mortality rates climb toward pre-independence levels.
>
> With the best land reserved for export crops and natural resources sold off at discount rates, their ability to feed themselves declines further while environmental degradation proceeds apace. And more money is borrowed to stave off imminent catastrophe.
> (Connell 1993, p. 1)

As œGustave Speth, Administrator of the United Nations Development Program, said of Africa in 1994(a):

> We conveniently forget Africa's history. We forget that the transatlantic slave trade robbed Africa of about 12 million of its able-bodied men and women. We forget that colonialism which followed the slave trade introduced a system of exploitation of Africa's natural resources to feed the industries of the West.
>
> We forget the 1884/1885 Colonial Conferences of Berlin which crudely Balkanised and divided Africa into geographic areas of control by the West, with scant regard for ethnic groupings. We even forget that during the period of the cold war's geopolitical fight for spheres of influence, Africa became a focal point for the ideology and the arms that today contribute to the havoc we find in Rwanda and Burundi, in Zaire and Angola and Somalia
>
> ... Conflict and wars claim resources that would otherwise be spent on education and health and housing and other areas of development.
>
> ... A large part of the blame for this trading in death rests with the industrial countries who, while giving aid in the order of $60 billion a year, earn much more in arms sales and otherwise from the estimated $125 billion per year in military expenditures of the developing world.
> (Speth 1994(a))

At the very time when post-colonial governments were attempting to establish viable political and administrative institutions in their countries, legitimized by popular acceptance and participation, they were required to develop sophisticated international policies and interactions. They had to balance the geo-political demands of the superpowers with an increasing

range of 'development' requirements placed on them by an emerging set of international institutions. The conflicting and contradictory demands to which Third World governments were subjected made long-term, rational planning extremely difficult.

It's Unipolar or Multipolar Hegemony: Let's All Fight for 'Freedom'

(06/09/22) (09/09/22) (17/09/22) (23/09/22) (17/10/22) (24/10/22) (26/10/22) (28/10/22) (29/10/22) (08/11/22) (10/11/22) (11/11/22) (27/11/22) (01/12/22) (12/12/22) (20/03/23) (21/03/23) (27/03/23) (11/07/23) (13/07/23) (22/07/23) (07/03/24)

'What has been will be again, what has been done will be done again; there is nothing new under the sun' (œEcclesiastes 1:9 (NIV))

An excellent discussion between Oksana Boyko and Talmiz Ahmad, India's former ambassador to Saudi Arabia insightfully sets the stage for this section. As Boyko sums up,

> ...One of the worst vestiges of colonialism is that nations start to believe the colonial narrative themselves.
>
> I think in a sense what we've been discussing today is that many of those countries are finally ready to free themselves from all those narratives and to recognize that there's something inherently good and valuable and cherishable in their own history, their own national character and their own manifest destiny because all the nations of the world have something unique and something special to offer - if the international environment supports that...
> (Oksana Boyko and Talmiz Ahmad, œThe Great New Deal? Talmiz Ahmad, India's Former Ambassador to Saudi Arabia, *RT: Worlds Apart*, 26 March, 2023)

In 2022 the first direct conflict (between 'The West' (comprising those nations and their offspring which have over the past five centuries been involved in colonizing the rest of the world) and newly emerging 'peer' powers with the economic and military strength to directly challenge Western hegemony) had begun.

Western apologists and 'experts' were honing their rhetoric in anticipation of another propaganda driven 'Cold War' to suit a new century:

> Russia, an aging tyranny, seeks to destroy Ukraine, a defiant democracy. A Ukrainian victory would confirm the principle of self-rule, allow the integration of Europe to proceed, and empower people of goodwill to return reinvigorated to other global challenges. A Russian victory, by contrast, would extend genocidal policies in Ukraine, subordinate Europeans, and render any vision of a geopolitical European Union obsolete.
>
> Should Russia continue its illegal blockade of the Black Sea, it could starve Africans and Asians, who depend on Ukrainian grain, precipitating a durable international crisis that will make it all but impossible to deal with common threats such as climate change.
>
> A Russian victory would strengthen fascists and other tyrants, as well as nihilists who see politics as nothing more than a spectacle designed by oligarchs to distract ordinary citizens from the destruction of the world. This war, in other words, is about establishing principles for the twenty-first century. It is about policies of mass death and about the meaning of life in politics. It is about the possibility of a democratic future....

How good it must feel to have a new, endlessly giving, cold war on which to pontificate:

> At the St. Petersburg International Economic Forum in June 2022, Margarita Simonyan, editor in chief of the state-run network RT, said that "all of our hope lies in famine." As the skilled propagandist understands, the point of starving Africans and Asians is to create a backdrop for propaganda. As they begin to die, Ukrainians will be scapegoated.
> (Timothy Snyder, œUkraine Holds the Future: The War Between Democracy and Nihilism, *Foreign Affairs*, September/October 2022)

Yes, this is rabid nonsense, but expect more and more of such rhetoric as the confrontation 'matures'!

'The West', with the United States leading the way and directing the policies and 'responsibilities' of Western Europe and its other 'allies', is playing a dangerous game. It seems that it has decided on a 'winner take all' strategy in its war to retain unipolar hegemony.

Obscured by the propaganda (smoke screen for far more serious warmongering), the West is more and more openly arming, training and funding both Ukrainians and mercenaries and steadily escalating the nature of supplied weaponry (this is how it 'managed' its wars in post-colonial nations during the first 'Cold War' - but none of them were nuclear armed peer nations!).

Russian foreign minister Lavrov described the reality:[329]

Neither Russia nor China (nor any other nation which becomes a target of US warmongering) has any real alternative: The West, as it has throughout its colonial and neo-colonial past, will brook no competitors. As Awolowo described, those who challenge it are faced with a 'choice of one of two roads leading to subjection: defeat or surrender'.

If there can be no alternative, for Russia, to achieving the aims of its 'Special Military Operation' in Ukraine, there can, equally, in the minds of the Washington establishment, be no alternative to preventing Russia from doing so.[330]

As in Afghanistan, over more than four decades, so in Ukraine, The United States will pursue its objective of weakening and finally dismembering Russia no matter the cost to those being used as proxies. Neither Ukraine nor NATO (and by default, all those nations which have wagered their futures on its ambitions) are anything more than means to Washington's ends. And those ends assume the complete subordination of all other actors to Washington's ambitions.[331]

Samarajiva put it well (if somewhat hyperbolically):

> Nobody deserves it more, but you have to feel bad for Europeans. They're colonized by America and they don't even know it. Europeans are told to blame Russia, China, immigrants and to love the Americans actually fleecing them. America is literally occupying, bombing, and deindustrializing Europe, and taxing the suckers 2% for the privilege. America bombs pipelines in Germany to sell the fools more expensive American gas. America sends Europe's weapons to Ukraine, then forces the Europeans to buy even more expensive replacements. America doesn't protect Europe, it's a protection racket. Europeans are bad people, but you have to feel bad for them. After sucking the world dry for hundreds of years, they're now just the world's biggest suckers....
> (Indrajit Samarajiva, œAmerica Has Defeated Europe, *indi.ca*, March 05, 2024)

Sarotte described the way in which 'NATO Membership' has been employed to keep suppliant nations compliant with the foreign policy objectives of the 'NATO Alliance':[332]

Confident of the power of 'favors to come' in keeping NATO aspirants loyal no matter what the costs might be, on July 8, 2023 the United States president œBiden said he decided to send Ukraine controversial cluster bombs because Kyiv is 'running out of ammunition'.

For Ukraine, the 'war' with Russia is about 'liberating' its eastern regions from Russian occupation yet, in order to retain Washington's approval, it is apparently prepared to scatter unexploded cluster bombs (which might well œremain active for decades around those territories) and, of course, it earlier œaccepted 'depleted uranium' shells for use in those regions.

With Ukraine converted into a fully compliant vassal state, the United States and NATO command can plan ahead. Paul McLeary explained:[333]

At a much-hyped two-day NATO 'summit' in Vilnius, Lithuania (July 11-12, 2023), Ukraine found itself still chasing the 'NATO Carrot'. As an *Associated Press* report explained:

> Ukrainian President Volodymyr Zelenskyy welcomed fresh pledges of weapons and ammunition to fight Russia's invasion along with longer-term security commitments from the West on Wednesday even as he expressed disappointment over the lack of a clear path for his country to join NATO as the alliance wrapped up its annual summit.
>
> "The Ukrainian delegation is bringing home a significant security victory for the Ukraine, for our country, for our people, for our children," he said while flanked by U.S. President Joe Biden and other leaders from the Group of Seven most powerful democratic nations. (Chris Megerian, Lorne Cook and Seung Min Kim, œUkraine wins G7 security pledges but NATO membership remains elusive, *ABC News*, July 12, 2023)

A *TASS* report summed it up:

> The price of security guarantees from the Group of Seven (G7) is a Ukraine cleared of Ukrainians by Western weapons, Russian Foreign Ministry Spokeswoman Maria Zakharova said on Wednesday.
>
> Earlier, Ukrainian Defense Minister Alexey Reznikov expressed concern over the G7's security guarantees, saying that "Kiev will not believe in them until it finds out what their price is."
>
> "The price is not a secret: a Ukraine cleared of Ukrainians by Western weapons but with enough population left to serve NATO troops. There is no need to deport anyone to Western Europe any more because people have moved there themselves," the diplomat wrote on Telegram.
> (œUkraine to pay high price for security guarantees from G7, Russian diplomat says: "The price is not a secret: a Ukraine cleared of Ukrainians by Western weapons but with enough population left to serve NATO troops," Maria Zakharova stressed, *TASS*, July 13, 2023)

With the Northern Hemisphere sweltering under record breaking heat and œenduring a 'weird, wild summer' which 'has brought one extreme event after another - from heat waves to wildfires and floods', human beings, focused on their military ambitions, challenges and fears, continue to ignore reality:

> Russian President Vladimir Putin pointed to the Ukrainian army's huge losses, depleted Western arsenals and a change in public mood in Ukraine and Europe as the consequences of Kiev's much-trumpeted counteroffensive that yielded no results.
>
> "It is obvious today that the Kiev regime's Western handlers are clearly disappointed over the results of the so-called counteroffensive loudly trumpeted by the current Ukrainian authorities in the previous months," Putin told a meeting with permanent members of the country's Security Council.
>
> "There are no results [of Ukraine's counteroffensive], at least for the time being. Neither huge resources pumped into the Kiev regime nor the deliveries of Western weapons - tanks, artillery, armor and missiles - nor thousands of foreign mercenaries sent there and most actively used in attempts to break through our army's front are of any help," the Russian leader said....
>
> As Putin pointed out, "the endless prolongation of the Ukraine conflict is also advantageous" for the United States.
>
> "Judging from what is happening in real life, the current US ruling elites are doing precisely this. In any case, they are acting following this logic," the Russian leader said.
>
> "Whether this policy corresponds to the true and vital interests of the American people is a big question and certainly a rhetorical question and let them deal with it themselves," the head of state said.
>
> "However, the flames of war are being intensely fueled at present," Putin said. The Russian leader pointed out that the United States "exploits for this purpose the ambitions of leaders of some Eastern European states who have long turned their hatred of Russia and Russophobia into their chief export commodity and an instrument of their internal policy and now want to benefit from the Ukrainian tragedy."
> (Military Operation in Ukraine, œPutin points to Kiev's huge losses, depleted Western arsenals in failed counteroffensive, *TASS*, July 22, 2023)

Ignoring the wild weather in the Northern Hemisphere with recent extremes 'off the charts', if the United States has its way, the world will be embroiled in an interminable Europe-based 'war', stretching through several decades of this century.

Its ambition: exhausting Russia's ability to oppose its will, with Russia and (unfortunate though this might be) Western Europe and Ukraine suffering the fate of so many of the United States' conflict proxies around the world.

The stage has been set for an attempt by those opposed to the increasingly irrational unipolar United States based hegemony to establish a new multipolar world. In the interests of gaining support from all those nations not already committed to one or the other; emissaries of both sides are lobbying them for commitment to their vision for the future of the world.

Nanjala Nyabola has explained:[334]

In 2022, post-colonial nations, around the world, were once again being co-opted, this time in support of the ideologically driven interests of Western nations and of emergent powers determined to thwart those interests and free the 'Rest of The World' to independent self-development.

But, of course, 'The West' will not go quietly. It has dominated and exploited the rest of the world for more than 500 years and it sees no reason why that dominance should not persist into the indefinite future.

After all, but for 'The West' the rest would still be ignorant barbarians, living from hand to mouth in a primordial jungle because, as Samuel Smiles explained in 1859,

> Any class of men that lives from hand to mouth will ever be an inferior class. They will necessarily remain impotent and helpless, hanging on to the skirts of society, the sport of times and seasons. Having no respect for themselves, they will fail in securing the respect of others. In commercial crises, such men must inevitably "go to the wall." Wanting that husband power which a store of savings, no matter how small, invariably gives them, they will be at every man's mercy, and, if possessed of right feelings, they cannot but regard with fear and trembling the future possible fate of their wives and children.
>
> "The world," once said Mr. Cobden to the working men of Huddersfield,
>
> has always been divided into two classes - those who have saved, and those who have spent - the thrifty and the extravagant.
>
> The building of all the houses, the mills, the bridges, and the ships, and the accomplishment of all other great works which have rendered man civilized and happy, has been done by the savers, the thrifty; and those who have wasted their resources have always been their slaves.
>
> It has been the law of nature and of Providence that this should be so; and I were an imposter if I promised any class that they would advance themselves if they were improvident, thoughtless, and idle.

While The West has, since WW2, learned discretion in showing how they really view those in 'developing' countries, many still consider them simple folks, easily misled by those who would exploit them and lead them astray. The West, having demonstrated to them the wonderful advantages of the March of Compound Interest and brought them "progress" and "civilization", still has that responsibility which they accepted long ago: to complete their mission, to bring them into the light of civilization and protect them from the unscrupulous.

In 2023 (the 20th anniversary of the West's invasion of Iraq) they believed they had found a way not only to discredit those leading the movement to establish a new multipolar world but also to bring Vladimir Putin and his henchmen to justice for 'crimes' committed in Ukraine:

> [On] 17 March 2023, Pre-Trial Chamber II of the International Criminal Court ("ICC" or "the Court") issued warrants of arrest for two individuals in the context of the situation in Ukraine: Mr Vladimir Vladimirovich Putin and Ms Maria Alekseyevna Lvova-Belova.
>
> Mr Vladimir Vladimirovich Putin, born on 7 October 1952, President of the Russian Federation, is allegedly responsible for the war crime of unlawful deportation of population (children) and that of unlawful transfer of population (children) from occupied areas of Ukraine to the Russian Federation (under articles 8(2)(a)(vii) and 8(2)(b)(viii) of the Rome Statute). The crimes were allegedly committed in Ukrainian occupied territory at least from 24 February 2022. There are reasonable grounds to believe that Mr Putin bears individual criminal responsibility for the aforementioned crimes, (i) for having committed the acts directly, jointly with others and/or through others (article

> 25(3)(a) of the Rome Statute), and (ii) for his failure to exercise control properly over civilian and military subordinates who committed the acts, or allowed for their commission, and who were under his effective authority and control, pursuant to superior responsibility (article 28(b) of the Rome Statute).
> (Press Release, œSituation in Ukraine: ICC judges issue arrest warrants against Vladimir Vladimirovich Putin and Maria Alekseyevna Lvova-Belova, *International Criminal Court*, 17 March 2023)

The Neoliberal West has made an artform out of repurposing international institutions to serve their own needs. The ICC is 'influenced' to issue warrants for the arrest of those who have fallen out of favor with Western governments and influential Western organizations.

As in this case, very often no specific charges are laid, and, as also in this case, the charges are directed at individuals and organizations in nations which are neither members of the court nor under its jurisdiction.

Despite internationally recognized egregious war crimes committed by the United States and its 'Coalition of the Willing' in Iraq, not a single individual or organization has been subjected to ICC warrants!

Russian Foreign Ministry spokeswoman Maria Zakharova summed it up:

> The decisions of the International Criminal Court have no meaning for our country, including from a legal point of view... Russia is not a party to the Rome Statute of the International Criminal Court and bears no obligations under it.

It really is past time that the hegemonic imposition of Western interests on the rest of the world was countered by enabling excluded nations' involvement in international governance power structures.

Mo Ibrahim has explained the problem for 'Africa':

> Today, Africa still exists at the margins of the global order, largely excluded from international institutions and treated as a basket case to be fixed. The current multilateral system, created at the end of World War II, does not effectively represent or serve the present world. Almost everyone agrees with this assessment, but the international community keeps kicking the can down the road. A fresh look at the mission and the governance of institutions such as the United Nations, the World Bank, and the International Monetary Fund is overdue.
>
> Take the UN Security Council, which has been rendered impotent by the veto powers of its five permanent members: China, France, Russia, the United Kingdom, and the United States. None of these countries is keen to give up its unfair privileges, even if that means crippling a vital institution. All can act with impunity and offer protection to their client states, allowing atrocities to go unpunished and shielding dictators in Africa and elsewhere from scrutiny. This state of global governance is unacceptable.
>
> The G-7 and G-20 groups of major economies are also failing Africa. Understandably, no African countries are members of the former and just one, South Africa, is included in the latter. But unlike the European Union, the African Union does not get a seat at either table. It is occasionally invited to dinner but never into the meeting room. This treatment has enormous consequences for Africa, which has little say in the setting of international standards that affect everything from fighting corruption to financing development to mitigating the effects of

> climate change. Debates and decisions on these and other issues would be fairer and more efficient if the G-7 and G-20 didn't simply dictate to Africa but treated it as an equal partner.
>
> Africans have been asking for more cooperation from the West as they seek to battle corruption. After all, funds stolen from the continent nearly always end up in Western banks. North American and European countries need to establish public registries that identify those who own or benefit from secretive, anonymous companies. Yet they have resisted doing so, despite regularly haranguing Africans about corruption....
> (Mo Ibrahim, œAfrica's Past Is Not Its Future: How the Continent Can Chart Its Own Course, *Foreign Affairs*, November 10, 2022)

The problem for nations excluded from key international fora is that most of those fora are focused on, as Ibrahim put it, 'major economies' concerns and so most African (and many other) nations fail to qualify for membership, being 'occasionally invited to dinner but never into the meeting room'.

Attempting to include marginalized nations in those 'major economy' fora will not make them any less marginalized.

A *Global Times* editorial illustrates this problem:

> China has expressed its support to include the AU [African Union] in the G20, a mechanism proven effective in global governance, because it is willing to increase Africa's influence in the international arena. Beijing is also willing to work with more African countries to push for more equality and inclusiveness in multilateral frameworks, such as the G20.
>
> Even though Washington will also voice its support for AU membership in the G20 as Beijing has done, the logic behind it is entirely different: While the latter emphasizes cooperation and achieving win-win results with Africa, the former still highlights competition and confrontation, particularly with China, on the continent.
> (Editorial, œUS' support for AU joining G20 empty pledge aimed at hindering China, *Global Times*, December 11, 2022)

Excluded nations whose inclusion in major fora is 'supported' by 'major economies' will remain marginalized even if they are granted 'right to attend privileges'. It is time to move to more relevant foci, requiring 'major economies' to accept that their classification as 'major economies' is largely a consequence of exploiting both resources and peoples around the world.

The world is facing burgeoning environmental problems stemming directly from the activities of those 'major economies'. It is time for nations to focus on means of fast-reducing the negative impacts of 'major economy' activities. Those 'major economy' nations should be made directly accountable to all nations impacted by their activities and major world fora should be focused on that concern.

If 'African' (and any other regional) peoples are to be 'freed' to unhindered self-development and empowered within the wider world, there is a need for a multipolar reality in which military and economic power are not seen as virtues but as threats to the wellbeing of humanity. The rights and responsibilities of those empowered regional groupings of nations in monitoring and limiting the activities of the powerful should be the prime focus of 'international fora'.

The focus of major fora must be on holding 'major economies' accountable for the damage they are doing - and that accounting should be to major regional groupings of nations impacted by their activities.

It's time for a New World Order

(02/04/23) (16/04/23) (30/05/23) (12/06/23) (17/06/23) (04/07/23) (06/07/23) (30/07/23) (02/08/23) (01/10/23) (03/10/23) (07/10/23) (20/02/24) (19/03/24) (30/03/24) (09/04/24) (12/04/24) (24/04/24)

In the face of horrendous atrocities perpetrated by Israel, reminiscent of long-whitewashed atrocities by colonizing Western nations in preceding centuries, US politicians with some vestige of non-sociopathic empathy for the plight of those on the receiving end of it all are speaking out.

This is far too little and far too late, but at least politicians like Bernie Sanders are beginning to realize that the genocidal behavior of Israel is unacceptable.

As Sanders has put it,

> A sad fact about the politics of Washington is that some of the most important issues facing the United States and the world are rarely debated in a serious manner. Nowhere is that more true than in the area of foreign policy. For many decades, there has been a "bipartisan consensus" on foreign affairs. Tragically, that consensus has almost always been wrong. Whether it has been the wars in Vietnam, Afghanistan, and Iraq, the overthrow of democratic governments throughout the world, or disastrous moves on trade, such as entering the North American Free Trade Agreement and establishing permanent normal trade relations with China, the results have often damaged the United States' standing in the world, undermined the country's professed values, and been disastrous for the American working class.

It has taken him a long time to admit that Israel

> ...is waging a campaign of total war and destruction against the Palestinian people, resulting in the deaths of tens of thousands - including thousands of children - and the starvation of hundreds of thousands more in the Gaza Strip.[335]

Accepting United States' complicity in it all, Sanders tells us all that 'A Revolution in American Foreign Policy: replacing Greed, Militarism, and Hypocrisy With Solidarity, Diplomacy, and Human Rights' is overdue.

A Scottish aphorism sums up the likelihood of any such change in United States foreign policy this century:

> If wishes were horses, beggars would ride!

With privatization and corporatization driving United States' domestic and foreign policies, there is little hope of any meaningful change happening in this century. The best the rest of the world can hope for is that, with the center of Western Capitalism, in this century, heading toward a chaotic, dystopic future, it will refrain from futile attempts at imposing half-baked 'regime change' on others.

We begin this topic with the way in which Western privatization 'experts' set about privatizing the Russian Federation in the 1990s. It was a project that, as Janine Wedel described, was true to the spirit of Western Colonialism.

'The West' has appropriated and 'privatized' resources around the world over more than 500 years and obfuscated their activity by telling the 'natives' that they were 'developing' them. Similarly, the economic 'reform' (i.e. 'development') of Russia was focused on appropriating and 'privatizing'

the resources of the Russian Federation, securing them in the 'asset portfolios' of the 'super-rich' [336].

> After seven years of economic "reform" financed by billions of dollars in U.S. and other Western aid, subsidized loans and rescheduled debt, the majority of Russian people find themselves worse off economically.
>
> The privatization drive that was supposed to reap the fruits of the free market instead helped to create a system of tycoon capitalism run for the benefit of a corrupt political oligarchy that has appropriated hundreds of millions of dollars of Western aid and plundered Russia's wealth.
> (Janine R. Wedel, œThe Harvard Boys Do Russia: After seven years of economic "reform" financed by billions of dollars in U.S., *The Nation*, May 14, 1998)

Adrian Campbell spelt out the 1990s consequences for Russian peoples:

> Massive economic dislocation occurred as Soviet economic ties were severed, a market economy was created and shock therapy accompanied by mass privatisation.
>
> The social impact was immense. Life expectancy fell, with up to five million excess adult deaths in Russia in 1991-2001, birth rates collapsed and both of these trends were compounded by widespread crime and trafficking. These negative effects were concentrated in periods of economic crisis in 1991-94 and 1998-99.
>
> Sharply rising inequality and the emergence of a new wealthy class, including some leading reformers, meant that the term "democrat" had become a term of abuse as early as 1992.
> (Adrian Campbell, œThe wild decade: how the 1990s laid the foundations for Vladimir Putin's Russia, *The Mandarin*, July 03, 2020)

It is time for a new world order:

A world in which sovereign 'nations' and their varied peoples are able to forge their own futures, informed by their own historically forged 'realities'.[337]

A world in which the strong accept their interdependent responsibility for guaranteeing the weak the freedom needed to be themselves, not a distorted and dysfunctional version of the realities of the strong.

A world in which all nations and governments respect and accept reciprocal responsibility for ensuring the unmolested freedom of others to be themselves!

One can but hope that, this time round, existing and 'would-be' leaders of post-colonial nations will not succumb to the temptation to indulge in weapons purchases and alignment with those intent on exploiting their peoples and environments! It's time for the world to focus on the looming disasters awaiting it, not engage in fruitless wars and self-destructive antagonisms.

How desperately we need the wisdom of the non-aligned![338]

Unity in diversity is used as an expression of harmony and unity between dissimilar individuals or groups[339].

In a speech at Colombo, Sri Lanka, in 1953, India's first defence minister V K Menon laid down five principles that would be the cornerstone of Non-

Aligned Movement policy.

1. Mutual respect for each other's territorial integrity and sovereignty
2. Mutual non-aggression
3. Mutual non-interference in domestic affairs
4. Equality and mutual benefit
5. Peaceful co-existence

Post-colonial India has used the concept of 'unity in diversity' as means of justifying the unity (at the national level) of diverse regions with their own historical backgrounds.

Zhang Lihua, in a 2013 explanation of the Chinese understanding of 'Unity in Diversity': 'Harmony without Uniformity', put it like this:

> According to the concept of harmony, the universe unites diversity...There are many examples in which differences complement each other in nature and society. Uniting diversity is the basis for the generation of new things.
>
> Confucius said, "The gentleman aims at harmony, and not at uniformity..." Thus, a gentleman may hold different views, but he does not blindly follow others. Instead, he seeks to coexist harmoniously with them.
> (Zhang Lihua, œChina's Traditional Cultural Values and National Identity, *Window into China, Carnegie Endowment for International Peace*, November 21, 2013)[340]

Between nations, as between individuals, in a multipolar world of 'sovereign equals', Confucius' observation must be central.

To paraphrase Confucius: In a multipolar world of sovereign equals, harmony can only be achieved in participating nations which see themselves as fundamentally unified, sharing a present and a future founded on a true recognition of their individual and collective responsibility for ensuring humanity's indivisible unity.

Sovereign nations will hold different understandings of the world, different ambitions within that world and truly unique histories, but they must, nonetheless, determinedly strive for harmony, neither blindly following others nor insisting that others follow them. Instead, focused on harmony, they will seek to coexist harmoniously with each other.

A *Global Times* editorial entitled 'Modi's remarks on China-India relations are thought-provoking', describes India's astute balancing of relations between three major nations[341]:

Between nations, as between individuals, in a multipolar world of sovereign equals, each must aim at harmony, and not at uniformity. They may hold different views, but they do not blindly follow others. Instead, they seek to coexist harmoniously with them - while remaining true to their own historically forged understandings, attitudes and interests.

Over the past 70 years (and arguably for much longer than that) the term 'democracy' has been steadily degraded. It no longer means the *consensus* rule of 'the majority' in an interdependent world of reciprocal responsibility.

In a zero-sum world of independent individuals focused on self-gratification, it has become the rule of the strong over the weak; of the rich over the poor; of those who control the 'media' over those with no voice. In the process, democracy, as the cooperative interdependence of diverse groupings (summed up as 'unity in diversity'), has lost all relevance.

The exercise of 'authority' has been displaced by the exercise of 'power'. Those who gain 'power' (whether through the 'ballot box' or through 'major economy' status) use that power to enhance and further promote their own independent self-interest in a 'devil take the hindermost' world of unregulated self-promotion.

The world is changing and the hegemonic domination of 'major economies' is unravelling,

To repeat oneself; we are, hopefully, emerging into a multipolar reality in which sovereign 'nations' and their varied peoples are able to forge their own futures, informed by their own historically forged 'realities'; a world in which the strong accept their interdependent responsibility for guaranteeing the weak the freedom needed to be themselves, not a distorted and dysfunctional version of the realities of the strong; a world in which all nations and governments respect and accept reciprocal responsibility for ensuring the unmolested freedom of others to be themselves!

It should be a world of sovereign 'equals'; empowered to realize the possibilities of their own financial sovereignty. A world of nations able to fully realize the advantages of their separate sovereign national banks, able to engage in bilateral credit swap agreements with other nations based on respect for each others' right to create and manage their own national currencies and sovereign bank accounts.

The inter-national use of national currencies, in 2023, is gathering momentum. A *TASS* report explained:[342]

Bilateral credit swaps and the use of national currencies in settling cross-border financial transactions should become 'normal' practice. And, equally, national governments should learn and exercise the advantages (and responsibilities) of using their own fiat currencies in funding their internal financial 'needs'.

The powers of international organizations such as the World Bank and International Monetary Fund should be severely curtailed and redefined in support of such developments. If that is not possible, they should be dissolved as anachronistic institutions with all debts owed by debtor nations cancelled in the process. Those debts have, over many years, been used to usurp the financial sovereignty of nations which received their 'help'. It is time to wipe the slate clean and start afresh, based on sovereign financial independence.

The world does not need - and should not tolerate - the existence of a hegemonically controlled 'super currency' to which trading nations must be granted access in order to trade.

Regional 'currency unions' (originally established as means of both 'overseeing' and legitimizing post-colonial regional currencies in the 1940s to 70s), tied to, and 'legitimized' (in various ways) by Western monetary authorities, face similar dangers of forfeiting financial sovereignty to those Western monetary authorities[343].

Monetary unions such as the Eurozone impose monetary policies on participating national governments and so distort national financial controls. Matthieu Bordenave, in an essay entitled 'Should we cancel national debt owned by the ECB ?', has described the resulting 'national deficit' problems of participating nations:

> For over a decade, the European Central Bank has implemented unconventional monetary measures known as "Quantitative Easing" in response to the 2008 crisis, the euro crisis, and the Covid-19 crisis. These measures were necessary to prevent an economic collapse and a new crisis of public debt in Europe. However, now the member states must repay significant amounts to their respective central bank.
>
> There are only two options for re- paying public debt: either by borrowing the same amount again (by rolling over the stock of debt) or by achieving a budget surplus that allows for repayment without additional borrowing. In other words, they either become increasingly dependent on financial markets or implement austerity measures. Another possibility is to rely on either economic growth or inflation, but this would require substantial investments and wage increases, which in turn means borrowing more in order to spend more. Attempting to separate growth from debt, as desired by Bruno Le Maire , is like trying to fill a bathtub without turning on the tap (Giraud et al.).
> (Matthieu Bordenave, œShould we cancel national debt owned by the ECB ?, *Committee for the Abolition of Illegitimate Debt*, October 03, 2023)

Sean Hagan and Hugh Bredenkamp, in a 2018 IMF Blog posting, provide an introduction to existing currency unions and address some of the potential sovereignty problems associated with membership of such unions. As they say:

> There are currently four currency unions in the world - the Central African Economic and Monetary Community, the Eastern Caribbean Currency Union, the European Monetary Union, and the West African Economic and Monetary Union - all of which delegate monetary policy and, to varying degrees, exchange rate and financial sector policies to union-level institutions.
>
> Currency unions have long been part of the global financial landscape, but they now account for over 15 percent of the global economy. In the absence of established guidance, our engagement with currency union institutions during past programs has been somewhat ad hoc. By clarifying how adjustment programs should be designed in the future, we hope to foster more robust programs and promote more evenhanded treatment....
> (Sean Hagan and Hugh Bredenkamp, œMonetary unions A Framework for Currency Unions and IMF Lending, *IMF Blog*, March 16, 2018)

In a 'post-colonial' world finally breaking the shackles of Western hegemonic manipulation of post-colonial financial and economic sovereignty, currency unions can remain a perennial threat to the truly sovereign independence of participating nations. Those nations involved in such unions need to carefully weigh the costs and benefits of participation if they are to rid themselves of the last vestiges of colonialism.

Yes, this is a utopian future and reality is never utopian - but, unless we dream of such a reality and aspire to it, we will end up in another version of

the dystopian world of unregulated capitalism. Where there is no vision the people perish.

The Euro-centric 'world order' which has dominated the world over the past several centuries has had, and continues to have, a number of distinct and peculiar features which underpin and drive Western dominance.

First and foremost is the militarily backed search for and appropriation of 'useful' resources to feed Western capitalist development.

This has taken the form of privately controlled but publicly legitimized forms of colonialism, with the rest of the world required to accept and live within a Westernized political, legal, financial and economic reorganization of their lives and societies.

Throughout the world, 'development' has meant Westernization. Indigenous understandings of the world and concomitant social, political and economic processes and forms have been 'superseded'; declared to be 'anachronous' and 'backward' ways of life which must, inevitably, be displaced by those required in any truly 'developed' society.

The world of the 21st century must be 'Western' or remain 'undeveloped'.

If there is to be a 'new world order', it is presumed that, inevitably, it will be Western in form and focus. And, of course, given that the world has indeed been reorganized into Western style 'nation-states', legitimized by Western style 'boundaries', public institutions and forms of resource and commodity ownership and exploitation, that presumption is indeed 'reasonable'!

Those determined to live in a world which reflects the real diversity of 'realities', polities and social structures of peoples around the world, have embarked upon a Sisyphean enterprise.

But, they have made a good beginning!

The emerging and embryonic *Shanghai Cooperation Organization*[344] has, indeed, declared itself to be an organization dedicated to asserting and supporting the true sovereignty of each member state.

Each state is presumed to have the right to 'develop' as an independent yet interdependent entity with the right to determine its own nature and destiny within an umbrella of nations with similar intent. Within that framework, states will support each other in developing both internal and inter-nation infrastructures and inter-governmental support processes.

The vision, while necessarily non-directive and embryonic, is a bold and imaginative one. If there is indeed a benign supra-human intelligence upon which we can all rely, one can but hope that it will impart true wisdom and foresight to those shaping this new beginning for humanity. We can but pray that it will not be derailed by either the inevitable Western militarized reaction or the looming environmental crises facing humanity.

The Russian President, Vladimir Putin, explained Russia's position[345] on all this:

> The world is entering a decade of tumult as the pursuit of a more just world order clashes with the arbitrary hegemony of the collective West, Russian President Vladimir Putin said on Thursday, addressing the annual meeting of the Valdai Discussion Club.
>
> Putin's speech ranged from biodiversity to "cancel culture," the nature of what the West has to offer and Russia's response, followed by hours

> of answering audience questions....
>
> In a truly democratic multipolar world, any society, culture and civilization should have the right to choose its own path and socio-political system. If the US and Europe have that right, so should everyone else. Russia also has it, "*and no one will ever be able to dictate to our people what kind of society we should build and on what principles*."
>
> "*Above all, we believe that the new world order should be based on law and justice, be free, authentic and fair,*" the Russian president said.
>
> "*The future world order is being formed before our eyes. And in this world order, we must listen to everyone, take into account every point of view, every nation, society, culture, every system of worldviews, ideas and religious beliefs, without imposing a single truth on anyone, and only on this basis, understanding our responsibility for the fate of our peoples and the planet, to build a symphony of human civilization.*"
> (Vladimir Putin, 'œNo one can sit out the coming storm': Putin's milestone Valdai speech, *RT*, 27 October, 2022)
> (Enlglish transcript of Putin's speech: œMeeting of the Valdai International Discussion Club, *Office of the President of Russia*, October 27, 2022)

In 2024, Elizabeth Economy, in an alert to the Western World, warned her readers of the 'danger' of such 'brash, self-congratulatory proclamations' as those being made by Russia's President Putin and China's 'confrontational "Wolf Warrior" style of diplomacy':

> By now, Chinese President Xi Jinping's ambition to remake the world is undeniable. He wants to dissolve Washington's network of alliances and purge what he dismisses as "Western" values from international bodies. He wants to knock the U.S. dollar off its pedestal and eliminate Washington's chokehold over critical technology. In his new multipolar order, global institutions and norms will be underpinned by Chinese notions of common security and economic development, Chinese values of state-determined political rights, and Chinese technology. China will no longer have to fight for leadership. Its centrality will be guaranteed.
>
> To hear Xi tell it, this world is within reach. At the Central Conference on Work Relating to Foreign Affairs last December, he boasted that Beijing was (in the words of a government press release) a "confident, self-reliant, open and inclusive major country," one that had created the world's "largest platform for international cooperation" and led the way in "reforming the international system." He asserted that his conception for the global order - a "community with a shared future for mankind" - had evolved from a "Chinese initiative" to an "international consensus," to be realized through the implementation of four Chinese programs: the Belt and Road Initiative, the Global Development Initiative, the Global Security Initiative, and the Global Civilization Initiative.
> (Elizabeth Economy, œChina's Alternative Order: And What America Should Learn From It, *Foreign Affairs*, April 23, 2024)

For all those Western 'experts' and commentators, willing and able to hear and understand, Confucius explained:

> The gentleman aims at harmony, and not at uniformity...

Individuals, communities and peoples, holding different understandings of the world and different ways of interacting with one another, should not blindly follow others. Instead, they should seek to coexist harmoniously with them.

Humanity is still evolving, and will continue to do so for as long as it survives as a species. And, that evolution, if humanity is to escape the consequences of its darker urges, must be toward a species-wide empathic harmony of interdependent communities and peoples.

What Elizabeth Economy describes as 'a long-term competition' between a 'community with a shared future for mankind', and the 'system the United States supports' is a consequence of fundamentally different understandings of 'reality' held by an individualistic West and an interdependently organized world which has, over many years, been subjected to Western invasion, exploitation and reorganization.

Let's, for God's sake, celebrate difference! (If such a Being (or panoply of Beings) exists, we can be sure that It delights in difference! Whatever else evolution affirms, it certainly affirms that!).

We should never assume that anyone has the right, or obligation, to change another nation's form of government or to replace its leadership because it does not conform to the requirements of some 'ideal' of an interfering nation or organization.

Nor is it the right of any person or government to sponsor internal protest in another nation (whether through propaganda, provocateurs, weapons supply or anything else!). Nations have both a right and a duty to sort out their own internal problems without the interference of Western - or any other - governments or agencies. As Vladimir Putin insisted, 'any society, culture and civilization should have the right to choose its own path and socio-political system'.[346]

The long-held belief in Western nations that they have perfected a system of government which is 'best' for 'all nations' is, as we've seen, nonsense!

Claims that, while Western nations live in a 'garden', the rest of the world is an untamed 'jungle' that needs their 'help' is also hubristic nonsense.

Josep Borrell, High Representative of the Union for Foreign Affairs and Security Policy, of the European Union spelled out Western Europe's blinkered (mis)understanding of what is happening: around the world:[347]

In a later keynote speech in Bruges at the *College of Europe*, Borrell provided a graphic picture of his (and the Western World's long-held) 'understanding' of the nature of the relationship between the West and the Rest of the world:

> Thank you to all of you, and congratulations to all of you for having the extraordinary chance of studying here, in Bruges at the College of Europe. I am sure you are aware of how lucky you are.
>
> Here, Bruges is a good example of the European garden. Yes, Europe is a garden. We have built a garden. Everything works. It is the best combination of political freedom, economic prosperity and social cohesion that the humankind has been able to build - the three things together. And here, Bruges is maybe a good representation of beautiful things, intellectual life, wellbeing.

> The rest of the world - and you know this very well, Federica - is not exactly a garden. Most of the rest of the world is a jungle, and the jungle could invade the garden. The gardeners should take care of it, but they will not protect the garden by building walls. A nice small garden surrounded by high walls in order to prevent the jungle from coming in is not going to be a solution. Because the jungle has a strong growth capacity, and the wall will never be high enough in order to protect the garden.
>
> The gardeners have to go to the jungle. Europeans have to be much more engaged with the rest of the world. Otherwise, the rest of the world will invade us, by different ways and means.
>
> Yes, this is my most important message: we have to be much more engaged with the rest of the world.
> (Josep Borrell, œEuropean Diplomatic Academy: Opening remarks by High Representative Josep Borrell at the inauguration of the pilot programme, *The Diplomatic Service of the European Union*, 13 October, 2022)

Apparently those living in post-colonial 'jungles' are to be blessed with more of Western Europe's gardening activities!

There are regions around the world which, like 'The Balkans', have long been considered peripheral, semi-cleared and semi-cultivated œ'less-developed' territories ripe for exploitation. Neocolonialism is alive and well in the minds of those who inhabit the 'gardens' of capitalism!

Houènou œ(1924) put it well:

> We understand nothing of the egotistic and barbarous aims sought by certain civilized people who believe that civilization can only reach its zenith by ignoring original laws, and by debasing and enslaving men who have the natural right to live, to evolve, and to attain the full expression of their being...
>
> ...The problem arose at the moment of the discovery of America when Europeans intoxicated by glory, adventure, and above all by rapine, sought to conquer new territories which did not belong to them.
>
> They destroyed the aborigines - exterminated them! Then, terrified at the void they had created around them and being themselves incapable of labor, they turned to Africa for workmen. It was Africa that furnished contingents for penal labor - this Africa with whose unhappy history you are unacquainted but which some day, one of her sons will outline for you in darts of fire, - a monument of shame for that civilization of which you boast.

'Africa', the Motherland of Humanity is awakening. It is emerging from a battered and abused 500 year past of genocide and exploitation to a new realization of its own inherent worth, of the incredible 300 thousand year old history of its peoples.

It is relearning the value of the amazing diversity of its societies and communities, of their historically forged melding with and husbanding of their natural environments.

And it will need to relearn the vital importance of patience, of calmly and deliberately fashioning a future based in a profound unity of its societies and peoples. A unity capable of celebrating the long-evolved and tested

diversity of those communities in adapting to the realities of their various environments[348].

Vladimir Putin reminded the world of an old African proverb: "If you want to go fast, go alone; if you want to go far, go together"

Attempting to emulate 'The West' will no doubt bring short-lived material 'prosperity' through exploiting and abusing Africa's abundant social, environmental and natural resources - just as it has in 'The West'. But, it will be at the expense of sacrificing that unique diversity which is Africa's invaluable heritage and humanity's last best hope in this new world of 'Western' delivered climate disaster and world-wide pollution.

'African Leaders', young and old, mature and immature, are confronted by a future which could well prove disastrous not only for their continent but for the whole world. They will have to draw on all the resources of their own unique history, experience and wisdom if they are to ensure that promised future of profound unity safeguarding an incredible 300 thousand year-long evolution of human societal diversity.

May The Force indeed be with those involved in this new human endeavor. But, whatever they do, one can but hope that **they will not appeal** to those who delivered the current mess to them for guidance.

'The West' can only deliver what they've already given the continent of Africa in the past!

Problems of nation-building

This is what 'The West' delivered not only to 'Africa' but to the rest of the invaded world through 500 years of domination and oppression.

The 'nations' created by colonial powers usually directly reflected the geographical territories which they had ruled. They usually incorporated a variety of ethnic groupings, sometimes traditionally opposed to one another, sometimes more closely tied to other communities not included within the national boundaries, and sometimes opposed through the activities of the colonial powers themselves [349].

In almost all colonial territories, a small Western educated minority, very often representatives of a number of separate ethnic groupings in the colony, had been groomed to consider themselves members of the middle-classes of the colonizing powers. Houènou [œ](1924) described his own attachment to France:

> To begin with, I must completely absolve France from the policies of some of her children. We who have been reared in the Motherland - we know her, we love her, and we have unshakeable confidence in her.
>
> But, I regret to say, though I say it fearlessly, that the representatives whom she sends to her colonies fail to perform their duties. More than that, they betray the interests of France and compromise her future. They betray the interests of Africa, and thereby compromise the future of a people who has the right to exist.
>
> My sympathy, my affection, my love for France cannot be doubted; for in the critical hours of 1914, without compulsion of any sort, I assumed spontaneously the duty of all citizens and exposed my life like all Frenchmen.

The sense of inclusive, co-operative identity between middle ranking people *preceded* the establishment of most Western European nation-states. The small educated minority from the colonies were educated to identify with those middle ranking people.

However, as Houènou claimed, they often felt they had been tolerated rather than whole-heartedly included in middle class company, "by special favor and grudgingly made, citizens" of the colonizing power. In many ways they were neither fully accepted as citizens of the 'Motherland', nor, any longer, closely identified in their own minds with people in the colonies from which they had been taken.

The nationalism of most Third World nations consisted in the desire of these Western educated individuals to validate themselves by taking over the reins of government from colonial administrators. This was coupled with a strong desire on the part of the populace to be freed from foreign domination.

In most new nations, the post-colonial nation-state preceded the emergence of nationalism amongst the vast majority of the population. Those who inherited government, inherited a responsibility which few colonial administrations had accepted - they would have to find ways in which to develop and maintain a sense of nationalism amongst the diverse peoples of their national territories.

The unity of a colony was, to the colonial power, a consequence of its administration, and did not require the active endorsement of the

indigenous populations. The post-colonial nation-state, however, as a result of very strong international pressures and a presumption of the universal applicability of Western democratic forms, needed to receive its legitimation from the population.

Post-colonial governments, unlike the colonial administrations which preceded them, needed to be ratified through the identification of their populations with them as legitimate and unifying authorities within national territories.

Colonial powers had provided administration, and administrative representatives down to the local village and household levels in the form of magistrates, police, wardens, and council officers. They had imposed these structures and authorities on the colonial populations. They had assumed, but had not felt any need to engender, the commitment of villagers to their supervision.

In contrast, post-colonial governments needed to engender in their populations a sense of 'belonging' to the nation, rather than to a particular region, ethnic group or clan. Governments, therefore, had to intrude into the lives of their constituents in ways not contemplated by most colonial authorities.

Bice Maiguashca explained it well:

> As for the Third World, during the 1950s and 1960s most of the newly created states concentrated their attention on establishing political centralisation and fostering national integration. As a consequence, most indigenous peoples, who had enjoyed a relative degree of autonomy during the colonial period, now found themselves under the authority of local elites who were driven by the imperative of 'nation-building' and who sought to consolidate their precarious hold on power through any means available to them ...
> (Maiguashca 1994, p. 361)

National governments, handed control by colonial authorities, had to intrude into the identities and self-definitions of relatively insular regions, ethnic groups and clans. They had to attempt to inculcate new perceptions and understandings, through which people would primarily define themselves as members of the nation, so as to weld them into a coherent whole.

They had to begin 'nation-building' in a way not confronted by their colonial predecessors.

Those who inherited the reins of governmental power usually saw their task as one of establishing a European-style 'nation-state' [350]. The motives for support by the majority of the population however, usually had less to do with the establishment of a nation-state than with the displacement of those who had imposed such ideas upon them.

This new, and often very intrusive, involvement of national political and governmental activity in local and regional affairs created mounting tension in many regions. In many countries the resentment generated by such intrusion led to independence claims by regions and ethnic groups.

Decentralization of Political and Governmental organization

Most colonial authorities, though claiming to be aware of the strong divisive forces which existed within the territories they were handing over to indigenous elites, counseled new governments to devolve political and

administrative authority to regions. This decentralization of political and governmental organization and activity, it was hoped, would dampen demands for secession from the new nation.

This emphasis on devolution echoed conventional wisdom in political and economic development circles. In order to ensure grassroots involvement in political and economic development, it was believed necessary to involve people as directly as possible in the responsibilities of government [351].

Premdas and Steeves (1984) spelt out the rationale clearly:

> If decolonisation means anything, it would at least entail the dismantling and re-orienting of the inherited bureaucracy rendering government administrative behavior subservient to community will. In essence, decolonisation at the grassroots becomes more of a reality where decision making and execution do not remain the monopoly or preserve of civil servants but rather are controlled by elected local councils.
>
> The overdeveloped centre must be deconcentrated to the periphery; a meaningful measure of autonomy in political decision making should be devolved to the vast majority of citizens who are rural dwellers ... (Premdas & Steeves 1984, p. 2)

However, the problems confronting new nations could not be so easily overcome. In most countries, devolution of governmental responsibilities to provincial and regional governments simply multiplied the problems associated with governing through poorly legitimized political structures. A further level of inefficient, ineffective bureaucracy and political office was added to a structure which was quickly to come under real strain [352].

Once regions gained political voice of their own, it became easier for regional interests to argue for secession, centered on the existing regional political and bureaucratic structures. Many post-independence separation movements focused their rebellions through taking control of provincial and regional governments in their areas.

Post-colonial governments faced challenges to their autonomy from several directions:

- international organizations and major international political powers placed strong demands on them to accept and act on their priorities and interests;
- the deregulation demanded by those involved in the emerging international economic order made governments less and less able to control economic and welfare activity within their territories;
- and regional forces challenged the legitimacy of the nation-state.

Benjamin Barber and Regine Temam (1992) claimed that internationalization and tribalism in the 1990s were still, and perhaps even more successfully, undermining the traditional political institutions of the nation-state.

On the one hand, global economic and ecological forces were requiring increasing integration and uniformity in the world, with deregulation making national borders permeable. On the other hand, nations were being threatened by 'resurgent, conflicting nationalities and tribal enmities' (Barber & Temam 1992, p. 13).

The leadership and internal organization of regional and ethnic groups and clans incorporated within the new nations had very often been warped, disrupted and weakened during the colonial period. Those (primarily Western educated elites) who sought power in the new nations found in those groups fertile soil for their own ambitions. They often attempted to subvert and/ or displace 'traditional' leadership in order to establish personal support-bases within their own ethnic and regional communities through which they could gain control of the national government [353].

Ikejiani described the scene in Nigeria in 1964, three years after gaining independence:

> It is glaringly evident that the distinguishing mark in Nigerian public life presently is not a man's political philosophy, or religion, or party, or education, or wealth, or personal qualities, but in the last analysis his tribe or origin.
>
> Nigerians carry these tribal thoughts into all aspects of their daily life. They carry them into their friendships, into their occupations, into their loyalties and into their prejudices.
>
> Politics in Nigeria not only has a regional cleavage, subtle and most grossly evident, but also clan connotation. There is a deep struggle for tribal superiority as well.
>
> ... It is certainly beyond dispute that in our factories and shops, in government offices, in corporations and in our various institutions, appointments and promotions are made, in many cases, on tribal and clan calculations.
> (Ikejiani 1964, p. 122)

Rather than a shared 'nationalism' amongst the populace, the leaders of new nations found that colonial administration had done little to weaken ethnic and clan loyalties and identities. It had been just as ineffective in establishing any sense of shared identity between the disparate communities within national territorial boundaries.

Most colonial people interacted with the colonial structures at the local level and seldom needed to think in terms of an over arching 'national' bureaucracy. In consequence, for most people, pre-colonial political allegiances, while distorted by colonial experience, were still potent. Chukwudum Okolo put it well:

> Perhaps the best description of the African reality is tribalism, which is Africa's foremost social evil. Tribal wars have long been part of the continent's chequered history, and a source of social, political, and economic distress since independence. The identifiable cause of coups in Africa lies in tribal struggles for power.
> (Okolo 1989, p. 33)

Indigenous Nations have the right of self-determination

(31/05/17)

During the 1990s, with Third World governments assumed to be firmly in control of their national territories, an international emphasis emerged on minorities, on 'the Fourth World' or 'Indigenous Nations' (see Hughes 1997). The œ*International Covenant on the Rights of Indigenous Nations*, presented to the Geneva headquarters of the United Nations in 1994, provided a clear statement of the focus:

> The Charter of the United Nations, International Covenant on Economic, Social and Cultural Rights, the International Covenant on Civil and Political Rights and resolutions and declarations of the World Council of Indigenous Peoples, the Inuit Circumpolar Conference, the International Indian Treaty Council and other international bodies related to these organs affirm the fundamental importance of the right of self-determination of all peoples, by virtue of which they freely determine their political status and freely pursue their economic, social and cultural development.

Paradoxically, as emphasis was increasingly placed on the globalization of economies and the emergence of supra-national political, social and economic integration, the rights of minority groups within national boundaries were increasingly emphasized in international debate. Representatives of such groups found receptive audiences in international forums and in First World nations in pressing claims for the recognition of:

> ... the urgent need to respect and promote the inherent rights and characteristics of Indigenous Nations, especially the right to lands, territories and resources, which derive from each Nation's culture; aspects of which include spiritual traditions, histories and philosophies, as well as political, economic and social customs and structures.
> (œUN 1994)

While continuing to treat the state as separate from and able to direct the activities of 'its people', international organizations and First World leaders [354] increasingly required Third World governments to recognize the rights of minorities within their boundaries. As the Covenant said:

> Indigenous Nations have the right of self-determination, in accordance with international law, and by virtue of that right they freely determine their political status and freely pursue their economic, social and cultural development without external interference;
>
> ... Indigenous Nations may freely choose to participate fully in the political, economic, social and cultural life of a State while maintaining their distinct political, economic, social and cultural characteristics, and not relinquishing the inherent right of sovereignty.
> (UN 1994)

By placing these demands in the context of Awolowo's description of colonial Nigeria, it becomes apparent that post-colonial authorities were going to face enormous problems if they accepted such demands and attempted to act on them:

> There are various national or ethnical groups in the country [Nigeria]. Ten main groups were recorded during the 1931 census as follows: (1) Hausa, (2) lbo, (3) Yoruba, (4) Fulani, (5) Kanuri, (6) Ibibio, (7) Munshi or Tiv, (8) Edo, (9) Nupe, and (10) Ijaw.... 'there are also a great number of other small tribes too numerous to enumerate separately...'
>
> It is a mistake to designate them 'tribes'. Each of them is a nation by itself with many tribes and clans. There is as much difference between them as there is between Germans, English, Russians and Turks for instance.
> (Awolowo 1947, pp. 48-9)

In part, these apparently contradictory emphases signaled the decreasing importance being placed upon nation-states in the world of the late 1990s.

In part, however, the emphasis on the rights of minorities also reflected the realities of the ethnic conflict which has been present in Third World nations since their inception, and which was becoming a major concern in the First World.

A 1995 *Food and Agricultural Organization* (FAO) report described the problem:

> More and more small states are emerging, requiring new forms of extra-national arrangements and development assistance. Conflicts such as those in Bosnia-Herzegovina and Chechnya are recent and dramatic manifestations of an emergent nationalism that created new, and exacerbated old, political, economic, religious, and ethnic problems. Violence and war have continued unabated in various parts of the developing world.
> (œUN 1996)

Third World nations were being challenged by forces both inside and outside state boundaries [355].

Since September 11th 2001, with the West re-oriented to seeking out and destroying 'terrorists' wherever they might be found (or imagined), those minorities which have not already secured rights (and many who have) find themselves categorized as 'terrorists' by central governments.

A new language has emerged to legitimize harsh reaction to minority demands. Branding a minority movement a 'separatist terrorist organization' seems to mute condemnation of any action against it from most Western governments. Adopting the policies and justificatory language of George W. Bush's United States, central governments have readily asserted, in the words of Henry Hyde, that:

> We must be prepared not only to protect ourselves from new assaults, not only to intercept and frustrate them, but to eliminate new threats at their source. This must be a permanent campaign, similar to the ancient one humanity has waged against disease and its never-ending assault upon our defenses
> (Hyde 2001)

With Western governments committed to similar reaction to those who oppose them around the world, it has become increasingly difficult for disadvantaged minorities to gain support or even a hearing in international forums. Movements which were supported during the 1990s are now cut adrift, to fend for themselves.

The consequences can be seen in the increasing flows of displaced persons, no longer welcome in Western countries which now see them - whatever their age or gender - as a looming threat to national security.

The World is Awash in Weapon Systems

(25/03/16)

From the outset, most Third World governments have had to contend with the competing interests of powerful ethnic and regional groups, more intent on furthering their own interests than in ensuring workable national government. This, in many countries, has led to long-term civil unrest, insurrection, and civil war.

In the climate of the Cold War, such difficulties were compounded by international powers confounding tribal, regional and clan conflict with

ideological confrontation between capitalism and communism. The protagonists were, as we've seen, often armed and funded by competing international forces.

In the post-Cold War period, the flow of arms did not diminish. With huge stockpiles of weapons no longer required by Western and Eastern bloc countries, arms merchants were able to offer sophisticated weaponry at bargain basement prices with little or no check on the credentials or intentions of purchasers.

James Woolsey, Director of Central Intelligence, in testimony to the US Senate Select Intelligence Committee on 10 January 1995, claimed that:

> ... the proliferation of advanced conventional weapons and technology [is] a growing military threat as unprecedented numbers of sophisticated weapons systems are offered for sale on the world market.
>
> Especially troubling is the proliferation of technologies and expertise in areas such as sensors, materials, and propulsion in supporting the development and modernization of weapons systems.
>
> Apart from the capability of some advanced conventional weapons to deliver weapons of mass destruction, such weapons have the potential to significantly alter military balances, and disrupt U.S. military operations and cause significant U.S. casualties.

And Lt. Gen. James R. Clapper, Jr., Director of the Defense Intelligence Agency, before the same committee:

> [W]hile we tend to focus on current and future high technology big-ticket items, it's important to remember that the world is already awash in weapon systems. These range from the relatively simple small arms and mines, to more advanced hand held surface to air missiles, to increasingly advanced anti-ship cruise missiles.
>
> Any country with hard currency can and will get these systems. And while they won't lead to military defeat of U.S. forces, they certainly hold out the prospect of casualties. As we have seen in the past, this can have both a major impact on force planning for peacekeeping operations and a significant domestic political impact on their conduct. (œ*Arms Sales Monitor February 1995, p. 3*)

As Rachel Stohl has described, the 21st century has seen little change in the flow of weaponry to Third World territories:

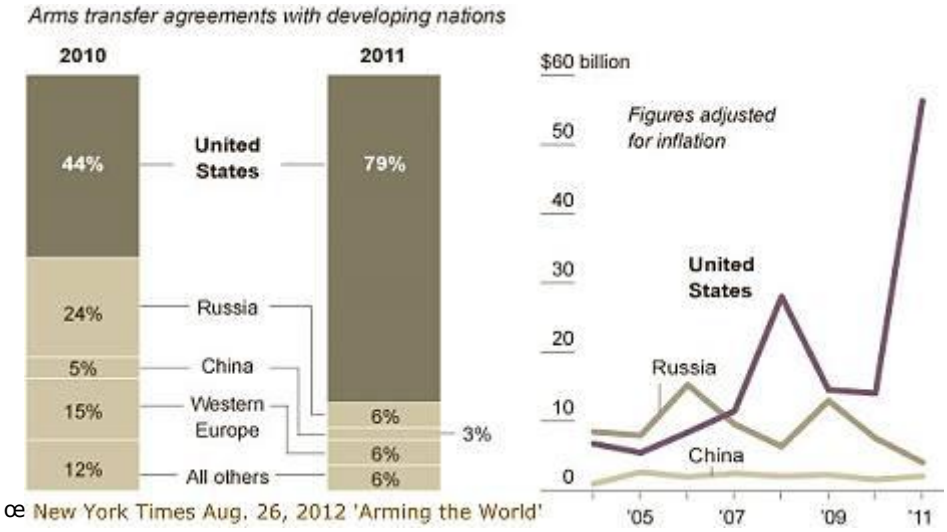
> In the last six years, Washington has stepped up its sales and transfers of high-technology weapons, military training, and other military assistance to governments regardless of their respect for human rights, democratic principles, or nonproliferation. All that matters is that they have pledged their assistance in the global war on terrorism. (œRachel Stohl (2008))

Thom Shanker, in A *New York Times* article, September 6th, 2009, entitled *Despite Slump, U.S. Role as Top Arms Supplier Grows,* outlined the continued growth in arms sales over the past several years:

> In the highly competitive global arms market, nations vie for both profit and political influence through weapons sales, in particular to developing nations, which remain "the primary focus of foreign arms sales activity by weapons suppliers," according to the study.

> Weapons sales to developing nations reached $42.2 billion in 2008, only a nominal increase from the $41.1 billion in 2007. (œShanker 2009) [356]

As the following graph shows, arms transfers to the 'developing' world by the United States have sped up since the 2008 global financial crisis. The United States, in 2011, was responsible for 79% of all arms transfer agreements with Third world countries.[357].



Richard Grimmett and Paul Kerr (2012), presented a detailed report of arms agreements and transfers to the Third World between 2004 and 2011 to the US Congress. As they explained:

> In worldwide arms transfer agreements in 2011-to both developed and developing nations-the United States dominated, ranking first with $66.3 billion in such agreements or 77.7% of all such agreements. This is the highest single year agreements total in the history of the U.S. arms export program. Russia ranked second in worldwide arms transfer agreements in 2011with $4.8 billion in such global agreements or 5.6%. The value of all arms transfer agreements worldwide in 2011 was $85.3 billion, a substantial increase over the 2010 total of $44.5 billion, and the highest worldwide arms agreements total since 2004. (œConventional Arms Transfers to Developing Nations, 2004-2011, (US Congressional Research Service, August 24, 2012, R42678))

Updated reports on Conventional Arms Transfers to Developing Nations and related studies can be accessed from the œUS Congressional Research Service Reports on Conventional Weapons Systems website.

For further insights into these issues see: A 'Perfect' Solution: Hypersonic Warfare (Is **this** the way our world ends?)

Parliamentary democracy, one-party states, military coups

Destructive as the weapons build-up and regional and ethnic challenges have been within Third World countries, there were other equally disruptive forces involved in challenging the viability of new nation-states. Where post-colonial governments were established through the electoral processes of democracy, those who entered parliament were supposed to conform to Western European parliamentary and governmental practices.

Parliamentary democracy, particularly of the Westminster form, depends on those elected seeing themselves as representatives, not of people in particular residential regions within the nation, but of particular 'parties' which represent the interests of particular social 'classes' and pressure groups, each with its distinctive ideology. Ethnic and clan differences are assumed to have been overridden by economically-based class distinctions which cut across group boundaries.

People are presumed to be committed to particular ideological positions espoused by the parties for which they vote.

Parliamentary democracy of Western European varieties philosophically presupposes a commitment by the majority of the population to the nation, with individuals vicariously sharing in the achievements of the nation as though they were their own achievements[358]. Thomas Hobbes, in the 17th century, provided the philosophical underpinnings for this form of nationalism. The commitment of individuals to the nation creates:

> ... a real unity of them all in one and the same person, made by covenant of every man with every man, in such manner as if every man should say to every man: I authorise and give up my right of governing myself to this man, or to this assembly of men, on this condition; that thou give up thy right to him and authorise all his actions in like manner. This done, the multitude so united in one person is called a COMMONWEALTH.
> (Hobbes 1909 [1651], ch. 17)

The government becomes the individual writ large, and individuals effectively enter into contract with the government to support it as long as all other individuals in the nation do so, too. However, as we have seen, this form of commitment presupposes an existing unity or nationalism amongst the populace. Government is aimed at balancing the competing interests of classes and pressure groups, fulfillling their aspirations at the national level.

Neither the 'classes'[359] nor widely endorsed 'parties'[360] and ideologies existed in most newly independent countries.

The Nigerian Head of State, œGeneral Murtala Mohammed, speaking to the Nigerian Constitution Drafting Committee in 1976, spelt out the problem:

> Since the inception of this Administration, and particularly since the announcement of your appointment as members of the Constitution Drafting Committee, there has been a lively debate in the press urging the introduction of one form of political ideology or another. Past events have, however, shown that we cannot build a future for this country on a rigid political ideology. Such an approach would be unrealistic.
>
> The evolution of a doctrinal concept is usually predicated upon the general acceptance by the people of a national political philosophy and,

> consequently, until all our people, or a large majority of them, have acknowledged a common ideological motivation, it would be fruitless to proclaim any particular philosophy or ideology in our constitution.
> (Murtala Mohammed 1976, pp. 12-15)

As Murtala Mohammed argued, variant political ideologies within a nation detail alternative biases in organization and activity, based on a common underlying understanding of the world and commitment to national government. Where that common understanding and commitment do not exist, it is difficult, if not impossible, to gain widespread, long-term support for the particular ideology of a political party. Rather, people define themselves in terms of ethnic and regional identity.[361]

In Third World nations, those elected to office have sometimes publicly endorsed particular political ideologies [362] which have spelt out alternative forms of centralized government of the nation. However, most of them already knew, or soon found, that their constituents were not committed to the articulated ideology and many of them simply did not understand its rationale.

Instead, people presume members of parliament to be committed to the communities which they represent. The communities do not see central government as an important institution through which the national economy might be safeguarded and nurtured or through which the nation might achieve 'stability' or 'economic well-being' or 'greatness'. Rather, they see it as the source of jobs, wealth and goods which could flow to themselves if their representative is astute.

Okwudiba Nnoli described this problem in post-colonial Nigeria:

> Nigerianisation involved efforts by the ethnically based ruling parties in the regions to secure the complete domination of the regional public service positions by the relevant regional functionaries, or, in their absence, to prevent rival ethnic groups from filling the relevant posts. This same strategy was evident in the inter ethnic struggle for positions in the federal public service.
> (Nnoli 1980, p. 196)

Paula Brown spelt out a similar scene in her study of leadership in the New Guinea Highlands:

> ... achievement of a high elective position has the greatest prestige and rewards ... The competition and ambitions of Simbu are demonstrated in the large number of nominees, the lavish expenditure of candidates on their campaigns, the significance of success and expectations of rewards by their followers.
>
> Support of a candidate is an important rural social activity. Provincial and national political office are the counters in Simbu intergroup and interpersonal competition of the 1980s.
> (Brown 1987, p. 102)

This direct relationship between the politician and his or her constituency is, of course, closer to the Athenian ideal of democracy than is the party system of Western democracy. But, in the absence of a sense of unity amongst all those whose representatives formed government, it resulted in political and governmental chaos.

When parliamentarians are intent on ensuring that as much of the national wealth as possible is siphoned off to themselves and to their regions,

government becomes a process of dividing up the spoils of office, not of focused 'national development'. As Brown said:

> With the continued concentration of financial resources in government, politics is the way to wealth ...
>
> Power and prestige in the province focus upon the town; a multi ethnic elite runs the affairs of the province and has connections with the national government, business, and sports activities. The rural communities are its dependents and the source of votes, customers, clients, and parishioners.
>
> ... these leaders are not detached from their rural relatives for two reasons.
>
> First, the selected officials represent rural constituencies where they must be nominated, campaign, receive votes, and serve rural supporters. In their distribution of benefits they reward their supporters and constituents with jobs and services.
>
> Second, the upper and urban segment is not independent of a rural base. Although they may live and work outside the rural area they contribute to rural affairs of their kinsmen, clan, and constituents and participate in some rural activities.
> (Brown 1987, p. 103)

Nnoli described the situation as it developed in Nigeria:

> Most Nigerians have come to believe that unless their 'own men' are in government they are unable to secure those socio-economic amenities that are disbursed by the government. Hence, governmental decisions about the siting of industries, the building of roads, award of scholarships, and appointments to positions in the public services, are closely examined in terms of their benefits to the various ethnic groups in the country.
>
> In fact, there has emerged a crop of 'ethnic watchers' who devote much of their time and energy to assessing the differential benefits of the various groups from any government project.
> (Nnoli 1978, p. 176)

During the 1980s, while living on the island of Tabiteuea in the Republic of Kiribati in the central Pacific during national elections, I canvassed the views of people as to the right kind of parliamentarian for their community. Every person with whom I spoke said that it was the responsibility of the elected person to gain as much for their community as possible from the central government.

People also focused on the cash income and other benefits flowing to the holder of the office. It was felt that the position of member of parliament was something of a sinecure, and the salary and 'perks' which went with the job belonged not only to the member but also to the community to which he or she belonged. It was, therefore, reasonable to 'share the job around', so that a number of communities might benefit from this cash flow.

The candidates all similarly claimed that they would only be elected if they could show that they could obtain more for the community than others before them and that their own income would be more widely distributed. Re-election depended on this perception of the performance of the member of parliament.

The man who was finally re-elected for a second term had developed a strategy through which his income was shared beyond his own community. In fact, he insisted, and it seemed correct, that he spent more of his money in helping marginal groups than in helping those who strongly supported him and considered him a member of their community.

Both the candidates and people in the electorate were able to name those in the previous parliament who had been most successful. In all cases their success was judged by what they had managed to obtain for their electorates.

When I asked people how they knew who were most successful, they answered that they knew through listening to the parliamentary broadcasts. People in the community who had radios (and many who lived nearby) often listened to parliament. The aim was not to find out about the country's external relations, or to judge the effectiveness with which the nation was being governed. Rather, they wanted to hear who were most forceful and effective in representing their electorates and which electorates were being favored in any 'development' exercises or in infrastructure maintenance and upgrading.

If the community felt that their representative was inadequate, that person was most unlikely to be re-elected. So, each new parliament comprises large numbers of new members, with little or no experience of parliamentary procedures, and far more commitment to their own electorates than to centralized government.

Papua New Guinean parliamentary experience [363], during the 1980s and 1990s, demonstrated a similar problem. Some sixty per cent of those elected in national elections were first timers, elected because they were perceived to be capable of better representing the interests of their communities and regions.

Not only are members of national and regional parties considered to be conduits of wealth and goods to their electorates, local-level politics is similarly competitive. Peter Weil (1971) explained this well for local council activity in the Gambia:

> Within any given electoral ward, various villages have particular demands. Inevitably some villages do not get the well or other project they have been demanding during their councillor's tenure, and the interests of these villages will then probably be in opposition to those of other villages.
>
> If a group of villages tends to unite around an issue, that group tends to be opposed by another group of villages with another issue. Thus, a type of opposition over specific issues operates at the local level in Area Council elections.
> (Weil 1971, p. 110)

This orientation, of course, makes it extremely difficult to govern nationally, regionally or locally. Parliamentarians and councillors are far more interested in gaining resources for themselves and their constituents than they are in regional government and development planning.

It is more important to obtain these resources than to observe the niceties of Western concepts of 'honesty' and 'integrity'. These are based on a presumption of the separation of politics and administration, of political activity and government spending. Third World governments, therefore, at whatever level, seem, almost inevitably, to be riddled with 'corruption'.[364]

Politics becomes reduced to patron-clientism, with those in power concentrating wealth and influence in their own hands, maintaining their support bases through providing privileged access to the jobs, wealth and influence they control. As Awazurike has claimed:

> The evidence in the last decade continues to point to a dismal outlook for third-world democracies ... The twin forces of economic woes and the opportunism of powerful oligarches ensure that from India and Pakistan to Bangladesh and Sri Lanka, the fate of fledgling attempts at democratization continues to raise more questions than answers - not least of which is the seeming ambivalence of the advanced industrial nations to the spread and deepening of genuine democratic movements since the late 1950s.
> (Awazurike 1990, p. 56)

One-party states

In many post-colonial nations, leaders, in the face of such pressures, did away with democratic multi-party politics, declaring 'one-party' states with strong leaders who appointed the representatives from each region of the country, or who ensured that the candidates in any election all accepted their leadership.

The ways in which this shift to single-party rule were effected varied from country to country.

The movement to one-party rule was, of course, often not entirely internally determined. In the international climate of ideological battle, the intelligence services of major Cold War countries attempted to ensure that Third World governments remained ideologically committed to their bias.

In Indonesia, the 1965 mass murder of hundreds of thousands of 'communist sympathizers', the overthrow of President Sukarno and the installation of Suharto as President of the country in 1967 seems to have been a consequence of just such activity [365]. This reorganization of political activity placed the ruling party (Golkar) in the powerful position of claiming the allegiance of the armed forces and members of the civil service, scrutinising and approving the constitutions and platforms of the other parties and of controlling their electoral activities in rural areas. (See œKathy Kadane (1990))

The President was given the right to dissolve any political party whose policies were not 'in the interests of the state' or whose membership comprised less than one quarter of the population. Indonesia became, and effectively remains a 'one-party' state, despite its apparent multi-party organization.[366]

Indonesia was not alone in reorganizing its political landscape. In Africa, by 1969, ninety per cent of the post-colonial nations were governed through single-party systems or by military regimes, many of which justified their seizure of power by claiming that the elected governments had become irredeemably corrupt (Young 1970, p.460). In former Asian colonies effective one-party states quickly emerged in most countries, and military coups occurred in many of the new nations. Sangmpam claimed that:

> Third World countries are characterised by a specific form of political competition marked by violent eruption of conflicts. From 1958 to 1965, about 70 percent of Third World countries experienced violent conflicts ranging from secession to open warfare, and 68 military coups

> were successful. From 1965 to 1985, about 130 coups occurred in Third World countries; of about 10 million violent, conflict-related deaths in the world, 99.94 percent were in Third World countries ... (Sangmpam 1994, p. 4)

Where one-party government was imposed, or governments were deposed by military leaders, this frequently seemed to provide strong central government, though such governments have been widely condemned for their 'human rights' records. Fred Riggs claimed that:

> ... data from a 1985 survey of Third World regimes reveal correlations between breakdowns and regime type. The high survival level of single-party regimes reflects the ability of ruling parties to control the elected assembly (and hence to govern arbitrarily), and to dominate the bureaucracy (and hence to prevent a coup). By contrast, since all presidentialist regimes in the Third World have experienced catastrophic breakdowns, it is concluded that the ability of divided government to control its bureaucracy and to provide coherent policy direction is so flawed that coups are virtually unavoidable.
> (Riggs 1993, p. 199)

Military coups

Throughout the Third World multi-party democracies have, as Riggs suggested, 'experienced catastrophic breakdowns', usually followed by military coups. Arthur Nwankwo spelt out his view of the situation in Nigeria in 1966 when a multi-party, democratically elected parliament was overthrown by a military coup:

> On 15 January 1966 Nigeria's post-colonial experiment with democracy ended when soldiers struck, killing some politicians, sacking the civilian government, and imposing military rule. Several factors were responsible for the collapse of Nigeria's First Republic, but among the most crucial was Regionalism, with its attendant ethnic dominance of each of the three regional governments.
>
> The regions constituted the political base for the contenders of power at the Federal level, and tribal or ethnic sentiments were used by these politicians to whip up support for their equally regionally and ethnically-based parties ... In the struggle, the powerful regional governments overwhelmed and incapacitated the Federal Government, regardless of the central government's constitutional superiority.
>
> Thus, it was not the Constitution that failed, but the politicians who operated it, for they were too narrow-minded, too reckless and intellectually and emotionally unprepared for the functions the Constitution placed on them. It was the violent rivalry for power among the politicians, coupled with massive corruption, brazen injustice and political and religious intolerance which brought about the demise of the First Republic.
> (Nwankwo 1984, pp. 6-7)

Where military coups were avoided, multi-party democracy has usually been displaced by single-party systems. Since countries which opted for one-party rule or which were ruled by military juntas were often already experiencing inter-group tension and confrontation, in many cases the imposition of military or one-party rule masked continuing conflict within the nation. In Nigeria, as in many other countries ruled militarily, military rule has been punctuated by coups and counter-coups.

In both militarily ruled and one-party states, those holding power have intruded ever more directly and forcefully into those areas of activity which Western people are strongly convinced should be outside the realm of politics. Sangmpam has argued that the state, in many Third World countries, has become 'over politicized'. As he said:

> By over politicization I mean
>
> - the use of overt compulsion by those holding power to organize political representation, participation, and competition for ... goods and services ... ;
> - the fluidity of state power and constant insecurity characterising holders of state power in their relations with other social actors;
> - political participation and competition outside established institutions;
> - the lack of compromise over the outcome of political competition; and
> - the general use of open violence and confrontation in such participation and competition.
>
> (Sangmpam 1994, p. 5)

Political, Economic and Social Integration: A Patron-Client World

Rather than government providing a stable backdrop to the self-interested activities of people competing within the marketplace, political power holders have become direct players in the economic sphere, using their positions and power to advantage themselves and their supporters.

This has effectively reoriented many Third World communities toward patron-client forms of political, economic and social organization. The activities of political, business, traditional, military and other leaders become interfused as networks of mutual support and promotion develop. In such patron-client oriented systems, political and economic spheres are intermeshed. To succeed economically, one needs a political patron.

Richard Robison (1990) provided a description of a variety of forms of this kind of political / economic activity in Indonesia. The most important of these in Third World countries is undoubtedly what he called 'bureaucratic capitalism'. As he explained,

> bureaucratic capitalism is a product of patrimonial bureaucratic authority in which the demarcation between public service and private interest is at best blurred.
> (1990, p. 14)

Many of those involved in this kind of political activity develop 'joint ventures' with overseas companies and transnational corporations. The politician, or person who has strong links with political authority, obtains licences, concessions, finance, and favorable terms of business for the overseas partner and, in return, holds stock in the company formed within the country or is rewarded in other ways. As Robison explained,

> The central feature of the joint venture is the exchange of politically controlled economic concessions for financial reward.
> (1990, p. 17)

While Robison's study focused on such activity in Indonesia, very similar arrangements can be found in almost every Third World country.

For businesses involved in this kind of activity it is very important that the political leaders be secure and hold power over a long period. Every political upheaval becomes a business upheaval as new political patrons have to be secured.

For this reason, many multinational and transnational businesses have been accused of supporting dictatorial, repressive regimes, securing their own interests by ensuring the long-term survival of their patrons.[367]

Where this cannot be arranged, businesses have to hedge their bets, securing the commitment not only of key political figures of the present, but also likely future players. The game becomes much more complex and certainly more costly.

It is, therefore, less likely that foreign businesses will be attracted to countries where the political leadership is likely to be displaced in a short period, whether by electoral or any other means. Economic 'development', therefore, seems to favor stable regimes, as the East and South-East Asian countries have demonstrated.

Political support is not only available to foreign companies (though these are usually the most lucrative source of income). Similar arrangements are made with business people within Third World countries. As Sklar and Whitaker described of Nigeria two decades ago:

> In every region, the party waxed fat in its house of patronage. It had money, favors, jobs, and honours to distribute among those who would support it. To a large extent, these regional patronage systems were based on regional marketing boards ...
>
> Invariably, the vast majority of those who receive or hope to receive loans from the boards or the banks are attracted by powerful inducements to join or support the regional government party; insofar as they prosper, they may be expected to support the party financially. The same may be said of commercial contractors who work for the regional governments and their statutory corporations ....
>
> Who are the masters of the regional governments? High-ranking politicians, senior administrators, major chiefs, lords of the economy, distinguished members of the learned professions ...
> (Sklar & Whitaker 1991, p. 79)

As key economic, political, professional, military and traditional leaders support one another, avenues to wealth are increasingly controlled by them, to be made available, at their discretion, to those who support them. The result is what is commonly seen in Third World countries: a marked division between the 'haves' and 'have nots', with those who do not have access to the wealth of the region increasingly dependent on those who have, tied to them in bonds of clientage.

In the climate of ethnic and clan rivalry which exists in many Third World countries, patrons and clients see their interests as separate from those of opposing groups which are also competing for the spoils of political and economic power. The consequences, as both Sangmpam (1994) and Weil (1971) have suggested, are increasing tension and eruptions of violence which cannot easily be countered.

In the worldwide political climate of the 1950s-1980s, this usually meant that one or other of the internationally dominant ideological blocs readily financed and armed opposing groups, leading to continued unrest and rebellion. Opposing leaders, each intent on establishing their patronage and power, soon learned to speak the language of international ideological tension, and so ensured funding of military requirements in either resisting or instigating rebellion and armed insurrection.

Over the last decade, the language employed to gain support has changed, but the consequences have not. Now, support is given to bolster regimes or favored insurgents in combating 'international terror' rather than 'Communism', but the results are very similar [368]. Third World politicians and their economic counter-parts have learned a new language and are becoming increasingly fluent in its use.

From 'Soldiers of Fortune' to 'International Security Companies'

In the 1990s, privatization became the name of the game. It was argued that the reason why Third World governments had failed to 'develop' their countries was that they had incompetently interfered in economic activity. This was much better left to the 'market-place'. The new emphasis was introduced to Third World peoples through a variety of structural adjustment programs (SAPs) imposed by the World Bank and the IMF.

Not only was private enterprise the new key to development, it was also argued that if security was left in the hands of Third World governments, politicians would use this as a means of leveraging international businesses operating in the country. It became increasingly acceptable for transnational companies to hire 'security firms' to ensure the safety of their operations in areas of political instability and lawlessness. This was justified by corporations as being very similar to their use of such private security agencies in Western countries. If the scale of security operations was greater, this was simply because security problems in many Third World countries are more acute.

The use of mercenaries is, of course, not new. As Gilbert Murray described of British practice in the late 19th century,

> In military operations, again, we of the British Empire depend to a quite enormous extent upon soldiers of alien race, more, possibly, than any State since Carthage. Nearly all our African fighting before the present war, and most of our Indian fighting, has been done for us by natives. The great victories of Clive over the French, which we are accustomed to regard as proofs of British strength or valour, were almost entirely victories of Sepoys over Sepoys.
>
> The economic situation is really the same as in the other cases. We cannot spare more of the ruling race to fight. We take instead some naturally warlike savages, train them, officer them, and make them do the fighting for us.
> (Gilbert Murray 1900 p. 144)

In the first decade of the 21st Century, the use of private security firms has become very wide-spread, fuelled by the employment of these organizations by the U. S. military and by major corporations and organizations operating in danger zones in non-Western countries. Hundreds of 'privatized military firms' now exist, operating in over fifty

countries, with annual revenues well in excess of a hundred billion dollars [369].

The effect of these developments has been to reintroduce mercenary soldiers into non-Western countries in the guise of security personnel. The mercenaries which plagued African communities during the 1970s were funded as expatriate soldiers who were supporting regimes fighting 'communist insurgency'. The new mercenaries, in the spirit of the times, are seen to be fighting 'international terror', the enemies of democracy and capitalism.

They are ensuring the stability of regimes (or the successful insurgency of an opposing group if a regime proves unreliable) and the profitability of transnational corporations. As such, they no longer come in the crude guise of soldiers of fortune, now they come as 'security consultants', providing security services and helping to 'privatize' yet another arm of government activity, forming an even closer alliance between transnational corporations and their political patrons.

Civil/military rule

In many countries, long-term 'civil-military' regimes have emerged, in which the leadership, while 'civil' (that is, not holding military rank or position), is closely allied with the military leadership. As Hassan Gardezi described, there has emerged, in Pakistan, a 'strong bureaucratic-military oligarchy at the helm of the state which uses its regulatory powers to mediate the mutually competing and at times conflicting interests' (1985, p. 1) of the country.

Arthur Nwankwo, writing of Nigeria, suggested that this form of rule should be called 'cimilicy' and should be based on:

> ... civilianising the military and militarizing the civilians in a new arrangement for a new dispensation.
>
> Government being the authoritative allocator of national resources in response to articulated and organized group interests, it is necessary that people who participate in government articulate and organize their views and work together, each being fully conscious of the strength, weaknesses and rights of others in a new social compact where the artificial lines of demarcation between the military and the civilians is eradicated.
>
> For in theory and in deed, all civilians and all military persons of Nigerian extraction are Nigerians and are entitled to equal rights, privileges and dispensations and equally endowed for the onerous task of building a New Nigeria.
> (Nwankwo 1984, p. xii)

To date, Nigeria has not managed to establish a stable coalition of such interests. Other post-colonial states, however, have been much more successful in pursuing such policies. In nations as diverse as Egypt and Indonesia, this kind of civilian-military alliance has been effectively pursued over some thirty to forty years.

The degree to which such alliances have disenfranchised communities and populations has been a matter of vigorous debate over the past fifteen years. It has commonly been claimed that such 'dictatorships' ride roughshod over individual human rights, as expressed in various United

Nations declarations. Some of the more stable of these regimes have replied, as Indonesian authorities have, that:

> It is now generally accepted that all categories of human rights - civil, political, economic, social and cultural, the rights of the individual and the rights of the community, the society and the nation - are interrelated and indivisible. The promotion and protection of all these rights should therefore be undertaken in an integrated and balanced manner. Inordinate emphasis on one category of human rights over another should be eschewed.
>
> Likewise, in assessing the human rights conditions of countries, particularly developing countries, the international community should take into account the situation in relation to all categories of human rights - following the principles contained in the Universal Declaration of Human Rights. Article 29 of that Declaration addresses two aspects that balance each other: On the one hand, there are principles that respect the fundamental rights and freedoms of the individual; on the other, there are stipulations regarding the obligations of the individual toward the society and the state.
> (Alatas 1993)

United Nations emphasis on the rights of individuals, at the expense of community and nation are considered unbalanced and in need of correction. However, such statements have been vigorously rejected by pro-democracy groups throughout the world. As Jeremy Hobbs of Community Aid Abroad (CAA) claimed:

> Australia's special relationship with Indonesia is viewed with bitter cynicism by Indonesian non-government organizations. For them it is supremely ironic that Australia, arguably the most democratic country in the region, is not prepared to take a tougher line on free speech, human rights, democracy and labor issues. Worse, we have been happy to fill the breach when the [US] Clinton administration withdrew military support because of its concerns over human rights.
> (Hobbs 1995, p. 1)

Since the collapse of the Soviet Union, the Western powers have increasingly insisted on a return by Third World governments to multiparty political systems based on Western democratic ideals. As Andrew Purvis claimed:

> As recently as five years ago, sub-Saharan Africa seemed poised on the verge of a new democratic era. The end of the cold war and mounting pressure from Western donors for political reform as a condition for ongoing aid led to a flurry of multiparty elections, and millions of voters eager for a change trekked to the polls ... [However] Africa's veteran rulers know what they are up to. Many of them have been denied foreign aid because of their autocratic regimes. But once elections have been held, or in some cases merely promised, Western aid dollars begin flowing again
>
> ... This is not the first time Africa has wrestled with multiparty governance. Immediately after many countries gained independence in the 1960s, political parties flourished, elections were called, and voters rejoiced. But then many of independent Africa's founding fathers convinced their people that the single-party state was the only way. The result was the lost years of the '70s and the economic disarray of the '80s. The only hope is that Western donors, together with Africa's

more reform-minded leaders, will not stand for such backsliding again. (Purvis 1996)

Like Purvis, many Western commentators believe that most of the Third World's woes can be traced to the forms of government which have emerged over the past forty years. Autocratic governments, dominated by corrupt, self-serving politicians, have mismanaged economies and increased their own wealth and power at the expense of their electorates. In order to overcome these problems, it is considered necessary to return to Western governmental practices, to multi-party, democratic government.

However, it can be argued, as Nef (1991, pp. 16ff. [370]) did for Latin America, that, in part, the emergence and dominance of repressive regimes has been a requirement and a consequence of the kinds of 'economic development' pursued in those countries since the late 1960s. The unpopular, 'structural adjustments' which Third World governments have been required to make by both the World Bank and IMF have required political controls not available to truly democratically elected governments.

The developmentalist models of Third World development experts, which placed emphasis on the role of government in stimulating and guiding economic development, came into disrepute during the 1970s. At about the same time, the Keynesian economic models of the West came under siege from neoliberal alternatives. In their place the neoliberal monetarist policies of Margaret Thatcher in Britain and of conservative politics throughout most of the Western world during the late 1970s and the 1980s and 1990s, became the stuff of development specialist advice in the Third World through the 1970s and since that time.[371]

This shift coincided with a rapid increase in Third World indebtedness following a sharp increase in oil prices in the early 1970s. From the late 1970s, lenders became increasingly concerned at the mounting debt of Third World countries. As Dan Connell has said, 'From 1970 to 1989, according to UN reports, Third World debt skyrocketed from $68.4 billion to $1,262.8 billion, leaving several nations owing more than they produce in annual income' (1993, p. 1).

This came to a head in the early 1980s, when international creditors decided it was time to act to protect their investments. For most, the central consideration in ensuring the economic viability of Third World nations was the 'downsizing' of government and the deregulation of all economic, financial and fiscal activity.

Effectively, this meant a complete reorganization of government, a determined swing away from 'left-wing' politics to the politics of the marketplace [372]. Such radical restructuring has inevitably resulted in mounting tension within the affected countries.

Cheru spelt out some of the demands of such programs:

a) liberalization of import controls;

b) devaluation of the country's exchange rate;

c) a domestic anti-inflationary program which will control bank credits and [exercise] control over government deficit by curbing spending, increased taxation, abolition of consumer subsidies;

d) a program of greater hospitality to multinational companies (MNCs) .

> ... As President Kaunda of Zambia put it, 'The IMF does not care whether you are suffering economic malaria, bilharzia or broken legs. They will always give you quinine'. The policy prescriptions listed above reflect the Fund's political and economic ideology rather than the interests of the developing countries.
> (Cheru 1989, p. 37)

In order to ensure that the necessary 'structural adjustments' were made to Third World economies so that they might benefit from the increased competitive advantages that it was assumed would accrue from an unfettered 'enterprise economy', governments needed to be firmly in control, able to apply the 'pain' which would, necessarily, precede the economic 'gain' of this radical shift from welfare economics to free market economics.

As an astute commentator described for Chile, one of the first Latin American countries to experience these changes:

> After overthrowing the elected Allende government in 1973, the Chilean military crushed leftist parties, unions, and peasant associations. Then, in an unwelcome surprise to some elites that had initially invited the coup, the military disbanded right wing and centrist parties as well ...
>
> Such measures were necessary, the military claimed, to enable it to impose harsh deflationary policies 'in the national interest' without organized opposition.

The need for this degree of control resulted, in many countries, in an increased emphasis on 'law and order', and increased expenditures to bolster both police and paramilitary strength to support government in its determination to set in place the necessary changes to ensure long-term economic growth. As Ihonvbere claimed:

> The political tensions that have accompanied monetarism have furthered repression, human rights abuses, riots and national disintegration ...
>
> The very high degree of human suffering, disillusionment, anger, alienation, rural decay, urban dislocation, suicides, marital crises, prostitution and crime which have accompanied monetarist responses to the African economic crisis, hold major implications for the potency of ethnicity and the subversion of the goals of nationhood.
> (Ihonvbere 1994, p. 51)

The *appearance* of democracy

As tensions have mounted in many countries, governments have felt compelled to increase their coercive authority. Most Third World governments, in the post-cold-war(1) years, have found themselves on the horns of a dilemma. They are being pressured by First World governments and organizations into both deregulation of economic activity, which requires increased coercive authority, and the ratification and implementation of human rights programs and principles.

As Purvis suggested, this has led to a rhetoric in favor of multi-party democracy [373] and implementation of human rights programs, accompanied by further politicization of the directive agencies of government.

This increasing politicization of both the police forces and court systems has delegitimised both sets of institutions in the eyes of many people in Third World countries, leading to increasing fear and tension within Third World nations and to further political repression.

The politicization of police forces and courts has been accompanied by the politicization of law, establishing statutes which can be used to legitimize government repression and make it increasingly difficult for individuals and groups to defend themselves against politically motivated criminal charges. As Amnesty International spelt out for the African continent:

> There is a developing pattern of human rights violations in parts of Africa in which governments publicly committed to political pluralism adopt methods of curbing domestic opposition and criticism which are designed to minimize the likelihood of international disapproval and to keep their democratic credentials intact.
>
> Certain types of legal charge are proving increasingly attractive to governments seeking to criminalise peaceful political activity or dissent in this new context. These charges include sedition, contempt of court, subversion, defamation, possession of classified documents, and holding meetings or demonstrations without an official permit. (œAmnesty International 1995)

The reality in many Third World nations since the mid 1990s is that while governments are being pressured to reinstitute multi-party democratic political processes, contradictory pressures coming from the First World, in fact, produce multi-party democratic rhetoric, coupled with the entrenchment of coercive, autocratic government. This has resulted in continuing unrest and rebellion in many Third World countries.

A œTime report spelt out the realities of the first decade of the 21st century,

> President Bush is fond of saying that "democracy is on the march" around the world. That's been largely true for the last couple decades, but a new report from the Economist Intelligence Unit says that over the last two years the global trend toward democratization has been stopped in its tracks. Even further, the report suggests the global financial crisis has the potential to start the march moving in the opposite direction:
>
> > The results of the œEconomist Intelligence Unit's Democracy Index 2008 confirm that, following a decades-long global trend in democratization, the spread of democracy has come to a halt. Comparing the results for 2008 with those from the first edition of

> the index, which covered 2006, shows that the dominant pattern in the past two years has been stagnation.
>
> Although there is no recent trend of outright regression, there are few instances of significant improvement. However, the global financial crisis, resulting in a sharp and possibly protracted recession, could threaten democracy in some parts of the world.

The report also classifies only 30 of the world's countries as being "full democracies," with another 50 countries deemed "flawed democracies." Only 14% of the world's population lives within those countries considered "full democracies."
(œReal Clear Politics October 22nd 2008)

Of the post-Cold War 1 years:

Corruption

Inevitably, when personalized systems of government and leadership, like those found in most Third World nations, are judged against the standards assumed to be commonplace in Western systems of Government [374], they are found to be 'riddled with corruption'. In order to conduct business on a 'level playing field', Western governments and corporations consider it essential to police corrupt practices. At the instigation of Western nations and agencies the œUnited Nations Convention Against Corruption has been negotiated, coming into force in 2005. As the United Nations Office on Drugs and Crime explains,

> Corruption undermines democratic institutions, slows economic development and contributes to governmental instability. Corruption attacks the foundation of democratic institutions by distorting electoral processes, perverting the rule of law and creating bureaucratic quagmires whose only reason for existing is the soliciting of bribes.
>
> Economic development is stunted because foreign direct investment is discouraged and small businesses within the country often find it impossible to overcome the "start-up costs" required because of corruption.
> (œUNODC 2010 - accessed 12 April 2010)

Unsurprisingly, corruption appears to be endemic in non-Western nations, but remarkably infrequent in Western nations [375].

In order to appreciate the experiences of Third World nations in the post-Second World War period, we need to remember that depersonalized government of the Western kind is unusual and requires understandings of the world which are distinctively Western.[376] Where Western understandings don't exist, the forms of government which they require are also unlikely to exist; and where people are required to behave as though Western understandings do exist, there will be many inconsistencies in governmental organization and practice.

Terror

In the last twenty years there have been a number of important changes in international and regional politics around the world. Most obviously, the ideologically fuelled 'Cold War' has ended, with communism and socialism in disarray and capitalism firmly established in the international arena. In the world of the 1990s there was a marked increase in conflicts which were

pronounced to be 'ethnically' inspired, in contrast to those of earlier post-Second World War years, which were usually considered to be driven by commitment to First and Second World ideologies.

The 'ethnic' focus (which largely side-lined Western countries) has, since 2001, been displaced by a diffuse concern with 'terror'. This has led to the United States' promoted 'war on terror' around the world.

Non-Western governments, confronted with ethnic and other challenges inside their territories, could once again trigger military aid from Western countries. All they had to do was to label those with whom they were having difficulty 'separatist terrorist organizations' or claim that they had been 'infiltrated by terrorists' and accuse them of links with 'international terrorism'.

They have been quick to take advantage of Western paranoia, receiving weaponry and military training from Western countries which have largely seen them as the 'front line' in the 'war on terror' [377]. As Rachel Stohl has described,

> ... the United States has made the "global war on terror" its priority in determining arms transfers and military assistance. In the last six years, Washington has stepped up its sales and transfers of high-technology weapons, military training, and other military assistance to governments regardless of their respect for human rights, democratic principles, or nonproliferation. All that matters is that they have pledged their assistance in the global war on terrorism.
> (œRachel Stohl (2008))

Neoliberalism

(28/05/16)

There has also been a technological revolution in worldwide telecommunications networks, with transactions of all sorts now flowing through those networks which governments are decreasingly able to effectively monitor and/ or control. This has been accompanied by a victory for neoliberal economic reformers as advisers to governments and international organizations.[378]

These advisers have managed to convince governments everywhere of the need for the privatization of government assets and activities and deregulation of financial markets and currencies, progressively moving control of national fiscal and financial matters from national governments into the international marketplace.

As Rosario Espinal claimed of Latin America during the 1980s, there was a dramatic shift away from developmentalism [379] and towards neoliberal economic and political policies:

> ... pro-market statements came from different quarters: agencies like the International Monetary Fund (IMF), foreign governments, a growing number of Latin American economists and intellectuals and some segments of the business class ...
>
> In addition to pressure from international agencies to privatize and liberalise the Latin American economies, think tanks and research groups flourished throughout the region in an effort to publicise neoliberal views.
> (Espinal 1992, p. 32)

This coincided with a change in the dominant way of 'making money' in the world - through currency, bond and stock trading and financial manipulations rather than through long-term investment in primary and secondary production. This has resulted in primary production, the most important means of income generation for new nations, becoming less and less attractive to investors, since returns on primary production are usually lower and slower - and often far more uncertain - than those resulting from financial manipulations. So, Third World nations are finding it increasingly difficult to attract and retain investment income, making their economies increasingly volatile.

The volatility of international capital investment, focused on short-term gains, means that, in their efforts to retain investment capital, governments must offer a range of financial inducements, competing with each other to minimize capital flight. Thus, over time, the cost of investment capital increases for those countries least able to afford such costs.

Far from there being true financial deregulation, governments find themselves having constantly to interfere, to prop up their currencies and induce capital to stay. As Gerald Meier presciently described of the financial crises which assailed both Latin American and East and South-East Asian countries in the late 1990s (and which, of course, have threatened the rest of the world during the last years of the first decade of the 21st century):

> The Mexican crisis was caused by the volatility of short term capital flows, produced by the unfulfillled market expectations of investors. Today capital flows are dominated by international markets, to the point that domestic autonomy and sovereignty is subordinated to the markets ...
>
> The Mexican crisis or something similar will happen again because it is impossible to keep exchange rates fixed.
> (in Morles 1996)

Governments, as a result of these influences, are now faced both by regional and ethnic challenges from within and by international challenges to their authority, independence and economic viability. There is a strong demand for internationalization of economies, allowing the now dominant forces of capitalism increasing entry into, and influence over internal economic activities. This, if and as it is successful, reduces the ability of governments to control economic activity and therefore to plan and implement economic, infrastructural, service, and welfare programs.

On the one hand, governments are increasingly finding themselves at the mercy of international financial and fiscal forces, and on the other, the integrity of the nation-state is being challenged from within. During the first half of 1996, an unremarkable year for ethnic conflicts, there were ethnically or religiously inspired revolts in more than sixty countries around the world. In 2009, though the focus of revolt is claimed to have changed, the frequency of internal challenges to central government authority increased, with more and more non-Western countries teetering on the brink of being declared 'fragile' or 'failed' states

The Depressing (but realistic) Conclusion

(03/06/23)

The post-Colonial world of the 21st Century is beset by seemingly insurmountable problems.

Perhaps the most intractable of these is the inheritance by post-colonial nations of anachronistic borders. These were set by Western powers driven, not by the desire to establish new nations, but, by the desire to control as much territory as possible and, with that, to gain exclusive access to the resources of those lands they controlled.

The consequence, for post-colonial governments seeking to accomplish what colonial powers never attempted - the legitimation of political control over national borders and unification of their encapsulated ethnically diverse populations - is continued, and often increasingly intractable, tensions between ethnic communities.

There never was a rationally determined set of colonial policies for ensuring inter- and intra- ethnic tolerance and harmony among the diverse communities of their colonies.

As has often been observed, Western colonies, around the world, were created and administered as though human communities were simply unfortunate impediments to be exploited along with the natural resources which were the true purpose and rationale for colonization.

Post-colonial governments are faced with similar problems to those faced by Ukraine in its post- Soviet attempt to weld together populations which should never have been placed within a common national boundary.

But, of course, those borders, having been established and internationally legitimized, are almost impossible to meaningfully change to ensure long-lasting rational groupings of compatible ethnic communities each within its own national borders.

The upheaval and chaos involved in attempting such a reorganisation of national boundaries in a time when humanity is confronting looming environmental catastrophe (also bequeathed by those colonial powers and their offspring) cannot be addressed without condemning humanity to possible extinction on this planet.

The tensions we have examined in this discussion have not lessened in the first decades of the 21st century. In many cases they have become stronger and more challenging to the viability of Third World national governments.

Governments are being subjected to:

- international pressures from First World governments and non-government organizations;
- demands of the international marketplace and of international organizations and enterprises;
- the demands of electorates which see central, regional and local government as resources to be mined;
- and the tensions associated with competing regional, ethnic and clan-based patron-client networks.

- They are also being pressured by demands from First world countries to control incipient terrorism within their borders and, simultaneously, to prevent refugee flows to Western countries which, in the minds of Western populations, might include individuals and groups seeking to pursue terrorist agendas within First World countries.

These problems, compounded by a range of environmental and economic problems of equal magnitude, make the future of many Third World governments highly problematic. As Rice and Patrick have concluded:

> On balance, poorer countries tend to be weaker ones. Poverty fuels and perpetuates civil conflict, which swiftly and dramatically reduces state capacity...
>
> The vast majority of [failed and critically weak] states... have experienced conflict within the past decade and a half. Their security deficits are typically accompanied by weaknesses across the three other core areas of state performance. This is logical, because conflict destroys both formal economies and political institutions. It can also exacerbate poor health conditions, including by facilitating the spread of infectious diseases.
>
> Given a nearly 50 percent risk that postconflict countries will return to war within 5 years, unsuccessful postconflict, peace-building and peacekeeping/stabilization efforts risk condemning countries to renewed conflict or nearly perpetual insecurity and poverty.
> (Rice and Patrick 2008)

The world of the 21st century reminds one of Britain in the 5th century AD.

As we've already seen (The Decay of Western Influence) Britain, in the 5th century, experienced just such turmoil as rival 'kings' battled for ascendancy and neighboring groups, taking advantage of the chaos, invaded the region.

Gildas, a century after the exodus of the Roman legions, provided a graphic description of the chaos which ensued with the waning of Roman influence in Britain,

> ...neither to this day are the cities of our country inhabited as before, but being forsaken and overthrown, still lie desolate; our foreign wars having ceased, but our civil troubles still remaining.
> (œChapter 26)

As the empires of Western Europe have crumbled, the institutions in their post-colonial territories, established by them to ensure continuity with the colonial past, have become decreasingly effective. The 21st century has produced its own examples of post-colonial territories suffering turmoil and chaos in the increasing numbers of 'fragile' and 'failed' states which are a growing concern for Western people.[380]

Many post-colonial territories are in various stages of change. They are slowly, but inevitably, metamorphosing into communities which exhibit similarities with the pre-colonial communities from which they came. Any reassertion of pre-colonial principles of categorization and classification will inevitably be slow and difficult. Over time, forms of organization and interaction will emerge which echo those of the past though they will, of course, not simply replicate past forms.

First, any form which emerges is simply one of a range of possible forms, any or all of which might be generated from the same fundamental

categorical principles. So, even if the same principles were in operation one would find different surface forms over time.

Secondly, the principles themselves are not static, they change through time and the forms of interaction and organization which emerge will reflect such changes.

This has been demonstrated time and again in Third World communities as Western influence has become less dominant.

Chapter 8:
Global economic forces, Western realities:
From Protectionism to Neoliberal Free Markets
Do not go gently into that dark night!

(29/01/23)

Global economic forces, Western realities

From Nation States to Privatized, Deregulated World Government

The Regulation - Deregulation Cycle
- Welfare Capitalism and gutted unions
  - Company Towns, Truck Systems, Debt Bondage and Indenture
- Quantitative Easing, Financial Collapse and Protectionism

From Free Markets to Protectionism
- Welfare States and Protectionism
- The relationship between community social templates, resource utilization and constantly escalating productive and consumptive demands
- Loss of subsistence resources
- Wage Labor dependence
  - And, in 2023, The World has a New Population of 'Super-Consumers'
- Free Markets, invaded environments, and snowballing production and consumption
- Free Markets Work: Improving Wages, Conditions and Consumption

The emergence of welfarism: Social costs are Production Costs
- Capitalism and Parasitism
- Community costs are Production costs
- Protectionism
- No Social Welfare for post-colonial nations

The triumph of neoliberalism
- Neoliberalism: A Cure for Economic Stagnation
- Economic Efficiency and the Virtues of De-Regulation
- Economic Activity as Non-Social Activity
- Globalization Lowers Prices, Frees Investment - We're all Better Off!!
- Just-In-Time and Total-Quality-Control: Let's be *flexible* !
  - Do not go gently into that dark night!
- And then We Deregulated Finances and Currencies!
- Transient Benefits of Globalization
- Public-Private Partnership: We need to 'Stimulate' Private enterprise
- The Twilight of Western Hegemony?
  - The United States is sacrificing vassal states enroute to Irrelevance
    It's All About 'Good Business'
  - An Object Lesson for US Vassal States!
    Ukraine:Sacrificed on the altar of US 'Indispensability'

Conclusion

➢ Rather than creating costs, both regulation and deregulation shift them... Regulation and deregulation each consists of lower costs for one party and higher costs for the other.
(Samuels & Shaffer 1982, p. 467)

➢ 'Well! I've often seen a cat without a grin,' thought Alice; 'but a grin without a cat! It's the most curious thing I ever saw in my life!'
(Lewis Carroll *Alice's Adventures in Wonderland*)

From Nation States to Privatized, Deregulated World Government

(12/04/20) (13/04/20) (16/05/16) (06/04/16)(11/11/18) (12/07/22) (08/02/23) (18/03/23) (05/08/23) (15/08/23)

In the 21st Century there has been a concerted, coordinated determination to ensure the enduring hegemony of Western Capitalism through establishing a single hegemonic center for the world.

The vision of Western European nation-states through the 19th and 20th centuries was the globalization of their reach and control.

This ambition, in the 21st century, has matured into a belief that Western Capitalism, in a drive to privatize the world, has evolved.

The 'nation-state' has outlived its usefulness. It was always a means to the true end of capitalism - the denationalized control of the world.[381]

We might be living in a time defined by a determined drive to privatize the world, but that drive does not come from a coherent policy for governing that privatized world. A major problem for both 'The West' and for the rest of the world is that, as 'Jeremy Grimm' summarizes

> Governments and their human minions *serve the perceived short term good of the ever shifting Elite factions* controlling the Government. The often incoherent outcomes of many Government initiatives reflect the incoherence of the Elite factions driving those initiatives. But the outcomes often reflect the broad short term interests of the Elites [my emphasis]

The movement to privatization is also a movement to 'deregulation'. One should not presume that those committed to privatized control of it all are also committed to coordinated 'government' of the world they 'liberate'. Even if (in the unlikely event that) they are 'highly intelligent and focused leaders', they are also, highly motivated by short-term self-interest in a deregulated world of profit driven competitors.

In a world in which neoliberals have finally triumphed we should expect a world driven by 'the perceived short term good of ever shifting Elite factions' - a chaotic world in which Thoreau's vision is realized:

> "That government is best which governs least"; and I should like to see it acted up to more rapidly and systematically. Carried out, it finally amounts to this, which also I believe, - "That government is best which governs not at all"; and when men are prepared for it, that will be the kind of government which they will have. Government is at best but an expedient; but most governments are usually, and all governments are sometimes, inexpedient

In 1991, with the end of the 'Cold War', the United States was confronted by two diametrically opposed alternatives.

> It could return to the pre-1940 world of armed forces based on the 'citizen-soldier' model. This presumed a rump military relying on a

> large, dominant industrial base which could rapidly be refocused (as in WW2) to provide the requirements for any conflict if needed.
>
> or
>
> It could create a new justificatory rationale for maintaining and expanding its armed forces.

Sadly, in the 1990s, it chose the latter option. A draft of a document ('3/13/92') commenting on the US President's 'Defense Planning Guidance 1994-1999' document being circulated for comment explained the possibilities available to the United states, suggesting that its military footprint could be 'reduced':

> This Defense Planning-Guidance implements the President's new defense strategy. This strategy guides U.S. security policy and military strategy in a dramatically changed global security environment, one marked by a significant reduction in the resources we will devote to defense and a focus on regional security challenges of concern to us, rather than on the global challenge we faced in the Cold War.
>
> Our strategic position and choices today are very different from those we faced in the past. A fundamentally new situation has been created by the collapse of the Warsaw Pact, the disintegration of the internal as well as the external Soviet empire, and the discrediting of Communism as an ideology with global pretensions and influence.
>
> The United States has responded decisively to reduce its conventional and strategic forces to levels consistent with the promise and uncertainties of the changing environment. The passing global threat challenges U.S. leadership to preserve and strengthen the wide-ranging security relations we have developed over the last forty years with friendly nations and allies, including leading industrial democracies, and to include new democracies of Eastern Europe and the former Soviet Union in a prosperous and democratic "zone of peace." The new international environment also reflects the victory of the United States and its Coalition allies over Iraqi aggression -- tbe first major post-Cold War conflict.
>
> Our regionally-oriented defense strategy and this Defense Planning Guidance seeks to achieve our national security objectives while facilitating the reduction and restructuring of our defense establishment. As a Nation we have never before succeeded in reducing the defense establishment while retaining necessary capabilities, Our planning should preserve our ability, albeit at lower levels of forces, to shape the future strategic environment -- to foster positive trends and preclude the renewal of major challenqes and thereby to avoid having to return to the more costly defense requirements of the past. The choices we make in this more benign international environment will set the nation's direction into the next century.
> (œMemorandum for Mr Libby: Subject: Comments Received on Draft DPG - potential Issues, Dale A. Vesser, Assistant Deputy Under Secretary (Resources & Plans), United States Office of The Under Secretary Of Defense, 13 March 1992)

But, there were forces in play within the United States' Establishment which would preclude 'reducing the defense establishment while retaining necessary capabilities'.

Stephen Wertheim explained 'the choices' that were made in the 'more benign international environment' facing the United States in subsequent decades:

> ...[In 1991 T]hree of the men who would become the most influential officials in the George W. Bush administration - Dick Cheney, Colin Powell, and Paul Wolfowitz - were working in the Pentagon to devise a new concept to guide U.S. strategy in the post-Cold War world. Even though the Soviet Union had collapsed, they wanted the United States to keep projecting superior military power across the globe.
>
> In 1992, Powell, then chairman of the Joint Chiefs of Staff, put the objective plainly. The United States must possess "sufficient power" to "deter any challenger from ever dreaming of challenging us on the world stage," he told Congress. "I want to be the bully on the block."
>
> So did Cheney, serving at the time as President George H. W. Bush's secretary of defense. He assigned his deputy, Wolfowitz, to supervise the drafting of the Defense Planning Guidance, a comprehensive framework for U.S. security policy written in 1992. In 46 pages, Wolfowitz and his colleagues explained how to sustain U.S. global dominance in the absence of formidable rivals.
>
> The key, they reasoned, was to think and act preventively. Lacking challengers to balance against, the United States should keep new ones from emerging. It must work to dissuade "potential competitors from even aspiring to a larger regional or global role."
>
> To this end, the United States would maintain a massive military, sized to dwarf all others and capable of fighting two large wars at once. It would retain alliances and garrison troops in every region of the world that Washington considered to be strategically significant. It would, in short, replace balances of power with an American preponderance of power.
>
> In this vision of American hegemony, the United States would be benevolent. It would internalize the core interests of allies and act to benefit much of the world. In formulating its own foreign policy, the Pentagon planners recommended, the United States should "account sufficiently for the interests of the advanced industrial nations to discourage them from challenging our leadership or seeking to overturn the established political and economic order."
>
> U.S. primacy would thereby suppress the security role of U.S. allies as well as adversaries. Every nation, save one, would have nothing to gain and much to lose by building military power of its own. In this way, the United States could stay on top for good, delivering global security at reasonable cost.
> (Stephen Wertheim, œIraq and the Pathologies of Primacy: The Flawed Logic That Produced the War Is Alive and Well, *Foreign Affairs*, 17 March 2023)

As Strobe Talbott, President Clinton's 'foreign affairs' advisor, explained in 1992:

> The human drama, whether played out in history books or headlines, is often not just a confusing spectacle but a spectacle about confusion. The big question these days is, Which political forces will prevail, those stitching nations together or those tearing them apart?

> Here is one optimist's reason for believing unity will prevail over disunity, integration over disintegration. ...Nationhood as we know it will be obsolete; all states will recognize a single, global authority. A phrase briefly fashionable in the mid-20th century - "citizen of the world" - will have assumed real meaning by the end of the 21st....
>
> ...Azerbaijan, Moldova and Czechoslovakia were part of the world's last, now deceased empire [the demise of the USSR]. Their breakup may turn out to be the old business of history, not the wave of the future. National self-assertiveness in the West can be mighty ugly, especially in its more extreme Irish and Basque versions. But when Scots, Quebecois, Catalans and Bretons talk separatism, they are, in the main, actually renegotiating their ties to London, Ottawa, Madrid and Paris.
>
> They are the disputatious representatives of a larger, basically positive phenomenon: a devolution of power not only upward toward supranational bodies and outward toward commonwealths and common markets but also downward toward freer, more autonomous units of administration that permit distinct societies to preserve their cultural identities and govern themselves as much as possible. That American buzz word empowerment -- and the European one, subsidiarity -- is being defined locally, regionally and globally all at the same time.
>
> Humanity has discovered, through much trial and horrendous error, that differences need not divide. Switzerland is made up of four nationalities crammed into an area considerably smaller than what used to be Yugoslavia. The air in the Alps is no more conducive to comity than the air in the Balkans. Switzerland has thrived, while Yugoslavia has failed because of what Kant realized 200 years ago: to be in peaceful league with one another, people -- and peoples -- must have the benefits of democracy.
> (Strobe Talbott, œAmerica Abroad: The Birth of the Global Nation. *Time*, July 20, 1992)

As we explore the global economic forces shaping present Western realities we need to remember that the implicit aim of the privatization of the world and erosion of effective national border controls since the mid-1970s has been

> the devolution of power not only upward toward supranational bodies and outward toward commonwealths and common markets but also downward toward freer, more autonomous units of administration that permit distinct societies to preserve their cultural identities and govern themselves as much as possible. That American buzz word empowerment -- and the European one, subsidiarity -- is being defined locally, regionally and globally all at the same time.

The contrived chaos achieved by United States' 'adventures' around the world is not aimed at establishing new, effective, democratic government in invaded territories. It is about creating conditions which will lead to chaos.

John Judis explained the mindset of the second Bush's coterie of thugs and duplicitous knaves:

> ...the neoconservatives inside and outside the administration take a radical, even revolutionary, view of what is possible and desirable in the region; they see turmoil as inevitable and desirable.

As Talbott claimed,

> The human drama, whether played out in history books or headlines, is often not just a confusing spectacle but a spectacle about confusion. The big question these days is, Which political forces will prevail, those stitching nations together or those tearing them apart?

Henry Kissinger in 1992, displaying a sociopathic willingness to sacrifice others in pursuit of his goals, spelt out the process through which World Government might be achieved:

> Today, America would be outraged if U.N. troops entered Los Angeles to restore order.Tomorrow they will be grateful! This is especially true if they were told that there were an outside threat from beyond, whether real or promulgated, that threatened our very existence. It is then that all peoples of the world will plead to deliver them from this evil. The one thing every man fears is the unknown. When presented with this scenario, individual rights will be willingly relinquished for the guarantee of their well-being granted to them by the World Government.

'World government' requires not only privatized financial control of the world's resources and a denationalized police force ensuring the perpetuation of such control but also the devolution of nation-states into administrative regions representing the varied 'ethnicities' encompassed within modern nations.

The regulatory processes and structures which have legitimized those nations and restricted and disrupted the free flow of capital around the world must be removed and replaced by truly international powers and structures. These must reach right down to the smallest socio-political groupings of people.

Just as, in their day, European nation-states controlled their empires by establishing well-armed colonial administrations, so world government will require similar control of regions and populations.

But, for all this to happen, first, populations must become disenchanted with the performance of their national governments. National governments must be shown to be incapable of truly maintaining 'law and order' and guaranteeing the safety, well-being and prosperity of their peoples.

As Kissinger explained

> America would be outraged if U.N. troops entered Los Angeles to restore order.Tomorrow they will be grateful! This is especially true if they were told that there were an outside threat from beyond, whether real or promulgated, that threatened our very existence. It is then that all peoples of the world will plead to deliver them from this evil. The one thing every man fears is the unknown. When presented with this scenario, individual rights will be willingly relinquished for the guarantee of their well-being granted to them by the World Government.

First, privatize national 'assets' then weaken and remove the regulatory powers which legitimize and empower national governments, defanging the 'sovereignty' of nation states around the world.

Next, ensure that hegemonic supranational powers and structures are in place to restore law and order as nations descend into chaos.

Then, with those governments no longer able to effectively ensure the wellbeing of their peoples, introduce 'real or promulgated' threats to those populations - in the vernacular: 'scare the hell out of them'!.

The chaos introduced to invaded nations through the past half century and more of US instigated 'regime change' activity around the world is less a consequence of ineptitude than design!

The Cheneys, Powells, Wolfowitzs, Kissingers and Talbotts of this world are real, their enablers exist and already, behind the scenes, have gained power over political parties and politicians. In the United States, the center of this movement to control the world, 'moneyed interests' have already been legitimized.

Lydia Saad explained:

> Americans' broad views about corporate spending in elections generally accord with the Supreme Court's decision Thursday that abolished some decades-old restrictions on corporate political activity. Fifty-seven percent of Americans consider campaign donations to be a protected form of free speech, and 55% say corporate and union donations should be treated the same way under the law as donations from individuals are. At the same time, the majority think it is more important to limit campaign donations than to protect this free-speech right.
> (Lydia Saad, œPublic Agrees With Court: Campaign Money Is "Free Speech", *Gallup*, January 22, 2010)

There is little 'new' in all this. Empires have, as a rule, employed œDivide and rule' policies to control subjugated peoples.

The Regulation - Deregulation Cycle

The problem since 2009 is 'sovereign debt' [382].

As fachidiot experts have 'explained' to the capitalist world, Western nations have 'profligately' continued to fund social welfare measures - such as aged pensions, free health care, free education, unemployment benefits, child and family support, poverty alleviation ... - as though they still lived in a regulated and protected world.

But the world has been deregulated, protection has been traded for globalization [383]. Sovereign debt sustainability has become an increasingly serious issue in advanced economies[384].

The social welfare component built into production and financial sector costs in Western nations is disappearing. Like the Cheshire cat, we are left with little but the grin! Deregulation has shifted the costs from 'the economy' to sovereign debt.

Western nation-states, once firmly in control of economic activity within their borders are, in the deregulated, privatized world of the 21st century, decreasingly able to shield their populations from the exploitative consequences of unregulated and internationalized financial manipulation[385].

No longer is the economy the means by which communities meet their needs and wants. Now communities service an international network of independent financial corporations which need accept no reciprocal responsibilities for their welfare.

The surprise displayed by so many 'financial experts' in the first decade of the 21st century, at the failure of the highly suspect investment, lending and 'risk management' strategies of major Western financial enterprises; and the subsequent need for bailout via increases in 'sovereign debt', requires the questions:

- How is it that we, Western people, could be held to ransom by international financial corporations?

and;

- Why weren't they alerted by the financial woes experienced in the so-called 'Tiger' economies of the 1990s [386] and so prepared for the problems of the last several years?

The answer seems to be that they believed that Western nations were immune to the problems visited upon non-western countries in previous decades. Despite the chequered financial history of Western nations over the past century, the experts [387] appear to have convinced themselves that Western nations had finally been insulated from serious bank/financial failures of the kind periodically endured in the rest of the world.

We need to remind ourselves of our own past and relearn its lessons.

In order to understand how we got to our present position, we need to understand the historical/philosophical underpinnings of both the protectionist and neoliberal approaches to social and economic organization and activity.

In doing this, we will examine and historically contextualize:

- the growth of welfare capitalism in the 1920s;
- the emergence of the 'welfare state' in the 1930s;
- the progressive
  - privatization, from the 1970s, of the welfare state[388] ;
  - emphasis on 'user pays' versions of welfare;
  - and the subsequent unsustainability of residual publicly funded social welfare costs; and
- the neoliberal drive to deregulation and globalization of market activity in Western communities over the past forty years.

The financial shocks of the past several years in Western countries have alerted people who live in these countries to the fragility of the financial environment upon which they depend for present wellbeing and future security.

Western people are beginning to understand what people in the rest of the world have endured over the past forty years: fragile economies, unstable currencies, volatile investment environments and, when everything is on the verge of collapse, harsh structural adjustment programs [389] devised and prescribed by international agencies such as the World Bank and the International Monetary Fund.

Similar financial crises have been experienced in Third World [390] countries at regular intervals since the 1970s. The recent crisis pales in comparison with the financial and fiscal problems endured in Asian, Central/South American and African countries between 1990 and 2000.

In an assessment of the East and South East Asian financial collapse of 1997-8 which reminds one of recent experiences in Western countries, Janet Yellen (2007), President and CEO, Federal Reserve Bank of San Francisco, explained that,

> In spite of the risky lending practices that prevailed before the crisis, foreign investors poured money into these countries at record rates. Their willingness to do so appears to have stemmed in part from ... a perception that the governments of these nations stood ready to intervene to forestall bank failures.
> (œYellen 2007)[391]

A major problem for Third World countries is that they have always been in the periphery of the global economic system, never able effectively to address the core issues which have threatened long term economic well being. So long as the problems they endured did not significantly affect life in Western nations, there was little likelihood of those issues being addressed.

Western nations have consistently reacted to periodic financial failures only to the extent that they have threatened the wellbeing of 'responsible' people in Western countries. Attempts at regulating international fiscal/financial organization and activity over the past century have all appeared in reaction to problems encountered in Western economies.

In this discussion we will explore the experiences of the West which have provided a blueprint for changes in economic organization and practice in Third World countries. In a later discussion we will explore the experiences of Third World countries as they have been required to follow Western economic fashion shifts.

The 1929 Wall Street collapse, following the neoliberal 1920s, produced the first major national initiatives in the USA to ensure that risky lending practices of banks could no longer threaten the economic stability of the nation (and, by extension, the world economic system based in Western nations).

Prior to this collapse, as the US Federal Deposit Insurance Corporation (FDIC 1984) described, the US, along with most other Western nations, had experienced periodic financial failures over more than a hundred years. Measures employed to counteract and insulate against such failures were *ad hoc* and never effective over the long run.

It seems that regulatory authorities in Western nations are unable to maintain and adapt regulatory measures taken in reaction to crises once they have been mitigated. The FDIC, itself, established by the Roosevelt administration in 1933 to 'reduce the economic disruptions caused by bank failures', has been accused of being a toothless tiger in the 1st decade of the 21st century.

Once the initial shock of a financial failure passes, and measures introduced seem to have dealt with the problem, those authorities responsible for ensuring against future financial failures become decreasingly effectual. The measures introduced to handle particular failures become less appropriate

over time as marketplace strategies alter to circumvent them, until they no longer safeguard against failure, and the problems resurface.

Effectively, what we have in the historical record is a process of moving from

- crisis;
- to regulation;
- to progressive weakening/circumvention of the regulations;
- to deregulation[392] ;
- to crisis

The official history of the US Federal Deposit Insurance Corporation (FDIC) explained this in a 1984 publication outlining its establishment and operation during its first fifty years [393].

Welfare capitalism and gutted unions

The 1929 crash followed a decade during which regulations which had been enacted over the previous forty years had been progressively weakened to allow uninhibited market activity to flourish.

Following the First World War, left leaning 'radicals' and trade unions were successfully challenged and sidelined by employers and state officials. Gerald Friedman (2008) has summed up their experiences over the 1920s decade well.

> The 1920s was an especially dark period for organized labor in the United States where weaknesses visible before World War I became critical failures. Labor's opponents used fear of Communism to foment a post-war red scare that targeted union activists for police and vigilante violence. [394]

Factory automation and assembly line organization were refined and extended during the war years. This, following the war, resulted in excess productive capacity which, with the influx of people looking for work as troops returned from the war, resulted in a short sharp urban recession in 1920-1.

Raymond Betts (1979) described similar problems in Western Europe,

> For millions of war veterans readjustment to civilian life was an immense problem. The search for jobs, the attempt to repair marriages disrupted by years away from home, the bitterness over reports of war profiteering, and the disappointment over the shortages of housing were personal difficulties quickly dampening the enthusiasm for the long sought-after peace.

In the US, this resulted in a sharp increase in unemployment which quickly grew to more than 11% of the workforce. The unemployment problem was compounded by the large numbers of women who had entered the workforce during the War years and wished to continue working [395]. These conditions, as Friedman has described, greatly helped employers and their organizations in neutralising union strike activity.

The US Commerce Secretary, Herbert Hoover (elected president in 1928), successfully argued for an expansion of the money supply, weakening of

investment strictures and an increase in urban wages as a means of stimulating mass consumption to match the increasing productive capacity. This had the desired effect and urban areas of the United States experienced a period of rapid economic growth, fuelled by the newly stimulated era of mass consumption (see 'deregulation leads to economic growth and wellbeing' for consequences).

Having neutralized workers' unions, businesses, in a time when they were flush with profits from the developing boom conditions, sought to make unionization irrelevant. They did this by following the worker welfare practices refined by Henry Ford during the 1st World War, incorporating 'welfare capitalism' into their staffing strategies[396]. These practices had a long history in western Europe and would have a similar history in Western Europe's colonies through the late 19th and 20th centuries.

Company Towns, Truck Systems, Debt Bondage and Indenture

During the 19th century, socially aware business owners, conscious of the appalling working conditions in most major industrial centers in Western Europe had attempted to improve the lot of workers and their families. A number of examples of 'company towns' emerged, such as New Lanark in Scotland built by Robert Owen; Pullman on the outskirts of Chicago built by George Pullman[397] ; and McDonald in Ohio, built by the Carnegie Steel Company.

The emergence of company towns and similar forms of welfare capitalism might, very often, have been well intentioned and for the benefit of employees. Welfare capitalism was, of course, an effective means of ensuring employee loyalty and keeping employee organization under control. An employee organization which was contained within a company and relied on company welfare programs could be insulated from worker organizations elsewhere.

All-too-often these attempts at ensuring the welfare of workers degenerated into truck systems [398], debt bondage, peonage and indenture [399]. Such practices had been commonplace forms of worker exploitation from the 17th century. They had been formalized in English law with the passing of the œ1601 Poor Laws.

Merle Travis expressed it well in a mid 20th century folk song,

> You load sixteen tons, what do you get?
> Another day older and deeper in debt.
> Saint Peter, don't you call me, 'cause I can't go;
> I owe my soul to the company store[400].

Daniel Gross (2004) has neatly summed up the move to welfare capitalism in the 1920s [401].

> Henry Ford led the way. In January 1914, Ford Motor Co. instituted the $5 day. Over the next several years, Ford took steps to ensure that its employees remained healthy, loyal, and above all, efficient. It opened an infirmary and established the "Sociological Department" to both keep tabs on and look after the welfare of its workers. In 1922, Ford cut the work week from six days to five.
>
> In the roaring 1920s, when other highly profitable companies began to emulate Ford, welfare capitalism began in earnest. Companies built cafeterias and health clinics, sponsored baseball and bowling leagues, and granted days off for the opening of deer season. Corning Glass

> Works began providing health insurance in 1923. The same year, U.S. Steel slashed its workday from 12 hours to eight. In 1927, International Harvester began offering two-week paid vacations. All this was all done without government mandates and largely without the influence of unions.

(07/04/16)

The 1920s was a decade of 'welfare capitalism', in which employers took paternal responsibility for their employees.

It seemed to employed urban inhabitants that the prosperity of the era was a consequence of:

- the weakening of union power;
- weakening of public legislation on speculative investment;
- and commitment by businesses to the welfare of their employees.

It was believed that these were responsible for both the strong growth in urban incomes and improvement in urban living conditions [402].

The United States urban employed experienced growing incomes (almost 20% real increase over the period) coupled with falling commodity prices as a consequence of the new mass production technologies and electrification of industry.

American middle and working classes began a love affair with private enterprise and material possessions which has lasted to the present.

But, there were losers. The prosperity of the decade did not extend into the rural populations of the United States, and there were many members of minority groups - such as a growing population of African Americans moving from the impoverished rural south into northern, mid-western and western cities - who had to settle for low paid service employment or could not get work and found life harsh in a deregulated world.

By the end of the decade, the euphoria of the period evaporated, the illusory wealth created by a speculative investment bubble vanished, hundreds of thousands of people lost their savings and millions of urban workers lost their jobs.

It was another in the list of economic bubbles which seem to be an inevitable result of neoliberal free market policies. And, like other bubbles before it [403], and a few since, it burst!

President Franklin D. Roosevelt summed it all up:

> For twelve years this Nation was afflicted with hear-nothing, see-nothing, do-nothing Government. The Nation looked to Government but the Government looked away. Nine mocking years with the golden calf and three long years of the scourge! Nine crazy years at the ticker and three long years in the breadlines! Nine mad years of mirage and three long years of despair! Powerful influences strive today to restore that kind of government with its doctrine that that Government is best which is most indifferent.
>
> For nearly four years you have had an Administration which instead of twirling its thumbs has rolled up its sleeves. We will keep our sleeves rolled up.

> We had to struggle with the old enemies of peace - business and financial monopoly, speculation, reckless banking, class antagonism, sectionalism, war profiteering.
>
> They had begun to consider the Government of the United States as a mere appendage to their own affairs. We know now that Government by organized money is just as dangerous as Government by organized mob.
> (œFranklin Roosevelt's Address Announcing the Second New Deal, October 31, 1936)

And, in 1933, faced with an imminent collapse of the US Banking system:

> To review at this time the causes of this failure of our banking system is unnecessary. Suffice it to say that the government has been compelled to step in for the protection of depositors and the business of the nation.
> (President Franklin D. Roosevelt to Congress March 9, 1933)

Compare the response in 1933 to this response by President Barack Obama following the 2008 Wall Street collapse which followed a neoliberal revival over the previous thirty years:

> ... we don't have any kind of process designed to contain the failure of a Lehman Brothers or any of the largest and most interconnected financial firms in our country.
>
> That's why, when this crisis began, crucial decisions about what would happen to some of the world's biggest companies - companies employing tens of thousands of people and holding hundreds of billions of dollars in assets - had to take place in hurried discussions in the middle of the night. That's why, to save the entire economy from an even worse catastrophe, we had to deploy taxpayer dollars.
> (President Barack Obama *Cooper Union Speech* April 23, 2010)

Quantitative Easing, Financial Collapse and Protectionism

The decade of the 1920s was shaped by the combined effects of

- expansion in the money supply [404] ;
- the streamlining and electrification of production;
- consequent mass production of cheap consumables;
- a deliberate decision to encourage spending;
- and unregulated speculative investment and lending[405].

These, together, produced their inevitable result - the 1929 financial crisis.

While 1929 marked the beginning of the end, the effects of the crisis emerged over the next four years. With loss of confidence in the future, businesses and individuals reined in their spending, banks became increasingly reluctant to fund the continued reliance on easy credit, and a downward spiral commenced which would end, as the FDIC report described, in bank failure, a freeze on investment, and subsequent massive unemployment.

> From the stock market crash in the fall of 1929 to the end of 1933, about 9,000 banks suspended operations, resulting in losses to depositors of about $1.3 billion. The closure of 4,000 banks in the first few months of 1933, and the panic that accompanied these suspensions, led President Roosevelt to declare a bank holiday on March 6, 1933. The financial system was on the verge of collapse, and both the manufacturing and agricultural sectors were operating at a fraction of capacity.
> (œFDIC 1984)

(09/07/18)

By 1933, unemployment in the United States had risen to 25% of the workforce. Close to 13 million people were unemployed. And, of course, the 'welfare capitalism' of businesses collapsed. Those who retained their jobs, found that they were powerless. Company workers' associations provided no protection against loss of conditions as businesses cut costs to stay afloat.

The unemployed found themselves on their own, without access to any of the welfare facilities they had taken for granted over the previous decade. There was no "welfare safety net" to which the newly destitute could turn. And the problems of the decade would not be short-lived [406].

It was inevitable that a dispossessed democratic electorate would demand protection from its government. And that was what happened in the U. S. federal election of 1932.[407]

From Free Markets to Protectionism

(22/11/16) (20/06/18) (05/05/20)

There is something fundamentally unstable about a deregulated neoliberal, free market economic order.

There has long been a belief in the US that 'free markets' are unregulated markets. Any attempt at regulation has simplistically been considered a move toward socialism [408]. Attempts to provide a stable backdrop to economic activity through regulation have been considered inherently 'anti-free-market' [409].

The presumption that free markets are best when unregulated depends on a claim, first made by Aristotle and reiterated by Aquinas in the 13th century, that civilization is based on people ordering their lives by instincts implanted in each individual [410]. If one accepts Aquinas's logic, then those instincts, having been implanted by God who makes all things perfect, must, in their expression, produce a perfect individual and a perfect society. Without this metaphysical presumption, there really are no grounds for assuming that the expression of uninhibited human nature will produce the *Summum Bonum* - or greatest good [411].

Those who argue for government regulation to ensure a stable legislative background to economic enterprise are assuming that an unregulated market place is not a recipe for either perfect individuals or societies. They are, implicitly, questioning Aquinas's logic. Many who feel the need for public regulation of private economic practice, presume that unregulated markets will result in a world in which 'the devil takes the hindermost'; where the unscrupulous manipulator is given free rein [412].

In an unregulated world, governments can only react to problems after they occur. The capacity to proactively regulate financial behavior through time to ensure long-term economic stability is removed. This anarchic form of libertarianism has become dominant in US neoliberal thought in conjunction with a resurgence of religious fundamentalism.

In 1932 Franklin D. Roosevelt, in response to the demands of a disenchanted electorate, promised them a 'New Deal'. His government would introduce a range of measures to address the current economic problems and protect people from such disasters in the future [413].

The New Deal provoked a storm of protest from those who believed in free markets, independent individualism and small government. They developed and prosecuted a claim that the prolonged difficulties of the 1930s were due, not to the unwise policies of the 1920s but to the 'collectivist', 'socialist' policies of the New Deal government [414]. According to these protestors, the evils of the 1930s were due to the leftist sympathies of politicians who promoted big government, the regulation of private enterprise, and 'social welfare' policies which weakened the moral fiber of the nation [415].

As we will see, the measures introduced to address the problems of the period faced concerted challenge in the courts and fired an opposition which would prosecute its case over the next 40 years. With the emergence of economic difficulties from the late 1960s onward, that opposition would finally gain traction and neoliberal policies would successfully be promoted.

The depth of the 'Great Depression' provided the political leverage that Roosevelt needed to over-ride concerted opposition from both free marketeers and fellow-travelers. Between the early 1930s and the middle to late 1970s, most Western governments promoted protectionist, 'developmentalist' policies aimed at harnessing economic activity to national and community needs. Governments limited and directed market activity through imposing rules and regulations on imports and exports and on fiscal and financial activity. We will examine these developments in the next section.

From the mid-1960s, as the post 2nd World War economies of Western nations reaped the consequences of an overheated 1950s economic boom, neoliberal arguments were increasingly successful in challenging the legitimacy of the protectionist legislation of the period.

(01/10/17)

Neoliberalism places the market at the center of 'development'. The presumption is that if the state privatizes as much of its activity as possible, making it directly answerable to 'market forces', and deregulates fiscal and financial activity, market forces will ensure rational, efficient economic organization and activity. This will, in the long-run, result in a more rational organization of society, to the benefit of its members.

A fundamental presumption underpinning neoliberalism is that all cultural and social forms are derivatives of individual, competitive, acquisitive behavior, which is fundamental to human nature [416]. So, social change is driven by competitive individual exchange. Uninhibited market exchange most directly expresses that human nature. Therefore, by subjecting communities to 'market forces', one introduces rational social change.

The burning question in this 21st century is, of course:

Rational for whom? [417]

The OECD, in 2018, has published a report on the rise in inequality within member countries over the previous neoliberally driven 25 years entitled *A Broken Social Elevator? How to Promote Social Mobility*. As Gabriela Ramos has explained in the foreword:

> The OECD has been at the forefront of documenting the rise of inequality for several decades. The data paint a stark picture: the average disposable income of the richest 10% of the population is now around nine and a half times that of the poorest 10% across the OECD, up from seven times 25 years ago. Wealth inequality is even more pronounced, with the top 10% holding half of total wealth, while the bottom 40% holds only 3%. The financial crisis reinforced these trends, but inequalities still increased and the benefits of growth still mainly benefited the top of the income distribution in OECD countries even during the highest periods of global economic expansion before 2008. In many emerging and developing countries, inequalities remain large despite significant poverty reduction.
>
> We have long emphasised the multi-dimensional nature of inequality. Socio-economic status heavily influences employment prospects, job quality, health outcomes, education, and the other opportunities (including access to relevant networks) that matter to people's well-being. Children whose parents did not complete secondary school have only a 15% chance of making it to university compared to a 60% chance for their peers with at least one parent who achieved tertiary-level education. Disadvantage at the outset can follow children throughout their life. Educational disadvantage typically means not only smaller salaries, but, most worryingly of all, shorter lives. A 25 year-old university-educated man can expect to live almost eight years longer than his lower-educated peer on average across OECD countries; the difference is 4.6 years for women.
>
> The vicious confluence of poor educational opportunities, low skills and limited employment prospects can trap people in situations where they are also are far more likely to be exposed to environmental hazards and violence. As a result of this multidimensional inequality, while some individuals, cities and regions thrive, others fall further behind... (Michael Fôrster *et al*, "A Broken Social Elevator? How to Promote Social Mobility, OECD, 15 June 2018)

It has been in the context of this deregulation of national economies, and the facilitation of international economic activity that the present global economy has emerged. In order to understand how we got to our present position, we need to understand the underpinnings of both the protectionist and neoliberal approaches to social and economic organization and activity.

Welfare States and Protectionism

To contextualize the discussion we need briefly to examine:

- community social templates;
- resource utilization;
- the constantly escalating productive and consumptive demands of Western communities;

- the emergence of what, in the West, came to be called the welfare state;
- and some of the reasons for the imposition of protectionist legislation on economic activity.

This provides a platform for understanding the post-1970s demand for the lowering of protectionist barriers to market activity which characterises the neoliberal economic reorganization of the past half-century.

The global economy which has emerged has been based on a progressive removal of national governmental restrictions on international market activity. We will examine some of the demands made for the internationalization of market activity over the period and some of the consequences of unregulated, international market exchange for both First and Third World communities.

It became accepted during the 1930s in Western countries that people were wholly dependent on wage labor for their livelihood. They no longer had access to the resources needed for a subsistence lifestyle. It was decided that, in order to cushion the effects of loss of employment, and therefore income, the state should accept some responsibility for their social welfare if they lost employment.

On the other hand, those responsible for policy development and implementation in colonial territories considered that people in non-Western communities, if they lost employment, could return to their home communities and depend on subsistence resources for their livelihood.

These variant presumptions have led to some of the most important strains and stresses on both Western and non-Western communities in the past thirty years. So, it is necessary to understand both the rationale and the consequences of this belief in the continued existence of viable subsistence alternatives for non-Western people.

The relationship between community social templates, resource utilization and constantly escalating productive and consumptive demands

Prior to European intrusion, most non-Western people lived in subsistence oriented communities [418]. Economic activity was focused on the provision, by its own members, of most of the goods and services required by the local community, and that community accepted responsibility for the well-being of its members.

Trade was usually limited to a few products or raw materials not directly available to the community. It was often focused directly on the circulation of status-related goods and was not central to the supply of everyday needs and wants.

As has been outlined, in most communities the material requirements of individuals and groups have been *socially circumscribed* and fit the productive potential of the environments they inhabit. So, over long periods of time, such communities have been able, in all but very adverse physical conditions, to meet most of their needs from their own environments.

Western Europeans, on the other hand, became involved in material production and in the consumption of goods and services for very different reasons.

Western European social templates focus directly on the production and consumption/accumulation of goods and services. They are economically oriented. They are also focused on individual competitive opposition, on what economists call 'market activity' [419].

Where individuals gain status and respect through the competitive accumulation and consumption of goods and services [420], the supply of goods and services in the community is inherently inflationary. Those items which are in shortest supply, but in greatest demand, become the most highly 'valued', that is, the most important in determining relative status.

Since people are involved in individualized competitive accumulation and consumption, there is constant pressure to produce increasing quantities of goods to feed the acquisitive and consumptive appetites of community members. There is, therefore, constant pressure being placed on current productive techniques and technologies, since the requirements placed on current technologies are constantly escalating.

Producers who are able to improve productive efficiency through more 'economic' use of their resources, through streamlining production techniques, and through improving technology, gain a competitive edge over their rivals.

The consequences of this drive are that techniques and technologies are constantly being improved and refined to enable constantly increasing production; constantly increasing exploitation of the environment; and constantly decreasing materials and production costs.

Community resources are placed under constant pressure. They are in short supply, or, as economists are wont to remind us, they are 'scarce'. As such, they become increasingly 'valuable' and therefore become desired possessions in the drive for status and respect. This, in turn, leads to their accumulation by those with the wealth and power to appropriate them [421].

Loss of subsistence resources

In early modern Western Europe this led to land enclosure and the dispossession of increasing numbers of rural dwellers. (In colonial territories, people were moved from their traditional environments to native reserves of marginal agricultural usefulness) [422]. The poor of Western Europe were forced, by their loss of subsistence resources, to become poorly paid rural laborers or to migrate to the towns where they might be able to live by their wits or, if they were lucky, find paid employment. Thomas More described this kind of dispossession in 16th century England well:

> [T]he owners as well as tenants are turned out of their possessions, by tricks, or by main force, or being wearied out with ill-usage, they are forced to sell them.
>
> By which means those miserable people, both men and women, married and unmarried, old and young, with their poor but numerous families (since country business requires many hands), are all forced to change their seats, not knowing whither to go; and they must sell almost for nothing their household stuff, which could not bring them much money, even though they might stay for a buyer. When that little money is at an end, for it will be soon spent, what is left for them to do, but either to steal and so to be hanged (God knows how justly), or

to go about and beg? And if they do this, they are put in prison as idle vagabonds [423].

Land became unavailable to most members of the community for subsistence lifestyles. It had become incorporated into the social template as one of the possessions through which people could attain and maintain status. As such it had to be 'owned' by the individual rather than by the community, and the individual had to limit the possibility of others enhancing their statuses through its use. That is, laws of trespass became inevitable [424].

Losing access to subsistence resource bases, people had to rely on cash income both to ensure subsistence and to maintain and enhance their social statuses. Poverty became defined not only in terms of loss of access to subsistence resource bases, but also in terms of the ability to maintain the levels of accumulation and consumption of goods and services which were required for the social statuses which people had attained. The 'success' of individuals could be determined by the cash income available to them, or by the cash value of their holdings.

Wage Labor dependence

In Western communities, increasing numbers of people could only maintain their statuses and satisfy their expanding needs through wage labor. As Marx observed in the mid 19th century, the only saleable commodity left to many individuals was their ability to labor.

They became compelled by both their subsistence and status-related needs to sell their labor power to those who controlled the means of production. And, since labor power became another source of wealth and therefore of status, it was used as all other resources were used, to increase the wealth of those who controlled it - to produce the maximum output for the minimum input.

Human beings became commodified [425], another resource which might be bought and used to maximize profit.

With labor in plentiful supply and employment difficult to find, employers could reduce labor costs and make it more pliant through challenging social restrictions on the exploitation of labor. During the 17th to early 20th century, this ensured that both living and working conditions for the 'laboring poor' were harsh.

The influential people of Western communities, since the 17th century, have been capitalists [426]. Since they were oriented to maximizing profits and minimizing costs, it soon became argued that all forms of social interference in the marketplace of labor should be removed.

As Joseph Townsend œ(1786) argued in the late 18th century, labor should be made directly available, without social impediments, through the marketplace. People should be 'freed' from social 'restrictions' on their 'right' to sell their labor power to the highest bidder and businesses should be 'freed' from 'political interference' to engage labor at 'market prices'.

Of course, in a period of plentiful labor, market forces ensured that such prices would be very low [427]. Inevitably, given that the drive of capitalism is to lower costs and increase profits, employers and owners of business colluded to keep costs of labor down.

Adam Smith described the realities of 'combination' as employers combined to further their interests during the 18th century, in his most famous work *An Inquiry into the Nature and Causes of the Wealth of Nations* (1776). The description he gives is as applicable throughout the capitalist world now as it was then. It is an explanation which has received much less attention than it deserves through the past 200 years.

> ...Whoever imagines... that masters rarely combine, is as ignorant of the world as of the subject. Masters are always and everywhere in a sort of tacit, but constant and uniform combination, not to raise the wages of labor above their actual rate.
>
> To violate this combination is everywhere a most unpopular action, and a sort of reproach to a master among his neighbors and equals. We seldom, indeed, hear of this combination, because it is the usual, and one may say, the natural state of things, which nobody ever hears of. (1776, p.84) [428]

From the 16th century onwards, the emerging legal framework of economic relations was always biased toward those who increasingly controlled the law courts of Western Europe [429]. 'Masters' increasingly used their privileged access to the law courts of Western Europe to advantage themselves at the expense of both the 'rural' and 'laboring' poor.

Where people lose access to their subsistence environments and become entirely dependent on wage labor for the supply of their needs and wants, loss of employment leads to both socially-defined and absolute poverty. The history of the emergence of capitalism in Western Europe is, simultaneously, the history of endemic poverty for large numbers of displaced people who were compelled to sell their labor power on the open market [430].

The improvement in the quality of life of Western European wage laborers coincided with the expansion of Western Europe into the rest of the world.

Free Markets, invaded environments, and snowballing production and consumption

(01/05/23)

The world which Western European colonial powers set out to reorganize in the late 19th and 20th centuries was already organized *to provide inhabitants* with their needs and wants. Europeans did not move into empty regions. They dispossessed inhabitants of their lands and resources, and compelled the populations either directly or through a variety of subterfuges to supply the labor they required [431].

The planet was being reorganized to ensure that the needs and wants of Western people could continue to expand. The story of the rest of the world, since the late 19th century, is bound up in its progressive co-option to continue feeding the expanding appetites of the West.

Regions became devoted to 'mono-agricultural' export, to large-scale production of a very few primary commodities for export, rather than for the communities whose environments were reorganized [432]. Where mono-agricultural development in large holdings was not feasible, indigenous communities were re-organized to emphasize cash-cropping, producing agricultural products required for European markets on small-holdings.

And, in 2023, The World Has a New Population of 'Super-Consumers'

Snowballing consumption and its corollary, snowballing production and raw materials demand, appear to be as addictive in China as they have been in the United States of America.

On April 30, 2023, the Chinese *Global Times* published an article describing China's seduction by and descent into 'mass consumption':

> A tourist who arrived at Sanxingdui Museum in Southwest China's Sichuan Province at 8 am, ahead of the opening, queued for more than one hour to enter, which was an vivid miniature of the first day of the May Day holidays on social media platform Xiaohongshu.
>
> Such travel mania was seen nationwide on Saturday, the first day of the five-day holidays. Air, sea and land passenger traffic surged 151.8 percent year-on-year on Saturday, latest statistics revealed. ...
>
> Driven by resurgent enthusiasm for travel, China's consumer market boomed sharply during the holidays.
>
> China's key retail and catering enterprises saw sales growth of 21.4 percent year-on-year on Saturday, according to the monitoring of the Ministry of Commerce (MOFCOM) released on Sunday.
>
> Catering and leisure consumption increased significantly, with sales of key catering enterprises up 36.9 percent on a yearly basis. Sales of clothing, shoes and hats, gold, silver and jewelry, tobacco and alcohol all increased by about 20.9 percent, 17.6 percent, 17.4 percent and 16.8 percent, all on year-on-year basis, MOFCOM data showed.
>
> In particular, on-site consumption saw a significant growth during the May Day holidays.
>
> On Saturday, the box office reached 294 million yuan, with 464,000 screenings attracting an audience of 7.26 million, according to statistics sent to the Global Times on Sunday from Maoyan, a box-office tracking site.
>
> The number of buyers to Suning's stores across the country on Saturday increased by 32 percent year-on-year, with the volume of orders spiked 47 percent, Chinese retailer Suning said in a note sent to the Global Times on Sunday.
> (œFirst day of May Day holidays witnesses record railway trips, booming consumer spending, *Global Times*, April 30, 2023)

May that Being (or Beings) to which humanity so readily appeal(s) when it is facing disaster show us a way out of the 'consumption-production-resource stripping-trap' in which human beings so willingly become ensnared!

Free Markets Work: Improving Wages, Conditions and Consumption

The influx of new raw materials from non-Western regions in the last quarter of the 19th century ushered in a prolonged period of growth in commodity production in Europe. This, in turn, fuelled consumption in Western countries. At the same time, the expansion into the rest of the world required rapid growth of both armed forces and colonial administrations. These developments, of course, increased labor requirements and labor, in Western countries, became relatively scarce.

Now, for the first time, market forces led to an improvement in wages and conditions for laborers. Wage laborers in Western nations could begin to negotiate better employment terms [433]. Unions became increasingly powerful since their members were not threatened by loss of employment if they insisted on improvements in their wages and conditions.

It also gave credibility to the claims of 'free marketeers' that 'free'[434] competition would, inevitably, result in improved lifestyles for those who entrusted their lives to 'market forces.'

Thomas Huxley (1893) described the position of free marketeers in the second-half of the 19th century:

> According to their views, not a shilling of public money must be bestowed upon a public park or pleasure ground; not sixpence upon the relief of starvation, or the cure of disease.
>
> ...The State is simply a policeman, and its duty is neither more nor less than to prevent robbery and murder and enforce contracts. It is not to promote good, nor even to do anything to prevent evil, except by the enforcement of penalties upon those who have been guilty of obvious and tangible assault upon purses or persons.
> (1893, p. 258) (See Thomas Huxley for more on this)

The prolonged economic difficulties of the last quarter of the 19th century [435] did little to dent this belief in the efficacy of market forces. They did, however, strengthen the determination of workers' organizations to have legislative protections put in place against excessive exploitation by employers.

Adam Smith, in 1776, had predicted the response of 'masters' to attempts by workers to have regulations built into terms of employment,

> The masters upon these occasions ... never cease to call aloud for the assistance of the civil magistrate, and the rigorous execution of those laws which have been enacted with so much severity against the combinations of servants, laborers, and journeymen.
> (1776, p.85)

Yet, despite strong opposition from free market employers and their supporters, conditions favored workers in their determination to improve their working conditions [436].

As employment conditions and wages slowly improved through the last part of the century, more and more of the 'laboring poor' gained a foothold into the ranks of the lower-middle classes. As they did so, they needed to demonstrate their improving social positions in ways required by the established Western European social templates: they would begin to accumulate possessions and expand consumption.

Western social templates result in constant, though relatively slow, expansion in the felt needs of community members. This is so because in order at least to maintain one's social status relative to others, one must ensure that one is at least as affluent as, or, preferably, slightly more affluent than they are.

Of course, to increase significantly one's private possessions and/or publicly stated income is to improve one's social standing beyond that of one's 'social equals'. This usually requires entry into a new group, within which one will need to establish oneself and probably accept a disadvantageous position until accepted by the group.

The costs associated with such a leap in status deter many from attempting to 'climb the ladder'. Comparisons are usually made between others of similar wealth to oneself, attempting to gain as high a position in their estimation as possible without having to move into a new status group.

So, over time, because of this competition within status groups,[437] the felt needs of Western people expanded. As the needs expanded, the necessary income to support those needs also expanded. During periods of economic growth in Western countries, people (obtaining higher wages through improved bargaining power) transfer discretionary incomes into necessary income through expansion of felt needs, and so set new baselines for wages.[438]

Inevitably, over time, the perceived needs of Western people became far greater than the perceived needs of people in communities governed by other social templates. In the eyes of most non-Western people, Westerners became, and still are, materially very wealthy. The incomes deemed 'necessary' by Western people have to cover the acquisition of necessities not perceived as such by people in most other communities.

So, even without factoring in the social welfare needs of Western communities, the necessary incomes will be substantially higher than necessary incomes in non-Western communities.

A distinction needs to be made between the necessary income to meet perceived individual needs and the social welfare component costs of production. Wages are not higher in Western countries because they include a social welfare component, they are higher to cover the perceived needs of Western individuals.

Social welfare costs refer to both the costs of the community and the responsibilities of the community toward all its members. Community costs do not only relate to the 'poor box', but also to the general well-being, education and organization of the community and its members.

Over the past two hundred years, Western countries have increasingly emphasized individual rights and responsibilities at the expense of those of the community. In the process, the community becomes weakened until it no longer provides its members with a strong, immediate sense of shared responsibility and identity.

This move toward the individualization of the population and weakening of the responsibilities and cohesion of communities has been accentuated over the past thirty years.

The emergence of welfarism :
Social Costs are Production Costs

It took Western communities a long time to come to terms with the need to provide a coherent social welfare program. Such a program needed to include both the funding of general community responsibilities and protection of those in the community who had lost access to subsistence resources and could not find employment.

It was not until the early 1930s that concerted efforts were made by Western governments to establish welfare legislation to underwrite health, education and the livelihoods of the least affluent of their populations. Prior to that, workers relied on welfare capitalism. Piecemeal legislation existed in conjunction with community-based charities to meet the needs of those in the most desperate of economic straits.

In the 18th and 19th centuries, the most common attitude amongst the 'middle classes', to those who had lost access to subsistence resources but had no cash income [439], is well expressed in a paper written by R. J. Morrison in 1842. It was entitled,

> Proposals to abolish all poor-laws except for the old and infirm: and to establish asylum farms on which to locate the destitute able-bodied poor; who might thereon maintain themselves and benefit the country £18,600,000 annually.

The paper was written in defence of an 1834 amendment to the Poor Laws in which the destitute were to have social welfare supports removed in order to compel them to accept whatever wages and conditions the market might impose.

There was also, of course, a range of papers written by individuals and groups concerned for the welfare of the destitute, arguing for state protection of the poor. Legislative measures to provide for the poor were, however, at best partial and under constant attack from economic enterprises which saw them as imposts threatening the competitive viability of industry.[440]

It was not until Western nations were plunged into economic depression following the stock market collapses of 1929 that Western governments were forced by popular pressure into building coherent sets of social welfare policies and institutions. From the 1930s to the 1970s, in Western nations, as Stephen Gill explains:

> ... statist planners and productivist forces pressed successfully for the creation of a national economic capacity (and also autonomy), welfarism, and Keynesianism, with specific policies designed to inhibit the pure mobility of short-term speculative capital. The aim, in the words of the US Secretary of Treasury during the New Deal, was to make finance the 'servant' rather than the 'master' of production. (Gill 1994, p.174)

(14/05/17)

After the 1929 financial collapse, people in Western nations, who had been experiencing economic boom conditions over the preceding ten years, found out just how vulnerable they were to the vagaries of the international marketplace. Stock markets crashed, businesses collapsed, and millions of people lost their savings and their jobs.

Since most Western wage earners, by the 1930s, no longer had access to subsistence resources, loss of employment meant destitution for millions. In the wake of this economic depression, voters in many Western countries turned to political parties which promised that they would directly address the problems of the Depression period.

In the USA, Franklin D. Roosevelt promised the population a 'New Deal' which would introduce a range of measures to protect people from such disasters in the future[441]. Amongst the measures he introduced were:

- *The Fair Labor Standards Act* (1938). The Administration, in 1933, attempted to set up an agency to enforce codes of fair practice for business and industry.
  The legitimacy of the initial agency was successfully challenged in the courts, but, by 1938 its intentions had been successfully established through the above Act.[442]
  The codes included:
  - minimum age;
  - minimum wages;
  - maximum hours;
  - the right of workers to join unions;
  - and provided means for establishing minimum prices to protect businesses from unscrupulous price cutting.
- *The Social Security Act* (1935) which aimed to provide workers with a guarantee that, in the event of their encountering reduced circumstances, their basic needs would be met.
  Among the programs which were established over time were: unemployment, old age, and disability insurance; public assistance for the needy; and child welfare.
  In 1965, Medicare was added to the Social Security system to provide hospital care, nursing homes, and other medical services for those over the age of 65 years.
- *The National Labor Relations Act* (1935) which overturned much of the employer/employee legislation and practice that had emerged through the 1920s. Amongst other things it,
  - guaranteed workers the right to organize and collectively bargain with their employers;
  - guaranteed workers the right to strike;
  - prohibited unfair labor practices by employers;
  - outlawed company unions or employer-controlled unions;
  - prohibited discrimination against employees who brought charges against or testified against a company in court;
  - and made it unlawful for the employer to refuse to bargain collectively with an authorised employee representative.

(27/08/17)

To free marketeers, the legislation of the 1930s was a direct attack on 'free enterprise', a 'socialist conspiracy' against the wealth creators of the nation.

The campaign against these measures, which began in the 1930s, was to continue through the rest of the century. Its rhetoric was refined through the 1960s and emerged as neoliberal free market philosophies and policies. These set the agenda for the globalization of economic activity from the mid 1970s.

In its inception, however, the New Deal legislation represented the first coordinated governmental attempt in the US to ensure that the social costs of communities were included in production costings[443]. As Paul Boller says,

> In its efforts to cope with the Great Depression, the federal government under Roosevelt took measures to help the poor and jobless for the first time in American history.
> (1981, p. 259)

Through measures such as these, Western governments accepted direct responsibility for managing their economies in the interests of their constituents.

Effectively, producers were required to include a 'social welfare' component as part of the costs of production. The price of each product included not only the direct costs of labor, material resources, infrastructure and technology, and a 'profit' component; now the price also included the social welfare requirements of workers, their dependents and other members of the community [444].

Most of those who were involved in managing economic enterprises saw these new costs as illegitimate imposts on business. It is possible to argue, however, that after more than two hundred years of social trauma resulting from the market-driven need to cut costs (to which social costs seemed most vulnerable), Western nations had matured.

At last, communities were insisting that capitalist enterprises be geared to meeting the needs and wants of the communities within which they existed. This was not an illegitimate demand.

Capitalism and Parasitism

Where enterprises are required to purchase material resources, from the outset it has been accepted that the price of resources includes two separate components. The first component comprises the costs of extraction and processing of the resource. The second component comprises the profit margin of the supplier. Any supplier which, over the long run, sold its product for less than the cost of extraction and processing, would, by definition, fail.

While all enterprises drive to reduce costs, there is a cost of material resources below which, over the long run, prices cannot be maintained. This same logic, however, had not been applied to the supply of labor.

In the early years of European capitalism, labor was supplied from communities which still had access to subsistence resources. Laborers relied, as Marx put it, on 'all the guarantees of existence afforded by the old feudal arrangements'. Business only had to pay the competitive market rate for labor, without a baseline determined by its 'costs of extraction and processing'.

In a real sense, capitalist enterprise, as it evolved in Western Europe, was parasitic upon the feudal communities within which it operated. Capitalist

enterprises saw themselves as separate from the communities in which they did business [445].

As those communities became reshaped by the new forces of capitalism, they increasingly became dependent upon capitalist forms of production and consumption for subsistence. Communities lost their other means of subsistence based on 'all the guarantees of existence afforded by the old feudal arrangements' and had to rely on market-driven production and employment for all their needs and wants.[446]

Community needs and wants do not only relate to employed people and their dependants. They include the requirements of all community members, and costs of all the activities and responsibilities of the community. Capitalist activity became the basic means by which communities supplied their needs and wants.

However, since businesses had long calculated their inputs excluding any costs associated with support of the communities within which they operated, they, inevitably, saw any attempts at imposing such costs as illegitimate and parasitic.

Capitalist enterprise in its evolution was parasitic on communities in which both individual subsistence and the community's needs and wants had been supplied by other means. When it undermined and displaced those alternative avenues of need and want provision, the presumption that community welfare requirements were met through other means was, conveniently, retained.

(27/07/17)

> In a peculiar way, which can only be understood as one understands the primary ideologies of Western people [447], economic activity was assumed to be separate from social and political activity. Following Adam Smith's identification of an 'economic environment' it was considered to be subject to its own laws and regulations, with its own independent sets of responsibilities relating to performance within the marketplace.

Communities, it was argued, should take responsibility for the provision of their own needs and wants. They should not become 'parasitic' on business.[448]

Community costs are Production costs

(17/04/18) (29/05/20) (12/06/21) (23/01/16)(07/07/16)(02/06/17)

In the 1930s, Western communities finally required economic enterprises to accept social welfare needs as part of production costs.

As long as all businesses within a nation accepted the welfare component as an inescapable cost of production, and could be protected from competition from imported products which did not include such a cost, social welfare could be maintained as a reasonable cost on production [449].

After all, the real issue at stake was whether productive activity occurred primarily for the good of the community or whether production could be divorced from social responsibility.

Was 'the economy' separate from, and not responsible to 'the community', or was it the means by which the community met *all* of its material needs and wants?

Jerry Brown summed it up nicely:

> ...[W]e as human beings in a society have constructed what we call an 'economy' and... this construct should be serving the interests of people as opposed to all people having to adapt to that construction when it becomes obvious that it is not working for many.
>
> One of the things about power is realizing you might actually have the ability to exert some level of power in the first place. If you think you have no power over something- then you don't really have any power over that thing. Realizing that you, or we, might have an ability to not blindly follow the dictates of 'the market' is a type of power in itself. (Jerry Brown, Comment on œBill Mitchell, MMT and Power - Part 2, June 10, 2021)

In the climate of the 1930s and in the post-Second World War era, the answer was very definitely that 'the economy' was the means by which a community met its needs and wants. These included the needs and wants of its least advantaged members. Governments, therefore, managed economies in the interests of their populations.[450]

The New Deal reforms of the 1930s were the first reforms in the United States which clearly established the principle that community costs should be built into the costs of industry .

In a period of booming economic growth following the Second World War, Western countries continued to accept responsibility for the social and economic welfare of their populations. A range of taxes and charges were instituted to cover the costs of education, health, and social welfare programs. It was considered socially responsible to redistribute incomes toward the poor through such programs.

This resulted in the sliding taxation scales of the period and increases in company tax rates[451]. After all, it was argued, businesses not only benefited directly through better educated, better nourished and more contented employees, they were also, in the final analysis, community assets, which should contribute to community well-being. Businesses had a 'social' responsibility.[452]

Sebastian Mallaby has described how crises can drive change - though sometimes, as he says, it takes two crises to cement a transformation. His article, entitled 'The Age of Magic Money: Can Endless Spending Prevent Economic Calamity?' addresses, rather hesitantly, a possible solution to the 2020 difficulties in which so many nations around the world find themselves embroiled [453].

Not only did the 'Welfare State' emerge through such reforms, in accord with the spirit of the times, benign welfare capitalism became 'normal practice' for business. Daniel Gross (2004) has explained it well,

> Even with the rise of the welfare state in the '30s, corporations continued to assume responsibility for the well-being of their employees. It was part of a grand bargain between labor, capital, and government that allowed for remarkable growth, innovation, and rising standards of living for decades. It also served as a bulwark against socialism. By endowing labor with dignity, welfare capitalists made industrial work a ticket to the middle class.
> (œ*Welfare capitalism is dying. We're going to miss it*
> For some of the unintended consequences of this shift, see: The new 'middle class')

The society did not exist to service the economy. Rather, the economy existed to provide a better quality of life for community members.

Protectionism

(22/06/21) (11/02/24) (14/02/24)

In this climate, with the economy servicing the community, industries and, therefore, the jobs which they created and the contributions they made to social welfare, could be 'protected' through the imposition of a range of tariffs on competing imports. The inflow of goods could be regulated by a range of permits, licences, quotas and charges [454].

This 'interference' with 'free' international trade was strongly justified in terms of governmental responsibility for insulating its population from the effects of unregulated international competition. Because of the experiences of the 1930s, this included governmental responsibility to safeguard jobs. It was assumed that they would, otherwise, be lost to those countries where production was cheaper because those who controlled production did not accept that economic pricings should include costs related to the maintenance of social welfare.

Effectively, Western governments required the value of goods to include a component for the social welfare - the 'costs of extraction and processing' - of the communities in which they were produced. They, therefore, had to protect producers and manufacturers from unfair competition from counterparts in other countries whose pricings did not include such a component and a range of barriers to trade were instituted [455].

It was also believed that private banks and similar organizations needed to be strongly regulated. This belief was founded in historical experience and reflected the conviction of the general public following the 1929 crash that,

> ...measures of a national scope were needed to alleviate the disruptions caused by bank failures.
> (œFDIC 1984, Ch. 1, p. 3)

In the 18th and 19th centuries, as banking expanded to provide facilities to increasing numbers of investors, it was found that unless legislative checks were instituted, banks were at risk of collapse, based, not on their own performance, but on rumour and speculation in the community [456].

If people heard that a bank was in trouble they, quite reasonably, hurriedly withdrew their deposits. Since banks make money through lending and investing based on (among other things) the assumed value of income received as deposits, no bank, if required to return all deposits, could continue to operate. Without legislative protection from such runs on their holdings, banks collapsed; they were 'bankrupted'.

The New Deal legislation of Roosevelt in the USA quite explicitly included further reinforcement and refinement of such protections, since it was widely held that a prime cause of the 1930s Depression had been failure in the regulation of major banks.

The Glass-Steagall Act of June 1933 gave government the authority to curb speculation by the banks and established the Federal Deposit Insurance Corporation (FDIC) which guaranteed all deposits up to $US2500. This was aimed at convincing small investors that their money would be secure in a bank so that they would not withdraw deposits in anticipation of bank

failure. The maximum amount has been periodically increased since then to more or less keep pace with inflation.[457]

In 1935, Congress transferred a great deal of the authority formerly wielded by regional Federal Reserve Banks to the Federal Reserve Board in Washington. In addition to its basic fiscal responsibilities, it was given power to exercise direct control over interest rates and could therefore 'manage' economic activity in the marketplace by encouraging or discouraging bank lending.

It was not only necessary to stabilise banks and manage them to contribute to community well-being. It was also believed countries were at risk unless legislation was in place to limit the possibility of invested capital being withdrawn from a country whenever it appeared that there was some kind of economic problem which threatened short-term profits. This safeguarded productive enterprises from short-term economic swings over which they had little or no control [458].

Paul Einzig, in 1934, in the wake of the first flush of New Deal regulation, spelt out both the desirability and inevitability of capital controls in well regulated capitalist societies:

> ...[I]t may well be asked whether we can take it for granted that a return to freedom of exchanges is really a question of time. Even if the reply were in the affirmative, it is safe to assume that after a period of freedom the regime of control will be restored as a result of the next economic crisis.
> (Paul Einzig, *Exchange Control*, MacMillan and Company, 1934).

Foreign exchange controls remained in place - and, in many Western nations, were strengthened through the post-war years. Governments maintained strong control over the outflow of their own currencies and the inflow of foreign currencies. *Encyclopedia Britannica* explained:

> Exchange control, governmental restrictions on private transactions in foreign exchange (foreign money or claims on foreign money). The chief function of most systems of exchange control is to prevent or redress an adverse balance of payments by limiting foreign-exchange purchases to an amount not in excess of foreign-exchange receipts.
>
> Residents are required to sell foreign exchange coming into their possession to the designated exchange-control authority (usually the central bank or specialized government agency) at rates set by the authority.
> (œExchange control: government restrictions, *Encyclopedia Britannica*, accessed June 22, 2021)

Wikipedia provided a brief summary of common controls:

> Common foreign exchange controls include:
>
> - banning the use of foreign currency within the country;
> - banning locals from possessing foreign currency;
> - restricting currency exchange to government-approved exchangers;
> - fixed exchange rates
> - restricting the amount of currency that may be imported or exported;
>
> (œForeign exchange controls, *Wikipedia*, accessed June 22, 2021)

Investopedia explained their purpose and, in the process, also provided information on the role of the IMF in dismantling those controls in the post 1960s period,

> Exchange controls are government-imposed limitations on the purchase and/or sale of currencies. These controls allow countries to better stabilize their economies by limiting in-flows and out-flows of currency, which can create exchange rate volatility.
>
> Not every nation may employ the measures, at least legitimately; the 14th article of the International Monetary Fund's Articles of Agreement allows only countries with so-called transitional economies to employ exchange controls.
> (œExchange Controls, *Investopedia*, accessed June 22, 2021)

Christopher Neely, in 1999, addressed the post-1960s arguments in favor of free capital mobility and consequent removal of capital controls in the neoliberal era - primarily justified using economic efficiency arguments.

As he explained, there was, for a time, muted advocacy for their reintroduction by some who were concerned with the œimpact of 'sudden stops', as described by Krugman in the above footnote, though few genuinely effective controls have been introduced in Western countries (which can also be negatively impacted by 'sudden stops'; as Greece, Spain, Portugal, Ireland and other EU countries have found over the years):

> The consensus among economists has been that capital controls - like tariffs on goods - are obviously detrimental to economic efficiency because they prevent productive resources from being used where they are most needed. As a result, capital controls gradually had been phased out in developed countries during the 1970s and 1980s, and by the 1990s there was substantial pressure on less developed countries to remove their restrictions, too (New York Times, 1999). The topic almost had been relegated to a curiosity...
>
> ...[A]rguments for free capital mobility are similar to those that are used to support free trade. Countries with different age structures, saving rates, opportunities for investment, or risk profiles can benefit from trade in assets. More recently, economists have emphasized other benefits of capital flows such as the technology transfer that often accompanies foreign investment, or the greater competition in domestic markets that results from permitting foreign firms to invest locally (Eichengreen, et al. 1999). The benefits of capital flows do not come without a price, however. Because capital flows can complicate economic policy or even be a source of instability themselves, governments have used capital controls to limit their effects (Johnston and Tamirisa, 1998)...
>
> ...In reality, capital controls rarely have been imposed in a well-thought-out way to correct clearly defined pre-existing distortions. Instead, capital controls most often have been used as a tool to postpone difficult decisions on monetary and fiscal policies. Recently, however, the case has been made that capital controls may be the least disadvantageous solution to the destabilizing effects of capital flows on inadequately regulated financial systems.
> (Christopher J. Neely, œAn Introduction to Capital Controls, *Federal Reserve Bank of St. Louis Review*, November/December 1999, pp. 13-30.)

Similarly, national currencies were protected from international exploitation. Exchange rates were fixed by governments and legislation existed limiting the possibility of trade in currency [459].

While many 21st century economists, wedded to internationalized, free-market policies requiring the free flow of 'credit' across national borders, consider any attempt at the reintroduction of exchange controls as 'government interference in the market-place', there does appear to be movement toward reintroducing national sovereign governmental control of such movements. The Chinese move to a 'digital' economy, with all transactions visible to, and so controllable by, the central reserve authority, seems to be a clear move in this direction.

In this 21st Century, as one might expect, there will be fierce opposition to any such reintroduction of public controls by the Western World's financial centers. However, it is the responsibility of sovereign governments to maintain control over their economies, protecting the stability of their internal economies and the economic wellbeing of their populations[460].

It is time to reset the economic focus of sovereign states. The economy must always be servant to the community it serves - and that community must include the entire population of the state - not merely a privileged few! To ensure this, governments must reintroduce exchange controls and that means control of capital flows in and out of the nation.

In the post-WW2 period governments 'managed' their economies [461]. **The economy was servant to the country rather than the country being servant to an internationalized economy** which could claim to be independent of communities and not responsible for their social welfare.

No Social Welfare for post-colonial nations

The situation was a little different in the Third World. Many of the welfare programs established in Western nations were not established in post-colonial countries.

Most colonial administrations had assumed that wage laborers in their regions belonged to rural communities which would support them. They were assumed to have access to subsistence alternatives if they lost employment. They therefore saw little need to provide economic safety nets for people who had little or no cash income. Post colonial governments inherited administrations which held these views.

So, few Third World nations developed the kinds of social welfare programs which became standard in most First World countries. Those who lost employment should, as colonial administrations had insisted they must, return to their rural bases and become involved once again in rural communities and subsistence forms of livelihood [462].

This presumption of the continued existence of viable subsistence alternatives to wage employment has persisted in the face of mounting evidence of the degradation of rural environments and burgeoning rural poverty. In consequence, those who have no viable subsistence alternatives find themselves destitute and the problem of deepening rural and urban poverty in Third World countries mounts daily.

Because wage rates and taxes and charges on businesses have been calculated to cover the costs of welfare in Western countries, industries have had to factor in such costs. On the other hand, where no such welfare is provided, the costs of industry are much lower.

Third World countries, which originally attracted labor-intensive industry on the basis of much lower labor costs, cannot, therefore, institute welfare programs, since this would raise costs and discourage the entry of labor-intensive industry. So, although the subsistence alternatives in many countries are now more imagined than real, Third World governments and industries continue to exclude social welfare costs from the costs of production.

This, coupled with a smaller range of perceived needs and therefore lower necessary incomes for Third World workers, make labor-intensive industrial goods much cheaper than such goods manufactured in Western countries.

Western countries, during the 1950s and 1960s, were well aware of the possibility of losing labor-intensive industry to low-wage countries. This was one of the reasons for maintaining tariff barriers. They were aimed at supporting local enterprise from low-wage competition [463].

This kind of 'protectionism' could only continue, of course, if Western governments concurred and import restrictions were biased against producers whose prices did not take into account both a social welfare component and the heightened needs base of Western workers[464].

The triumph of neoliberalism

(14/07/16) (27/02/17) (17/08/17) (25/07/16) (04/02/17) (15/10/17) (05/01/23)

Since success in the marketplace is based on keeping costs as low as possible in order to remain competitive, those involved in economic enterprise have, since the 1930s, strongly resisted and protested the 'imposition' of social welfare costs.

This opposition has been expressed both through 'neo-conservative' politics and through the policies of the 'radical right'. That is, politics based on arguments about the centrality of the marketplace; the separation of economic activity from political and social activity; and the reinstatement of pre-1930s conditions for industry.[465]

In a market economy, the costs of raw materials are based on demand and supply and costs of extraction and processing. The social costs of production however, are, in the neoliberal 21st century, claimed to be based only on demand and supply. The costs of the community in which that labor is situated are separated from the costs of labor itself.[466]

That is, the costs of 'extraction and processing' of the labor are shifted away from the enterprise to the community to the extent that economic enterprises can convince the community that they are separate from it and bear no responsibility for its well-being [467].

The fundamental rationale underpinning the post-1960s neoliberal reorganization of Western communities had been well explained in a 1919 ruling by the Michigan Supreme Court:

> A business corporation is organized and carried on primarily for the profit of the stockholders. The powers of the directors are to be employed for that end. The discretion of directors is to be exercised in the choice of means to attain that end, and does not extend to a change in the end itself, to the reduction in profits, or to the nondistribution of profits among stockholders in order to devote them to other purposes.

Milton Friedman, in a 1970 *New York Times* article, entitled "A Friedman Doctrine-the Social Responsibility of Business is to Increase Its Profits (September 13, 1970, pp. 33, 122), had revived it.[468]

All activity within business enterprises would, in this emerging neoliberal, 'user pays' world, be focused on 'shareholder wealth maximization'[469].

Even where wages include a component for the upbringing of offspring and for the old age of the worker, these costs are assumed to be related to the personal requirements of the individual worker. As the British Prime Minister Margaret Thatcher proclaimed in the 1980s [470], there is no society, only individuals who choose to congregate and should, as individuals, meet the costs of their interaction.

In the minds of those who accept this logic, there are only individuals and the economy [471]. Everything else is a consequence of economic interaction between competing individuals. Those individuals should take responsibility for the provision of their own needs and wants, they should not demand contributions from other competing individuals. That is, 'user pays' principles should apply to social costs.

This has been the argument at the center of neo-conservative political demands for removal of social welfare costs from economic enterprise[472]. As we will see, in the 1980s and 1990s these arguments were increasingly effective in reducing social welfare costs to industry.

By the late 1960s, individuals and organizations, committed to improving the economic lot of Third World peoples, seemed to have forgotten - or perhaps never clearly understood - the reasons for the protectionist legislation of the period. They argued strongly that Western governments should 'deregulate' economic activity and encourage international economic interaction through lowering tariff barriers and allowing imports from low-wage countries.

The economic woes of the Third World they were attempting to address were, of course, a result of problems that post-colonial nations endured as they struggled to establish viable nation-states [473]. Not least were the burgeoning debts owed to First World countries which had provided them with both 'development aid' and 'military aid' from the late 1950s onward [474].

With the approval of major Western governments, transnational companies increasingly began to locate their low-wage production activities in selected Third World countries. This was facilitated by new transport developments, particularly the development of container shipping which transformed Western waterfronts during the 1970s.

Those who were most directly involved in Third World development planning and programs strongly approved these moves. They saw this new movement to produce low-wage goods in Third World countries as providing a new base for national development in those countries.

With the failure of import substitution industrialization, and the faltering of value-added industrial development [475], this new move by transnational companies to relocate in Third World countries was seen as a 'window of opportunity' for Third World people. Where government-directed planning had not succeeded, private investment from Western countries would. Development agencies, therefore, strongly promoted various forms of deregulation to facilitate transnational investment in the Third World [476].

Let's not myopically fool ourselves about who have, for the past fifty and more years, been responsible for the de-industrialization of Western nations. The drive to deregulation was not driven by the demands of the non-Western nations within which industrial activity was relocated. It was driven by the demands of Western corporations and financiers eager to exploit the weak or non-existent regulatory environments of those nations.

In the third decade of the 21st century, with the inevitable consequences of the neoliberal deregulatory demands of those private entities, 'expert' commentators have myopically seen the problem not as one of Western Greed but of non-Western governments 'unfairly undermining U.S.-based manufacturing by using exploited labor and providing sweeping state subsidies to locally based firms'.

As Ro Khanna, in a display of historical amnesia (or deliberate propaganda in support of US warmongering), explained:

> For many citizens, the American dream has been downsized. In recent decades, the United States has ceased to be the world's workshop and become increasingly reliant on importing goods from abroad. ...

China has played a significant role in this deindustrialization of the United States. The explosion in job losses occurred after the U.S. Congress granted China the status of "permanent normal trade relations" in 2000, ahead of China's accession to the World Trade Organization. Between 1985 and 2000, the U.S. trade deficit with China had grown steadily from $6 billion to $83 billion. But that deficit ballooned more dramatically after China joined the WTO in 2001, and it now stands at a stratospheric $309 billion. Once in the WTO, China unfairly undermined U.S.-based manufacturing by using exploited labor and providing sweeping state subsidies to Chinese firms. Even more than NAFTA - the 1994 free trade deal that allowed many U.S. manufacturing and farm jobs to move to Mexico - the liberalization of trade with China decimated factory and rural towns, particularly in the Midwest and in the South. This devastation fueled the rise of anti-immigrant xenophobia, anti-Asian hate, and right-wing nationalism that has threatened democracy at home through extremism and violence in U.S. politics.
(Ro Khanna, œThe New Industrial Age: America Should Once Again Become a Manufacturing Superpower, *Foreign Affairs*, January/February 2023)

Neoliberalism: A Cure for Economic Stagnation

(08/10/18)

After a period of economic boom conditions in Western countries following the 2nd World War, they experienced a decade of economic stagnation. This gave economists and those convinced that the reforms of the 1930s were both economically and morally wrong, a base from which to argue that the changed economic fortunes of the West were a consequence of the 1930s reforms.

The booming economic conditions in Western countries during the 1950s were driven by:

- the need to replace and upgrade infrastructure after the 2nd World War;
- a housing boom as troops returning from war married, had families and required accommodation;
- the need to develop all the education, health and other social infrastructure required by the 'baby boom' which accompanied this;
- the ongoing demands stimulated by the Korean War;
- the rapidly expanding purchasing power of workers living in a boom economic period;
- and all the requirements of the emerging superpower 'cold war'.

During the 1960s and 1970s, those same nations experienced long-run economic problems as the overheated economies of the fifties led to productive over capacity.

The world experienced an oil crisis in the early 1970s, largely driven by the emergence of The Organization of Petroleum Exporting Countries (OPEC) as the first major cartel of oil producing countries. This, coupled with the economic difficulties which emerged during the 1960s, led economists and

other interested parties [477] to claim that the economic woes of the West were the result of 'protectionist policies' which should be dismantled.

To combat the evils of protectionism, Western economic activities should be 'globalized'. Trade should be 'freed' from parochial constraints. As the World Trade Organization statement of purpose would later explain,

> The economic case for an open trading system based upon multilaterally agreed rules is simple enough and rests largely on commercial common sense. All countries, including the poorest, have assets - human, industrial, natural, financial - which they can employ to produce goods and services for their domestic markets or to compete overseas.
> (œWTO)

Western nations, with faltering economies, began to take such advice seriously and a number of Western countries lowered tariff barriers to selected Third World countries. The most immediate consequence was the relocation of labor-intensive production to Third World countries and the importation of cheap low-wage products into First World countries by companies already established in Western countries.[478]

Jorge Nef (1995) explained a few of the major consequences of this shift clearly:

> ... [I]mport dependency ... does not mean that developed countries become dependent on less-developed countries for the satisfaction of their consumption needs. Since most international trade takes place among transnationals, all that import dependency means is First World conglomerates buying from their affiliates or from other transnationals relocated in peripheral territories....
>
> Manufacture evolves into a global maquiladora operating in economies of scale and integrating its finances and distribution by means of major transnational companies and franchises (for an analysis of maquiladoras, see Kopinak 1993, pp.141-162). Abundant, and above all cheap, labor and pro-business biases on the part of host governments are fundamental conditions for the new type of productive system.

The lowering of tariff barriers *did not empower* either governments or people in Third World countries. It merely opened them to exploitation by First World companies. Marjorie Mbilinyi (1994) described African experience during this period,

> The peoples of Africa are being steadily impoverished. They are also being dispossessed of their lands. Governments like Tanzania, partly in response to popular demand, had begun to nationalize assets and try to guide the economy in the direction that would meet the basic needs of the people and increase national control and make it more inward oriented. Now we have complete reversal so that it is almost worse than in the colonial period.
> (Mbilinyi 1994)

First World companies rapidly became 'transnational' and exploited the newly accessible differential between production costs in Western and non-Western countries to greatly expand profits and market share.

The 'balance of payments crisis' which has been a major cause of concern in Western countries over the past thirty years, has, in large part, been a consequence of the internationalization of production which came with the

lowering of tariff barriers and transfer of low-wage industry to Third World countries.

The move to lower tariff barriers and to allow cheap imports from low-wage countries required a reduction in protective legislation in Western countries. From the late 1970s, Western governments began to make such changes [479].

Economic experts giving advice in these matters seemed unaware of the social welfare differentials between Western and Third World countries. They seem to have accepted, unreservedly, that such considerations should not be taken into account in moves toward the internationalization of economic activity.[480]

Economic Efficiency and the Virtues of De-Regulation

(26/01/17) (22/03/17) (09/09/19) (03/01/21)

Economics focuses on 'the economy' as a self-existent, independent environment subject to its own laws and constraints [481]. In the process of producing and distributing goods and services, it generates income for the community through the economic interactions of 'real' and 'artificial' individuals.

Political and social environments are considered to be similarly independent. The requirements of each should, therefore, be met from within their own 'resource bases'[482]. Economic activity should be freed from political and social 'interference'.

There is no presumption of the necessity for a 'social welfare' component to costs. So, the best economy is one which is 'freed' to pursue economic goals, unfettered by social and political constraints aimed at harnessing economic activity to other ends.[483]

Low-wage economies, if they are subject to fewer such constraints, are, by definition, more 'efficient' than high-wage economies if they are based on social and political 'protectionism' [484]. If Western businesses were to compete 'on a level playing field' with businesses from these countries, they needed to be freed from the shackles placed upon them by protectionist legislation and 'excessive' social welfare demands.

The world, as Arvind Subramanian and Martin Kessler have explained, has inexorably moved toward the 'fragmentation of manufacturing across borders - the famous slicing up of the value-added chain - as individual production stages are located where the costs of production are lowest'. Lionel Fontagné and Ann Harrison have described the consequences of the subsequent deregulation and rise of 'factory-free' economies in the Western world:

> The shift towards a "factory-free" economy has drawn the attention of policy makers in North America and Europe. Some politicians have articulated alarming views, initiating mercantilist or 'beggar-thy-neighbour' cost-competitiveness policies. Yet companies that concentrate research and design innovations at home but no longer have any factories there may be the norm in the future. This paper summarizes the key themes emerging from a conference on de-industrialization.
> (Lionel Fontagné and Ann Harrison, œ*The Factory-Free Economy: Outsourcing, Servitization and the Future of Industry*, NBER Working Paper No. 23016, January 2017)

Of course, economic experts have not only ignored the social welfare requirements of communities, they have been equally myopic about the environmental costs of economic activity. As Stephen Shrybman explained of international tariff negotiations through the 1980s:

> Nowhere is the failure to integrate the environment and the economy clearer than in the GATT negotiations in which, with only limited exceptions, evaluating the environmental implications of trade proposals is not even on the table. To make matters worse, the negotiations are veiled in secrecy, and virtually no opportunity exists for public comment or debate.
> (Shrybman 1990, p. 17)

Just as economists failed to accept that social welfare costs should be incorporated into pricings, so they failed to consider the environmental costs of economic exploitation. In both cases, the costs involved, not being immediate and inescapable imposts on the producer, could be ignored in the interests of competitive pricing.

As in the 18th and 19th centuries, Western countries were again being told that they should accept the 'logic of the marketplace', and accept that an efficient economy would deliver social welfare rewards. And, once they were required to confront the issue, many economists also argued that, as the environmental impacts of industry became economically significant, they, too, would automatically be factored into production costs.

There is, however, as we have seen, no evidence from history that in the absence of legislation requiring social welfare and environmental costs to be built into price structures, improved 'market efficiency' will deliver social welfare returns and ensure the protection of the environment from pillage.[485]

No argument is made that costs of extraction and processing should be removed from the pricing of material resources, on the presumption that, in some strange way, they will be returned to extractive industry through improved market conditions - the argument would be patently absurd. Yet, this argument has been made, with no apparent awareness of its absurdity, in relation to the social welfare costs of labor.

As Samuels and Shaffer claimed in 1982, the argument that regulation of businesses increases costs, while deregulation improves economic efficiency and will lead to benefits for both businesses and the communities which are required to support them in the deregulated environment, is based on a false premise:

> ... rather than creating costs, both regulation and deregulation shift them.
>
> For example, regulation of an upstream polluter will increase the polluter's costs of production. But these are costs which hitherto had been borne by others. In this case, the costs formerly borne by the downstream pollutee will be lowered by regulation ...
>
> Regulation has not created the costs, only reassigned them, and that is precisely what deregulation will do. Regulation and deregulation each consists of lower costs for one party and higher costs for the other.
> (Samuels & Shaffer 1982, p. 467)

All that deregulation does is move the incurred costs from the 'economic environment' to other 'social' environments. By doing this, those costs are no longer 'economic' costs and are, therefore, irrelevant to economic

enterprise. So it can be argued that "one should not require business to take responsibility for 'community' costs".

At the risk of belaboring the point - regulation is the process of expanding economic responsibilities beyond a narrowly confined 'economic environment' to include other community responsibilities. Deregulation is the removal of those other responsibilities from economic consideration. The question posed in considering regulation and deregulation is:

Does the economy exist independently of the community or is it the means by which the community ensures the supply of all its material needs and wants?

Economic Activity as Non-Social Activity

It is the nature of 'market competition' that prices will be driven to the margins of profitability.

If no social welfare component is built into industrial costs then prices fall below levels at which social welfare can be sustained.[486]

In the absence of alternative means of ensuring social welfare, allowing social welfare costs to be excluded from calculation of the costs of production leads, inevitably, to the impoverishment of those who cannot obtain employment or who are not employable. It also leads to a necessary scaling down of 'non-economic' community activity and organization.

In a most peculiar way, 'economic activity' becomes a form of 'non-social' activity which only contributes to social welfare through the personal incomes generated by economic activity - which, themselves, will not include a social welfare component so long as competition for jobs keeps wage rates low.[487] 'The economy' becomes an environment which is separate from, and not responsible to, the community which sustains it.

A number of theoretical models emerged during the 1970s purportedly demonstrating the inadvisability of allowing 'political interference' in economic activity. Government regulations constraining economic activity are assumed to be detrimental to both the economy and to the community which depends on a healthy economy for well-being.

Since a prime assumption of economic theory is that all individuals act out of self interest, including those in government, the activities of government will, by definition, advantage special interest groups. The imposition of government imposts on economic activity is, therefore, not in the interests of the community but of privileged interest groups [488].

If, however, government backs out of economic regulation, competition in the marketplace will lower prices, improve products and allow for the accumulation of profits. This will encourage investment which, in turn, will result in job creation, which will flow back to the community as increased community well-being. As Peter Kahn has described:

> Support for the wave of deregulation that began in the 1970s came from liberal as well as conservative economists. But deregulation was pursued with single minded vigour during the 1980s at least in part for ideological reasons. It embodied a political theory which justified the administration's distaste for activist government.
>
> That theory, called 'public choice', was espoused by a group of market-oriented economists and lawyers who claimed to demonstrate two things:

- first, that an activist government is all but incapable of reaching efficient public-spirited decisions, and
- second, that private markets do so routinely and automatically.

> According to public choice theory, regulatory policy results from a badly flawed political marketplace, which makes decisions based not on economic efficiency, but on the power of interest groups to use government to pursue private benefit at the expense of general welfare ...
>
> Public choice theory played an important role in the economic policy of Presidents Reagan and Bush. The proposed balanced budget amendment, and other schemes to limit government or place it on automatic pilot, grow out of this body of theory.
> (Kahn 1991, p. 44)

'Public choice' theory, similarly, played an important part in the economic policies of Presidents Clinton[489] and (in practice, through Senate activity) Obama.

As economic activity became internationalized and the demands of governments increasingly came to be seen as obstructing and distorting economic efficiency, economic justifications for freeing economic endeavor from political constraint became elaborated. Now, all the problems from the 1960s onward could be attributed to 'government interference' in the marketplace. The 'gains' made through the liberalization of international trade seemed to be obvious.

Globalization Lowers Prices, Frees Investment: We're all Better Off!!

(20/06/16) (28/06/18) (15/08/18) (11/12/16)(13/08/18)(04/09/18) (06/07/18)(08/07/18)(22/09/18) (08/08/19)(09/08/19) (10/08/18)(05/09/18) (21/09/18) (23/07/19) (12/07/20) (16/10/20) (20/01/21) (09/05/21a) (23/03/22)

By the late 1970s, people in Western countries were beginning to benefit from the lower-priced imported goods produced in low-wage countries as major retailers began to obtain the bulk of their merchandise from such sources. As the majority of people in Western countries felt the effects of this flow-through of lowered costs in the form of cheaper goods, they willingly bought these in place of higher-priced locally manufactured alternatives.

Within a short period the effect of lowering tariff barriers became noticeable. Unemployment began to rise in First World countries, with those who worked in labor-intensive industries being the first to feel the effects of low-wage competition. This resulted in increasing unemployment among low-skilled workers. Skidelsky[490] described the result:

> Factories float between countries to take advantage of lower costs. A legal and policy infrastructure has been built to support offshore production that is then imported to the capital-exporting country. Palley rightly sees offshoring as a deliberate policy of multinational corporations to weaken domestic labor and boost profits.

The effect was rapidly disguised, in Western nations, by altering the definition of employment to include all people who 'did any work at all for pay or profit'. This redefinition of employment for statistical purposes has been perpetuated since that time [491]. The U. S. Bureau of Labor Statistics gives the current definition of employment,

> ...people are considered employed if they did any work at all for pay or profit during the survey week. This includes all part-time and temporary work, as well as regular full-time, year-round employment. (œUSBLS 2010)

Even one hour of paid work in a week now qualifies an individual for definition as 'employed'. The definition has been completely divorced from any consideration of a 'living income'. The relation between 'employment statistics' and living standards was broken, allowing for the disguised growth of a low paid, marginalized workforce in Western countries.

This unequal competition forced First World manufacturing enterprises to consider a number of strategies to 'level the playing field'. They could:

- relocate their manufacturing activities in overseas low-wage areas, thus avoiding the increased 'needs' related wage and welfare component costs of employment in First World countries.;
- focus on improving efficiency through altering production techniques and technologies. This displaced employees with cost-saving machinery, taking advantage of the new technological innovations which have accompanied the continuing computerisation of the First World. This, in turn, incidentally, avoided many of the social welfare costs which have been, in one way or another, levied in association with employment;
- argue strongly for lowering wage rates and the removal of welfare oriented taxes and levies so that they could remain competitive within their present country; or,
- move out of labor-intensive industry, investing in the newly emerging and rapidly expanding international bond, stock/share and money markets (see œCapitalism: Sovereign Debt, Quantitative Easing (QE) and the Vortex Economy for more on this).

Whether businesses invested in low-wage countries or in the rapidly expanding financial markets, they found the transfer of funds across national boundaries impeded by the range of regulations imposed on financial transactions in previous decades.

Businesses joined with importers and financial institutions in demanding removal of the fiscal and financial regulations imposed by Western governments to control both investment and the money supply. In the process, national controls on economic activity have been continually reduced, freeing an internationalising economy from the demands of the communities which supply the labor and other resources for their activities.[492]

Over the past thirty years all the above strategies have been utilised by businesses seeking an advantage in the marketplace.

From the late 1970s, Western governments, at the instigation of 'economic experts', strongly encouraged the internationalization of home-grown businesses, providing tax and other incentives to such expansion. Successful companies were 'transnational'.

Most companies initially moved their labor-intensive operations 'off-shore', to take advantage of labor costs in countries where perceived needs were lower and no social welfare component was built into industrial costs. In the

process they argued for further lowering of tariff and quota barriers to facilitate this 'internationalization' of economic activity.

Paul Roberts has summed up the 21st century consequences well[493]:

> When are America's global corporations and Wall Street going to sit down with President Trump and explain to him that his trade war is not with China but with them? The biggest chunk of America's trade deficit with China is the offshored production of America's global corporations. When the corporations bring the products that they produce in China to the US consumer market, the products are classified as imports from China.
>
> Six years ago ... I concluded on the evidence that half of US imports from China consist of the offshored production of US corporations. Offshoring is a substantial benefit to US corporations because of much lower labor and compliance costs. Profits, executive bonuses, and shareholders' capital gains receive a large boost from offshoring. The costs of these benefits for a few fall on the many - the former American employees who formerly had a middle class income and expectations for their children...

Many of the Western-based firms which did not move to low-wage regions, altered their focuses and forms of organization, reducing their reliance on wage labor through automating production. Others, that continued to rely on unskilled labor, gained a clear advantage through increased competition for jobs in Western countries as the numbers of unemployed grew [494].

Businesses, in the face of union opposition, argued that if automation was not allowed they could not remain viable in the new climate of international economic competition. Given the burgeoning unemployment and obvious 'globalization' of economic competition, neither governments nor labor unions were able to counter such demands and by the mid-1980s the move to automation was commonplace. The major costs of production now centered in technology rather than labor.

What started out as a move to automation by labor-intensive industries to counter international competition, became a general move by industry to take advantage of the new forms of automation made possible by developments in computer technologies.

Kukowski and Boulton (1995) described the Sony Corporation's moves to automation:

> Sony management described the following as an example of the benefits gained from the company's factory automation activities: It took three to four months to start up Sony's original production lines in Japan, but it required only two to three weeks to bring replicated lines up to speed in Singapore and France. Changing models required only 9.1 % of additional capital investment in Sony's first changeover, 3.5% in the second changeover, and only 1.5% in the third changeover.
>
> In addition, the move to automation resulted in improved quality. The best defect rate using manual labor was 2000 parts per million (PPM), compared to 20 PPM after the first week of automation.
>
> Sony's personnel policy was to remove employees from manual labor jobs through automation so that 'they could become more creative in solving problems and improving operations'. Due to Sony's strong knowledge base in automation and its focus on design for manufacturability, between 1987 and 1990 it increased sales by 121 %

> with an increase of only 35 employees.
> (œKukowski & Boulton 1995, ch. 5 s. 3)

(18/04/16)

The Sony policy of removing 'employees from manual labor jobs through automation so that "they could become more creative in solving problems and improving operations'" was, of course, disingenuous. Typically, the problem-solving skills required in the new plants required a level of expertise beyond that held by manual laborers. The numbers of such people in a fully automated plant, as Kukowski and Boulton showed, was far smaller than required in a non-automated factory.

Not only did low-skilled workers find their jobs under threat by these moves, increasing numbers of skilled workers found that their positions had disappeared as automated processes displaced them[495]. As the authors say, a 121 per cent increase in sales by the company was accompanied by the employment of a further thirty-five workers[496].

Just-In-Time and Total-Quality-Control: Let's be *flexible* !

(14/09/19) (18/10/19)

The new catch-cry of industry, taken up and echoed by First World government, educational, health and other institutions became 'flexibility'. As a Report to the Alberta Government on new economic practices in the 1990s explained:

> Human resource consultants Olmsted and Smith said that:
>
> > With much of foreign competitors' success credited to cheap labor and with technological advances that permit work to be performed by fewer but more sophisticated employees, American companies are focusing on assessing and redirecting labor costs in order to become more profitable
> > [1989, p. vii].
>
> In 1993 the U. S. Labor Secretary Robert Reich said:
>
> > Firing workers to cut costs has gone so far that even reasonably healthy companies are cutting jobs. The cost of these butcher strategies is borne by all, not only in lost output but in higher taxes.
>
> ... With the worst of the layoffs behind them, companies are searching for ways to become 'lean and mean' but effective, and 'flexibility' is today's buzzword.
>
> Flexibility is increasingly viewed as providing ways to manage time, space and people more effectively within the upswings and downturns of a global economy. It is also seen as a way to attract and retain good employees in a labor market that is steadily becoming more competitive.
>
> Two different strategies have begun to emerge about how to create a more flexible workplace. The first strategy would create flexibility by using a 'core' workforce and a 'contingent' workforce to manage the workload. The second is to allow flexible working hours and various forms of reduced working hours to meet demand.
> (Alberta Labor 1994, p. 3)

As Mittleman (1994) claimed, Fordist industrial organization was now most usually employed in the remaining labor-intensive industries. Those which

had moved to new technologies usually also moved to new forms of organization.

These often included the networking of small, closely interlinked companies or company divisions, usually controlled by a 'parent' company, each of which took responsibility for production of a particular product component; accepted responsibility for 'managing' their workforces; and could be manipulated to minimize costs when their product component was in lower demand (insulating the parent company from such activity).

(10/04/16)

The new organization of production, often called Just-In-Time (JIT) production processes, coupled with Total-Quality-Control (TQC) systems of surveillance, emphasized direct worker responsibility for the quality of output, coupled with direct accountability to authorities for performance.

The term 'just in time' refers to the relationship anticipated between supply and demand. This form of organization aims to reduce the inventories of manufacturers to a minimum, relying on efficient production techniques to produce item components as they are required. It also has quality control built into the process of production, rather than relying on post-production testing[497].

JIT processes require a direct link between the supplier and the marketplace. This form of organization allows for rapid responses to increases, decreases and changes in demand. It therefore assumes rapid filling of orders, rapid scaling down of production as markets become saturated, and rapid retooling and reorganization as products are altered or displaced to meet new demand.

As in Sony's case, factories, workplaces and assemblies of employees/contractors can be built quickly to meet particular demand, and dismantled and moved just as quickly. And the facility is built at the source of demand. Thomas Palley described all this as 'barge economics':

> The new model can be labeled "barge economics" (Palley, 2007b) because it is as if factories are placed on barges that float between countries to take advantage of lowest costs - which can be due to under-valued exchange rates, low taxes, subsidies, absence of regulation, or abundant cheap exploitable labor.
>
> Trade remains central because goods must cross borders and hence the need for trade agreements. However, barge economics is fundamentally different from comparative advantage trade theory. Free trade is about cross-border exchange of goods and services but production is immobile. Globalization is about creating flexible international production networks configured on the principle of global cost arbitrage. This difference is reflected in the policy debate.
>
> The original trade debate was about taking down tariff barriers. Now, the debate is about property rights and investor protection. Unfortunately, this simple but essential insight regarding the difference between trade and globalization is obscured because orthodox economics asserts globalization is merely an extension of comparative advantage theory which motivated the free trade era.
> (Thomas Palley, œThe theory of global imbalances, 2014, p.15)

This, in the 1990s, resulted in a shift of investment in industry away from low-wage countries and back into major markets.

It emphasized the development of a skilled, versatile, mobile and yet expendable labor force[498] which could rapidly respond to changes in market preferences, rather than a workforce which supplied low-skilled, cheap labor inputs[499]. It requires flexible employment arrangements, the use of short-term contracts rather than long-term commitment to maintenance of a stable body of employees, and 'internationally competitive' wages and conditions.

Maria Carmona has described the 2019 consequences:

> In 2019, you no longer have to hang from scaffolding to risk your life on the job. Precariousness, stress, and overwork can also make you sick, and even kill you, at a much higher rate than accidents....
>
> We work in safer environments than we did 30 years ago but the physical and emotional health of workers remains fragile. Traditional risks persist - the European Union, for example, has seen a recent uptick in fatal accidents in the construction sector - while at the same time, emerging risks, psychosocial risks, and risks associated with the digital economy are increasing. These include stress, fatigue, and harassment related to the organization of work, working hours, demands, and uncertainty.
>
>> *"Psychosocial risks are the great pandemic of this century and they are related to the precarious conditions of the labour market," warns Ana García de la Torre, secretary of occupational health of Spain's General Union of Workers (UGT).*
>
> The union's latest prevention campaign focuses precisely on "invisible" threats such as overloading and hyperconnectivity. "They are not new, we've been suffering from them for a while, but they have definitely gotten worse."
>
> Today's greatest workplace risk isn't falling or infectious agents, which are more or less under control, but increasing pressure, precarious contracts, and working hours incompatible with life, which, bit by bit, continue to feed the invisible accident rate that does not appear in the news.
>
> In today's frenetic and competitive market, stress has become almost as common at the office as the coffee machine. It is the second most common workplace health problem and is responsible for half of all absences.
> (Maria Jose Carmona, œStress, Overwork, and Insecurity are Driving the Invisible Workplace Accident Rate: The pressure to work faster and longer is making work more dangerous for diverse jobs, from delivery drivers to home care workers. *Inequality*, Research & Commentary, September 13, 2019)

In introducing these changes, businesses capitalised on the high (but disguised) unemployment levels in developed countries to institute new styles of relationship between managers and employees, based on employee uncertainty and 'management by stress' (Sewell & Wilkinson 1992, p. 279).

In a very real sense, businesses, in the 1990s, renounced responsibility for the social welfare of their employees along with renouncing responsibility for meeting the social welfare requirements of the communities within which they operated. Their responsibilities related to ensuring 'economic efficiency', not to contribution to the quality of life of those they employed.

Many businesses, since the 1990s, have become international organizations, geared to exploiting temporary markets wherever they arise and geared, equally, to the economically efficient use of all inputs, including labor [500].

In the 21st century the new employment arrangements have become common-place. This has led to a euphemisation of the term 'temporary workers'. They are now 'the contingent workforce ', an established, central focus in 'human resource management' [501].

The move to temporary employment was also a move toward increasing stress amongst employees. Since any downturn in company performance resulted in the layoff of temporary staff, those who were in this category - or those who felt that they were next in line to be reduced to temporary status - felt a constant sense of insecurity. They were driven to perform by the fear that if they were seen as less than totally committed to improved performance they would be the first to go.

Do not go gently into that dark night!

(20/01/16) (12/07/19)

Not only have the new management techniques introduced increased 'economic efficiency', coupled with decreased contribution to social welfare costs of the communities in which they operate, they have also introduced endemic stress to those communities. Increasing numbers of people live in constant fear of losing their jobs, and therefore their incomes[502]. More and more people live with a gnawing sense of threat which they cannot escape.

In the new climate which dissociates businesses from 'social responsibility', this increase in stress is seen as positively contributing to 'economic efficiency'. Of course, even in this area, such increases in stress are of short-term value. In the long term, they result in decreased not increased performance from employees[503]. However, economic experts have not shown versatility in thinking through such consequences of their logically-constructed models.

These techniques veil a number of consequences for employees and for the businesses which employ them. First, although employees are grouped into teams, in the interests of quality control, team members are required to monitor the performance of colleagues. Since the teams are small, if the quality of production is poor, all members are under threat. There is no security of tenure [504].

Adam Smith, in 1776, provided clear warning of the dangers involved in assuming that 'Merchants and master manufacturers', in pursuing their own interest, have the wellbeing of the community in mind[505]:

> To widen the market and to narrow the competition, is always the interest of the dealers. To widen the market may frequently be agreeable enough to the interest of the public; but to narrow the competition must always be against it, and can serve only to enable the dealers, by raising their profits above what they naturally would be, to levy, for their own benefit, an absurd tax upon the rest of their fellow-citizens.

In this far more flexible era of production, what firms needed was rapid access to markets and a close relationship between design and production processes. That is, with social welfare costs being reduced through minimizing employment and a widening gap between labor productivity and

hourly worker compensation [506], firms could relocate production closer to markets.

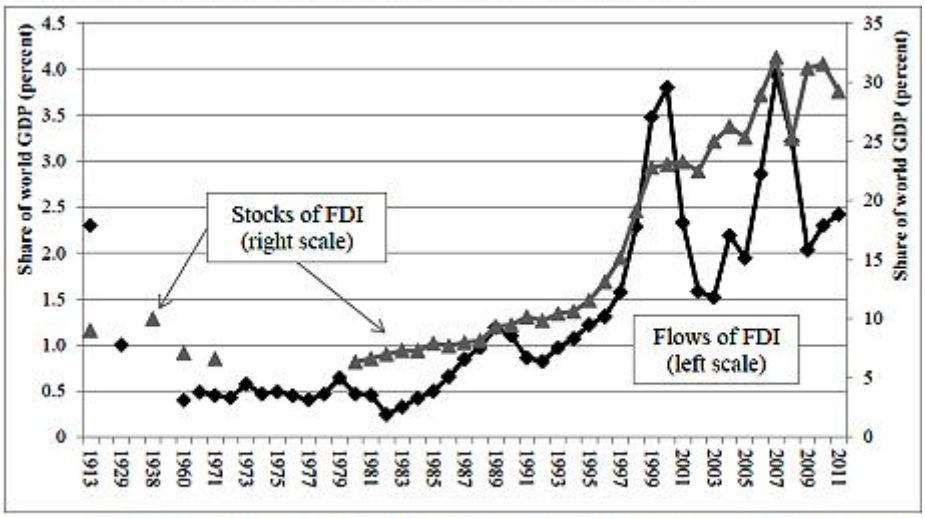
Many companies relocated in Western countries or in maquiladoras on the borders of major markets. In consonance with this return to high-wage areas, there were concerted political campaigns aimed at lowering or removing the residual social welfare components of industrial costs in Western countries. There was an equally determined push to lower the real hourly compensation rate for employees in relation to productivity.

(28/04/19) (13/05/19)

As borders have become increasingly permeable through processes of deregulation, and transport networks have become increasingly efficient, international control of production and marketing has become more sophisticated. An international fragmentation of corporate organization has occurred, with apparently independent, but tightly integrated, 'multinationals' controlling component manufacture, product assembly and marketing.[507]

Corporations have been able to decouple product design and the organization of production from component and product manufacture and product marketing, resulting in what can best be termed pseudo-foreign direct investment in low cost regions around the world. As Subramanian and Kessler (2013) have explained:

Figure 2.2 Stocks and Flows of Foreign Direct Investment, 1913–2011



Sources: Authors, based on data from Bairoch 1996 for 1913–70, Dunning 1983 for stocks and UNCTAD various years for flows for 1970–2011.

A related feature of this era of hyperglobalization is the rise of multinational corporations and the sharp surge in flows of foreign direct investment (FDI), which have both caused and been caused by cross-border and other flows of goods and services. Since the early 1990s (broadly coinciding with the era of hyperglobalization), FDI flows have surged, growing substantially faster than GDP (figure 2.2). Global FDI as a share of world GDP, which hovered around 0.5 percent, increased sevenfold, peaking at close to 4 percent just before the onset of the recent global financial crisis. Even discounting the two surges of 1997-2000 and 2005-08, the general trend is steadily increasing. Global FDI stocks (which are less volatile than flows) jumped from less than 10 percent of GDP in the early 1990s to 30 percent in 2011. FDI flows, and stocks, now surpass levels achieved in the first golden era of globalization, before World War I. By 2009, there

> were more than 80,000 multinationals, accounting for about two-thirds of world trade (UNCTAD 2010).[508]

(11/01/16)

National borders and 'parochial' legislatures are now seen as impediments which can and should be overcome to ensure genuinely deregulated, internationalized free markets[509]. The consequence of this mindset has, in the 2nd decade of the 21st century, resulted in a range of, often secretly negotiated, sovereignty-threatening, 'free trade' agreements aimed, not only at ensuring further deregulation of trade but, more importantly, at minimizing the effectiveness of 'parochial' legislation in regulating and controlling internationalized corporate organization and activity.

With globalized capitalism intent on accumulating 'credit' as an end in itself (Keynes (1930) " love of money as a possession") the world has, in the past fifty and more years, witnessed the growth of a wide range of tax avoidance games played by multinationals. Tanya Rawal-Jindia has summarized it well:

> ...Tax havens are a geo-political nightmare and transfer pricing and mispricing are accounting tricks to get money into tax havens. The former is legal while the latter is illegal - but the boundary between them is virtually non-existent.
>
> **Transfer mispricing, defined**
>
> There's a wide range of tax avoidance games played by multinationals: transfer mispricing, abusive transfer pricing, trade misinvoicing, Base Erosion and Profit Shifting (BEPS), and re-invoicing. All of these fall under the umbrella of trade mispricing, or the intentional falsification of transactions on an international level. Arguably, the polynymity of this deceptive practice is evidence of its ubiquity. But 'thievery' could just as well replace any of these titles.
>
> The short-term goals of misinvoicing vary. In some cases the desired outcome is to dodge capital controls (a strategy commonly used in emerging markets to reduce rapid cash outflows). In other cases, the incentive for misinvoicing is to claim tax incentives or avoid paying duty. Generally, the scheme is this: shift profits out of high tax countries and into low tax countries, or tax havens, while ensuring that the majority of expenses are assigned to high tax countries.
> (Tanya Rawal-Jindia, œTransfer (mis)pricing, the jewel in every multinational enterprise's crown, *openEconomy*, 10 July, 2019)

In the 21st century, hyperglobalization is becoming the new face of *laissez-faire* capitalism. Tsuyoshi Kawase, in an assessment of the Trans-Pacific Partnership (TPP) agreement, spelt out one of the major consequences of such agreements:

> At the conclusion of the TPP agreement, leading figures including Akira Amari, Japan's state minister in charge of the TPP, repeatedly called it a "21st century agreement". By this definition, the TPP is an agreement that facilitates trade in parts and intermediate goods as well as the accompanying international movement of services, data, people, and know-how. It goes beyond trade in finished products predicated on the division of labour and based on the theory of comparative advantage. Trade in parts and intermediate goods has been growing with the advancement of information and communications technologies (ICTs) prompting more companies to unbundle their production processes and leading to the development of international supply chains. Richard Baldwin calls this chain of factors the "trade-investment-services-

> intellectual property nexus" (Baldwin 2012) and an agreement designed to facilitate the formation of such nexuses is what is meant by a 21st century agreement.
> (Tsuyoshi Kawase, œThe TPP as a set of international economic rules, *VOX: CEPR's Policy Portal*, 10 January 2016)

(20/07/17)

Dean Baker, in an essay entitled 'œThe Battle Over the Trans-Pacific Partnership and "Fast Track" Gets Hot ' (*Truthout*, 27 April 2015), provided an insight into the nature of such trade deals:

> ... [T]he TPP is not primarily about reducing trade barriers. The TPP is essentially a pact in which the Obama administration invited industry representatives to get together a wish list and see what they could impose on the other parties to the deal.
>
> Since formal trade barriers are already low, very little time was spent on cutting tariffs or ending quotas. Most of the deal is about imposing a business-friendly regulatory structure. The rules in the TPP can be used to challenge any consumer, labor or environmental regulation approved at the state, local or federal level. The enforcement powers will rest with an extra-judicial dispute settlement mechanism that will impose penalties that are not subject to appeal.

President Obama of the US summed up the problem while selling the virtues of the Trans-Pacific Partnership:

> ... What we're negotiating will be by far the most progressive, high-standard trade agreement in history. Labor agreements are enforceable. Environmental agreements are enforceable. If and when this agreement is completed, you're going to have countries who have very low, if any, environmental standards in the past suddenly having obligations to deal with issues like deforestation or dealing with overfishing their waters or pollution or child labor. Those are all going to be suddenly enforceable provisions.
>
> ... [W]hen you look at some of the provisions that we're negotiating in TPP, we are raising the standards in many countries, in places like Malaysia or Vietnam, in ways that directly help workers there, directly help the environment, directly go after some of the trends that are causing climate change. And if you're a progressive, you want higher standards, enforceable standards, in those regions.
> (WSJ Interview Transcript: President Obama on TPP, China, Japan, Pope Francis, Cuba, *Wall Street Journal*, Washington Wire, Apr 27, 2015)

(24/01/16)

Responsibilities of sovereign governments, charged with protecting the rights of their populations, are being 'internationalized'. In a brave new *laissez faire* world, responsibility for legislation passes from governments to "interested parties" in international "trade agreements".

With such agreements, the guiding maxim becomes Henry Thoreau's (1849) conclusion:

> "That government is best which governs least"; and I should like to see it acted up to more rapidly and systematically. Carried out, it finally amounts to this, which also I believe, - "That government is best which governs not at all"; and when men are prepared for it, that will be the kind of government which they will have. Government is at best but an

> expedient; but most governments are usually, and all governments are sometimes, inexpedient.
> (œThoreau 1849)

Now, international agreements, negotiated in secret between 'interested parties', carry the responsibilities of regulation, handed "extra-judicial dispute settlement mechanism[s] that will impose penalties that are not subject to appeal" by sovereign governments or their peoples[510].

As Jonathan Weisman explained:

> The Trans-Pacific Partnership - a cornerstone of Mr. Obama's remaining economic agenda - would grant broad powers to multinational companies operating in North America, South America and Asia. Under the accord, still under negotiation but nearing completion, companies and investors would be empowered to challenge regulations, rules, government actions and court rulings - federal, state or local - before tribunals organized under the World Bank or the United Nations.
>
> Backers of the emerging trade accord, which is supported by a wide variety of business groups and favored by most Republicans, say that it is in line with previous agreements that contain similar provisions. But critics, including many Democrats in Congress, argue that the planned deal widens the opening for multinationals to sue in the United States and elsewhere, giving greater priority to protecting corporate interests than promoting free trade and competition that benefits consumers.
> (Jonathan Weisman, 'œTrans-Pacific Partnership Seen as Door for Foreign Suits Against U.S. ', *New York Times*, March 25, 2015)

(03/02/16)

With the negotiations finalized, the Labor Advisory Committee, established as part of "The Obama administration's corporate-heavy network of official trade advisers ", issued its required report to the US Congress "reflecting the opinions of the Labor Advisory Committee (LAC) on the Trans-Pacific Partnership (TPP)". The first two paragraphs of its Executive Summary read:

> On behalf of the millions of working people we represent, we believe that the TPP is unbalanced in its provisions, skewing benefits to economic elites while leaving workers to bear the brunt of the TPP's downside. The TPP is likely to harm the U.S. economy, cost jobs, and lower wages.
>
> The primary measure of the success of our trade policies should be increasing jobs, rising wages, and broadly shared prosperity, not higher corporate profits and increased offshoring of America's jobs and productive capacity. Trade rules that enhance the already formidable economic and political power of global corporations - including investor-to-state dispute settlement, excessive monopoly rights for pharmaceutical products, and deregulatory financial services and sanitary and phyto-sanitary rules - will continue to undermine worker bargaining power, here and abroad, as well as weaken democratic processes and regulatory capacity across all 12 TPP countries.
> (R. Thomas Buffenbarger, Chair, Labor Advisory Committee (LAC), œReport on the Impacts of the Trans-Pacific Partnership, December 2, 2015)[511]

The first big move made by President Trump upon taking office in January 2017 was to withdraw from the Trans Pacific Partnership (TPP) though it continued in truncated form among most of the other signatories.

However, the US withdrawal from the TPP (and attempted renegotiation of other trade agreements) has not emasculated investor-state dispute lawsuits allowed in existing 'trade' agreements. Manuel Perez-Rocha and Jen Moore have described the 2019 scene, detailed in an *Institute for Policy Studies* report entitled œExtraction Casino: Mining Companies Gambling with Latin American Lives and Sovereignty Through International Arbitration:

> ...In January 2019, for example, U.S.-based Legacy Vulcan LLC registered a case against Mexico over an environmental dispute concerning limestone quarrying near the well-known vacation destination Playa de Carmen. The company cited ecological land use regulations in the municipality of Solidaridad preventing the company from expanding mining operations on two properties. Using NAFTA investment rules, the company is reportedly planning to demand approximately $500 million in compensation.
>
> The same month, U.S. firm Odyssey Marine Exploration filed its notice of intent to sue Mexico for the outrageous sum of $3.54 billion for having failed to obtain permits needed to advance an offshore phosphate mine project off the coast of Baja California Sur. This is the largest amount that Mexico has ever been threatened with in any ISDS suit.
>
> These are just two of 38 mining-related investor-state cases documented in a new report by the Institute for Policy Studies, MiningWatch Canada, and the Center for International Environmental Law....
> (Manuel Perez-Rocha and Jen Moore, œMining Companies Use Excessive Legal Powers to Gamble with Latin American Lives: In more than two-thirds of the mining-related lawsuits against governments in the region, communities have been actively organizing against the mining activities, Research & Commentary, *Inequality*, May 10, 2019)

(17/04/16)

We are entering the twilight of the democratic nation-state[512].

> Do not go gently into that dark night...
> Rage, rage against the dying of the light.

And then We Deregulated Finances and Currencies!

Concurrently with the move to JIT and TQC processes, all over the world there were insistent demands for fiscal and financial deregulation. It was claimed that this would both facilitate the 'internationalization' of productive enterprises, taking advantage of 'cost anomalies' in different parts of the world; and enable a 'healthy' speculation in currencies and stocks and bonds[513].

As the attack on investment and fiscal regulations became increasingly effective in the late 1970s and early 1980s, people began investing money in the rapidly expanding international currency, bond and stock markets. These provided more lucrative options for investors than developing alternative forms of productive enterprise. As Susan Strange described:

> Changes in the global financial structure in recent decades can be considered under five main headings:
>
> (1) the system has *grown* enormously in size, in the number and value of transactions conducted in it, in the number and economic

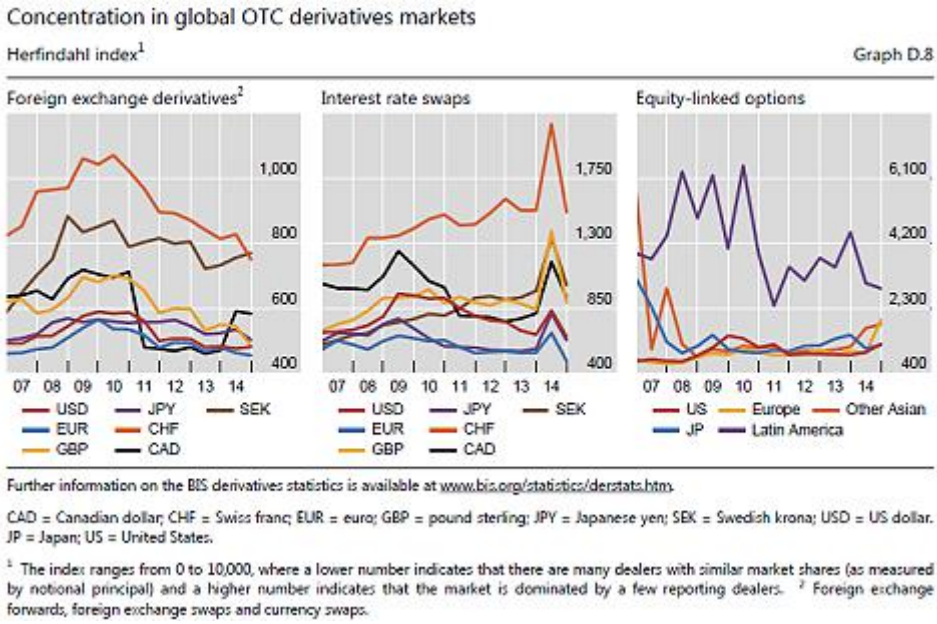
> importance of the markets and the market operators;
>
> (2) the *technology* of finance has changed as fast as the technology in any manufacturing or productive sector in the world economy;
>
> (3) the global system has *penetrated* national systems more deeply and effectively than ever before - though some people are apt to retort that there is nothing new in international banking or international debt, the degree to which both have played a growing part in national economies and societies is quite new;
>
> (4) The provision and marketing of credit have become overall a much less regulated and much *more competitive* business than it used to be when national systems were less integrated in the global system; and, not least,
>
> (5) the *relation of demand for and supply of credit* has changed rather radically, with very large implications for the world political economy and for the material prospects of many social groups and social institutions in the future.
> (Strange 1994, p. 232)

Although it is difficult to quantify the growth in international financial speculation, there is no doubt that it has eclipsed investment in productive enterprise over the past three decades.

Trillions of dollars are shifted daily to take advantage of fluctuating currency values and changes in the value of stocks and bonds based on short-term predictions related to movements in interest rates, government decisions, perceived threat to profits, and short-term profit-taking. Ralph Nader summarized changes over the past twenty years:

> ... financial market activity has skyrocketed in the past few decades: The value of transactions is now 70 times greater than the size of the real global economy. Trading volume has grown exponentially, skyrocketing from 188 billion shares of stock traded on the Nasdaq and the New York Stock Exchange in 1995 to nearly 1 trillion in 2011. Each year, the notional value of over-the-counter derivatives traded worldwide totals trillions more.
> (Ralph Nader, œRalph Nader on a simple way to avoid the fiscal cliff: Tax stock trades, *Washington Post* Saturday, December 1, 2012)

The œTriennial Central Bank Survey of foreign exchange turnover in April 2013 provided a picture of the size of Foreign Exchange and OTC Derivatives Markets activity:



(œBIS Statistics: Charts, Derivatives Statistics: Graph D8, p. A16)

As it explained:

> The preliminary œglobal results from the 2013 Triennial Central Bank Survey of Foreign Exchange and OTC Derivatives Markets Activity show that trading in foreign exchange markets averaged $5.3 trillion per day in April 2013. This is up from $4.0 trillion in April 2010 and $3.3 trillion in April 2007. FX swaps were the most actively traded instruments in April 2013, at $2.2 trillion per day, followed by spot trading at $2.0 trillion.
> (BIS, 5 September 2013.
> See, œTriennial Central Bank Survey of foreign exchange and derivatives market activity in 2013, updated 7 November 2013, for more detail.
> The 2013 Triennial Survey was published in the December 2013 issue of the œBIS Quarterly Review.)

Government decisions around the world are increasingly made with an eye to 'market response' to their policies, and news bulletins almost obsessively report 'market fluctuation' based on reactions to policy decisions, or even to chance comments by politicians. And financial markets, conversely, react to such reports of their own responses, thus magnifying short-term investment responses to often marginally important (and sometimes barely relevant) government activity.

'Entrepreneurs', since the 1980s, are not 'industrialists' but players in international currency, bond and stock trading and experts in financial manipulation [514]. They know a great deal more about Wall Street possibilities than about new productive enterprise [515].

Things have not improved in the 21st century. Movements in share and currency values usually have little to do with the world of productive enterprise. They are all-too-often driven by wild and fanciful speculations of 'expert commentators', self-interested predictions of predators in the 'marketplace of finances', and fanciful tales spun by purveyors of 21st century snake-oil [516].

Transient Benefits of Globalization

(29/01/16) (19/10/18)

Effectively, in the short-term, what the removal of tariff barriers in the 1980s did was to transfer the difference in wage rates between laborers in First World and Third World countries into the pockets of those who retained their employment, and therefore their incomes, in First World countries[517].

For the bulk of the population, the lowering of prices meant an increase in discretionary income. This allowed middle-income earners to join in the new speculative investment boom of the 1980s. This, in turn, gave them a vested interest in changes in working conditions which might positively contribute to increased investment returns.

That, of course, led them to support arguments for further deregulation and 'streamlining' of business, reduction in government expenditures and taxation 'relief'.

The transfer of income from low to middle wage earners resulted in a transient sense of affluence. Consequently, there was less pressure on employers to give regular wage increases to provide increased income for expanding wants and needs during the first years of this transfer of work to Third World communities.

In the 1980s real wages grew more slowly in First World countries (In the US, for 80% of the male workforce and 50% of all workers, real wages fell through the period)[518]. As Josh Bivens, Lawrence Mishel, and John Schmitt have explained for the US,

> ...*[R]elative* employer power in the labor market has indeed increased substantially in recent decades, but the source of this growth is not predominantly explained by growing labor market concentration - it is instead explained by an intentional policy assault on the market power of American workers.
> (Josh Bivens, Lawrence Mishel, and John Schmitt, "It's not just monopoly and monopsony: How market power has affected American wages, p.11, *Economic Policy Institute*, April 25, 2018)

Not only did real wage returns fall for more than 50% of workers in the US (a result experienced by workers in most other Western communities), for those who initially benefitted from this transfer in wealth, an expansion in discretionary income was followed by an expansion in perceived needs. As the initial flush of felt prosperity waned, more and more middle-income earners accepted neoliberal arguments for 'governmental downsizing' and tax reform, aimed at providing them with further discretionary income.

(25/08/16)

In a time when wage increases had become closely linked with increases in 'productivity', that is with increases in company profits resulting not from price increases but from an improved ratio between wage costs and material output (e.g. German experience), one way of expanding incomes was through reducing government taxes and charges - introducing 'user-pays' schemes which placed the same demands on all people, regardless of income.

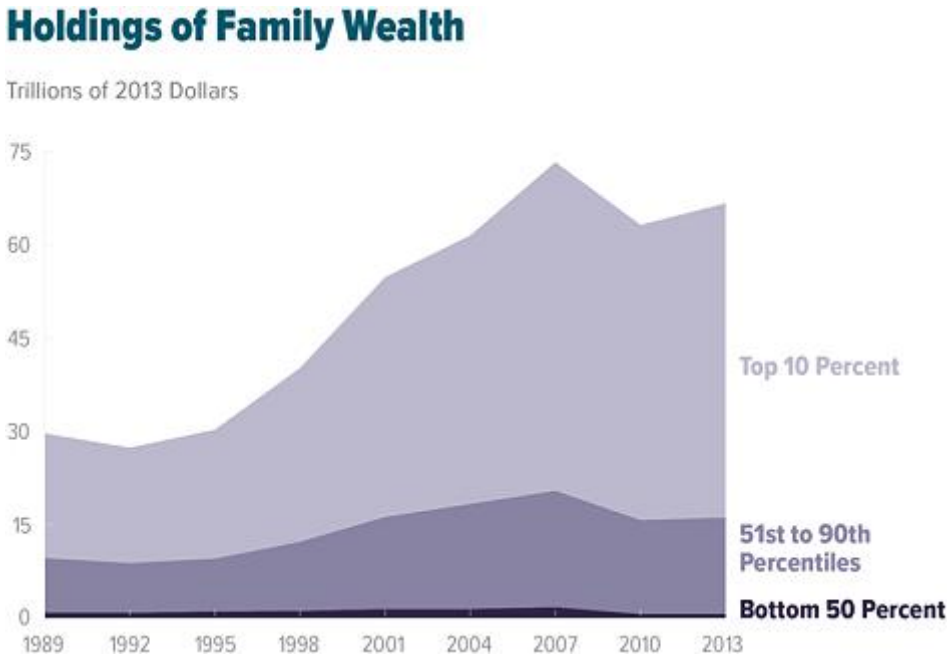
(04/11/18)

This new emphasis on reductions in government spending, once again effectively shifted income from low-wage to middle- and high-wage individuals[519]. This resulted in further widening the gap between low-wage earners and middle- and upper-income earners[520].

As Mishel and Bivens (2011) explained,

> The bottom 60 percent of households actually had less wealth in 2009 than in 1983, meaning they did not participate at all in the growth of wealth over this period.
> (œOccupy Wall Streeters are Right About Skewed Economic Rewards in the United States. *Economic Policy Institute* Briefing Paper No.331)

A report by the US Congressional Budget Office illustrated the shift in wealth distribution in the United States over the period 1989 to 2013.



As the report says,

> Over the period from 1989 through 2013, family wealth grew at significantly different rates for different segments of the U.S. population. In 2013, for example:
>
> - The wealth of families at the 90th percentile of the distribution was 54 percent greater than the wealth at the 90th percentile in 1989, after adjusting for changes in prices.
> - The wealth of those at the median was 4 percent greater than the wealth of their counterparts in 1989.
> - The wealth of families at the 25th percentile was 6 percent less than that of their counterparts in 1989.
>
> The distribution of wealth among the nation's families was more unequal in 2013 than it had been in 1989. For instance, the difference in wealth held by families at the 90th percentile and the wealth of those in the middle widened from $532,000 to $861,000 over the period (in 2013 dollars). The share of wealth held by families in the top 10 percent of the wealth distribution increased from 67 percent to 76 percent, whereas the share of wealth held by families in the bottom half of the distribution declined from 3 percent to 1 percent.
> (US Congressional Budget Office, œ*Trends in Family Wealth, 1989 to 2013*, August 18, 2016)

In the 1980s, Western middle-income earners experienced a sense of affluence at the very time that unemployment statistics showed a rapid growth in the numbers of people who could no longer find work, and in the numbers of those who had to accept lower wages and deteriorating work conditions in order to retain employment.[521]

This, in turn, lessened the sense of threat amongst the more articulate members of Western communities which would otherwise have accompanied a rise in unemployment statistics in the community. Those most directly affected by the changes could, therefore, find little support from the bulk of the population.

Not even the labor unions, which were trapped by the dual effects of this shift, could mount an effective campaign against the relocation of industry and deteriorating work conditions for low-paid workers. Labor leaders found that they simply could not motivate the majority of Western employees in the face of their new-found affluence [522].

Over time, however, the savings which middle-income earners had experienced with the lowering of tariff barriers, were whittled away. The wants of those whose real incomes had been improved by the import of low-wage manufactures expanded, so that, over time, the requirements of such people became greater, effectively reducing their discretionary incomes.

Now, First World countries had lost their labor-intensive industries - or had mechanised them, or had established 'informal sweat-shops' in which people are subjected to 'Third World conditions and pay' - and the initial advantages to consumers which had accrued from the internationalization of competition began to disappear.[523]

Public-Private Partnership: We need to 'Stimulate' Private enterprise

(04/09/17) (24/01/18) (23/02/18) (03/07/18) (02/12/18)

The lowering of tariff barriers in First World countries and the resulting distortion of First World economies gave doctrinaire, right-wing economic experts a platform from which to argue for drastic reformation of First World economies.

Pointing to the distortions and their effects, right-wing politicians argued that the burgeoning unemployment and its side effects in increased crime, increased youth unemployment, and ghettoizing of low-waged residential districts were the result of economic distortion *within* First World countries.

It was argued that well-meaning, but short-sighted governments had expanded governmental services beyond the capacity of their economies to absorb the associated costs [524]. The only way in which First World countries could regain the economic initiative would be for governments to step back from their failed attempts at 'economic management' and allow 'market forces' to rectify the problem. As Herbert Spencer put it, "There is No Alternative' (TINA) (*Social Statics* (1851), pp. 42, 307) [525].

High on the lists of remedies for unemployment and the renovation of economies were:

- the establishment of 'individual contracts';
- the removal of 'collective bargaining' by workers;
- the lowering of minimum wage rates[526] ;
- the watering down of maximum hour rates;
- the removal of price protection;

- and the scaling down of social welfare benefits.

All those provisions which had been central to the 1930s 'New Deal' in the USA and which had been echoed in other Western countries were now under attack as 'economic luxuries' which no country could permanently afford.[527]

Ronald Reagan, in his inaugural address had set the scene for what has followed:

> ...These United States are confronted with an economic affliction of great proportions. We suffer from the longest and one of the worst sustained inflations in our national history. It distorts our economic decisions, penalizes thrift, and crushes the struggling young and the fixed-income elderly alike. It threatens to shatter the lives of millions of our people.
>
> Idle industries have cast workers into unemployment, human misery, and personal indignity. Those who do work are denied a fair return for their labor by a tax system which penalizes successful achievement and keeps us from maintaining full productivity.
>
> But great as our tax burden is, it has not kept pace with public spending. For decades we have piled deficit upon deficit, mortgaging our future and our children's future for the temporary convenience of the present. To continue this long trend is to guarantee tremendous social, cultural, political, and economic upheavals.
>
> You and I, as individuals, can, by borrowing, live beyond our means, but for only a limited period of time. Why, then, should we think that collectively, as a nation, we're not bound by that same limitation? We must act today in order to preserve tomorrow. And let there be no misunderstanding: We are going to begin to act, beginning today. ..
>
> In this present crisis, government is not the solution to our problem; government is the problem.
> (Ronald Reagan: "œInaugural Address," January 20, 1981. Online by Gerhard Peters and John T. Woolley, *The American Presidency Project*)

In 2017, the process and its 'justifications' remain potent. The self-proclaimed political 'centrist', French President Emmanuel Macron, has demonstrated this in his 'reformation' of French labor relations. As Juliette Legendre has described[528]:

> His first year of presidency... has proven that he is neither a centrist nor an avant-garde leader, but rather an old-fashioned, right-leaning neoliberal determined to overhaul France's hard-won social model under the guise of modernism and emancipation.

Cole Stangler explained:

> Give him credit for consistency at least. Amid all the equivocations shaping his career, French President Emmanuel Macron has remained singularly committed to the cause of remaking labor law to favor employers. Since his Socialist predecessor, François Hollande, appointed him economy minister in 2014, the former investment banker has repeatedly argued that France must reform its labor code along pro-business lines in order to boost job growth. And on August 31, his recently elected government unveiled a long-awaited proposal to do so.

> As Macron's prime minister, Edouard Philippe, put it, the reforms are a "necessary" tool to reduce unemployment, which currently stands at 9.5 percent. If this is the goal, success may be partial at best. œSimilar efforts in the world's most highly developed countries have cast doubt on the supposed link between labor deregulation and job growth.
>
> But even if they do bring down unemployment, the reforms are likely to be overshadowed by the grave consequences at the workplace and damage to the country's social fabric. At their core, the proposed changes weaken unions' collective-bargaining rights and make it easier for companies to lay off workers....
>
> Compared with the pro-business employment model that prevails in the United States, the government's reforms may seem modest. But they strike at the foundation of the French system, which seeks to provide workers with a more level playing field for their negotiations with employers.
> (Cole Stangler, œThe False Promise of Macron's Labor Reforms: The French president's proposed labor code would have grave consequences for workers, *The Nation*, Septembeer 22, 2017)

(25/04/18)

In the climate of reform engendered by neoliberal arguments, rather than economic enterprises contributing to government social welfare expenditures, the emphasis has been reversed. Government should provide stimulus to private enterprise. Nathan Jensen has described the US scene in 2018:

> Every year, states and local governments give economic-development incentives to companies to the tune of between $45 billion and $80 billion. Why such a wide range? It's not sloppy research; it's because many of these subsidies are not public.
>
> For the known subsidies, such as Maryland's recent œ$8.5 billion incentive bid for Amazon's second headquarters, the support includes cash grants for company relocations, subsidized land, forgiving company taxes on everything from property taxes to sales taxes and investments in infrastructure for the company. Maryland is even offering to give 5.75 percent of each worker's salary back to the company, which is the maximum state income tax rate for individuals. Employees will pay taxes that will be œrouted back to Amazon....
>
> Economic development all across the country is getting less open - and both Democrats and Republicans are doing it. In fact, in many cases, the politicians themselves aren't even the ones negotiating for the public....
> (Nathan M. Jensen, œDo Taxpayers Know They Are Handing Out Billions to Corporations? *New York Times*, April 24, 2018)

Mitchell and Manning (1991) explained the 1980s move to privatize and corporatize Government:

> During the Reagan administration, the ideas of privatization, deregulation, and public-private partnerships became entwined in the USA, as they had during the Thatcher years in Great Britain ...
>
> They are the primary components of an industrial policy founded in what has come to be called *neo-orthodox economics.* Along with supposedly tight fiscal policies and judicious monetary policy, they make up the core of both the Thatcher and Reagan approaches to

> promoting economic growth and development by unleashing the powers of the private marketplace ...
>
> [With the emergence of the Third World 'Debt Crisis' in the mid-1980s, the OECD, UN, World Bank and IMF provided policy direction to Third World countries.]
>
> Their prescription for Third World governments, *economic adjustment,* was drawn directly from the Thatcher/Reagan doctrines of neo-orthodox economics: cutbacks in public expenditures, privatization, deregulation, and public-private partnerships [PPP].
>
> New loans from the Bank or the IMF today enforce the adoption of such policies ... and the USA Agency for International Development [US AID] promotes public-private partnerships as the key to achieving higher rates of economic growth ...
>
> PPPs themselves, rather than being the centrepiece of a development strategy, are primarily a set of institutional relationships between the government and various actors in the private-sector and civil society ...
>
> In the typical confusion of terms, US AID and other donor agencies promote privatization and government subsidies to private entrepreneurs in the name of building public-private partnerships ...
>
> But privatization is privatization and subsidies are subsidies; public-private partnerships they are not.
> (Mitchell & Manning 1991, pp. 46-9)

Under the New Deal, private enterprises were required to incorporate a public social welfare component into the costs of production. However, under neoliberal direction in the 1980s and 1990s, the 'public-sector' provided 'incentives' to private enterprise, believing that such stimulation of industry was needed to ensure a growth in employment and therefore increased social welfare[529].

In 2018 Public-Private Partnership deals are in the process of morphing into Private Enterprise capture of the public realm.

Danny Westmeat, *Seattle Times* staff columnist, in an article entitled 'This City Hall, brought to you by Amazon', describes the local and regional government bidding process instituted by Amazon for its 'new, proposed 50,000-employee HQ2'. As he says,

> ...There's rising worry that corporations are taking over America. But after reviewing a slew of the bids by cities and states wooing Amazon's massive second headquarters, I don't think "takeover" quite captures what's going on.
>
> More like "surrender."
>
> Last month Amazon announced it got 238 offers for its new, proposed 50,000-employee HQ2. I set out to see what's in them, but only about 30 have been released so far under public-record acts.
>
> Those 30, though, amply demonstrate our capitulation to corporate influence in politics. There's a new wave, in which some City Halls seem willing to go beyond just throwing money at Amazon. They're turning over the keys to the democracy....
>
> Example: Chicago has offered to let Amazon pocket $1.32 billion in income taxes paid by its own workers. This is truly perverse. Called a personal income-tax diversion, the workers must still pay the full

> taxes, but instead of the state getting the money to use for schools, roads or whatever, Amazon would get to keep it all instead.
>
> "The result is that workers are, in effect, paying taxes to their boss," says a report on the practice from Good Jobs First, a think tank critical of many corporate subsidies.
>
> Most of the HQ2 bids had more traditional sweeteners. Such as Chula Vista, California, which offered to give Amazon 85 acres of land for free (value: $100 million) and to excuse any property taxes on HQ2 for 30 years ($300 million). New Jersey remains the dollar king of the subsidy sweepstakes, having offered Amazon $7 billion to build in Newark.
>
> But more of a bellwether to me are proposals that effectively would put Amazon inside the government.
>
> Some are small. Boston has offered to set up an "Amazon Task Force" of city employees working on the company's behalf. These would include a workforce coordinator, to help with Amazon's employment needs, as well as a community- relations official to smooth over Amazon conflicts throughout Boston. (Surely Amazon can handle these things itself?)
>
> But the most far-reaching offer is from Fresno, California. That city of half a million isn't offering any tax breaks. Instead it has a novel plan to give Amazon special authority over how the company's taxes are spent....
> (Danny Westmeat, œThis City Hall, brought to you by Amazon, *Seattle Times*, Originally published November 24, 2017; Updated December 28, 2017)

Kenneth Thomas has explained the outcome of Amazon's self-promotional orchestration of competition between US city governments for the dubious 'privilege' of hosting an Amazon Headquarters: New York City and Arlington, Virginia (why stop at one when city governments are so desperate to subsidize private enterprise?):

> Well, what did you expect? With 238 entrants and 20 finalists, the Amazon HQ2 location tournament resulted in a resounding victory for Amazon: Billions of dollars in subsidies and binders full of detailed information on the contestants. Plus, we got a surprise twist at the end, when Amazon announced it would choose two "headquarters" instead of one. Of course, I never thought that having two headquarters made economic sense ("Doesn't that defeat the idea of a headquarters as a central coordinating site?" I asked last year), and the same is even truer when you have three "headquarters."
> (Kenneth Thomas, œAmazon Wins!!!, *Angry Bear*, November 30, 2018)

(For a picture of what is happening in this emerging corporatized United States of America, see 'œAmazon Killer?' posted by Yves Smith on the blog site *Naked Capitalism*, January 23, 2018)

At the same time, the social welfare costs of the past became illegitimate imposts which made productive enterprises uncompetitive and so cost jobs.

Social welfare imposts were, according to the new logic of the 1990s, counterproductive. Instead of promoting social welfare they created unemployment and consequent social misery.

By sleight of hand, social welfare demands made of economic enterprises were considered irresponsible, but the tapping of public resources by private

enterprises was considered socially responsible[530].

Private businesses were now competing with businesses which were able to tap the resources of countries where no social welfare component was included in production. So, Western enterprises should be compensated by government for any continuing residual social welfare costs associated with production (see Conglomerates and the Progressive modernization of Poverty for more on the consequences of this activity over the past half century).

Only in this way could governments ensure that enterprises based within their territories were able to compete 'on a level playing field' with those based in Third World territories where they not only had few, if any, social welfare imposts, but were also publicly subsidised through a range of 'incentives' in order to ensure that they remained in the territory [531].

The Twilight of Western Hegemony?

(22/05/22) (11/06/22) (13/06/22) (23/06/22) (25/07/22) (13/08/22) (17/08/22) (24/09/22) (26/09/22) (05/10/22) (06/10/22) (26/12/22) (27/12/22) (10/07/23) (05/03/24) (10/04/24) (15/04/24)

In a vain attempt to maintain its unipolar hegemony within the world, The United States of America, seeing itself as being in an existential battle against the world's emerging 'autocracies', is decoupling from the non-Western world, vassalizing the rest of 'The West'. The Western World is cannibalizing itself.

Thomas Fazi, in 2023, described what was happening:

> For decades, the European Union was regarded as an emerging counterweight to US geopolitical hegemony that would accord its member states greater autonomy from the superpower across the Atlantic. The Russia-Ukraine conflict has revealed the emptiness of this promise. Today, Europe's "vassalization" (in the words of an analyst for the European Council on Foreign Relations) is arguably more pronounced than at any time since the middle of the 20th century. On geopolitical questions, as the current war has made clear, Brussels has no meaningful independence from Washington. In the economic sphere, Europe's relative decline and growing dependency on America - which predate the Ukraine conflict but have been exacerbated by it - are if anything even more evident.
>
> In 2008, the European Union's economy was slightly larger than America's; America's economy in 2023 is one-third larger than those of the European Union and Britain combined, and 50 percent larger than that of the European Union without the United Kingdom. To put it differently, the eurozone's economy has grown about 6 percent over the past 15 years, compared with 82 percent for the United States, according to data from the International Monetary Fund.
>
> The economic fortunes of the European Union and the United States had already started to diverge well before the Ukraine conflict for several reasons, not least Europe's post-2008 suicidal austerity policies, which led to a continent-wide demand and investment collapse. Over the past year and a half, however, this process has undergone a dramatic acceleration. Unlike America, Europe has suffered a huge economic blowback from the conflict - or more precisely, from the West's response, especially its decoupling from Russian gas, which before the war accounted for almost half of the bloc's demand. This drastic move led to a "massive and historic energy shock," as the Organization for Economic Cooperation and Development put it, exacerbated by speculation on the part of the big energy companies, which crippled industry and households alike. According to The Economist, high energy prices killed 68,000 people among Europe's poorest last winter - as European countries turned to much more expensive liquefied natural gas from Qatar and especially the United States.
>
> Last year, soaring energy prices and falling demand caused dozens of plants across a diverse range of energy-intensive industries - glass, steel, aluminum, zinc, fertilizers, chemicals - to cut back production or shut down, which, in turn, led to mass layoffs. In September, The New York Times documented the "crippling" impact that Brussels's sanctions were having on industry and the working class in Europe, reporting that "high energy prices are lashing European industry, forcing

> factories to cut production quickly and put tens of thousands of employees on furlough."...
> (Thomas Fazi, œAmerica Is Deindustrializing Europe, *Compact*, August 09, 2023)

Dmitry Medvedev provided a non-Western description of it all:

> The years 2022-2023 will go down in history as a time of a powerful civilizational rift, the peak of the existential crisis of mankind in the XXI century.
>
> Its direct consequence was the start of a special military operation in Ukraine. Russia was forced to hold it in order to protect its sovereignty and territorial integrity, the security of millions of citizens. Our country, as you know, exercised its right to self-defense, relying on Article 51 of the UN Charter.
>
> What is happening now in Ukraine and Donbass is not just a "regional conflict", but something completely different. This is an all-out confrontation between the conditional collective West and the rest of the world.
>
> It is caused by the diametrical opposition of views on the further development of mankind.
>
> On one side are Western countries that do not want to admit that the world has changed radically and lose their dominance. The hybrid war that they are now waging with us is their last chance to maintain a favorable status quo for themselves, not to lose weakened power and influence.
>
> On the other side is not only Russia, but also the global East and South. Their population is almost two-thirds of the globe. These are countries that continue to gain strength, gradually overcoming the economic and political consequences of the colonial past. They stand for the equitable development of all states. Without senior and junior partners. Without a cynical division into historically developed and underdeveloped countries. On "genuine" democracies" and "authoritarian regimes", from the point of view of the West, of course.
>
> Their desire for independence is very disliked by the former colonialists. They cling to the past with all their might. The new conflict has already caused an order of magnitude more tension than during the previous Cold War and extremely negative consequences. In fact, [it has] put the world on the brink of a third world war.
>
> Moreover, with the beginning of the conflict in Ukraine, at the suggestion of the United States, a full package of "double standards" was again launched.
>
> Nothing new, everything is as usual: independence and territorial integrity, according to the collective West, can only be defended by those who are highly allowed to do so. The rest should be pacified, crushed, and preferably smeared on their own territory with bloody scraps....
>
> The tectonic rift that has formed in the understanding of the future in different parts of the world will only worsen. You don't have to be a visionary to understand that the confrontation phase will be very long. The confrontation will last for decades.

> One of the ways to resolve it is [a] third world war. ...
> (Dmitry Medvedev, œThe era of confrontation, *Rossiyskaya Gazeta*, July 02, 2023 [Russian - machine translation])

As we have seen, over the past five hundred years, Western Europe and its ideological offspring have been in hegemonic control. They have changed the face of the world.

Convinced of their 'right to rule' they have presumed that they have a God-given responsibility to ensure the 'development' of the world and its vassalage to the 21st Century center of Western Hegemony, the United States.

The world has found itself described in terms of its (dis)similarity to those who have colonized it, with its peoples reclassified as 'lesser humans' in need of 'civilization' by Western 'authorities'. The colonized have been subjected to 'domestication', educated to 'serve' Western superiors and Western Interests.

And, as they have been 'granted' putative independence, they have found their nations classified as 'undeveloped', 'less developed', 'under developed' and 'developing'. Terms directly comparing their 'state of development' to that of the 'developed' West.

The West has accepted another 'white man's burden': to ensure that all nations of the world become clones of the West.

And, in order to ensure that they achieve that exalted status, Western nations have committed themselves to 'aiding' them through Western style 'education' and 'development' programs, Western 'aid organizations', and 'foreign direct investment' from Western private enterprises in 'public-private' partnerships putatively aimed at economic and industrial development, but resulting in nations restructured to 'serve' Western Interests and Western corporations.

As Kwame Nkrumah described,

> ... [T]he methods of neo-colonialists are subtle and varied. They operate not only in the economic field, but also in the political, religious, ideological and cultural spheres...
>
> Under cover of such phrases, however, it devises innumerable ways to accomplish objectives formerly achieved by naked colonialism. It is this sum total of these modern attempts to perpetuate colonialism while at the same time talking about 'freedom', which has come to be known as neo-colonialism.

But, in 2022 the hubristic self-belief and self-promotion of The West might finally have triggered change. The 21st Century might, indeed, be the twilight century of Western Hegemony.

The behavior of the United States toward Russia[532] in the third decade of the 21st Century has been that of a nation which believes itself to be both morally superior and justifiably in control of the world, able to enforce compliance with a 'rule of law' sustained and modified as required by itself[533].

In 2022, Russia found itself at war with 'The West'. President Putin, explaining to the Russian people why a partial mobilization of military trained and combat seasoned reservists was necessary in September 2022, also explained why it was at war:

> The subject of this address is the situation in Donbass and the course of the special military operation to liberate it from the neo-Nazi regime, which seized power in Ukraine in 2014 as the result of an armed state coup.
>
> Today I am addressing you - all citizens of our country, people of different generations, ages and ethnicities, the people of our great Motherland, all who are united by the great historical Russia, soldiers, officers and volunteers who are fighting on the frontline and doing their combat duty, our brothers and sisters in the Donetsk and Lugansk people's republics, Kherson and Zaporozhye regions and other areas that have been liberated from the neo-Nazi regime.
>
> The issue concerns the necessary, imperative measures to protect the sovereignty, security and territorial integrity of Russia and support the desire and will of our compatriots to choose their future independently, and the aggressive policy of some Western elites, who are doing their utmost to preserve their domination and with this aim in view are trying to block and suppress any sovereign and independent development centres in order to continue to aggressively force their will and pseudo-values on other countries and nations.
>
> The goal of that part of the West is to weaken, divide and ultimately destroy our country. They are saying openly now that in 1991 they managed to split up the Soviet Union and now is the time to do the same to Russia, which must be divided into numerous regions that would be at deadly feud with each other.
>
> They devised these plans long ago. They encouraged groups of international terrorists in the Caucasus and moved NATO's offensive infrastructure close to our borders. They used indiscriminate Russophobia as a weapon, including by nurturing the hatred of Russia for decades, primarily in Ukraine, which was designed to become an anti-Russia bridgehead. They turned the Ukrainian people into cannon fodder and pushed them into a war with Russia, which they unleashed back in 2014. They used the army against civilians and organised a genocide, blockade and terror against those who refused to recognise the government that was created in Ukraine as the result of a state coup.
>
> After the Kiev regime publicly refused to settle the issue of Donbass peacefully and went as far as to announce its ambition to possess nuclear weapons, it became clear that a new offensive in Donbass - there were two of them before - was inevitable, and that it would be inevitably followed by an attack on Russia's Crimea, that is, on Russia.
>
> In this connection, the decision to start a pre-emptive military operation was necessary and the only option. The main goal of this operation, which is to liberate the whole of Donbass, remains unaltered.
> (President of Russia, œAddress by the President of the Russian Federation, September 21, Moscow, Kremlin)

John Helmer explained what this 'war' is all about:

> There's no mystery now about the war of Europe and North America against Russia; it is the continuation of Germany's war of 1939-45 and the war aims of the General Staff in Washington since 1943....
> (John Helmer, œAND THEN THERE WERE NONE, *Dances with Bears*, September 22, 2022)

But, of course, this behavior is not in any way 'new'.

The Western World has for more than 500 years behaved in similar fashion.

Alexander Gabuev, in a *Foreign Affairs* article entitled 'Putin and Xi's Unholy Alliance: Why the West Won't Be Able to Drive a Wedge Between Russia and China', explained the West's presumption of the nature of the 'emerging partnership between China and Russia' which

> ...was doomed to fail because ties between the two Eurasian giants would always be undercut by the growing power asymmetry in China's favor, the lingering mistrust between the two neighbors over a number of historical disputes, and the cultural distance between the two societies and between their elites. No matter how hard Russian President Vladimir Putin might try to woo the Chinese leadership, the argument went, China would always value its ties to the United States and to U.S. allies over its symbolic relations with Russia, while Moscow would fear a rising Beijing and seek a counterbalance in the West.
>
> Even as China and Russia have grown significantly closer, officials in Washington have remained dismissive. "They have a marriage of convenience," U.S. Secretary of State Antony Blinken told U.S. senators in March 2023 during Chinese leader Xi Jinping's state visit to Moscow. "I am not sure if it is conviction. Russia is very much the junior partner in this relationship."...

And so, despite the 'vassalage' of Russia to China, our Western 'foreign affairs expert' assures his readers that

> ...The tightening of this alignment between Russia and China is one of the most important geopolitical outcomes of Putin's war against Ukraine. The conscious efforts of Xi and Putin drive much of this reorientation, but it is also the byproduct of the deepening schism between the West and both countries. Western officials cannot wish this axis away, hoping in vain that the Kremlin bridles at its vassalage to Zhongnanhai or making futile attempts to drive a wedge between the two powers. Instead, the West should be prepared for an extended period of simultaneous confrontation with two immense nuclear-armed powers.
> (Alexander Gabuev, œPutin and Xi's Unholy Alliance: Why the West Won't Be Able to Drive a Wedge Between Russia and China, *Foreign Affairs*, April 9, 2024).

As Gabuev says, the West, particularly its hegemonic center, the United States, has, over the past three decades, hubristically, delusionally, presumed that any alliance 'between the two Eurasian giants would always be undercut by the growing power asymmetry in China's favor, the lingering mistrust between the two neighbors over a number of historical disputes, and the cultural distance between the two societies and between their elites.'

The West, for reasons anchored in their colonizing experience, seem unable to comprehend a partnership based on an acceptance of a new multipolar alliance of 'countries [which] are finally ready to free themselves from all those [colonizers'] narratives and to recognize that there's something inherently good and valuable and cherishable in their own history, their own national character and their own manifest destiny because all the nations of the world have something unique and something special to offer - if the international environment supports that'.

One should not view US hegemony as a 20th or 21st century phenomenon.

The United States is merely the most recent center of Western capitalism, the latest (and perhaps last) focus of Western hegemony[534].

And, inevitably, given that the West is premised on capitalist control of the world, that control has been focused and maintained through financial and industrial control of the world's resources.

What is 'new' (at least since the mid-1970s) is the decentralization of industrial activity,'off-shoring' industrial activity and relying on financial controls in maintaining and asserting its hegemony.

Through offshoring most of its non-military industrial base, the United States has become dependent on a smoothly functioning global transport system in ensuring its 'needs' and 'wants'. Any disruption of supply chains exposes it to supply shortages and consequent short-term price fluctuations[535].

The decoupling of the privatized financial control of the world's resources from industrial control of resource flows through offshoring has exposed the fragile nature of Western capitalism and Hegemony.

The post-1960s neoliberal drive to privatization of ownership of the world's resources is underwritten by the current world financial system. Any shift to alternative financial systems weakens financial institutions defined in terms of the displaced Western system.

If that shift is coupled with re-nationalization of the internal resources of sovereign nations to regain control of their own economies (reversing the privatizations of colonialism and of the past fifty and more years) the financial dominance of Western nations and oligarchies would be greatly weakened.

By reasserting their sovereign right to control their own resources, dismantling the internationalized, private resource ownerships and managements established through Western colonialism, post-colonial nations could, at last, break free of the neo-colonial financial parasitism imposed by neoliberally driven privatization of their economies.

Without that decoupling from Western financial overlords, many post-colonial nations will remain under Western hegemonic control.

Syrian President Bashar al-Assad, in an interview with *RT Arabic* (10th June, 2022) entitled œ"Our weapon is the truth": Assad in an interview with RT Arabic - about Russia, Syria and the arrogance of the West, explained the emergence of United States' 'Dollar' Control of the world:[536]

The US runs consistent dollar trade deficits with many other nations because of the internationally privileged position of the US dollar, derived from the Bretton Woods Regime. This cemented the US dollar as the *de facto* reserve currency required to maintain the dollar parity of foreign countries which, as France argued in 1965, 'amounted to automatic low-interest, dollar-denominated loans to the U.S'.[537]

The default position of a 'reserve currency' sovereign nation, at the center of an international network of trade, providing the liquidity needed to ensure a free-flow of credit between trading entities, as France observed, privileges that nation. However, its position ultimately relies on separating its political and strategic interests and ambitions from its efficient management of the reserve currency[538].

Failure to maintain that separation will, inevitably, result in loss of international confidence in the reserve currency and consequent challenges to its privileged position.

As Syrian President Bashar al-Assad put it, nations will come to regard the US dollar as 'pieces of paper that have no price'!

Anne-Marie Slaughter and Elina Ribakova have explained the 2019 risks of reserve-currency-based 'sanctions' threatened by the US Administration against those trading entities which do not support its political and military adventures around the world:

> In today's world, access to global networks is a critical source of power, but the resulting interdependence can also generate vulnerability. The power flows from centrality: being a hub that connects all (or most) other nodes. The threat of denying access to such hubs can be a powerful sanction against bad actors. But if that power is abused - if asymmetrical interdependence is weaponized - participants in a network may decide to create alternative networks of their own.
>
> That is the risk the United States is currently running. It holds the world's principal reserve currency and enjoys a central role in global financial networks. But it is using that position to pursue foreign-policy goals that are likely to weaken its centrality, and thus its leverage over the long term.
>
> A prime example is the mounting crisis with Iran, which started in May 2018, when the US unilaterally withdrew from the 2015 nuclear deal, known officially as the Joint Comprehensive Plan of Action (JCPOA). Worse, the US has since imposed its decision on the other signatories - Britain, France, Russia, China, Germany, and the European Union - by threatening secondary sanctions against third parties honoring the JCPOA.
>
> In theory, the remaining parties to the JCPOA should have been able to continue doing business with Iran. But the US, invoking a cooperation agreement with the EU that was originally designed for the fight against al-Qaeda, has been able to enforce its secondary sanctions through the Belgium-based Society for Worldwide Interbank Financial Telecommunication (SWIFT).
>
> Under pressure from the US, SWIFT has had to bar Iranian banks from the global payments system it oversees, effectively locking Iran out of the global financial system and curtailing its ability to conduct business even with countries that have not sanctioned it.
>
> Like many European companies, SWIFT has a legal presence and a data center in the US. Had it refused to comply, it could have faced significant fines, the loss of US visas for its staff, or a denial of access to US dollars....
> (Anne-Marie Slaughter and Elina Ribakova, œPost-American Networks, *Project Syndicate*, Jul 22, 2019)

There are many advantages enjoyed by a reserve currency sovereign nation from its position at the hub of international trade[539] but those advantages ultimately depend on the US not abusing its position. As Slaughter and Ribakova say,

> If asymmetrical interdependence is weaponized - participants in a network may decide to create alternative networks of their own.

In 2022, as in the previous decade, the United States has done just that! It has myopically gambled its power at the center of the Western dominated global financial system in order to 'bring Russia (and one presumes, later, China) to its knees'

It takes time, patience, and careful planning, but the US position at the hub of international trade, once successfully challenged, can quickly erode[540]. It took four years of backroom diplomacy and meticulous preparation, but, in 2020, Iran and China were in a position to do just that.

Farnaz Fassihi and Steven Lee Myers (in a *New York Times* essay which, predictably, conflates economic and social cooperation - excluding US involvement - with military ambition, creating 'new and potentially dangerous flash points in the deteriorating relationship between China and the United States') explained:

> Iran and China have quietly drafted a sweeping economic and security partnership that would clear the way for billions of dollars of Chinese investments in energy and other sectors, undercutting the Trump administration's efforts to isolate the Iranian government because of its [US asserted] nuclear and military ambitions.
>
> The partnership, detailed in an 18-page proposed agreement obtained by The New York Times, would vastly expand Chinese presence in banking, telecommunications, ports, railways and dozens of other projects. In exchange, China would receive a regular - and, according to an Iranian official and an oil trader, heavily discounted - supply of Iranian oil over the next 25 years....
>
> If put into effect as detailed, the partnership would create new and potentially dangerous flash points in the deteriorating relationship between China and the United States.
>
> It represents a major blow to the Trump administration's aggressive policy toward Iran since abandoning the nuclear deal reached in 2015 by President Obama and the leaders of six other nations after two years of grueling negotiations.
> (Farnaz Fassihi and Steven Lee Myers, œDefying U.S., China and Iran Near Trade and Military Partnership, *New York Times*, July 11, 2020)

Iranian reaction to overblown extrapolations by Western commentators, attempting to paint this agreement as a challenge to US military hegemony, put it into perspective:

> Foreign Ministry spokesman Abbas Mousavi has criticized the disinformation campaign surrounding the Iran-China partnership plan, saying the old trick of spreading lies to gain true information will lead nowhere.
>
> In a tweet on Tuesday, Mousavi lauded the comprehensive cooperation plan, describing it as a clear roadmap and principled guide for relations between the two major countries in the future world.
>
> He said China, as the world's leading economic power in the near future, and Iran as the great power in West Asia, can counter the pressure of bullies with complementary relationship and ensuring common interests.
>
> "There is no ceding of the Iranian islands, nor the presence of the foreign military forces, nor any other illusions," the spokesman explained.

> Meanwhile, Foreign Minister Mohammad Javad Zarif said on Sunday that there is no "hidden issue" in the long-term comprehensive agreement between Iran and China....
>
> Zarif added, "There is transparency in our behavior, however, the truth is that power in the world is shifting (to the East) and we should know the realities of the international situation and take action in the post-West world."
>
> Government spokesman Ali Rabiei said on June 23 that Iran and China have drafted a 25-year plan for comprehensive partnership which proves failure of the plots to isolate the Islamic Republic.
>
> "This plan proves failure of the United States' policies to isolate Iran, sever Iran's relations with the international community and also to harm Iran's will to expand relations with other countries," Rabiei said during a press conference.
>
> He said that the 25-year plan is based on a win-win approach which "heralds long term cooperation".
>
> "Recognizing cultural commonalities, encouraging multilateralism, supporting equal rights of the nations and insisting on domestic development are parts of this plan," the government spokesman explained....
> (œTehran dismisses rumors surrounding Iran-China partnership plan, *Tehran Times*, July 8, 2020)

As the US, in the runup to the 2020 presidential election, imposed yet more 'sanctions' on Iran which could effectively œlock Iran out of the global financial system, Iran's Central Bank countered by announcing that it has œreplaced the US dollar with the yuan as its primary reserve currency [541]. As Lavender Au and Benjamin Wilhelm explained[542],

> With a 25-year strategic partnership with China under discussion, Iran will have a guaranteed market for its oil and gas exports, and with renminbi reserves, it will be able to more easily circumvent SWIFT, the messaging service used by banks around the world for money transfers.
>
> Iran is not the only country to fall foul of a weaponized dollar - Russia, Turkey and Venezuela are also within those ranks. Aggressive U.S. sanctions have given those countries, and traders who wish to do business with them, reasons to find alternative arrangements. In China, too, there is some unease about the dollar's dominance. The vice chairman of the China Securities Regulatory Commission has said that as long as the country mainly relies on the dollar payment system, it is vulnerable to U.S. sanctions.
> (Lavender Au and Benjamin Wilhelm, œU.S. Sanctions on Iran Boost China's Plans to Internationalize the Yuan, *World Politics Review*, Wednesday, Oct. 14, 2020)

The US President Biden, in 2021, amplified US belligerence toward Russia and, in anticipation of possible US interference in its international financial dealing, Russia began planning for means of also bypassing SWIFT, the international interbank payment system.

Russian Foreign Ministry spokeswoman Maria Sakharova, in an interview with Gabriel Gavin on *RT*, explained:

> The possibility of being disconnected from SWIFT is still considered hypothetical. Nevertheless, inter-ministry work is underway to

> minimize the risks and economic damage if our country's access to the usual international financial instruments and payment mechanisms is limited. The Financial Messaging System of the Bank of Russia is an example of such alternative instruments. At the moment, options for its pairing with foreign counterparts - European SEPA, Iranian SEPAM, Chinese CUP and CIPS, are being discussed...
> (Maria Sakharova, œShe commented on the situation with the SWIFT payment system, *RT (Russian)*, May 03, 2021)

The 25-year strategic partnership between Iran and China was finalized on March 27, 2021. œM. Bhadrakumar (30 March, 2021) summarized its content.

> The text of the agreed document has not yet been put on public domain but broadly, we can glean from the joint statement issued on March 27 that the agreement reached during Xi's visit to increase bilateral trade to $600 billion in the next decade has been acted upon. In fact, the joint statement begins by invoking Xi's visit.
>
> Two supplementary documents signed by the two countries pertain to the "MOU [memorandum of understanding] on Jointly Promoting the Silk Road Economic Belt and the 21st Century Maritime Silk Road" and the "MOU on Reinforcement of Industrial and Mineral Capacities and Investment", whereby both sides "shall expand cooperation and mutual investments in various areas including transportation, railway, ports, energy, industry, commerce and services."
>
> The joint statement says that given their relative economic advantages, both sides shall enhance their cooperation in the field of energy. Iran will supply oil and gas to China while the Chinese side "shall consider financing and investing in the up-and-downstream projects of the energy industries" in Iran.

Robert Samuelson addressed some of the 21st century consequences for the US of its newfound (2018) determination to redress 'trade imbalances' with other nations:

> ...[T]he larger threat to Trump's trade agenda is the dollar's role as the major world currency. It dictates trade policy in ways not widely understood and is the ultimate cause of chronic U.S. trade deficits.
>
> The dollar's role as the major world currency means it's used to settle trade transactions and make cross-border investments, even when Americans are not involved. ...[T]he extra dollar demand boosts its value on foreign exchange markets. U.S. exports become more expensive and U.S. imports less so.
>
> Trade deficits result. Since 1981, the United States has had only one current account surplus. (The current account is the broadest measure of the trade balance.)
>
> When something continues that long, it's not an aberration. It's an integral part of the global economy. In effect, the dollar provides a service to the rest of the world.
>
> We are compensated for this service by receiving imports greater than our exports. Many Americans benefit. Imports restrain inflation and expand consumer choice; the flows of money into dollar instruments (Treasury securities, bank deposits, stocks, bonds) tend to lower interest rates.

> But there are losers: most conspicuously, U.S. farmers, manufacturers and their workers. They face tougher foreign competition in both import and export markets.
> (Robert J. Samuelson, œTrump's no-win trade war, *Washington Post*, August 12, 2018)

In 2022, the United States, intent on prosecuting an 'economic war' with Russia (presumably as prelude to a similar 'war' with China) myopically decided that excluding Russia from the global, US dominated, financial system would 'bring Russia to its knees'.

In order to make the economy of a major nation such as Russia 'scream', it decided that it must go to 'sanctions' extremes greater than any it has previously employed. But, in doing so, it seems not to have considered the developments in those nations over the past decade which were the inevitable consequence of the sanctions it imposed on Iran in a futile attempt to topple its regime through excluding it from the global financial system.

In order to protect itself from economic ruin, Iran was forced into alliances with nations whose economies were strong enough and whose political systems were stable enough to provide alternatives to the Western dominated global financial system. And, as we've seen, confronted with the intellectual challenge of circumventing the strictures of global financial 'sanctions', they have been engaged in developing and implementing alternatives to the Western global system.

US hubris seems not to have anticipated this and so, with those fledgling alternative systems already viable, it has now forced Russia into relying on them and, of course, triggered the kinds of inter-national supports already being developed in its 'partner' nations.

In using its dominant position within the global financial world, it has, apparently inadvertently, fast-forwarded the development of viable alternatives required in a multipolar world.

Nicholas Mulder described what has happened:

> The Russian-Ukrainian war of 2022 is not just a major geopolitical event but also a geoeconomic turning point. Western sanctions are the toughest measures ever imposed against a state of Russia's size and power.
>
> In the space of less than three weeks, the United States and its allies have cut major Russian banks off from the global financial system; blocked the export of high-tech components in unison with Asian allies; seized the overseas assets of hundreds of wealthy oligarchs; revoked trade treaties with Moscow; banned Russian airlines from North Atlantic airspace: restricted Russian oil sales to the United States and United Kingdom; blocked all foreign investment in the Russian economy from their jurisdiction; and frozen $403 billion out of the $630 billion in foreign assets of the Central Bank of Russia.
>
> The overall effect has been unprecedented, and a few weeks ago would have seemed unimaginable even to most experts: in all but its most vital products, the world's eleventh-largest economy has now been decoupled from twenty-first-century globalization.
> (Nicholas Mulder, œThe Toll of Economic War: How Sanctions on Russia Will Upend the Global Order, *Foreign Affairs*, March 22, 2022)

The post-1970s neoliberal off-shoring of production and then 'importing' its products has been an inevitable consequence of hyper-globalization, the 21st century face of *laissez-faire* capitalism. This, in turn, resulted in greater international use of the US dollar to settle trade transactions and make cross-border investments. And, in turn, this maintains and enhances the relative value of US currency against other national currencies. As Samuelson puts it: 'The extra dollar demand boosts its value on foreign exchange markets. U.S. exports become more expensive and U.S. imports less so'.

In such a reorganized world the Trump instigated imposition of 'tariffs' on imports not only raises the cost of imports within the US (minimizing one of the key advantages accruing to a 'reserve currency' nation), it also directly challenges the driving presumptions of globalization policies of the past half century and more[543]. As Paul Krugman has explained,

> ...Until very recently, big business and the institutions that represent its interests didn't seem to be taking President Trump's protectionist rhetoric very seriously. After all, corporations have invested trillions based on the belief that world markets would remain open, that U.S. industry would retain access to both foreign customers and foreign suppliers.
>
> Trump wouldn't put all those investments at risk, would he?
>
> Yes, he would - and the belated recognition that his tough talk on trade was serious has spurred a flurry of action. Major corporations and trade associations are sending letters to the administration warning that its policies will cost more jobs than they create. Meanwhile, the U.S. Chamber of Commerce has begun an advertising campaign to convince voters of the benefits of free trade....
>
> The thing is, big business is reaping what it sowed. No single cause brought us to this terrible moment in American history, but decades of cynical politics on the part of corporate America certainly played an important role.
> (Paul Krugman, œBig Business Reaps Trump's Whirlwind, *New York Times*, July 5, 2018)

In a follow-up article Krugman has cogently argued that we are no longer living in the 1950s-1960s, we now live in a complex, hyper-globalized world[544]:

> Trump's declaration that "trade wars are good, and easy to win" is an instant classic, right up there with Herbert Hoover's "prosperity is just around the corner..."
> [Of course, Trump's declaration was as attributed, Hoover's is implied from a range of comments made in speeches between 1929 and 1932]

Anatole Kaletsky has argued that:

> ... In principle, China can avoid any damage at all from US tariffs simply by responding with a full-scale Keynesian stimulus.
>
> ... From a Keynesian perspective, the outcome of a trade war depends mainly on whether the combatants are experiencing recession or excess demand. In a recession, tariffs can boost economic activity and employment, albeit at the cost of long-term efficiency. But when an economy is operating at or near its maximum capacity, tariffs will merely raise prices and add to the upward pressure on US interest rates. This clearly applies to the US economy today.

> ...[U]nless US businesses are sure the tariffs will continue for many years, they will neither invest nor hire new workers to compete with China.
>
> Assuming that well-informed Chinese businesses know this, they will not cut their export prices to absorb the cost of US tariffs. That will leave US importers to pay the tariffs and pass on the cost to US consumers (further fueling inflation) or to US shareholders through lower profits. Thus, the tariffs will not be "punitive" for China, as Trump seems to believe. Instead, the main effect will be to hurt US consumers and businesses, just like an increase in sales tax.
> (Anatole Kaletsky, œThe US Will Lose Its Trade War with China, *Project Syndicate*, September 21, 2018)

As any fan of magic spirits that live in lamps or bottles knows, releasing them is far simpler than attempting to stuff them back in again! We now live in a hyperglobalized capitalist world (and, assuming neither Russia nor China implodes, we may well find ourselves in a new multipolar one as well) and it is going to take a lot more than "Trade wars [that] are œgood, and easy to win" to reverse 'decades of cynical politics on the part of corporate America'.

Of course, these consequences have not been limited to the United States. Throughout the Western World, since the mid-1970s, uncritical belief in and commitment to promoting deregulated 'globalization' and 'off-shoring' have produced similar consequences.

The United States is sacrificing vassal states enroute to Irrelevance It's All About 'Good Business'

(21/02/23) (28/02/23) (03/03/23) (14/04/23) (22/04/23) (24/04/23) (30/04/23) (04/05/23) (30/09/23) (26/11/23)

With the possibility of newly emerging multipolar alternatives to Western centers of economic power, 2022 might well be seen in history as the year in which Western hegemony began its journey into irrelevance as power shifted to the Eurasian world.[545]

Michael Hudson, in a May 2022 interview on the Russian television *RT* (heavily censored for Western audiences by those who are controlling Western information sources), summed up Western Europe's descent into irrelevance:

Peter Scott (PS), *RT* anchor, interviewing Michael Hudson (MH)

> PS: Where do you think the EU's standing will be in relation to powerhouses such as China?
>
> MH: Well, it's obviously out of the game. Instead of putting its own interests first, it's really putting the US interests first. It's acting more like a satellite of the United States [than] trying to [pursue] its own destiny.
>
> The whole plan of the EU 20 years ago was to get rich by investing in Russia, investing in China and a mutual exchange. And now it's decided to stop that. The US has absorbed Europe.
>
> The war in Ukraine is a war by the US primarily to pull Europe into the US orbit, prevent European transactions with Russia or China. So Western Europe is being left out, while Russia, China and Eurasia are going with the rest of Asia.

> Europe is simply going to be left behind. It's losing its export markets, it's being squeezed and -as you just mentioned- it's pushed up the retirement age because it's spending its budget on replenishing American military arms instead of investing in industry as it had been doing since 1945
> (œMichael Hudson on the Ongoing Economic War, *Naked Capitalism*, Posted on May 20, 2022 by Yves Smith (Originally published at *RT*))

The United States, in increasingly unconscionable attempts to hold back the tide of change, has lost the plot.

It recklessly jeopardized the prosperity and security of its major allies: the Western European nations which have shown a remarkable willingness to bear seemingly insurmountable costs in securing what the United States sees as its 'interests'.

And, it has recklessly œplayed Pandora to the 21st century world.

Globalization, in the 21st Century relies on a vast network of communication cables and energy pipelines spanning the globe. Any threat to the security of those networks has the potential to paralyze international communication and commerce. The unintended consequences of such behavior for the perpetrator have been assumed to be so devastating that no nation would indulge in such behavior.

But, on September 30, 2022, major leaks suddenly erupted in the Nord Stream gas pipelines that run from Russia to Europe under the Baltic Sea, providing low cost gas to Europe.

Though denied by the United States, credible research and consensus opinion around the world have concluded that the pipelines were sabotaged by the United States which has strongly opposed European use of Russian gas supplies (arguing that expensive fracking sourced gas from the US should be imported to Europe). Zachary Snowdon Smith explained:

> If Russian troops enter Ukraine, the United States will "bring an end to" Nord Stream 2, the $11 billion underwater natural gas pipeline connecting Russia to Germany, President Joe Biden announced Monday, shortly after U.S. officials warned Russia has amassed 70% of the military presence it needs to launch a full-scale invasion of Ukraine. (Zachary Snowdon Smith, œBiden Vows Nord Stream 2 Pipeline Will Be Canceled If Russia Invades Ukraine, *Forbes*, February 7, 2022)

The sabotage of the pipelines was widely denounced as a state-terrorist act of war and Russian officials were quick to point out that The United States had all-but admitted to involvement and that it was an unprecedented attack on major civilian infrastructure[546].

As Kaplan suggests, ''misbegotten wars, when serving as culmination points of more general national decline, can be fatal".

The United States and its allies, while claiming that they are not *involved* in the Ukraine confrontation with Russia, admit that they are, 'supporting' it because, as Timothy Snyder argued,

> Russia, an aging tyranny, seeks to destroy Ukraine, a defiant democracy. A Ukrainian victory would confirm the principle of self-rule, allow the integration of Europe to proceed, and empower people of goodwill to return reinvigorated to other global challenges. A Russian victory, by contrast, would extend genocidal policies in Ukraine,

> subordinate Europeans, and render any vision of a geopolitical European Union obsolete.

As the United States and, in past centuries, Spain, Portugal, Great Britain, France, Holland and other European colonialist powers have demonstrated over the past half-millennium: when promoting war, it's best to invent one's own justificatory 'reality'. The actual 'facts on the ground' and understandings of those being defined as 'the enemy' are irrelevant.

No need to address them even in order to dismiss them. Just present a narrative which 'makes sense' to the intended audience: those who will have to bear the costs of 'going to war'.

Before diving down their rabbit hole into the Alice-in-Wonderland description of "Russian President Vladimir Putin's war in Ukraine" presented below, we need to refresh our memory of the Russian perspective. Then, with that understanding in mind, ask what is missing in the narrative supplied by Fix and Kimmage (the magic of those Wonderland mushrooms is strong in the realm envisioned by our intrepid authors):

> Russian President Vladimir Putin's war in Ukraine was meant to be his crowning achievement, a demonstration of how far Russia had come since the collapse of the Soviet empire in 1991. Annexing Ukraine was supposed to be a first step in reconstructing a Russian empire. Putin intended to expose the United States as a paper tiger outside Western Europe and to demonstrate that Russia, along with China, was destined for a leadership role in a new, multipolar international order.
>
> It hasn't turned out that way. Kyiv held strong, and the Ukrainian military has been transformed into a juggernaut, thanks in part to a close partnership with the United States and Western allies. The Russian military, in contrast, has demonstrated poor strategic thinking and organization. The political system behind it has proved unable to learn from its mistakes. With little prospect of dictating Putin's actions, the West will have to prepare for the next stage of Russia's disastrous war of choice.
>
> War is inherently unpredictable. Indeed, the course of the conflict has served to invalidate widespread early prognostications that Ukraine would quickly fall; a reversal of fortunes is impossible to discount. It nevertheless appears that Russia is headed for defeat. Less certain is what form this defeat will take. Three basic scenarios exist, and each one would have different ramifications for policymakers in the West and Ukraine.
> (Liana Fix and Michael Kimmage, œPutin's Last Stand: The Promise and Peril of Russian Defeat, *Foreign Affairs*, January/February 2023)

Apparently, for Western propagandists, the 2014 Kyiv coup never happened and œThe Minsk Agreements of 2014 and 2015 were never signed. For them, it was 'Russia's 2014 invasion' which began it all because, apparently, Russia has always been intent on subjugating its neighbor as part of some 'grand design' for conquering Western Europe and establishing a glorious Russian Empire stretching from Vladivostok to Paris [547].

In 2023 Western 'expert' propagandizing of reality has been unrelenting, based, surely, on the assumption that, as Goebbels explained, constant repetition of false narratives works! With strict censorship of all alternative narratives, audiences inevitably become convinced of the only 'reality' they are fed.

And, of course, if Russia is determinedly expanding its empire, so too must the Europeans. The European Union must fulfil its destiny. It is time for individual member states of the European Union to surrender the last vestiges of national sovereignty to the European Union College of Commissioners, empowering it and its 'president' to act as the leaders of a new, empowered Empire of Europe.

Timothy Garton Ash explains what is 'necessary':

> History loves unintended consequences. The latest example is particularly ironic: Russian President Vladimir Putin's attempt to restore the Russian empire by recolonizing Ukraine has opened the door to a postimperial Europe. A Europe, that is, that no longer has any empires dominated by a single people or nation, either on land or across the seas- a situation the continent has never seen before.
>
> Paradoxically, however, to secure this postimperial future and stand up to Russian aggression, the EU must itself take on some of the characteristics of an empire. It must have a sufficient degree of unity, central authority, and effective decision-making to defend the shared interests and values of Europeans. If every single member state has a veto over vital decisions, the union will falter, internally and externally....
>
> ... If one of the defining features of empire is supranational authority, law, and power, then the EU already has some important characteristics of empire. Indeed, in many policy areas, European law takes precedence over national law, which is what so infuriates British Euroskeptics. On trade, the EU negotiates on behalf of all member states. The legal scholar Anu Bradford has documented the global reach of the EU's "unilateral regulatory power" on everything from product standards, data privacy, and online hate speech to consumer health and safety and environmental protection. Her book is revealingly, if a touch hyperbolically, subtitled *How the European Union Rules the World*.
>
> Moreover, the longest-running empire in European history, the Holy Roman Empire, was itself an example of a complex, multilevel system of governance, with no single nation or state as hegemon. The comparison with the Holy Roman Empire was made already in 2006 by the political scientist Jan Zielonka, who explored a "neo-medieval paradigm" to describe the enlarged EU..
>
> Support for thinking about the EU in this way comes from an especially pertinent source. Dmytro Kuleba, Ukraine's foreign minister, has described the European Union as "the first ever attempt to build a liberal empire," contrasting it with Putin's attempt to restore Russia's colonial empire by military conquest. When he and I spoke in the heavily sandbagged Ukrainian Foreign Ministry in Kyiv in February, he explained that a liberal empire's key characteristic is keeping together very different nations and ethnic groups "not by force but by the rule of law." Seen from Kyiv, a liberal, democratic empire is needed to defeat an illiberal, antidemocratic one....
> (Timothy Garton Ash, œPostimperial Empire: How the War in Ukraine Is Transforming Europe, *Foreign Affairs*, April 18, 2023)

An Object Lesson for US Vassal States!
Ukraine: Sacrificed on the altar of US 'Indispensability'

(24/04/23) (13/05/23) (27/05/23) (29/05/23) (06/06/23) (08/06/23) (20/06/23) (24/06/23) (02/07/23) (08/07/23) (31/07/23) (18/09/23) (13/10/23) (22/10/23) (06/11/23) (16/11/23) (24/12/23) (17/04/24)

The root of evil lies...in the spider that is trying to entangle
the entire planet and the whole world in its web
(Vladimir Putin, œMeeting with... the Security Counci, Oct 30, 2023)

"...The word will go out to the nations of the world that
It may be dangerous to be America's enemy, but
to be America's friend is fatal."
(Kissinger's prescient warning to Nixon on US' South Vietnam policy, 1968)

As 2024 looms on the horizon, The Western Alliance has been exposed for what it always has been. Over centuries, Western nations have both believed in and proclaimed to the rest of the world the wonderful advantages of 'mental culture, power of production, security, and prosperity' which would be their inheritance if they accepted Western dominion.

After all, it was obvious that 'the civilization of the human race' is 'only conceivable and possible by means of the civilization and development of their nations through accepting the West's hegemony.

But, in 2023, Israel has carelessly and callously shown the world what has been so successfully obscured by Western propaganda. And, in doing so, it has, once again, reminded the world of their own colonial histories. This cannot be undone!

It will, in future, be much more difficult to maneuver vassal states into sacrificing themselves to Western ambitions. The 'Jungle' has been made aware of the sociopathic, parasitic nature of subordination to those 'Gardens' of The West.

Western promises of enduring support for vassal states as they maneuver them into confrontation with targeted 'threats' have over many decades been short-handed as

> We will be with you **for as long as it takes**,

reassuring those vassals that the United States with its allies will support them unconditionally in pursuing those confrontations.

Ali Harb, in a report for *Aljazeera* subtitled 'Support for Kyiv serves the US's 'strategic interests' against security threats posed by Putin's Russia, analysts say', explained:

> The words "as long as it takes" have become a rallying cry for American officials as they support Ukraine's fight against the Russian invasion, signalling an open-ended commitment to help Kyiv.
>
> US President Joe Biden put it bluntly on Tuesday when he said in a speech that the United States and its allies will "not tire" of backing Ukraine - a message seemingly directed at his Russian counterpart Vladimir Putin.
> (Ali Harb, œ'As long as it takes': US aid to Ukraine sustainable, experts say, *Aljazeera*, February 23, 2023)

But, for the United States and its Western Allies, such assurances are always 'negotiable'! Things change. What was possible when the promises were made presumed the conditions of the time. New conditions require

reworked assurances and, of course, what can realistically be done must be modified to account for new commitments.

How was The West to know that nine years after their promise of unconditional support to Ukraine, their last Western colony would be in trouble?

As any vassal should know, colonies trump vassals! The West, reluctantly, must reorder its priorities! As White House spokesperson John Kirby explained on October 12, 2023,

> In the near term, we've got appropriations and authorities... for Ukraine and for Israel, but you don't wanna be trying to bake in long-term support when you're at the end of the rope.
> (Tyler Durden, œKirby Bluntly Says Ukraine Aid "Near End Of The Rope" & Won't Be "Indefinite", *ZeroHedge*, Friday, October 13, 2023)

Reasonably, 'as long as it takes' must have an 'end' and, for Ukraine, as 2023 draws to a close, that end is fast approaching![548]

So, as we explore the way in which Ukraine was maneuvered into confronting an impossible foe, we need to bear in mind that, as Ukraine has learned, vassal states are expendable!

Bhadrakumar has summarized Russia's understanding of Western intentions and activities leading to Ukraine's 'strategic defeat on the battlefield' and Israel's Gazan genocide:

> In remarks at a recent meeting on November 3,... President Vladimir Putin repeated once again that Russia is "defending our moral values, our history, our culture, our language, including by helping our brothers and sisters in Donbass and Novorossiya to do the same. This is the key to today's events."...
>
> ...[A]t a recent meeting on security, Putin compared the US to a spider: "It is necessary to know and understand where the root of evil is, that spider who is attempting to wrap the entire planet, the entire world, into its web and wishing to achieve our strategic defeat on the battlefield....
>
> "Fighting precisely this enemy within the framework of the special military operation, we are yet again boosting the positions of all those who are battling for their independence and sovereignty... The truth is that the more Russia is growing stronger and our society is becoming more unified, the more effectively we will be able to stand both for our own national interests and the interests of those nations that fell victim to the West's neocolonial policy."
> (M. K. Bhadrakumar, œDon't plan yet for Ukraine reconstruction, *Indian Punchline*, November 15, 2023)

In the face of unrelenting Western propaganda attempting to redefine Russia's intentions[549], Russia **is not** *and has never suggested that it was*, attempting to 'subjugate its neighbor'. It had every intention, if that was possible, of ensuring that œUkraine would remain an independent, sovereign, functioning democracy, holding on to roughly 85 percent (i.e. less Crimea[550]) of the territory it controlled before Russia's 2022 invasion.

Russia's 24 February 2022 'invasion' of the Donbass was always about ensuring the safety of the Russian speaking Donetsk and Lugansk People's Republics, Kherson and Zaporozhye regions, and, if necessary, their admission into the Russian Federation.

After all, what sane, reasonably intelligent Russian administration would want to re-admit an œalways rebellious, ideologically suspect region into an emerging successfully functioning Russian Federation, recovering from the œWestern predations of the 1990s?

As the *Russian News agency Tass* reported on œFebruary 27, 2022,

> Russian President Vladimir Putin said in a televised address on Thursday morning that in response to a request by the heads of the Donbass republics he had made a decision to carry out a special military operation in order to protect people "who have been suffering from abuse and genocide by the Kiev regime for eight years." The Russian leader stressed that Moscow had no plans of occupying Ukrainian territories.
>
> When clarifying the unfolding developments, the Russian Defense Ministry reassured that Russian troops are not targeting Ukrainian cities, but are limited to surgically striking and incapacitating Ukrainian military infrastructure. There are no threats whatsoever to the civilian population.

At the start of October 2022 the objectives of Russia's 'Special Military Operation' appeared to have been attained. The next moves in what from the outset was a proxy war between Russia and the combined 'West' were now up to the United States and its allies.

On October 3, 2022, with Ukraine and its Western 'allies' refusing to negotiate the security of the Russian speaking regions[551], the Russian Federation Council approved the agreements on the admission of Donetsk and Lugansk People's Republics and Kherson and Zaporozhye Regions into Russia:

> The State Duma ratified the treaties on the admission of the Donetsk and Lugansk People's Republics, Kherson and Zaporozhye regions into the Russian Federation, the decision was made unanimously. Now in the Russian Federation there are 89 subjects, said the speaker of the lower house of parliament Vyacheslav Volodin. In turn, Foreign Minister Sergei Lavrov pointed out that the process of joining the four regions "became a logical continuation of the reunification of Russian lands," which began with the return of Crimea and Sevastopol in 2014. Draft federal constitutional laws on the inclusion of these regions were also adopted and coordinating deputies were appointed in the DPR, LPR, Zaporozhye and Kherson regions.
> (œ"Unanimously": the State Duma ratified the laws on the admission of the DPR, LPR, Zaporozhye and Kherson regions into Russia, *Teller Report*, October 4, 2022)

Ukraine's disputed territories are now included within the Russian Federation and any future belligerence toward those regions is, from now on, 'attacking Russia'.

In light of the admission by Western European negotiators that the Minsk agreements had been a ruse, Special Military Operation activities would continue for as long as necessary to gain and guarantee full control of the annexed territories and ensure their safety from further attack.

Russian Foreign Minister Sergey Lavrov explained why this was necessary:

> Everybody knows that Zelensky is in no way an independent figure. He is being told what to do, which policy to pursue. Of course, he is

> improvising while pursuing this course, depending on the situation on this concrete day. But it is senseless to speak with him... (œSenseless to speak with Zelensky, says Lavrov: Everybody knows that Ukrainian President is in no way an independent figure, Russian Foreign Minister said, *TASS*, July 01, 2023)

As a *TASS* news report explained, there seemed, at the end of June 2023, little hope that, despite horrendous numbers of Ukrainian lives lost and mounting casualties, the United States and its vassals would agree to engage in meaningful peace talks.[552]

With the US and its 'allies' demanding Russia's defeat as a precondition of 'peace talks' the onus for ending hostilities was, nonetheless, now on the Ukrainian Government and its Western sponsors.[553]

In the period following Russia's annexation of the four eastern Russian speaking regions of Ukraine on October 3, 2022, Russia's ambitions in Ukraine appeared to have been fulfilled. All that remained was for it to secure the territories of the annexed regions. With that completed, for Russia, the 'Special Military Operation' would be completed.

From that time on its primary aim in continuing the conflict was not to 'conquer Ukraine' but to secure those territories. It set about doing so by massively fortifying its frontlines from Ukrainian attack and waiting for Ukraine to accept the inevitability of a newly expanded Russian Federation on its new eastern border.

The 'war in Ukraine' has, since that time, been wave after wave of Ukrainian attacks against the more than 1000 km, heavily fortified, Russian frontlines with Russian forces suffering minimal losses in equipment and personnel.

Ukrainian forces however have had to attack across carefully prepared, kilometers' wide approaches to those frontlines. In doing so Ukraine has suffered horrendous personnel losses and escalating numbers of attack vehicles and quantities of weaponry destroyed or abandoned in those well-prepared approaches.

Ukrainian President Vladimir Zelensky, in a statement (œJuly 02 2023) condemning his forces to prolonged horrific and futile attempts at breaching Russian defenses, undoubtedly echoing Washington dictates, explained the preconditions for any negotiations with Russia:

> [W]e emphasize once again: Ukraine will be ready for some format of diplomacy when we are really on our borders, on our real borders according to international law.

Apparently the horrendous loss of lives and the consequences for Ukrainian forces as they attempted yet another US demanded 'counter-offensive' were irrelevant:[554]

Bhadrakumar, at the start of March 2023, depressingly (realistically) explained the Western response:

> Today, it is an incontrovertible fact that the US and NATO are directly involved in the conflict. More importantly, Russia has gained the upper hand militarily and Ukraine stares at defeat despite all the weaponry pumped into that country by the US and its allies.
>
> The US is forcing Russia to reduce Ukraine to a rump state. To be sure, once that happens, the US will walk away, as it did in Afghanistan - and may be in all probability, the Biden team will be heading for the

> Indo-Pacific for new adventures. The war has been highly profitable for the US military-industrial complex.
>
> Second, the revelations by former German Chancellor Angela Merkel and French President Francois Hollande, amongst others, that the so-called Minsk Agreements were nothing more than an elaborate charade to hoodwink Moscow and buy time for NATO to militarise Ukraine and prepare that country to fight Russia in a conceivable future, has exposed the chicanery of the US. Washington never wanted Kiev to negotiate with Russia or have discussions with the separatist groups in Donbass regarding regional autonomy within a federated Ukraine. This is the honest historical truth.
>
> Put differently, Russia was left with no option but to act pre-emptively to safeguard its interests just as Kiev with backing from NATO and the US was all set to launch a major offensive against the ethnic Russian population in Donbass for a 'final solution.'
>
> Third, the findings by the renowned American journalist Seymour Hersh that none other than President Biden had ordered the sabotage of the Nord Stream gas pipelines - the decision was taken even months before the Russian special military operations began in February 2022 - are a damning indictment of the US for orchestrating the complete rupture of German-Russian energy cooperation, which again throws light on Washington's diabolical agenda to exploit the Ukraine situation to strengthen its transatlantic leadership.
> (M. K. Bhadrakumar, œA reality check for Modi Govt's G20 ambitions, *Indian Punchline*, March 02, 2023)

The size of that 'rump state' of Ukraine will be determined by the reality of a NATO threat to the newly expanded Russian Federation. Supply of weaponry with a 250km (155 miles) range will result in an effective demilitarized zone between the Russian Federation and that 'Rump State' which will ensure that Russian territory is not threatened by those weapons.

If nothing else, the United States is consistent! When it finds itself in a 'no-win' situation, it does what it has become so used to doing in its post-WW2 failed 'regime change' adventures: it cuts and runs, leaving its proxies to whatever fate awaits them in their most desperate hour of need.

US President Biden once again demonstrated that wonderful concern the United States has always shown for those vassal states whom it has used, abused and discarded:

> President Joe Biden on Saturday said his administration would not "make it easy" for Ukraine to join NATO, adding that the war-torn nation must meet the same standards as other member states.
>
> Asked in a gaggle in Philadelphia about easing Ukraine's path to joining the transatlantic alliance - likely in reference to the Membership Action Plan, a key obstacle in Ukraine's efforts - Biden said: "No. Because they've got to meet the same standards. So we're not going to make it easy."
> (Giselle Ruhiyyih Ewing, œBiden: We won't 'make it easy' for Ukraine to join NATO, *Politico*, June 17, 2023)

One can but speculate on the inducements used to convince the Ukrainian leadership to renounce a peace treaty they had begun to seriously negotiate in early March 2022. As Russia's Security Council Secretary Nikolay Patrushev explained:

> The Ukrainian leadership was ready to settle the conflict with Russia but gave up under the US pressure, Russia's Security Council Secretary Nikolay Patrushev said on Thursday.
>
> "Had it not been for the US pressure on those whom they installed at the head of Ukraine, this situation would have not happened, Even the Ukrainian leaders themselves were ready for signing a peace treaty and gave Russia written proposals that we, in principle, approved," Patrushev said, obviously referring to the negotiations between the Russian and Ukrainian delegations in Turkey in March last year.
>
> However, as Patrushev went on to say, "in the morning, they [members of the Ukrainian delegation] gave [the proposals] to us during the negotiations and in the evening they said: 'No, we give them up.'"
>
> "This happened only because the United States had put pressure on them and said that no negotiations must be held," the secretary of Russia's Security Council stressed.

On April 16, 2024 the unofficial 'Foreign Affairs' voice of the United States Administration and Congress published an article entitled 'The Talks That Could Have Ended the War in Ukraine: A Hidden History of Diplomacy That Came Up Short - but Holds Lessons for Future Negotiations'.

Its authors, Samuel Charap and Sergey Radchenko, provided a Western version of the reasons for the failure of the March=April 2022 negotiations between Russia and Ukraine (some of these (e.g. 'the discovery of œRussian atrocities at Irpin and Bucha') need to be treated with skepticism/caution!). As they conclude:

> ...Even if Russia and Ukraine had overcome their disagreements, the framework they negotiated in Istanbul would have required buy-in from the United States and its allies. And those Western powers would have needed to take a political risk by engaging in negotiations with Russia and Ukraine and to put their credibility on the line by guaranteeing Ukraine's security. At the time, and in the intervening two years, the willingness either to undertake high-stakes diplomacy or to truly commit to come to Ukraine's defense in the future has been notably absent in Washington and European capitals....
> (Samuel Charap and Sergey Radchenko, œThe Talks That Could Have Ended the War in Ukraine: A Hidden History of Diplomacy That Came Up Short - but Holds Lessons for Future Negotiations, *Foreign Affairs*, April 16, 2024)

With Ukraine, since that time, suffering horrendous losses of personnel and equipment and its military 'counter-offensive' in disarray, it found that the United States had decided to leave it to its fate.

In September, 2023, the Ukrainian leadership found itself left to negotiate its future alone. But a lot of water had passed under that bridge in the nineteen months following its aborted March 2022 negotiations.

In November 2023 The United States and its Western allies decided that their commitments to their Middle East military stronghold (Israel) eclipsed their guarantees to Ukraine.

Ukraine was merely a means to an end which had proved unattainable. Israel, on the other hand, was a long-term investment into Western dominance in the oil-rich regions of the Middle East.

It was time to cut and run from Ukraine and concentrate its resources and energies on maintaining control of its Middle East land-based aircraft carrier.

Despite continued public assurances to Ukraine that it would be with them 'for as long as it takes', Ukraine was being informed that it was time for them to negotiate a conclusion to the conflict.

But, of course, November 2023 was 20 months too late!

By then, Ukraine had œsacrificed between 400 and 500 thousand of its armed forces and lost most of its military and other supporting infrastructure in a futile attempt to 'defeat' a peer competitor to the United States.

It was always an absurd venture, dreamed up by Western neo-conservatives gambling the very existence of Ukraine and the lives of its people, in the hope of a large pay off for the United States, but with the almost certain demolition of its proxy.

In March 2022 Russia and Ukraine had begun to negotiate acceptable terms (including security guarantees for both sides). As they closed in on the first round of negotiations, which would have put an end to the West's plans for weakening Russia enroute to dismantling the Russian Federation and securing and privatizing its developing resources, the West intervened.

Boris Johnston, acting as an emissary for Western Interests, visited Kyiv.

David Arakhamia, chief Ukrainian negotiator, on November 24, 2023, explained what happened:

> When we returned from Istanbul, Boris Johnson came to Kiev and said that we would not sign anything with [the Russians] at all. And [said] 'let's just continue fighting.'
> (œBoris Johnson derailed Ukraine peace deal - key Zelensky ally, *The Intel Drop*, November 25, 2023)

As Russian Television channel *RT* reported:

> Russia was ready to stop the fighting had Ukraine agreed to remain neutral, but the West advised Kiev to keep going, the head of President Vladimir Zelensky's parliamentary faction - and the chief negotiator at the peace talks in Istanbul - David Arakhamia admitted on Friday.
>
> Arakhamia, who heads the 'Servant of the People' parliamentary group, told the TV channel 1+1 that Moscow had offered Kiev a peace deal in March 2022, but the Ukrainian side did not trust Russia.
>
> *"Russia's goal was to put pressure on us so that we would take neutrality. This was the main thing for them: They were ready to end the war if we accepted neutrality, like Finland once did. And we would make a commitment that we will not join NATO. This was the main thing,"* said Arakhamia.
>
> However, agreeing to neutrality and giving up NATO membership would have required changing the constitution of Ukraine, Arakhamia explained. "Secondly, there was no trust in the Russians that they would do this. This could only be done with security guarantees," he told 1+1.
>
> During the talks, Arakhamia added, British then-PM Boris Johnson arrived in Kiev and told Ukrainian officials to keep fighting and not sign any agreements with Moscow.

> Johnson's role in scuttling the peace talks in Istanbul was revealed in May 2022 by the outlet Ukrayinska Pravda. However, neither the British politician - who was ousted as PM in June that year and eventually landed a job at an American think tank - nor the US government ever officially acknowledged pressuring Kiev into reneging on the draft agreement, which Arakhamia himself had signed with the Russians. Kiev had likewise never officially commented on the matter - until now.
>
> Earlier this year, Russian President Vladimir Putin revealed to African leaders that Moscow and Kiev had signed a draft agreement "on permanent neutrality and security guarantees for Ukraine" at the talks hosted by Türkiye.
>
> As soon as Russia pulled back its troops from the vicinity of Kiev, as a gesture of good will, Ukraine reneged on the deal, Putin said.
>
> The Russian withdrawal was presented by Western governments and media as a Ukrainian military victory and they began sending heavy weapons and equipment to Zelensky's government, fueling the conflict for the next 18 months.
> (œUkraine conflict could have ended in Spring 2022 - Kiev's top MP: David Arakhamia led Kiev's delegation in the talks with Moscow, *RT*, 24 November, 2023)

Vassal states should take note!

When the United States says that its support will be unwavering and that it will be with a proxy for 'as long as it takes' what it means is that it will provide support for as long as it sees an advantage in doing so. When it decides that costs outweigh rewards, the US will 'cut and run' leaving the unfortunate proxy to salvage what it can from the debacle.

Bhadrakuma explained:

> The ground war in Ukraine has run its course, a new phase is beginning. Even diehard supporters of Ukraine in the western media and think tanks are admitting that a military victory over Russia is impossible and a vacation of the territory under Russian control is way beyond Kiev's capability.
>
> Hence the ingenuity of the Biden Administration to explore Plan B counselling Kiev to be realistic about loss of territory and pragmatically seek dialogue with Moscow. This was the bitter message that US Secretary of State Antony Blinken transmitted to Kiev recently in person.
>
> But President Zelensky's caustic reaction in a subsequent interview with the Economist magazine is revealing. He hit back that the western leaders still talk the good talk, pledging they will stand with Ukraine "as long as it takes" (Biden mantra), but he, Zelensky, has detected a change of mood among some of his partners: "I have this intuition, reading, hearing and seeing their eyes [when they say] 'we'll be always with you.' But I see that he or she is not here, not with us." Certainly, Zelensky is reading the body language right, as in the absence of an overwhelming military success shortly, western support for Ukraine is time-limited.
> (M. K. Bhadrakumar, œ'Biden's phase' of Ukraine war is beginning, *Indian Punchline*, September 17, 2023)

And, given its track-record, it is reasonable to presume that it will take no responsibility for rebuilding its war-torn victim proxy!

It appears that The United States and its allies have little genuine concern for the future of Ukraine. It is an expendable pawn in a geopolitical struggle to ensure US supremacy and 'indispensability' in the 21st century.

One can but wonder how much of the rest of Europe the United States is prepared to compromise in this way. As Doctorow (May 25, 2023) says of the consequences of US' myopic pursuit of its delusional Ukraine-Russia War objectives:

> ...Very little is being reported about the œbuild-up of NATO troop strength and materiel all along the Eastern frontier with Russia. Very little is being reported right now in Western media about the threats coming from Poland to support an armed uprising being planned against the Lukashenko government in Belarus....
>
> ...[W]hat would the USA do about the destruction of its European allies? An informed guess is nothing. If Washington is now pussy-footing over whose tanks go to Ukraine, over whose F-16s go to Ukraine, all for the purpose of keeping the fight with Russia at the level of proxies, then why would the USA risk instant destruction by Russian strategic missiles just because Europe is burning?

Russian Foreign Minister Sergei œLavrov explained (June 06, 2022) Russia's responsibility: "The longer the range of the systems that will be delivered, the further we will move back the Nazis from that line from which threats to Russian-speakers and the Russian Federation may come,"

James Gregory, in a BBC News Report, explained the 2023 reaction of the Western alliance to Lavrov's entirely logical (and reasonable) assertion:

> The UK has confirmed it is supplying Ukraine with long-range missiles it requested for its fight against invading Russian forces.
>
> The Storm Shadow cruise missile has a range of over 250km (155 miles), according to the manufacturer.
>
> By contrast, the US-supplied Himars missiles used by Ukraine only have a range of around 80 km (50 miles).
>
> The weapons will give Ukraine the "best chance" of defending itself, UK Defence Secretary Ben Wallace said.
>
> They are fired from aircraft, so the longer range means Ukrainian pilots will be able to stay further from the frontlines.
>
> Once launched, the Storm Shadow drops to low altitude to avoid detection by enemy radar, before latching onto its target with an infra-red seeker.
>
> The announcement was made in the House of Commons by Mr Wallace. The decision follows repeated pleas from Ukraine for more weapons from the West.
>
> Mr Wallace said the missiles would "allow Ukraine to push back Russian forces based on Ukrainian sovereign territory".
>
> Mr Wallace wrote to his Russian counterpart Sergei Shoigu in December, he said, to warn that further attacks could result in the UK donating more capable weapons.
>
> He said the missiles were "going into" or already in Ukrainian hands, and described the move as "calibrated and proportionate to Russia's escalations".

> "None of this would have been necessary had Russia not invaded," he said.
>
> He said the missiles would be compatible with Ukraine's existing, Soviet-era planes and praised the technicians and scientists who made that possible.
> (James Gregory, œUK confirms supply of Storm Shadow long-range missiles in Ukraine, *BBC News*, 11 May, 2023)

If Ukraine is to remain a viable sovereign nation-state into the rest of the 21st century, the US and its allies will need to become far more willing (and able) to engage in mature compromise than they have in recent years.

Belief in the willingness of those involved to maturely negotiate an end to current conflict presumes that those involved are seeking a peaceful, long-term conclusion to it all.

But, if the real purpose of belligerence is ensuring corporate profits, future-proofing profits will be more important than an exit strategy from the current Ukraine conflict.

Best to leave Russia with a festering problem on its borders (just as early 1950s China and North Korea were left with a stalemate conclusion to the Korean war). As in South Korea, that requires ongoing US commitment to arming and supporting Ukraine to maintain an effective 'demilitarized zone' ensuring continued Russian involvement while ramping up more profitable alternatives elsewhere.

As we have seen, the United States has a long history of interfering in the affairs of other regions in order to ensure the establishment and maintenance of its peculiar version of 'democracy' in those nations. For more than a century it has seen as its mission the protection of the world from 'socialism' and 'communism'.

For it, the 2nd World War never really ended. The forces of fascism might have been defeated but the real threat to 'world peace' had 'always' been not fascism but socialism and communism. And now, with its defeat of Germany, the Soviet Union was poised to 'take over the world'.

This was, of course, delusional.

The people of the Soviet Union had suffered enormous losses during the war with more than 27 million dead and millions more injured and in desperate need of rehabilitation, cities and infrastructures destroyed and new territories ceded to it needing to be integrated into the Union. The last thing it needed or wanted was more war against a belligerent 'super-power' determined to 'regime change' it!

As the rest of the world set about the reconstruction of their nations, the United States, unscathed by 'The War', set about preparing for what was to become its driving ambition through the next century: the conversion of all designated 'dictatorships' and 'autocracies' to 'democracy'.

Carter Malkasian has, in the same justificatory language as those who called US 'allies' to the cause in 1950, described the United States' first 'military challenge' after WW2 [555]:

There is more than a passing similarity between the 1950~ Korean conflict and the 2022~ Russia - Ukraine conflict.

The Korean conflict was a consequence of the United States, in 1945, deciding that it would occupy the southern half of Korea and install a puppet

government, the frontline of the coming war against 'communism', preventing the re-establishment of a united Korea under a leadership allied with China.

For the Western military-industrial complex, that decision has been a profitable one (with a long œlist of United States Army installations in South Korea). Those same profit-driven merchants of death are now anticipating a prolonged, festering Russia-Ukraine stalemate ensuring a profitable propping up of Ukraine through coming decades.

Bhadrakumar put it well:

> It is quite amazing. Hardly has one flawed narrative - espousing Russia's military defeat in Ukraine and the overthrow of Putin - unravelled, another narrative is being hoisted, predicated on the simplistic notion that Russia will simply roll over and passively watch the US integrating Ukraine into the western alliance system to create an open wound festering on Russia's western borders that will drain resources for decades to come and complicating ties with neighbours.
> (M. K. Bhadrakumar, œUS hopes to snatch victory from jaws of defeat in Ukraine, *Indian Punchline*, May 21, 2023)

In a demonstration of responsible corporate future-planning, Western involvement in Ukraine has already been used to demonstrate, to Western audiences, the need to ensure 'adequate' stockpiles of weaponry for future contingencies.

As Gould and Losey, writing for *Defense News*, explained, future Pentagon budgets must aim 'to max munitions production, make multiyear buys':

> The Pentagon aims to rev up the munitions industrial base and max out production lines for several top priority missiles, according to the budget unveiled Monday.
>
> With an eye on Russia and China, the Pentagon in fiscal 2024 would spend $30.6 billion for missiles and munitions - 12% more than last year and 50% more than five years ago, when the U.S. was still fighting the Islamic State and Taliban....
>
> To replenish U.S. stockpiles depleted by the war in Ukraine, Pentagon officials said they will rely on supplemental appropriations from Congress, which granted the Pentagon $35.7 billion for FY23.
>
> "These are not the kind of missiles that are key to the Ukraine fight, they are key to Indo-Pacific deterrence," McCord said. "What [Hicks] has been pushing us to do is to think about lessons we're learning today and apply them to future scenarios, think about what would I have done four years ago if I had a crystal ball, to think about things that might be coming."
>
> The Pentagon's $170 billion procurement budget request - touted as the largest ever - would use a new "large lot procurement pilot" strategy to maximize production capacity for several munitions used across the services: Lockheed Martin's Joint Air-to-Surface Standoff Missile Extended Range (JASSM-ER) and Long-Range Anti-Ship Missile (LRASM) - and the Raytheon Technologies-made RIM-174 Standard Missile (SM-6), AIM-120 Advanced Medium Range Air-to-Air Missile (AAMRAM).
> (Joe Gould and Stephen Losey, œPentagon budget aims to max munitions production, make multiyear buys, *Defense News*, March 14, 2023)

For a militarist state, peace is merely prelude to hostilities, a time to be used to prepare for inevitable, increasingly profitable, future confrontations.

Bhadrakumar explained:

> The US is forcing Russia to reduce Ukraine to a rump state. To be sure, once that happens, the US will walk away, as it did in Afghanistan - and may be in all probability, the Biden team will be heading for the Indo-Pacific for new adventures. The war has been highly profitable for the US military-industrial complex.

Conclusion

- Rather than creating costs, both regulation and deregulation shift them... Regulation and deregulation each consists of lower costs for one party and higher costs for the other.
(Samuels & Shaffer 1982, p. 467)

- 'Well! I've often seen a cat without a grin,' thought Alice; 'but a grin without a cat! It's the most curious thing I ever saw in my life!'
(Lewis Carroll *Alice's Adventures in Wonderland*)

The social welfare component of production and financial activity costings is disappearing. Like the Cheshire cat, in many countries around the world we are left with little more than the grin. Economic and financial activity have been globalized and public debt in Western countries has become a major concern:

- The health care model in Canada is delivered through a publicly-funded system where many go to their doctor's office and show them a health card. But in this day and age of deficits, debt and costs, can Canada still afford this system?

  The Canadian federal government's public debt stands at more than $526.7 billion and maintains a budget deficit of approximately $57 billion. Most provinces across the country are also attempting to sustain deficits, such as Ontario, which is running a $22 billion deficit.
  (œ*Rising costs, deficits could force Canada to revise heath system* Andrew Moran, Toronto Headlines Examiner, June 2nd 2010)

- Irish Prime Minister Brian Cowen, whose government is close to collapse, unveiled a 15 billion-euro ($20 billion) four-year austerity plan that immediately drew accusations of overconfidence in assuming the crippled Irish economy can grow.

  "The size of the crisis means that no one will be sheltered from the contribution that has to be made toward national recovery," he told a news conference.

  The plan includes thousands of public sector job cuts, phased-in increases in Ireland's value-added tax (VAT) rate from 2013 and social welfare savings of 2.8 billion euros by 2014, but does not touch the country's ultra-low corporate tax rate.
  (Ireland austerity plan draws skepticism, Padraic Halpin and Carmel Crimmins, *Reuters* Dublin, Wed Nov 24, 2010)

- It is important to bear in mind the definition of unsustainability: it is a circumstance when, regardless of the sovereign's efforts, debt relative to GDP (and therefore debt servicing relative to GDP) will grow indefinitely. In those circumstances, the economic net present value of the sovereign's debt is less than the face value of the debt; moreover, it will likely continue to fall until a restructuring is undertaken and growth resumes.
  (œ*Sovereign Debt Restructuring: Messy or Messier?* Anne Krueger, January 4, 2003, International Monetary Fund, Washington, D.C.)

- Greece reached agreement with the International Monetary Fund (IMF), the European Commission, and the European Central Bank (ECB) on a focused program to stabilize its economy, become more competitive, and restore market confidence with the support of a €110 billion (about $145 billion) financing package....

  Greece faces a dual challenge. It has a severe fiscal problem with deficits and public debt that are too high; and it has a competitiveness problem. Both need to be addressed for Greece to be placed on a path of recovery and growth.

  First, the government's finances must be sustainable. That requires reducing the fiscal deficit and placing the debt-to-GDP ratio on a downward trajectory. Since wages and social benefits constitute 75 percent of total (non-interest) public spending, public wage and pension bills - which have grown dramatically in recent years - have to be reduced. There is hardly any other room for maneuver in terms of fiscal consolidation.

  Second, the economy needs to be more competitive. This means pro-growth policies and reforms to modernize the economy and open up opportunities for all. It also means that costs must be controlled and inflation reduced so that Greece can regain price competitiveness. (œ*Europe and IMF Agree €110 Billion Financing Plan With Greece*, IMF Survey online, May 02, 2010)

The removal of social costs from production and financial activity costs in Western economies has produced its inevitable consequence. sovereign debt has grown steadily since the 1970s as governments have gone into deficit to cover those costs. In the past several years, as governments have been required both to provide rescue packages for banking systems and 'stimulate' their economies to avoid or minimize recession, that debt has blown out.

Nations which, prior to 2008, were largely coping with the costs of scaled down versions of earlier public social welfare costs, now find themselves with unsustainable debt. Another crisis similar to that of 2008 would introduce many of them to structural adjustment programs similar to that implemented in Greece [556].

Western nations are beginning to understand what 'structural adjustment' really means in a globalized neoliberal world. They just did not take the problems seriously when Third World countries complained about the effects.

Nation-states, once firmly in control of economic activity within their borders are, in a new deregulated, privatized world, decreasingly able to shield their populations from the exploitative consequences of unregulated and internationalized market exchange.

Now, there is no international forum capable of limiting and directing the bargaining advantages of businesses whose holdings and turnover eclipse those of the countries with which they do business. No longer is the economy the means by which communities meet their needs and wants. Now communities service an internationalized economy which need accept no reciprocal responsibilities for their welfare.

In subordinating their interests and populations to the globalized market place, Western peoples have sacrificed the regulatory 'protections' established after the 1929 crash. It will be extraordinarily difficult to re-establish such protections.

We are entering uncertain times. With neoliberalism challenging the independent sovereign rights and responsibilities of both Western and non-Western national governments and the increasingly obvious decline of Western hegemony (based on both colonial and neo-colonial financial and military domination) the informal 'empire' of 'The West' is in possibly terminal decline.

As Kaplan warned:

> ...the aftershocks of such imperial comeuppance should never be underestimated or celebrated. Empires form out of chaos, and imperial collapse often leaves chaos in its wake...

We are entering the twilight of both Western hegemony and the Western defined democratic nation-state.

There are powerful forces in play, threatening the true sovereignty of nations and possibly the survival of us all and claiming that all this is 'necessary' if we are to remain a 'civilized' species.

> Do not go gently into that dark night...
> Rage, rage against the dying of the light.

Chapter 9:
Global Capitalism, Third World Development:
Is the Sweat Shop the Destination or
the start of a Take Off into Self-Sustained Growth?

Global Capitalism, Third World Development

- The Imaginary 'Development Specialist' World
- The Reality

Third World Communities *are* Changing - but into What?

- Examples of non-Western Understandings of Reality
- Unraveling Communities and Population Growth
- Status, Possessions, Land Tenure and Utilization
- Brutality, Despotism, Corruption and Communal Disintegration
- Open-ended and Closed Utilization of the Material Environment (The Key to Sustainable Lifestyles)

Enter the Europeans

From Developmentalism to Privatization

- Primary Product Exports and Import Substitution Industry
  - A Classic Capitalist Conundrum
- Let's 'Add Value' to Primary Product Exports!
- Government should get out of The Economy
- The Neoliberal Experiment - They've got to do as we tell them!

Privatization: the Antidote to Political Opportunism and Corruption!

- Underwrite Private Borrowing: You Can't Lose!
- Debt-Equity Conversion Programs - Swapping the Family Farm!
- The Paradox of Increased Production and Decreased Returns
- Economies of Scale and Impoverishment of Small Producers
- The Sweat Shop is the Destination - unless you're protected!

Conglomerates and the Progressive modernization of Poverty

Conclusion

One of the saddest features of the 'Third World Development' drive is that, in the process of reorganizing utilization of their environments, non-Western communities have been disrupted.

Many of them are disintegrating, victims of the well-meaning 'development' activities of Western experts [557].

As S. N. Sangmpam claimed:

> modernization theory assumes an imaginary society because the real society in the Third World is perceived as 'transient'.
> (Sangmpam (1994 p. 1))

The Imaginary 'Development Specialist' World:

- It is possible to identify all societies, in their economic dimensions, as lying within one of five categories: the traditional society, the preconditions for take-off, the take-off, the drive to maturity, and the age of high mass-consumption.

  ...Once it was demonstrated that growth was possible, the consequences of growth and modernization, notably its military consequences, unhinged one traditional society after another, pushed it into the treacherous period of preconditions, from which many, but not all the world's societies have now emerged into self-sustained growth...

  We can be confident ... that to the degree that consumer sovereignty is respected and real incomes increase we will see similar - but not identical - income-elasticities of demand and, therefore, similar patterns of structural evolution in different societies as they go through the high-consumption phase.

  Now, ... consider this question: what lies beyond? What will happen to societies when income provides such good food for virtually all that it raises questions of public health by its very richness; where housing is of an order that people are not tempted to exert themselves much to improve it; where clothing is similarly adequate; where a Lambretta or Volkswagen is within the grasp of virtually all... ?
  (œRostow (1961 pp. 4, 90-1))

The Reality:

- In 2001, 924 million people, or 31.6 per cent of the world's urban population, lived in slums. The majority of them were in the developing regions, accounting for 43 per cent of the urban population, in contrast to 6 per cent in more developed regions.

  Within the developing regions, sub-Saharan Africa had the largest proportion of the urban population resident in slums in 2001 (71.9 per cent) and Oceania had the lowest (24.1 per cent). In between these were South-central Asia (58 per cent), Eastern Asia (36.4 per cent), Western Asia (33.1 per cent), Latin America and the Caribbean (31.9 per cent), Northern Africa (28.2 per cent) and Southeast Asia (28 per cent).

  With respect to absolute numbers of slum dwellers, Asia (all of its sub-regions combined) dominated the global picture, having a total of 554 million slum dwellers in 2001 (about 60 per cent of the world's total slum dwellers).

  Africa had a total of 187 million slum dwellers (about 20 per cent of the world's total), while Latin America and the Caribbean had 128 million slum dwellers (about 14 per cent of the world's total) and Europe and other developed countries had 54 million slum dwellers (about 6 per cent of the world's total).

> ... in many cities, there are more poor people outside slum areas than within them. Slum areas have the most visible concentrations of poor people and the worst shelter and environmental conditions, but even the most exclusive and expensive areas will have some low-income people. In some cities, slums are so pervasive that rather than designate residential areas for the poor, it is the rich who segregate themselves behind gated enclaves.
> (UN Agency for Human Settlements, œ*The Challenge of Slums: Global Report on Human Settlements 2003 p. xxv, xxvi)*

Third World Communities *are* Changing - but into What?

(10/09/17) (19/02/18)

In this discussion we will examine the experiences of Third World nations as they became "unhinged" and attempted to "emerge into self-sustained growth" (to use Rostow's colourful, optimistic phraseology); as they attempted to 'develop' into capitalist success stories over the past 80 years. We will briefly contextualize that examination by looking at pre-Western forms of environmental organization and understanding.

The West has, over the past five hundred years, viewed such understandings as irrelevant; relics of prehistory; eclipsed by "the world of contemporary technology" and the rational understandings it has unveiled to the world. W. W. Rostow, that doyen of economic development specialists[558], explained it:

> A ... challenge which clearly relates to the stages of growth is the fate of societies that appear still trapped in the preconditions for take-off. They are not traditional societies, because the world of contemporary technology is so powerful and intrusive that it has introduced elements of modernity in all nations. Nevertheless, perhaps 20% of the human race [[559]] - a billion or so men women and children - lives in countries that have not yet attained self-sustained growth...
>
> The second stage of growth embraces societies in the process of transition; that is, the period when the preconditions for take-off are developed; for it takes time to transform a traditional society in the ways necessary for it to exploit the fruits of modern science, to fend off diminishing returns, and thus to enjoy the blessings and choices opened up by the march of compound interest.
> (œ1961 pp. xxii, 6)

It is indeed true of Western ideologues, convinced in their dogmas, that,

> ...even high intelligence is no vaccine for the stupidity of excess hubris and unconditional love of ones own theories and ideology.

In the 1st decades of the 21st century, most Third World communities are transient. As we have discussed elsewhere [560], most post-colonial territories *are* in various stages of change. They are slowly, but inevitably, metamorphosing into communities which exhibit similarities with the pre-colonial communities from which they came.

Western peoples are faced with a difficult decision:

- ignore the changes and continue to assert with Rostow and his many followers that Third World communities are still in the process of

metamorphosing into capitalist nations - it's just taking longer than we expected!

- attempt to prevent the changes;
- accept the changes and live with the consequences [561].

I remember, as a young child, reading a story about a little Dutch boy who was walking to school alongside a dyke wall. He had been told by his father that if he ever saw a leak in a wall he should immediately warn adults of it so that the dyke could be repaired before disastrous failure. Being a conscientious little boy, he would scan the wall as he walked, acutely aware of his responsibility for protecting his community from disaster.

On this particular morning, he saw a tiny hole in the wall and, realizing that this could be disastrous, decided that the best thing to do would be to stick his finger into the hole to stop the water from breaching the dyke wall. The story [562] has poor little Hans dying in his successful attempt to save his community from disaster.

As I read the story my mind worked overtime (as the minds of small boys are wont to do). What would happen if little Hans was standing there with his finger in the hole and, a little further down the dyke wall, another hole should appear? Perhaps we would have little Hans attempting to save a small part of the wall while all the rest disintegrated around him!

Welcome to the 21st century!

Western governments and international organizations find themselves with their fingers in dyke walls. If they don't keep the holes plugged, the walls around them will collapse. And more and more holes are appearing all the time.

We're going to be busy people if we're going to keep all the holes plugged in this century!

As we examine post 2nd World War experiences in Third World countries, we need to bear in mind that these experiences mask a deep, historical disruption of non-western communities. Those communities were, all-too-often, forcibly included in Western European colonies, with scant regard for their own peculiar identities, to serve the interests of the colonizing powers.

That disruption, however, did not result in the loss of pre-European understandings of the world. It merely obscured them. The chaos and turmoil found in many non-Western countries in the early 21st century can be traced back to their experiences over the past 150 years [563].

Examples of non-Western Understandings of Reality

To understand the differences between Western capitalist communal organization and interaction and the pre-existing forms of organization and interaction in non-Western communities, we need to examine how such communities were organized before colonisation by Western European powers. This is, of course, how they still would be organized - with inevitable accommodations to outside influences - if left to their own devices.

To do justice to such a preliminary exploration of non-Western forms of understanding and organization is beyond a discussion of this kind. The best we can do here is refer to two explanations of such communities which can

be accessed on the Internet. The discussion which follows will bounce off those explanations.

The first example is an excellent study by Paul Liffman of the "Wixaritari (Huichols) in the community of San Andres Cohamiata", living in 90,000 square kilometres of western and north-central Mexico. The study was part of a larger undertaking by a team of anthropologists studying the people of the region. The *Journal of the Southwest*, (œVol. 42 Issue 1, 2000), has a number of other research articles by team members, focusing on similar issues in the region.

In this study, entitled œ*Gourdvines, Fires, and Wixarika Territoriality*, Paul Liffman introduces us to an understanding of the world which is completely different to anything that people in Western capitalist communities experience or understand. Here is Liffman's explanatory summary:

> Wixaritari (Huichols) in the community of San Andres Cohamiata say that the genealogies and social bonds constructed in ritual grow along divine ancestral migration paths, just as gourdvines grow out across the earth.
>
> These ancestral vines connect the ceremonial fire of the xiriki (shrine) of a kie (rancheria), where people live, to a great temple (tuki), from which the kie's founding ancestors first "borrowed fire," to creation sites throughout 90,000 square kilometers of western and north-central Mexico.
>
> If the rancheria expands and ramifies like a gourdvine, those ancestors' descendants must "borrow" and "register" (inscribe or legitimate) new fires, and their xirikite ultimately grow up to be tukite.
>
> This historical process of establishing land tenure ceremonially entails fulfillling cargos (five consecutive annual cycles of ritual obligations) at the tuki, from which people make the growing gourdvine paths of divine descent extremely vivid by retracing them in sacrificial treks to the creation sites, most notably Wirikuta, the birthplace of the sun.

It is always extremely difficult for anyone to begin to see the world from a perspective that has so little in common with their own. This is why most Western people simply don't attempt it, convinced that, even if the Wixaritari and other non-Western communities do see their worlds and interact with them in such radically different ways, their ways must be riddled with superstition and highly illogical.

Concepts such as private property and public property, economic activity and political activity, fit very poorly into an understanding of the Wixaritari world. Liffman's description of Wixaritari understandings of and interactions with the land on which they live gives a graphic illustration of the differences:

> Wixarika land tenure is based on a fundamentally reciprocal-although most certainly hierarchical-Mesoamerican sacrificial economy. As with other Uto-Nahuan groups such as the Nayari (Coras) and Mexika Aztecs, the ideological basis of this system is exchange between people and the divine ancestral owners of the earth, rain, and sun.
>
> Living people, divine ancestors, and the cosmological divinities are connected through sacrifices and offerings, at key sites of the landscape (particularly at primeval emergence sites situated in caves and springs; cf. Coyle, this volume [564]).

> As a result, relating the origin myths of the landscape to the site where they are narrated and leaving offerings at key points of the landscape where divine history happened so that the earth will continue to produce are intrinsic to Wixarika land tenure and political legitimacy in general.

To rewrite their understanding of their polities and systems of land tenure and use in Western terms would result in the loss of most of the meaning which they consider inherent in the *real* world, objective reality for the Wixarika. To impose Western democratic political organization and forms of individualized land ownership and use on them would directly challenge and deeply undermine their communal organization and understanding of reality.

An entirely different set of communities, the San (commonly called 'Bushmen') of the Kalahari in south west Africa, illustrates a very different approach to understanding and interacting with their environments. In an article entitled œ*Those who have each other: San relations to the land,* Edwin Wilmsen (1989, pp. 58-9) examined a range of understandings of San kinship available in the literature and concluded that among that subgroup of the San known as Zhu,

> Kinship in Zhu society, rather than being a static straitjacket, is a dynamic keyboard on which individuals play variations on a theme of options. It is, as Comaroff (1982:164) notes, up to the individual to "create and manage an effective social network."...
>
> Within this incorporative structure of kinship, the corporate unity of Zhu landholding devolves from one generation to the next.
>
> Property right transfers consequent on marriage are, accordingly, largely matters of reshuffling priorities among latent claims by members of a kin consort. Negotiations for, and legitimation of, marriage ties are important moments in this creative process.
>
> To condense Bourdieu (1977:34-36; original emphasis): "to treat kin relationships as something people *make,* and with which they *do* something, is not merely to substitute a 'functionalist' for a 'structuralist' interpretation ... it is radically to question the implicit theory of [kin relationships] 'in the form of an object or an intuition' as Marx puts it.
>
> In this perspective, Zhu bride service can be seen... as a form of devolutionary marriage payment that mediates the conflicts over land that inevitably must occur among mutually interdependent groups....
>
> For Zhu, bride service resolves the question of personal status and locates a marriage union with its offspring within the structure of relations between persons and places. The devolution of property begins with negotiations and prestations between principals to a future marriage, primarily future co-parents-in-law.
>
> This process may extend over a period of many years....
>
> Devolution begins to take more concrete form with the establishment of a new household located in association with the woman's parents. The period of bride service is measured in terms of offspring, its conditions having been satisfied when two or more children have been born to the union.
> (1989, pp. 58-9)

Zhu social relationships and systems of land tenure and utilization are intimately intertwined. One cannot be understood without understanding the others. Zhu communities (like other Kalahari San communities), might appear organizationally simple to Western eyes, but the realities are a complex network of subtle relationships and negotiations which the Zhu consider features of the objective reality within which they live.

The Zhu have not escaped the ravages of Western capitalist 'development'. Theirs is a sadly familiar tale replicated in thousands of hunter-gatherer communities around the world. As Gilbert Murray, in 1900, said of Australian Aboriginal experience at the hands of Western peoples:

> The Kanakas in Queensland, under the old indenture system, were no doubt treated both harshly and unfairly. They were kidnapped, they were brutally used, they were cheated of their miserable earnings.... But go, if you dare, into a searching comparison between the treatment of the Queensland Kanakas, who were useful beasts of burden, and that of the Queensland aborigines, who were regarded as vermin, and you will bless the lot of the half-enslaved Kanaka.

James Suzman has described the fate of the Zhu (or Ju) over the past decades of capitalist 'development':

> A century ago the Ju/'hoansi were undisputed masters of this desert land. But then white farmers and colonial police arrived with their horses, guns, water-pumps, barbed-wire and cattle. They soon crushed what little resistance the Ju/'hoansi offered and claimed this land for themselves. They also quickly learnt that farming in the Kalahari Desert was labour intensive. So they formed commandos to capture "wild Bushmen", held the Ju/'hoansi's children hostage to ensure their parents' obedience and meted out regular beatings to teach them the "virtues of hard work". Deprived of their traditional lands and regarded as "childlike-like creatures of the bush", Ju/'hoansi soon became dependent on the farmers for a place to stay and food to eat.
>
> When Namibia gained its independence from South Africa in 1990 technological advances meant that the farms were more productive and less dependent on labour than they had ever been before. And with a new government demanding that farmers provide proper pay and housing for their workers, they reduced their workforces to the bare minimum leaving many Ju/'hoansi and their dependents little option but to descend on squatter settlements like Canaan.... (James Suzman, œGatherers May Hold the Key to our Economic Future: We need to rethink our relationships with the workplace, *Evonomics*, February 10 2018)

It is common to all human beings that they believe that their ways are the best ways and that where other people deviate from their ways they are less than rational. Western Europeans are not exceptions to this rule. They demanded change from these groups, not because the practices they opposed were inherently bad or evil (if there is a universally valid set of criteria in terms of which such judgments can be made) but because they conflicted with their own understandings.

The Wixaritari and San communities were not passive. They reacted to the changes brought into their communities with the expansion of capitalist activity into their environments by altering communal organization, land tenure and use to accommodate changed demands. In doing so, they

attempted to ensure that the fundamental presumptions in terms of which they related to their environments were preserved and maintained.

This has always been the response of non-Western communities to Western demands for change. Human beings are not able to simply drop their own understandings and live by the understandings of others. They will always try to accommodate changes they can't resist, while retaining their own understandings of the world and of themselves.

When changes forced upon them become more than they can accommodate within their own understanding of the world, they begin to lose a sense of communal identity and their communities begin to unravel [565]. Wixaritari and San communities have experienced these consequences over the past forty years in central America and south west Africa.

Unraveling Communities and Population Growth

Throughout the world, non-Western communities, subjected to unrelenting demands for massive change in their interaction with their material environments, have experienced similar loss of identity, with rapidly escalating crime and violence and uncontrollable population growth.

All stable communities (both historically and in the present) have both direct and indirect means of limiting population growth. As communities disintegrate, the means of population control become decreasingly effective and population begins to grow.

Many non-Western communities have experienced rapidly increasing population growth as their communities have unraveled. The current average annual rate of population increase through sub-Saharan Africa is 2.4 percent. At this rate of increase, populations double every 30 years. Through all of the non-Western regions of the world the average annual rate of increase is 1.6 percent, with populations doubling every 44 years.

The pressures put on both material and social environments by these rates of increase are enormous.

Through the Western world, the average rate of increase is a mere 0.5 percent, with populations doubling over 139 years. Given that there are always natural events over such a period which impact on growth, Western populations have either stabilised in countries like the United States or, as in Western Europe, with a -0.01 percent annual growth rate, are in decline.[566] Population increase in Western countries comes through immigration.

People like the Wixaritari and San, don't simply reinvent themselves as Western capitalists when they are subjected to Western capitalist demands for change. They lose their sense of identity and self-worth as their indigenous status and prestige systems break down and their understanding of their environment and of themselves in terms of their environment decreasingly 'makes sense'.

Status, Possessions, Land Tenure and Utilization

(13/04/24)

People in most non-Western communities determine relative status through competitive and/or cooperative involvement in *non-material* forms of activity (e. g. ritual events, festivals, religious activities, kinship and other social involvement and activities together with involvement in the material environment). They, then, very often, require people who attain particular

statuses to demonstrate their fitness for the statuses attained by obtaining the material possessions deemed correct for the status positions.

If they cannot obtain the necessary possessions, their statuses come under threat. If, on the other hand, they accumulate *more* possessions than they should, or obtain inappropriate possessions, then the rest of the community reacts, wanting to know who they think they are.

People who are able to get more than they should have usually feel an inner compulsion to limit their acquisitions in some way. If they are not able to do this, they usually feel it necessary to give the surpluses away. In doing so they can strengthen ties with other community members.

There are, of course, communities which do not tie possessions to status in this way. In such communities (e. g. the San of the Kalahari or Aboriginal Australian communities) status is not clearly linked to the accumulation of possessions and owning things does little or nothing for either status or prestige. See Sahlins (1972) for a discussion of such communities.

The ways in which communities are organized and the ways in which they interact with their material environments are two sides of a coin. If the organization of the community changes, interaction with their material environment will also change. Equally, if interaction with the material environment changes, so does the structure of the community.

When those changes are forced from outside, based on understandings of which community members are often not even aware, then community members find it increasingly difficult to make sense of their experiences. The changes forced upon them often require forms of interaction which directly contradict the basic forms of interaction of the community.

Attack the systems of land tenure and utilization in a community and you attack the organization and interactions of the community. You cannot force change in land tenure and utilization without directly attacking the cohesion of the community which reflects and incorporates those systems in its organization.[567]

These are not merely problems of the past, practices long-since abandoned by a more enlightened Western World. They are increasingly problems of today and of the future. William Laurance and co-authors have spelt out some of the problems facing the African continent:

> It is possible that, in recorded history, no continent has ever changed as rapidly as is presently occurring in Africa. For instance, the extractive-industries boom in Africa is notable not so much for its direct effects - which will be substantial -...but for the powerful economic impetus it is providing for new roads and railways needed for extracting high-volume minerals such as iron and coal. Development corridors promoted by Africa's mineral boom are also seen as prime locations to expand and intensify agriculture.
> (William Laurance, Sean Sloan, Lingfei Weng and Jeffrey Sayer, œEstimating the Environmental Costs of Africa's Massive "Development Corridors", *Current Biology*, Volume 25, Issue 22, November 16, 2015)

Bill Laurance has described the process in the Congo Basin:

> Logging roads are expanding dramatically in the Congo Basin, leading to catastrophic collapses in animal populations living in the world's second-largest rainforest, according to research co-led by a scientist at James Cook University in Australia.

> Just as worrying is that the rate of forest destruction caused by new roads in the Congo Basin has risen sharply over time, quadrupling since 2000.
>
> "The situation in the Congo Basin is scary on top of more scariness," said Professor Bill Laurance, who has worked in Africa for 15 years. "New roads are opening a Pandora's box of activities such as illegal deforestation, mining, poaching and land speculation."
>
> ... [S]ince 2003, the total length of roads has increased by nearly 100,000 kilometres--from 144,000 to 231,000 kilometres overall.
>
> "Industrial logging is a key economic driver for much of the road building," said Laurance. "Some logging roads are abandoned, but many are used by slash-and-burn farmers and poachers to penetrate deep into surviving rainforests."
> (*EurekAlert* News Release, œRoads and deforestation explode in the Congo basin, James Cook University, 24-Jun-2019)

Five years on, in 2024, the devastating consequences of 'land grabbing' by international corporations, cartels and finance houses has accelerated. As Yves Smith, in a œ*Naked Capitalism* posting of Salena Tramel's article posted on *Common Dreams*: 'œ5 Things to Know About the Global Land Rush and How to Stop It', has put it:

> Americans have likely read about squillionaires here buying huge ranches and other tracts of land. They may not be as aware of everyone from US hedge funds to the Chinese buying agricultural land in Africa. Mineral and water rights are another part of this equation that this article does not mention; they are often sold by landowners either for profit or survival reasons. Nevertheless, due to the great geographic spread of this activity plus the fact that in many cases, the transactions are reported only in local government registers, it's extremely difficult to get a handle on the scale.

An *Agrarian Conversations* paper entitled 'œLDPI Working Paper Series: International Conference on Global Land Grabbing - Bogota, Colombia' provides a 2024 list of relevant working papers on related issues.

As noted earlier, capitalist 'acquisition' of lands and resources in non-Western regions of the world rides rough-shod over the rights and needs of local communities. When lands and resources are 'privatized', communities in the regions in which those 'assets' are found become disenfranchised, impoverished and dysfunctional.

This is simply another version of capitalist colonialism, perpetrated by capitalist organizations intent on 'mining' the 'assets' they acquire for 'profit', without regard for the peoples whose lands and resources they have alienated.

How desperately the world needs a revolution which prioritizes the needs and rights of resident communities over the greed of a few 'profit-driven' corporations and cartels.

Brutality, Despotism, Corruption and Communal Disintegration

(08/01/17) (19/01/17)(08/08/17) (07/12/17) (24/05/18) (02/08/18) (01/04/21) (22/04/21) (17/06/21) (04/07/21) (09/12/21) (12/12/21) (15/06/23)

In a world shaped by three centuries of rampant capitalist 'development', we find ourselves, as human beings, sharing this uniquely habitable planet not only with each other but with more than 8 million other species.

Capitalism, however, has been driven not by shared responsibility for this world in which we live but by a myopic focus on 'the bottom line'.

Everything and everyone has been either willingly or unwillingly co-opted by a system they are required to serve. For capitalists, as the British prime minister Margaret Thatcher explained, 'There is no such thing as society. There are individual men and women'. And, since capitalism only values that which it can price, those disaggregated individuals are only 'of value' if they can contribute to that 'bottom line'.

The breakdown in law and order and in living standards among indigenous populations resulting from the complete disruption of their communities and individual lives has been inevitable, inescapable and 'necessary' to ensure that they acquire 'the capacities needful for civilized life'

One of the saddest features of the 'Third World Development' drive in which Western capitalist nations have engaged over the past fifty years is that in the process of reorganizing utilization of their environments, non-Western communities have been disrupted. Many of them are in various stages of disintegration, victims of the well-meaning 'development' activities of Western experts.

As the consequences of disruption have become increasingly apparent, in a classic 'blame the victim' response to the problems created, those same experts have urged further, deeper change to address the problems of social disintegration which their policies have induced.

Because they have been well trained as Western specialists, they take it for granted that their understanding of the world, and their forms of land tenure and utilization are the only 'reasonable' ones. So they force change upon those who don't see the world as they do or relate to the material environment as they do.

A leader in the magazine *The Economist*, entitled 'Hopeless Africa', put the Western perspective well,

> No one can blame Africans for the weather, but most of the continent's shortcomings owe less to acts of God than to acts of man. These acts are not exclusively African - brutality, despotism and corruption exist everywhere - but African societies, for reasons buried in their cultures, seem especially susceptible to them.
> (œ*The Economist* May 13th-19th 2000)

Brutality, despotism and corruption in communities are evidences of *communal disintegration*, not features of 'traditional cultures' as the *Economist* writer suggests.

As œGustave Speth, Administrator of the United Nations Development Program, said of Africa in 1994(a):

> We conveniently forget Africa's history. We forget that the transatlantic slave trade robbed Africa of about 12 million of its able-bodied men and women. We forget that colonialism which followed the slave trade introduced a system of exploitation of Africa's natural resources to feed the industries of the West.
>
> We forget the 1884/1885 Colonial Conferences of Berlin which crudely Balkanised and divided Africa into geographic areas of control by the West, with scant regard for ethnic groupings. We even forget that during the period of the cold war's geopolitical fight for spheres of influence, Africa became a focal point for the ideology and the arms

> that today contribute to the havoc we find in Rwanda and Burundi, in Zaire and Angola and Somalia.

Western capitalist developers have intruded into communities and changed the face of the material environments of peoples. They have forced new land tenure and utilization practices upon them, extracted huge 'surpluses' from their environments and now blame them for the ensuing social, political, and material environmental disintegration.

But, they have done much more than this. They have pursued 'development' at the expense of long run environmental damage to both land and sea.[568]

Western 'civilization' has, indeed, set the earth on an ominous trajectory. Nothing can be allowed to stand in the way of 'Western Development'.

The future will take care of itself. All that matters is that the accumulation of what 'free market' capitalism has defined as 'wealth' - produced by capitalism's entrepreneurs and 'wealth accumulators' - grows each year.

The warnings of the doomsayers can be ignored if they threaten that growth. One such warning, published on May 18, 2018, once again spells out the consequences of this myopic pursuit of 'wealth':

> ...[A] new analysis... shows the Earth's climate would increase by 4°C, compared to pre-industrial levels, before the end of 21st century... said Dabang Jiang, a senior researcher at the Institute of Atmospheric Physics of the Chinese Academy of Sciences. "The temperature increase would cause severe threats to ecosystems, human systems, and associated societies and economies."
>
> In the analysis, Jiang and his team used the parameters of scenario in which there was no mitigation of rising greenhouse gas emissions. They compared 39 coordinated climate model experiments from the fifth phase of the œCoupled Model Intercomparison Project, which develops and reviews climate models to ensure the most accurate climate simulations possible.
>
> ...[M]ost of the models projected an increase of 4°C as early as 2064 and as late as 2095 in the 21st century, with 2084 appearing as the median year.
> (œEarth's climate to increase by 4 degrees by 2084, *Institute of Atmospheric Physics, Chinese Academy of Sciences*, 23 May, 2018)

We have learned nothing. For all the posturing and pseudo-concerned pronouncements of capitalism over the past several decades, 'development' activities, driven by the 'needs' of capitalism, are ensuring a rapidly degrading world.

It appears that, as the 21st century unfolds, it's going to be half-baked 'Green New Deals' for the West and similarly œhalf-baked 'Green Revolutions' for the Rest!

Timothy Wise and Jomo Sundaram described yet another Western promoted 'development' initiative in 'Africa'. One of those mega-wealthy 'philanthropists' spawned in the West over the past half century decided (in 2006) that he and his 'organization' would 'double yields and incomes for 30 million smallholder farm households while halving food insecurity by 2020'. As the authors ask 'When will we ever learn?' [569]

> Since the Alliance for a Green Revolution in Africa (AGRA) was launched in 2006, yields have barely risen, while rural poverty remains endemic, and would have increased more if not for out-migration.
>
> AGRA was started, with funding from the Bill and Melinda Gates Foundation and the Rockefeller Foundation, to double yields and incomes for 30 million smallholder farm households while halving food insecurity by 2020.
>
> There are no signs of significant productivity and income boosts from promoted commercial seeds and agrochemicals in AGRA's 13 focus countries. Meanwhile, the number of undernourished in these nations increased by 30%!

William Laurance and Irene Burgués Arrea neatly summarized the era:

> We are living in the most explosive era of infrastructure expansion in human history. In the next 3 years, paved roads are projected to double in length in Asia's developing nations; in the next three decades, the total length of additional paved roads could approach 25 million kilometers worldwide - enough to encircle the planet more than 600 times. Nine-tenths of all new infrastructure is being built in developing nations, mainly in tropical and subtropical regions that contain Earth's most diverse ecosystems. In a world that is projected to have 2 billion vehicles by 2030, we need a better understanding of the impacts of roads and other infrastructure on our planet, societies, and economies - and more effective planning to ensure that the benefits of infrastructure outstrip its costs....
>
> Waves of new roads cutting into intact or critical habitats can unleash a Pandora's box of environmental ills, such as land encroachment, wildlife poaching, forest fragmentation, exotic-species invasions, and illegal mining. Even carefully managed projects can provoke societal hazards such as land speculation, corruption, cost overruns, and political conflict. In worst-case scenarios, projects can collapse, stranding large financial investments and natural assets. Unpaved tropical roads can quickly become unusable because of deep rutting from vehicle use in the wet season. For such reasons, road-expansion schemes have inconsistent, and sometimes clashing, impacts on human needs, as illustrated by their widely varying effects on the United Nations Sustainable Development Goals.
> (William F. Laurance and Irene Burgués Arrea, œRoads to riches or ruin?, *Science*, Vol. 358, Issue 6362, pp. 442-444, 27 October, 2017 (See original for documentation))

In 2021, with its own internal infrastructures in disarray, its social services corporatized and privatized, the US Administration has decided that it "should have an infrastructure plan to rival China's Belt and Road initiative"

Of course, the US (and other Western nations') neoliberally inspired infrastructural crises have been a long time in the making. Biden, as vice president for 8 years and, before that, a hawkish œSenate advocate of gutting social services and defunding infrastructure maintenance, now suggests that in order to counter China's rising influence around the world, Western nations need a multi-trillion dollar 'plan'.

And, of course, since the incongruity of developing an infrastructure plan to rival œChina's Belt and Road initiative while the infrastructures of their own nations are in disrepair does not escape even Biden[570], he also proposes a multi-trillion dollar US internal program.

President Biden spelt out what must surely have been one of those 'bright ideas' politicians get from time to time. The prime question to be asked (and answered by Biden) is, of course, how will they fund such programs?

If, in line with Biden's Senate record, he envisages either private sector initiatives or 'Public-Private Partnerships' funded by Government, then what he is suggesting is that the US and its allies should unleash the 'power of private enterprise' not only on the rest of the world but œon the United States itself!

It would be difficult for Biden and his 'team of immaculate professionals' to comprehend, much less deliver, the kinds of state to state infrastructural programs delivered by China's Belt and Road Initiative[571].

Biden's 'bright idea' during a phone call:

> U.S. President Joe Biden said he suggested to British Prime Minister Boris Johnson in a phone call on Friday that democratic countries should have an infrastructure plan to rival China's Belt and Road initiative.
>
> "I suggested we should have, essentially, a similar initiative, pulling from the democratic states, helping those communities around the world that, in fact, need help," Biden told reporters.
>
> China's Belt and Road Initiative (BRI) is a multi-trillion-dollar infrastructure scheme launched in 2013 by President Xi Jinping involving development and investment initiatives that would stretch from East Asia to Europe....
>
> Biden's remarks came after he said on Thursday he would prevent China from passing the United States to become the most powerful country in the world, vowing to invest heavily to ensure America prevails in the ever-growing rivalry between the world's two largest economies.
>
> Biden plans to unveil a multi-trillion-dollar plan to upgrade U.S. infrastructure next week. He said on Thursday this would ensure increased U.S. investment in promising new technologies, such as quantum computing, artificial intelligence and biotechnology.
>
> While airing its concerns and seeking to encourage private sector-investment for overseas projects to rival those of the BRI, Washington has yet to be able to convince countries that it can offer an alternative to the state-backed economic vision put forward by Beijing under BRI.
>
> Over 100 countries have signed agreements with China to cooperate in BRI projects like railways, ports, highways and other infrastructure. According to a Refinitiv database, as of mid-last year, over 2,600 projects at a cost of $3.7 trillion were linked to the initiative. (Jarrett Renshaw, œBiden says he suggested to UK's Johnson a plan to rival China's Belt and Road, *Reuters*, March 27, 2021)

In a largely photo-opp G7 Conference (11-13 June 2021) President Biden unveiled his 'plan' to rival China's 'Belt and Road' program. It has been called 'Build Back Better' and the European Union along with the other attending nations has pledged to support it.

The name suggests little more than the current piecemeal 'aid' program initiiatives to which these nations have committed constantly diminishing resources over the past few decades. It certainly lacks the directive structure and infrastructure of the Belt and Road initiative. As œBritish

Prime Minister Boris Johnson extrapolated: "We should build back greener; build back fairer and more equal; in a more gender-neutral and perhaps more feminiine way"

Four months later, the US 'Build Back Better' Act had received the usual treatment from both sides of politics. Sasha Abramsky explains:

> ...[E]ven if the Build Back Better Act does pass, due to the huge scalebacks that conservative Democratic Senators Joe Manchin and Kyrsten Sinema have demanded, what once had the potential to be transformative in the way that signature New Deal and Great Society programs were is now in part reduced to being another public display of the dysfunction of Washington, D.C., in the face of overwhelming challenges, and in the churn of a tsunami of lobbying efforts against the legislation by business groups such as the Chamber of Commerce and the Business Roundtable.
> (Sasha Abramsky, œThe Centerpiece of the Build Back Better Climate Plan Has Been Stripped Out, *Truthout*, October 29, 2021

It seems that, indeed, 'it's only words!' The real program is much darker, much more threatening to world-wide peace and security!

The 'economic' bottom-line has proved far more potent in driving and shaping Western and other capitalist development activities over the past decades than the increasingly certain environmental catastrophe which is looming on humanity's horizon. As a 1955 Pete Seeger song put it: "When will they ever learn?"

Open-ended and Closed Utilization of the Material Environment (The Key to Sustainable Lifestyles)

(12/02/16) (19/02/17) (28/08/17) (07/05/19)

We need to understand the single most important difference between almost all non-Western orientations to the material environment and that of Western capitalism.

- Western capitalist utilization of the material environment is open-ended, with no upper limit to its use and a built in inflation of demand for natural resources.[572]

- Most non-Western forms of utilization are *closed*, with a *built in upper limit to demand*.

This is *not* because non-Western people are 'more attuned' to their environments or because they are 'natural conservationists' or 'closer to the environment' than Western people.

As many studies have shown, non-Western people have shaped and molded their environments to their needs. Their aim has not been to 'live in harmony with nature', as sometimes suggested by environmental activists in Western countries, but to utilise their environments to supply their needs and wants.

However, because their status and prestige systems have not been anchored in the accumulation of material goods and services but in some other form of activity and organization, there has been no inbuilt pressure to over-use their material environments.

Where they have done so (and this has often happened), it was the growth in population living in a region which produced problems[573], not a constantly escalating demand from a stable population for more and more material possessions and ever-increasing levels of consumption, as in Western communities.

Most human activity is related not to subsistence but to the promotion and maintenance of social position and self-esteem. People in communities like those of the Wixaritari and San are focused on something other than 'private enterprise' and competitive individual material accumulation and consumption as the basis of status. So, they spend less time in material production/ consumption activities and more time in what Western capitalist people would consider 'waste' activity: in religious, ritual, social and kin-based activity of various kinds.

If they are being 'productive' what they are producing is not material goods and services but various forms of ritual, religious and social activity and organization - whatever is required of the status system which is built into the structure of their communities and into their forms of interaction with each other. So, in many non-Western communities such activities seem extravagantly elaborated to Western people.

The upshot of this focus away from the material environment is that, in the past, they more or less matched their material needs and wants to what was available in their own environments or could be traded for goods from their environments without needing to expand into the territory of neighboring groups.

Sahlins (1972) argues that many communities *underused* the resources available in their material environments. Since they matched their material needs and wants to the usual productive capacity of their environments, in good years they had surpluses and in bad years they had less than they required, but things averaged out over the years.

With material needs and wants socially circumscribed, the technologies necessary for their production remained relatively stable. There is little need to develop more sophisticated, efficient, and streamlined production techniques and technologies where those which have been developed provide both the quantity and quality of goods required and where requirements do not constantly escalate [574]. Rather, people spend their time in pursuits which directly relate to the requirements of the social templates of their communities, through which they achieve increased social status and respect.

When Western people arrived in non-Western regions, they demanded that those communities produce a 'surplus' from their material environments for export to Western countries. This required local inhabitants to use their material environments not only to supply their own needs and wants, but to supply, additionally, a range of products sought by Western traders and 'developers'.

Utilization of their environment was, therefore, almost immediately, raised to long-run unsustainable levels.

Inevitably, the environments of communities where these demands were made became progressively more degraded as the years passed. As Gustave Speth (1994(b)) claimed [575], most of the soil and other environmental deterioration of the past fifty years has occurred in non-Western regions of the world. Westerners use their own environments to the

limits of sustainability, but readily, and unthinkingly, push the environments of other communities over the edge. (For more on this, see *Rights and Resources 2011-2012*)

The Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services (IPBES) has summed up the situation in 2019:

> Nature is declining globally at rates unprecedented in human history - and the rate of species extinctions is accelerating, with grave impacts on people around the world now likely, warns a landmark new report from the Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services (IPBES), the summary of which was approved at the 7th session of the IPBES Plenary, meeting last week (29 April - 4 May) in Paris.
>
> "The overwhelming evidence of the IPBES Global Assessment, from a wide range of different fields of knowledge, presents an ominous picture," said IPBES Chair, Sir Robert Watson. "The health of ecosystems on which we and all other species depend is deteriorating more rapidly than ever. We are eroding the very foundations of our economies, livelihoods, food security, health and quality of life worldwide."
>
> "The Report also tells us that it is not too late to make a difference, but only if we start now at every level from local to global," he said. "Through 'transformative change', nature can still be conserved, restored and used sustainably - this is also key to meeting most other global goals. By transformative change, we mean a fundamental, system-wide reorganization across technological, economic and social factors, including paradigms, goals and values."
>
> "The member States of IPBES Plenary have now acknowledged that, by its very nature, transformative change can expect opposition from those with interests vested in the status quo, but also that such opposition can be overcome for the broader public good," Watson said. The IPBES Global Assessment Report on Biodiversity and Ecosystem Services is the most comprehensive ever completed. It is the first intergovernmental Report of its kind and builds on the landmark Millennium Ecosystem Assessment of 2005, introducing innovative ways of evaluating evidence.
>
> Compiled by 145 expert authors from 50 countries over the past three years, with inputs from another 310 contributing authors, the Report assesses changes over the past five decades, providing a comprehensive picture of the relationship between economic development pathways and their impacts on nature. It also offers a range of possible scenarios for the coming decades.
>
> Based on the systematic review of about 15,000 scientific and government sources, the Report also draws (for the first time ever at this scale) on indigenous and local knowledge, particularly addressing issues relevant to Indigenous Peoples and Local Communities.
>
> "Biodiversity and nature's contributions to people are our common heritage and humanity's most important life-supporting 'safety net'. But our safety net is stretched almost to breaking point," said Prof. Sandra Díaz (Argentina), who co-chaired the Assessment with Prof. Josef Settele (Germany) and Prof. Eduardo S. Brondízio (Brazil and USA). "The diversity within species, between species and of ecosystems, as well as many fundamental contributions we derive from

> nature, are declining fast, although we still have the means to ensure a sustainable future for people and the planet."
> (Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services (IPBES), œMedia Release, 04 May, 2019)[576]

In the jargon of Western capitalism, non-Western communities, prior to Western intrusion, were naturally oriented to 'sustainable lifestyles', to *living within their environmental means*. This is why such advanced material cultures as those of Han China, Korea and Japan, although well aware of the existence of other lands and peoples, and although placing neighboring peoples into tributary relationships, did not greatly expand their accumulative and productive activities into their environments.

For the Chinese, Koreans and Japanese, throughout thousands of years of elaborate political organization and advanced material culture, North America was less than a week's sailing time away. And they had the sophisticated craft necessary to make such journeys with ease on a regular basis. Yet, when Western Europeans invaded and subjugated the indigenous inhabitants of the North American continent there were no communities of Chinese, Koreans or Japanese to deal with.

Why not?

Because, despite their elaborate material cultures, status and prestige were not primarily determined by competitive individual material accumulation and consumption. They, more or less, lived within their environmental means.

This is equally true of Aboriginal Australians. Of course they reshaped their environment to better suit their requirements, and of course that meant that Australia, after their arrival, was a different land to Australia before their arrival. But they did not utilise their material environment to, and beyond, its limits. They did not, in Western capitalist terms, 'realize the potential' of their material environments.

As Tonkinson (1978, p.18) put it, Aboriginal people stressed, not the mundane skills and techniques for surviving in harsh surroundings, but "the imperative of conformity to Dreamtime laws... it is spiritual rather than ecological imperatives that have primacy in guaranteeing their way of life".

The Aboriginal people of Australia, like non-Western peoples in most parts of the world, understood reality, and interacted with the world in ways which are difficult for Western peoples to understand.

Enter the Europeans

(03/01/16)

With the advent of capitalism in Europe as the driving force to individual and communal activity, Western Europeans set out to discover the "riches" of the world and appropriate them[577].

From the early predatory adventures of traders, explorers and privateers, to state and capitalist enterprise organized invasions of the rest of the world, Western Europe imposed its self-interested ambitions on the planet. Over five hundred years it metamorphosed from an insular feudally organized region into a rampant colonizing power. By 1914 it controlled more than 80% of the world. And it controlled it for one reason: to exploit its resources.

Not only was there very little interest in the organization and understandings of the communities they invaded, there was little or no understanding of, or interest in, the consequences of their activities for invaded populations. As Gilbert Murray explained for the British (and his explanation could be applied with equal or greater force to the other Western European colonizing powers),

> A slave is ultimately a man spared in war; a man whom you might kill, but whom you prefer to keep, in order to make him work for you.
>
> It is abundantly clear, if one considers the question, that this has historically been the position of most of the subject races in the British Empire. And it is in a sense their condition still. Those whom we cannot utilize we exterminate; those whom we can utilize we protect, and often enable to increase in numbers.
> (œ1900, p. 152)

Obafemi Awolowo was equally clear in describing the British invasion of Nigeria,

> Britain ... sought to impose her rule on the various tribes that inhabited the country in order to attain her own selfish ends.
>
> There was... no question of trusteeship. This was the result of a later compunction of conscience which usually dawns on any evil-doer who is not hardened beyond redemption.
>
> Those tribes with whom she first came into contact resisted the unwarranted attack on their political independence. They were overpowered by force of arms. Thereafter, each tribe was faced with a choice of one of two roads leading to subjection: defeat or surrender...
> (1947, p. 24)

The fable held by Western peoples [578], from the outset, told a story of humanitarian selflessness. Rudyard Kipling put into words what the enlightened of Western Europe believed to be their responsibility. They had to:

> Take up the White Man's burden -
> ...To seek another's profit,
> And work another's gain....
>
> Fill full the mouth of Famine
> And bid the sickness cease...

This was (and still is) the fable. The reality was (and is) harsh. As Awolowo explained, "There was... no question of trusteeship. This was the result of a later compunction of conscience which usually dawns on any evil-doer who is not hardened beyond redemption."

When Western people entered non-Western territories, they quickly began to reorganize the invaded environments to contribute to the snowballing production and consumption needs of the West [579]. They oversaw an expansion in utilization of available resources, stepping up production and export to the raw materials markets of Western Europe.

This ushered in a period in which non-Western regions were reorganized to mass produce particular commodities for European markets. Regions became devoted to 'mono-agricultural' export, to large-scale production of a very few primary commodities for export [580], rather than for the communities whose environments were reorganized. Where mono-agricultural development in large holdings was not feasible, indigenous

communities were re-organized to emphasize cash-cropping, producing agricultural products required for European markets on small-holdings.

Over time, such regions became very vulnerable to fluctuations in market demand for their produce. In any period of economic downturn in the West, local people, increasingly reliant on cash income from commodity exports for their subsistence, found their source of income diminished, and therefore their subsistence under threat.

Further, the inherent drive of the capitalist system to reduce costs, resulted in constantly decreasing returns to raw materials producers. In turn, this resulted, inevitably, in constant pressure to increase production quantities. Naturally, this led to further pressure on prices and a spiral of over exploitation of the environment simply to maintain subsistence lifestyles [581].

Once Western economic forces gained control in non-Western areas, whether local peoples were or were not oriented to the same acquisitive and consumptive drives as Western people, they soon found their environments being reorganized to suit Western needs.

Increasing numbers found themselves involved in wage labor, in cash cropping, and in placing increasing productive demands on their own environments. And, as in Western Europe in earlier centuries [582], increasing numbers of people found themselves displaced from their subsistence resource bases as Western forms of productive organization and ownership were imposed and more and more land became individually owned and committed to commercial crop production.

Since most non-Western communities limited their needs and wants to the productive potential of their own environments, any additional demands, beyond those of their own communities, very soon expanded use of the environment beyond sustainability.

Even where there was no alienation of land for commercial purposes, new demands placed on environments to provide not only for the ongoing needs of local communities, but also crops for sale to gain cash income for new goods offered by Western traders, placed new pressures on local environments. In the long run, the new demands, stimulated by Western trade and directly required by Western authorities, led to the depletion of their resources, and forced increasing numbers of people into wage labor as the primary means of subsistence.

Whether non-Western people adopted Western status systems or not, their environments could not be protected from the constantly escalating productive demands of the West [583].

The current environmental crises of the vast majority of Third World countries are not, as many Western experts would have us believe, a consequence of uncontrolled population growth [584] and ineffective and inefficient technologies. They are, rather, the consequences of attempting to reorganize non-Western communities to live by Western presumptions. The West has required them to utilise their environments, not only to meet their own needs and wants, but also to contribute to the snowballing needs and wants of the Western world.

The production stimulated in and forced upon Third World communities was not focused on the needs and wants of those communities. It was focused on the needs and wants of Western communities. It was, and still is export oriented production.

We have dealt at some length with the establishment of Western European colonies elsewhere [585]. Here we pick up that story in the post 2nd World War era.

As we deal with issues of the past 60 years, it is important to remember the historical background of those Third World communities. It is equally important to remember that the issues dealt with here are *additional* to all those other problems we have explored elsewhere [586].

From Developmentalism to Privatization

The presumption that governments had a responsibility to manage their economies underwrote political activity in both Western and Third World countries in the post-Second World War years. This assumption, and the practices that followed from it have, in the literature, usually been referred to as 'developmentalism'.

Worldwide economic activity was considered to be the result of the interaction of many separate, but interconnected, 'national economies', each controlled by a national government. Each government tried to ensure that the economy was managed and 'developed' to provide the best possible returns for all community members within its own borders. As colonial territories gained independence, this presumption of separation and responsibility for internal 'development' passed to the new governments - with a little help/direction from their erstwhile colonial masters [587].

It was assumed, by Western authorities, that post-colonial governments had little expertise in managing economies. Most colonial powers used this presumption as justification for retaining strong economic ties and controls. Not only did they provide economic management advice, they linked economic assistance with scrutiny of economic performance. This enabled them to provide constant economic direction as a condition of aid.

Inevitably, therefore, the economies of most post-colonial countries remained strongly tied to economic actors in the former centers of colonial power. Independence brought little change in economic organization or in the established emphasis on export-oriented production, feeding industrial enterprises in the Western World [588].

Governments, it was asserted, needed to be funded from within their own territories. A prerequisite for 'take-off into self-sustained growth' in Third World countries was, therefore, the establishment of necessary infrastructures for industrial development.

Money and effort were to be spent on major development projects: on building dams, in constructing ports, in constructing road and rail networks, and other infrastructural requirements of an industrialized country - in the process, creating massive sovereign debt in those countries.

Whereas it was assumed that First World governments managed their economies in the interests of their populations, Third World governments were assumed to be managing their economies in the interests of 'economic development'.

Primary Product Exports and Import Substitution Industry

These developments, from 1950 to the 1970s, were assumed to be focused on two kinds of industrial development:

- the export of raw materials and agricultural produce to the Western World,
- and the development of import substitution industry (ISI) within the country.

It was recognized that few Third World countries could develop competitively viable export industries in the short term. It was assumed,

however, that if a range of protective tariffs and import restrictions were imposed on the import of particular commodities, local industries would develop to supply the local market. As they grew in strength, they could then reorient their activities toward export, thus providing a base for further export-oriented production.

This apparently logical development plan was, however, fraught with many hidden pitfalls. As Erica Schoenberger explained,

> Investments in developing-country markets such as India, Brazil, Argentina, or Mexico were driven mainly by extremely high protectionist barriers associated with import substitution policies.
>
> In general, these markets were not sufficiently large to sustain optimum volume production, so costs tended to be high in any case (see Holmes 1983; Nofal 1983). Nor were they large enough to allow for fully integrated or wholly self-contained production.
>
> Thus the system as a whole functioned on the basis of long-distance - sometimes extremely long-distance - supply lines.
> (Schoenberger 1994, p. 55)

Import substitution policies failed to recognize two fundamental problems.

1. Local businesses, having to import all their technology and rely on overseas expertise in establishing enterprises (as well as supplying a far smaller market than major overseas exporters), could not hope to compete with overseas products. The cost of such import substitutions was usually much higher than that of the previously imported items.

2. In communities which still saw purchased commodities as alternatives to locally-produced items (for which the expertise still existed in most communities), demand fell as price increased.

ISI businesses, with few exceptions, failed to expand as anticipated in the face of falling demand coupled with expanding costs. In some countries industries were, in the interests of development, subsidised to make their products affordable. This, of course, defeated the initial reasons for their establishment. They were supposed to generate revenue for government and provide a base for further industrial development.

A Classic Capitalist Conundrum

As import substitution failed to fulfill its mooted potential, to meet their growing debt commitments and fund further 'development' activities, countries placed increasing emphasis on the export of primary commodities to generate income. This resulted in constantly expanding production and export of raw materials to industrialized countries.

Until the mid-1960s, with the industrialized world in a period of booming growth following the Second World War, this expansion was absorbed with little reduction in price. However, from the mid-1960s, as industrialized production started to contract in the face of over-supply, prices of primary commodities began to fall.

Countries, relying on primary product sales to fund their development activities and service their debts, found themselves caught in a classic capitalist conundrum:

- As prices fell countries needed to export greater quantities to meet their commitments.
- As supply increased, prices fell.

Since they had little short-term alternative, Third World countries then had to attempt further to increase supplies to maintain their incomes.

During the same period, First World demand for primary products fell. During the 1980s, primary commodity imports to industrialized countries fell by more than nine per cent, resulting in a primary commodity glut on world markets. Together with the move of labor intensive industry to low-wage regions, these factors led to falling prices for finished goods in industrialized countries and an increasingly serious debt problem in Third World countries.

Third World countries had relied on the twin strategies of primary commodity export and the development of import substituting industry to kick-start their economies into what W. W. Rostow (1961), in a wonderfully optimistic turn of phrase, had called a 'take-off into self-sustained growth'. They found, to their dismay, that the anticipated rewards of their sustained attempts at 'development' had led them into a state of chronic indebtedness.

First World development agencies, looking for reasons for the failure of their confidently promoted development schemes and projects, in large measure found them, not in the rationale of the plans themselves, but in the 'corruption' of Third World governments.

From the mid-1960s, it became fashionable in development circles to speak of the endemic corruption of politics and government in Third World nations. Patron-clientism, which was and is an expression of the 'personalization' of leadership which is standard in most of the world (other than in Western countries), came to be seen as a major obstacle to development [589].

Let's 'Add Value' to Primary Product Exports!

(08/05/16)

From the early 1970s, with import substitution failing to deliver the expected rewards, and primary commodity prices faltering, development agencies began to look elsewhere for the key to successful Third World development.

An important alternative to import substitution was, obviously, the further processing of primary commodities within the country of origin, rather than shipping raw materials for processing in industrialized countries. Primary commodities should have 'value-added' to them prior to shipment.

Rather than shipping raw materials, money should be spent on processing plant, thus earning exporting countries additional income and, in the process, kick-starting their economies through the establishment of a processing industry which would take advantage of, and stimulate further, infrastructural developments.

Unfortunately, the enthusiasm of 'development experts' once again outstripped their expertise. While it seemed logically sound to develop 'value-added' enterprises in Third World countries, the rationale failed to take into account the existing industries in industrialized countries.

No industry voluntarily commits suicide, and no industry in the industrialized world was going to help a competitive industry in a Third World country to become established.

- The expertise was not provided;
- outdated technology was supplied;
- the supply of raw materials, limited to the country itself, was usually smaller, less reliable and more costly than the raw materials supply to industrialized industry (based on multiple supply sources and competition among suppliers);
- and, most importantly, the network of purchasers established by processing industries in industrialized countries was not available to Third World suppliers.

With all the disadvantages stacked against Third World 'value-added' industry, it was inevitable that Third World enterprises would fail to compete against their well established rivals. Not only was this true, but, given that demand in industrialized countries was shrinking or stalled, the timing for such value-added industrial expansion was less than propitious. Once again, an anticipated success story turned into a financial millstone for Third World countries.

Again, development agencies looked for reasons for the failure and saw the problem not as lying in the development direction established by themselves but in the performance of governments. The reasons for failure lay in the lack of expertise in government, in political interference, in the siphoning of capital out of businesses and into the hands of politicians, bureaucrats and their supporters.

There was substantial evidence that businesses caught in the web of patron-client networks were often milked for funds. However, once again, rather than seeking to understand the phenomenon, patron-clientism and 'corruption' came to be seen as stumbling blocks to economic development.[590]

Government should get out of The Economy

(21/07/17)

In the mid to late 1970s, as aid agencies took stock of yet another round of failed plans and projects, they did so in the intellectual and ideological climate of neoliberalism. The problem was now perceived as one of public distortion of private enterprise. Governments should not be involved in economic enterprise. Rather, governments were there to provide a stable backdrop to private economic activity.

As Third World countries, burdened by insupportable debts, turned to the International Monetary Fund for assistance, they found themselves faced with a new set of development requirements. The old had failed, but, at last, aid agencies had the touchstone to development - privatization[591].

No longer should governments actively seek to develop the economies of their territories. Now they should provide the kinds of political and economic environments which would stimulate the natural entrepreneurial instincts of their populations.

From the mid-1970s, economic conditions began to deteriorate around the world as a result not only of rapidly increasing oil prices resulting from the monopoly practices of OPEC (a cartel formed by major oil producing and exporting countries to control oil prices), but also from a general stagnation in economies around the world.

Everywhere, and in every economic area, the world seemed to be producing more than it could reasonably consume and so markets faltered and prices fell. This provided an excellent platform for economic theorists and practitioners who were opposed to the 'soft', 'uneconomic' policies of developmentalism.

Neoliberal economic experts managed to convince governments everywhere that the only way in which countries could ensure long-term 'economic well-being' was through removing those programs and regulations which distorted 'market activity'. It was in the distortion of processes of economic exchange that the evils of the 1970s and 1980s could be located.

In this brave new world, it would be the responsibility of governments to provide a stable political and social environment and provide the necessary institutional frameworks within which private, independent individuals, whether real or artificial, could engage in uninhibited, competitive, accumulative exchange.

Governments, it was argued, should get out of economics. Economic activity should be 'deregulated'. The presumption was that when markets were freed from government interference, nations and communities would reap the rewards which accrue to those which operate within streamlined, efficient economies. As Haworth described:

> Contemporary theoretical discussion around Public Choice Theory, Agency Theory and Transaction Cost Analysis has presented a view of government as parasitical on individual interests and resources. In this critique, politicians and civil servants are transformed from Weberian constructs, offering public service on a professional and vocational basis, to self-interested abusers of resources coerced from the people...
>
> It follows from these arguments that the state as government requires substantial pruning of its purview and an equally important reorientation of its functions. This is perhaps most succinctly captured by Friedman who baldly argued for government which:
>
>> ... maintained law and order, defined property rights, served as a means whereby we could modify property rights and other rules of the economic game, adjudicated disputes about the interpretation of the rules, enforced contracts, promoted competition, provided monetary framework, engaged in activities to counter technical monopolies and to overcome neighbourhood effects widely regarded as sufficiently important to justify government intervention, and which supplemented private charity and the private family in protecting the irresponsible, whether madman or child ... the consistent liberal is not an anarchist.
>> [Friedman & Friedman 1962, p. 34]
>
> (Haworth 1994, p. 28)

Neoliberal attitudes to government[592] were well summed up by Cristobal Kay:

> The neoliberals are ... hostile to the state and trade unions, advocating privatization, liberalization, private entrepreneurship and deregulation of the labor markets. The state is seen as the source of most of the development problems of the LDCs [Less Developed Countries].
>
> They argue that state interventionism (or *dirigisme* in Lal's terminology) has created distortions in the price mechanisms which has resulted in the misallocation of productive resources and therefore lower rates of growth. The neoliberal slogan is that imperfect markets work far better than imperfect governments and planning.
> (Kay 1993, p. 695)

The Neoliberal Experiment:
They've got to do as we tell them!

(20/06/17)

Western economic advisers had far greater direct power to influence political behavior in Third World nations, through management of structural adjustment programs, as those nations found themselves unable to handle their accumulated debt [593]. They were, therefore, able to demand broader changes than could be achieved in Western countries.

They were not slow to exercise their muscle! The demands they made were driven by a belief in the efficacy of 'free markets'; by a strong belief in the power of the marketplace to deliver social welfare; by a belief in the justice of 'user pays' principles of welfare delivery; and, more generally, by the neoliberal ideology which underpinned unregulated capitalism from the 17th century and had been honed in Western thought as a consequence of experiences in the 1920s and 1930s [594].

It became inevitable that neoliberal 'development' advisers would argue for the 'privatization' of Third World government agencies and activities. Government should not be involved in the marketplace, so all services and goods supplied by government should be divested to private investors. The only responsibility of government was to ensure safety and equity amongst its populace.

Since neoliberal principles were universally valid, they could be applied wherever governments found themselves in economic difficulty.

> ... As President Kaunda of Zambia put it, 'The IMF does not care whether you are suffering economic malaria, bilharzia or broken legs. They will always give you quinine'.
>
> The policy prescriptions ... reflect[ed] the Fund's political and economic ideology rather than the interests of the developing countries.
> (Cheru 1989, p. 37)

In Western nations, the movement towards privatization resulted in a range of government agencies being sold in order to be operated by private individuals or firms for private profit.[595]

In the Third World, the consequences of this neoliberal belief in the efficacy of 'market-led recovery' were far more dramatic.

Both the International Monetary Fund and the World Bank developed programs for the reorientation of Third World economies which directly reflected the basic assumptions of the neoliberal belief in the power of private enterprise to kick-start Third World economies. These policies came to be known collectively as 'Structural Adjustment Programs' (SAPs) [596].

Governments were fundamentally affected by structural adjustment programs in a number of ways[597].

First, the old active involvement in planning and promoting economic development, assumed under previous development regimes, disappeared. The government should now avoid any involvement in planning and promoting economic activity. This should be left to the 'private-sector'.

Second, the government should divest itself of all those areas of service provision which, in the past, had largely been its rationale for existence. Now, those government departments and agencies involved in the delivery of services to the population should be sold to private enterprise. Governments should, in this new climate, distance themselves from service provision.

This policy of privatization originated, as Mitchell and Manning explained, in First World government reorganization:

> The contemporary idea of public-private partnerships as an approach to economic development had its origins in American and British public policy during the late 1970s.
>
> Faced with a mushrooming budget deficit and a stagnant economy, the Carter administration tried to curb government spending through the introduction of *zero-based budgeting* and championship of the concept of *privatization.*
>
> The former meant justifying government spending programs each year during the annual budgeting cycle. The latter advocated spinning off feasible programs to the private-sector, where they would be operated on a for-profit basis ...
>
> Both tactics were meant to save the government money, and perhaps make the economy work more efficiently, by broadening the sphere of activity directed by market forces.
> (Mitchell & Manning 1991, pp. 45-6)

The emphasis on privatization in the 1980s and 1990s was primarily a movement away from treating individuals as 'citizens' to treating them as 'clients' and 'customers' (see Sharp 1994, p. 4), from seeing the population as members of a co-operative community, to seeing them as competitive, individualized consumers.[598]

Individuals were required to accept the costs of services as individually attributable. Any who required 'subsidization' in order to meet their needs and wants were therefore exposed as 'inefficient,' as a 'cost' on other individuals, as a 'tax burden'.

This movement from community to individual responsibility was based on a definition of all acceptable exchange as competitively balanced and individualized.[599] Social responsibility had, therefore, to be legislated and 'public watchdogs' appointed to ensure that those who relied on 'subsidies' to make ends meet were not 'cheating' and 'defrauding' the system.

Privatization: the Antidote to Political Opportunism and Corruption

In Third World countries, an implicit purpose of this privatization of service provision was to sever the political connection with revenue raising. This was supposed to reduce the level of political opportunism and corruption associated with service provision and the siphoning of resources from government coffers into political networks.

For some inexplicable reason [600], the 'experts' assumed that economic enterprises, if they were made responsible for public welfare, would not engage in such activity.

'Development specialists' considered this to be a *political* problem. In order to reduce political involvement in business organization and activity, it was considered necessary to deregulate private enterprise; to remove the legislative levers which could be manipulated by politicians and their associates to ensure access to revenue from private business.[601]

Once this happened, since transnational companies could now develop their activities within Third World countries with less need for political sponsorship (and with no need to assume a public welfare responsibility for people in the communities in which they operated), business activity quickly passed into the hands of foreign entrepreneurial forces.

Transnational companies have learned, over the past thirty years, to utilise their superior international integration in order to maximize their control within national boundaries [602].

Underwrite Private Borrowing: You Can't Lose!

Not only have neoliberals seen big government as the *bete noire* of development and emphasized privatization of government activity and the deregulation of private enterprise to counter this, they have also seen such government as responsible for the debt crisis of Third World countries.

Since the late 1970s, First World lenders have remained concerned about the ability of Third World countries to service debts, in part accumulated during the heady days of the 1970s.

During the 1970s, OPEC countries tried to reinvest windfall profits from the rapid rise in oil prices around the world. First World banks, embarrassed by the large amounts of money available for investment, were less than cautious in their lending policies, encouraging Third World governments and private enterprises to borrow heavily on very little security.

Many development advisers believed that the flood of investment finance resulting from the OPEC-led oil price rises, if tapped by Third World enterprises, would ensure rapid industrial development, provided governments agreed to act as guarantors.

Banks and other lending agencies (including IMF and World Bank officials), seeing this as a way of guaranteeing their investments, strongly backed this claim. They argued that this, 'risk-free', backing was the only way in which enterprises in Third World countries could be assured of investment funding.

They advised governments, therefore, to underwrite private enterprise borrowings, assuring them that future investment returns would not only meet debt repayments but also generate increasing public revenues.

One of the consequences of the flood of money made available to Third World elites through this new inflow of investment funds [603] was a rapid inflation in the purchasing power of those who had access to the borrowed money.

As Briones and Zosa described for the Philippines:

> The benefits of the debt have long been enjoyed by the governing and favored elite, and they are still reaping the benefits of the current debt management strategy. The masses, on the other hand, bear the

> burden of debt service through expenditure cuts in economic and social welfare services in the national budget.
> (Briones & Zosa 1994, p. 258)

Third World elites, linked through a range of patron-client relationships, gained access to money borrowed by both government and business interests and were able to use this money to further their own status aspirations. This resulted in an inflation in expectations amongst elites.

In communities where social templates are not primarily based on material accumulation, any inflation in the material requirements of those with status, in time, becomes firmly institutionalized. Once this happens, statused people are locked into those levels of expenditure. If they cannot fund their status requirements they lose credibility and become less useful to those who rely on them for support.

Their clients, therefore, find themselves having to shore up the credibility of their patrons by supplying the necessary funds to ensure their credibility. In Third World countries, once access to foreign funds disappeared, this resulted in a rapid reduction in the material quality of life for those of lower status as they were called on to meet the shortfall.

Rather than the anticipated 'trickle down' effect, assumed to result inevitably from investment of the borrowed funds in productive enterprise and the consequent increase in labor requirements, Third World communities experienced the reverse.

Communities experienced a 'trickle up' effect as patrons sought new avenues of funding for their new needs and clients realized that their patrons were only useful if they could retain their status positions, which required them to contribute to the costs of those needs.

During the 1980s, those Third World governments and private enterprises which had gained access to the windfall funds of the 1970s inevitably found themselves unable to meet debt servicing costs. First World lenders became concerned that they might default on their loans and took steps to ensure that this would not happen [604].

Debt-Equity Conversion Programs: Swapping the Family Farm!

During the 1980s, international agencies like the IMF, at the instigation of worried creditors, devised and applied structural adjustment programs to deal with the resultant debt crises in Third World countries. One of the features of these programs was the emphasis placed not only on the privatization of government services, but also on the need to attract foreign direct investment (FDI).

Development experts and First World creditors managed to convince many governments that they could lure investors into Third World countries and, simultaneously, tackle their debt burden. This could be done, they claimed, through the promotion of a variety of debt reduction schemes through which investors could avail themselves of national assets at bargain basement prices.

These 'debt-equity conversion programs' [605] offered foreign investors national assets in exchange for debt write-offs. A favorite target for this kind of deal was the privatization of government assets in the course of structural adjustment programs devised and overseen by the World Bank and the International Monetary Fund.

The schemes involve governments in reducing debts, primarily to commercial banks, in exchange for government assets or for private-sector assets, often bought with discounted local currency. This is best explained through an example.

The following is a debt-equity swap arranged by General Motors in Mexico. The summary comes from the presiding Judge Stephen Swift's summation of a case brought before the US Tax Court by the US Inland Revenue Service against General Motors for understating its gains in the transaction:

> In October 1987, G.M. Trading paid $600,000 to the Nederlandsche Middenstandsbank N.V. Bank (NMB) for $1.2 million of U. S. dollar-denominated debt guaranteed by the Mexican government, reflecting the prevailing market discount rate of 50% for such debt.
>
> The company incurred $34,000 in fees as a result of the transaction.
>
> In November 1987, the Mexican Ministry of Finance and Public Credit deposited 1,736,694,000 pesos - equal to $1,044,000, or $1.2 million at a 13% discount - into an account established in Procesos' favor.
>
> Procesos then transferred 173,670 shares of its class B stock - one share for every 10,000 pesos or remaining fraction thereof - to the Mexican government, which transferred them to G.M. Trading in exchange for cancellation of the $1.2 million dollar-denominated debt.
>
> The Internal Revenue Service argued, and the court agreed, that G.M. Trading realized a $410,000 gain on the debt-equity exchange - the fair-market value of the 1,736,694,000 pesos less its $634,000 cost of participating in the exchange.
> (Zobrist, Wichman, Murai & Ichiki 1992)

As this example illustrates, debt/equity transfers often involved an initial transfer of debts incurred by private enterprises in Third world countries to the government.

The buy-out of Procesos by G.M. Trading was based on an initial Mexican Government bail-out of the company to the tune of $US1 044 000, for which G.M. Trading paid a total of $US634 000 in external funds.

It is important to understand why the Mexican Government had to assume Procesos' debt.

Third World governments had been encouraged by both development and banking advisors to underwrite private enterprise borrowings, assuring them that future investment returns would not only meet debt repayments but also generate increasing public revenues.

As private enterprises failed in the 1980s, governments found themselves responsible for their external borrowings.

Short of defaulting on their commitments, there were two principle ways in which Third World governments grappled with the mounting debt burden created by private enterprise failure:

- They could assume responsibility for the debt, and pay it out in local currency through the transfer of resources to transnational companies, as in the above case, or
- they could buy back the debt papers from banks themselves at a fifty per cent discount, though this, of course, usually required further borrowing of 'hard currency' to fund the buy-back - usually at high

interest rates because the credit worthiness of governments facing such difficulties was obviously low.

The result of either practice created new problems for Third World governments [606].

It is little wonder that political leaders in Third World countries, by the 1990s, were speaking of a new age of colonialism, in which those major assets of Third World countries which were not already foreign owned passed into the hands of transnational companies at bargain-basement prices.

In these arrangements, Third World governments often became partners in public-private partnerships dominated by overseas interests. Those interests invariably argued for further reorganization of national economies along neoliberal lines, decreasing government involvement in economic activity, and further deregulating economic and financial activity.

This, in turn, further facilitated the free movement of capital and enabled the ready transfer of profits from Third World countries into the rapidly expanding financial markets of the West.

The Paradox of Increased Production and Decreased Returns

There are a number of important consequences of reorganizing communities in terms of neoliberal principles.

The first is that uninhibited competition will always act to drive down costs and prices. The most successful firm will be the one which is able to lower costs, and therefore lower price, and so gain an edge over rivals in the marketplace.

Over time, this inevitably puts downward pressure on primary commodity prices; on the raw materials of production or the basic production inputs. As those prices decrease, small holdings become non-viable and small-holders are forced to sell and move off the land. The processes of land and resource consolidation and constantly increasing economies of scale result, inevitably, in the movement of people out of the countryside and into the burgeoning slums of Third World towns and cities [607].

The consequences are the rural-urban migration phenomenon of the past fifty years and the emergence of a growing population of people who have lost access to subsistence resources and must rely on whatever money they are able to obtain from activity in towns for subsistence. This, in turn, has resulted in large informal economies in most Third World countries [608].

Formal economic activity will always focus on areas where money is to be made. That is, by definition, production will continue to expand until it is surplus to requirements. Western economies are premised upon a supply *glut,* not on supply *scarcity.*

This feature, in a truly 'free' and 'unregulated' market, in combination with the consequences outlined above, results in the stimulation of production at ever reduced cost. Once an individual or firm has invested capital in production, it is often difficult in the real world to diversify. So, the only way to maintain income as prices are being driven down is to increase production.

This results in a paradox.

The less profitable that production becomes, the greater the effort to increase production to compensate for falling returns through increased sales. Until, of course, the firm or individual can no longer compete and the business collapses.

The consequences of this are, of course, that constantly increasing demands are made of the environment. At the very time when those involved are *least able* to afford the costs of environmental protection, they are being forced into expanded utilization of the resources available to them.

Under such circumstances, relatively costly conservation programs are beyond the means of those whose activity is most likely to result in long-term environmental degradation. This has, in many Third World countries, resulted in looming environmental disaster.

As long as there is money to be made from an activity, the number of producers will continue to multiply and the exploitation of resources will continue to expand until they are in short supply. That is, economic activity becomes premised on a *scarcity of resources.* As resources become scarce, people, inevitably, utilise those which are only marginally productive.

This process has been compounded in Third World countries through the expropriation of resources for capitalist development [609].

While resources are available, the number of suppliers and the volume of production will continue to expand until production exceeds the requirements of the marketplace. This has been an experience shared by most Third World communities over the past fifty years.

What starts as a specialised product for a niche market, becomes the flavor of development programs as word passes from one aid organization to another. Before long, the market has been saturated and the investment made in necessary infrastructure becomes added to the debt load of the country.

Economies of Scale and Impoverishment of Small Producers

In almost all cases, the number of suppliers greatly exceeds the number of buyers, the market forces competition upon suppliers, forcing down prices until returns on production are marginal. At that point, and not before then, production stops expanding. With production marginally in excess of market requirements, producers remain in competition and economic success depends on reorganization of production to trim costs.

Those producers who do not reorganize production, or do so less effectively, become uncompetitive and drop out of production. This, over time, leads to economies of scale so that small producers find themselves unable to compete with large producers.

As the size of productive enterprises grows, the sophistication of production also increases as producers look for new ways of cutting costs, leading to increased use of machinery and other forms of cost-reducing and production-increasing technology. As this happens, the capital requirements of being involved in production escalate, making it less likely that newcomers can successfully enter into the marketplace to challenge the dominance of the large players.

Many Third World countries, in trying to develop viable industrial sectors, have found themselves in just this position in relation to already industrialized countries.

With the emergence of Just-In-Time production processes [610], they become relegated to the position of suppliers of cheap labor until the industries which have relocated to take advantage of that resource re-tool with emerging technology and relocate nearer their major markets (or take advantage of the lower costs offered elsewhere through hyperglobalization). Consequently, in attempts to attract and then retain industry to their regions, governments find themselves having to offer greater and greater incentives, sometimes supplying most of the necessary infrastructural supports, in order to lure companies to relocate.

Of course, the smaller the necessary investment in establishing a factory, the easier it is for the business to relocate elsewhere in pursuit of cheaper labor or more attractive inducements. Third World governments find themselves subsidising transnational corporations in order to ensure that they locate and remain in their countries.

At times, returns to Third World countries barely cover their outlays in attracting and retaining transnational corporate investment [611].

Since only those producers who are able to respond to market forces will survive, those who find themselves no longer able to economically compete in a particular product area will, if they are to remain economically viable, have to find other products for which there remains a strong demand. That is, they will have to diversify.

Long-term economic success in the Western marketplace requires access to, and understanding of, the emerging technologies for reducing costs and increasing production and/ or sufficient grasp of market realities to be able to predict future demand and gear production to that prediction.

In the real world, of course, few small operators are able to rapidly change from one form of production to another as the market becomes saturated. This kind of rapid response to market demand requires sophisticated technologies, organization and information [612].

Small producers do not have access to the necessary information, technology and organizational expertise and so are unable to successfully compete with transnational companies. Instead, as profitability drops, production tends to expand until the cash reserves of producers are expended and they have been driven into debt. Then, already in debt, they are forced out of production.

There is little possibility of diversifying into more profitable forms of production since that would require capital and they have already used their surplus in a vain attempt to remain viable in the current form of production. This scenario is played out all over the world as product supply to the market reaches saturation levels.

Since the aim of production is to make money, the only way in which a producer can ensure that he or she remains in a profitable venture, other than through cutting costs and increasing production, is through cornering the necessary resources for that production, that is through gaining a monopoly in an area of production. This is seldom possible in primary production, and Western nations have laws limiting the possibility of monopoly control of production since it is well understood that cartel price-fixing arrangements, or the cornering of a market by a single producer, limits the possibilities of production and therefore erodes the efficiency of the marketplace.

The inevitable end result of this play of market forces is not increased well-being for small producers, but marginal subsistence. Only those producers which are prepared to lower prices until they can just survive will remain. All others will lose market share.

The Sweat Shop is the Destination - unless you're protected!

(19/01/17)

In a deregulated world, the sweat shop is not a step on the road to 'economic development', it is the destination of most Third World people who aspire to Western-style economic development.

Western economic forces, given free rein, lead to people living lives of borderline starvation, of endemic poverty, with the few who control access to finance and resources, or who can become involved in international corporate activity, able to maintain wealthy lifestyles [613].

One of the important reasons why Western nations introduced baseline wage rates through the last part of the 19th and the 20th centuries has been because without them market forces would have reduced the bulk of the population to this level. Now, through deregulating national economies and universalizing competition, those countries which decide to retain basic wage rates find themselves unable to compete in labor-intensive production with countries which do not have basic wage rates.

Inevitably, therefore, those who are ideologically committed to allowing market forces free play argue that it is 'rational' to remove basic rates. But rational for whom? If the consequences of allowing market forces free rein is the long-term impoverishment of the majority of the population then what is rational in terms of the marketplace becomes irrational in terms of the long-term well-being of communities of people.

The presumption that there is an 'unseen hand' ensuring that what is good for the marketplace is good for society is an ideological one. It is not based upon a rational assessment of the long-term results of organizing society to serve the marketplace. Rather, it is based upon an historical argument which certain sections of Western European communities used in justifying a break with feudalism and a loosening of government restrictions on profit making [614].

The organization of society to serve the marketplace was not to the advantage of the majority of people in the 18th or 19th centuries. Its success for Western nations during the 20th century and to the present has been based upon privileged access to the resources of the world and low-cost primary production to an expanding world market.

(21/02/16)

The last three decades have ushered Western communities into a 'new world order'. Western nations have accepted the arguments of neoliberal economics that in order to ensure 'economic efficiency', national economies need to be deregulated and opened to worldwide competition.

Of course, the arguments are logically impeccable, given the forces now driving international economic organization and activity. In a deregulated world, those communities which don't deregulate cannot compete in the international marketplace[615]. But the reason they can't compete is that they have retained those minimum standards of well-being which were set in place during times of economic protection and regulation.

Conglomerates and the Progressive modernization of Poverty

(22/01/16) (16/06/17) (23/01/18) (02/02/18) (07/07/18) (23/09/18) (20/11/18)"(06/02/20) (11/02/19) (19/02/19) (04/10/20) (12/11/22)

Internationalized business has become globalized, consolidated into insulated, self-sustaining conglomerates [616] and increasingly profitable. Those conglomerates might operate within a globalized 'free market', but they manage to contrive either monopoly or cartel conditions for themselves wherever they operate.[617]

Nothing sums up the sad reality better then Davos. The super-rich gather to congratulate themselves on their 'achievements'[618] and Western politicians join in the partying. As the 2018 Oxfam report, prepared for the party, has put it:

> Last year saw the biggest increase in the number of billionaires in history, with one more billionaire every two days. There are now 2,043 dollar billionaires worldwide. ...Billionaires also saw a huge increase in their wealth, enough to end extreme poverty seven times over. 82% of all of the growth in global wealth in the last year went to the top 1%, whereas nothing went to the bottom 50%.
>
> ...All over the world, our economy of the 1% is built on the backs of low paid workers ...who are paid poverty wages and denied basic rights.
> (œOxfam Briefing Paper - January 2018)

In the 3rd decade of the 21st century, Western democracies have been bought and paid for by mega-wealth. The most loudly proclaimed and aggressively self-promoting of them, the United States of America, leads the way. The website œ*OpenSecrets.org* has summed it up:

> It's official: the 2018 election was the most expensive midterm ever by a large margin, with total spending surpassing $5.7 billion, according to data compiled by the Center for Responsive Politics.
>
> The final tally surpasses the conservative $5.2 billion projection the Center released in October.
>
> With more than $5.7 billion shelled out by candidates, parties, committees, PACs and outside groups, the 2018 midterm leapfrogs even the then-record breaking 2008 presidential election which saw nearly $5.3 billion in total spending. It also smashes the previous midterm spending record of $3.8 billion in 2014.
>
> "Just as the 2018 elections brought historic wins for a more diverse group of candidates, they also saw greater spending than we've ever seen or anticipated for a midterm election, capitalizing on years of loosened campaign finance regulation and oversight," said Sheila Krumholz, executive director of the Center for Responsive Politics.
> (OpenSecrets.org, œMost expensive midterm ever: Cost of 2018 election surpasses $5.7 billion, OpenSecrets News, February 6, 2019)

Newly elected US Representative Alexandria Ocasio-Cortez, in a refreshingly clear style, put the problem in a nutshell. As she explained:

> We have a system that is fundamentally broken... It's already super legal.. for me to be a pretty bad guy... [I]t's even easier for the President of the United States to be one...
> (NowThis News, œAlexandria Ocasio-Cortez Exposes the Problem of Dark Money in Politics, *YouTube* Video, Feb 8, 2019)

A report, prepared by the Corporate Europe Observatory (CEO), 'a research and campaign group working to expose and challenge the privileged access and influence enjoyed by corporations and their lobby groups in EU policy making', explains the problem in the European Union [619]:

> The member states of the European Union are intimately involved in, and responsible for, the EU's laws and policies. This report focuses on the democratic deficit that sees too many member states, on too many issues, become captured states, allowing corporate interests to malignly influence the decisions they take on EU matters. Instead of acting in the public interest of their citizens and those in the wider EU, they often operate as channels of corporate influence.
> (Corporate Europe Observatory, œCaptured states: when EU governments are a channel for corporate interests, Executive Summary, February 6, 2019)

Abraham Lincoln, in 1864, spelt out the problem:

> As a result of the war, corporations have been enthroned and an era of corruption in high places will follow, and the money power of the country will endeavor to prolong its reign by working upon the prejudices of the people until all wealth is aggregated in a few hands and the Republic is destroyed.
> (Abraham Lincoln to (Col.) William F. Elkins, Nov. 21, 1864)

Walter Mead summed up the US post-Lincoln 'Robber-Baron' years:

> The years between the assassination of President Abraham Lincoln, in 1865, and that of President William McKinley, in 1901, were among the least inspiring in the history of U.S. politics. As Reconstruction proved unsuccessful and a series of devastating depressions and panics roiled the economy, Washington failed miserably to rise to the challenges of the day.
>
> Not many Americans can name the drab presidents who drifted ineffectually through the corridors of the White House during those years; fewer still know the names of the senators and representatives with whom they worked. Almost no one not professionally engaged in the study of U.S. foreign policy can remember a diplomatic accomplishment between the purchase of Alaska and the construction of the Panama Canal. When the politicians of those days are dimly remembered, it is more often for scandal ("Ma, Ma, where's my Pa?" went the campaign chant referring to President Grover Cleveland's illegitimate child) than for any substantive accomplishment.
>
> But if these were disappointing years in the annals of American governance, they were years of extraordinary importance in American history. This was the period in which the United States became the largest and most advanced economy in the world. As transcontinental railroads created a national market and massive industrial development created new industries and new technologies, astonishing inventions poured out steadily from the workshops of Thomas Edison and his imitators and rivals. John D. Rockefeller turned petroleum from a substance of no commercial importance into the foundation of global economic development. The United States' financial system became as sophisticated and powerful as that of the United Kingdom.
>
> In hindsight, it was a period in which the United States failed its way to success as the consequences of the Industrial Revolution made themselves felt....

(Walter Russell Mead, œThe Big Shift: How American Democracy Fails Its Way to Success, *Foreign Affairs*, May/June 2018)

But, as Clare Fader put it, "Compared with these finance guys, the robber barons of the past look like Johnny Appleseed" (in a letter to the *New Yorker* editor commenting on 2020 'investors' profiting at the expense of Western citizenry described in an article entitled 'œThe Price of the Coronavirus Pandemic' (April 13, 2020)) (œMay 04, 2020).[620]

Aaron Gregg, in 2018, described the intermeshing of US military and industrial interests, staffing and directorships:

> ..Almost two years after Donald Trump came to Washington pledging to "drain the swamp" of special interests and clear waste from the Pentagon's supply chain, a steady stream of retired generals, admirals and government procurement officers are still accepting lucrative positions with companies that do business with the military.
>
> A report released Monday by the advocacy group Project on Government Oversight (POGO) found that major U.S. defense contractors have hired hundreds of former high-level government officials in recent years, including at least 50 since Trump became president. The report lends new visibility to long-standing concerns about a revolving door between the government agencies that award major contracts for military supplies and services and the businesses that profit from those contracts.
>
> Corporate influence in Washington was a campaign trail rallying point for Trump, who said soon after the 2016 election that there should be a "lifetime restriction" on top defense officials going to work for defense contractors. "The people that are making these deals for the government, they should never be allowed to go work for those companies," he said on Fox News Channel.
>
> In early 2017, Trump signed an executive order imposing a five-year ban on administration officials lobbying agencies in which they have served and a lifetime ban on lobbying for foreign governments. But Washington Post fact-checker Glenn Kessler noted that Trump has weakened lobbying restrictions put in place by previous presidents.
>
> Although it is hard to say whether revolving-door activity has increased or decreased during the Trump presidency, it is clear that defense firms are still eager to hire those with high-level military experience.
>
> POGO identified 645 instances in the past 10 years in which a retired senior official, member of Congress or senior legislative staff member became employed as a registered lobbyist, board member or business executive at a major government contractor. It counted many more "instances" of revolving-door hires than actual people because some retired officials had stints with multiple companies during their post-military careers.
> (Aaron Gregg , œAlmost two years into Trump presidency, Pentagon's revolving door still spins, *The Washington Post*, November 6, 2018)

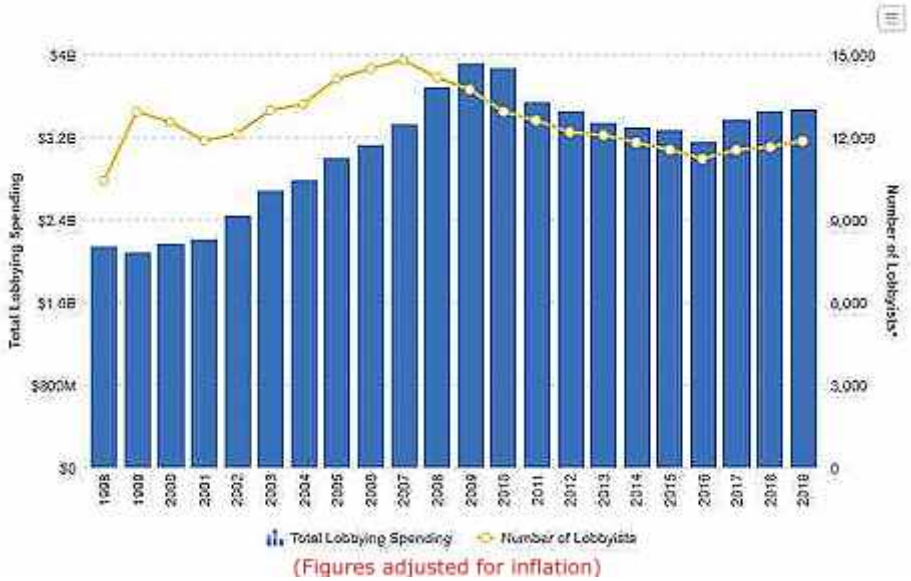
Among the major findings of the US œ*Project on Government Oversight* report:

- There were 645 instances of the top 20 defense contractors in fiscal year 2016 hiring former senior government officials, military officers, Members of Congress, and senior legislative staff as lobbyists, board members, or senior executives in 2018 (see chart

below). Since some lobbyists work for multiple defense contractors, there are more instances than officials.

- Of those instances, nearly 90 percent became registered lobbyists, where the operational skill is influence-peddling. At least 380 high-ranking Department of Defense officials and military officers shifted into the private sector to become lobbyists, board members, executives, or consultants for defense contractors.
- Of the Department of Defense officials POGO tracked through the revolving door, a quarter of them (95) went to work at the Department of Defense's top 5 contractors (Lockheed Martin, Boeing, Raytheon, General Dynamics, and Northrop Grumman).
- Military officers going through the revolving door included 25 Generals, 9 Admirals, 43 Lieutenant Generals, and 23 Vice Admirals.

The website œOpenSecrets.org has provided a summary of lobbying activities within the US between 1998 and 2019, both by home-grown: œLobbying Data Summary and foreign: œForeign Lobby Watch lobbyists.



NOTE: Figures... are calculations by the Center for Responsive Politics based on data from the Senate Office of Public Records. Data for the most recent year was downloaded on January 23, 2020 and includes spending from January 1 - December 31. Prior years include spending from January through December.

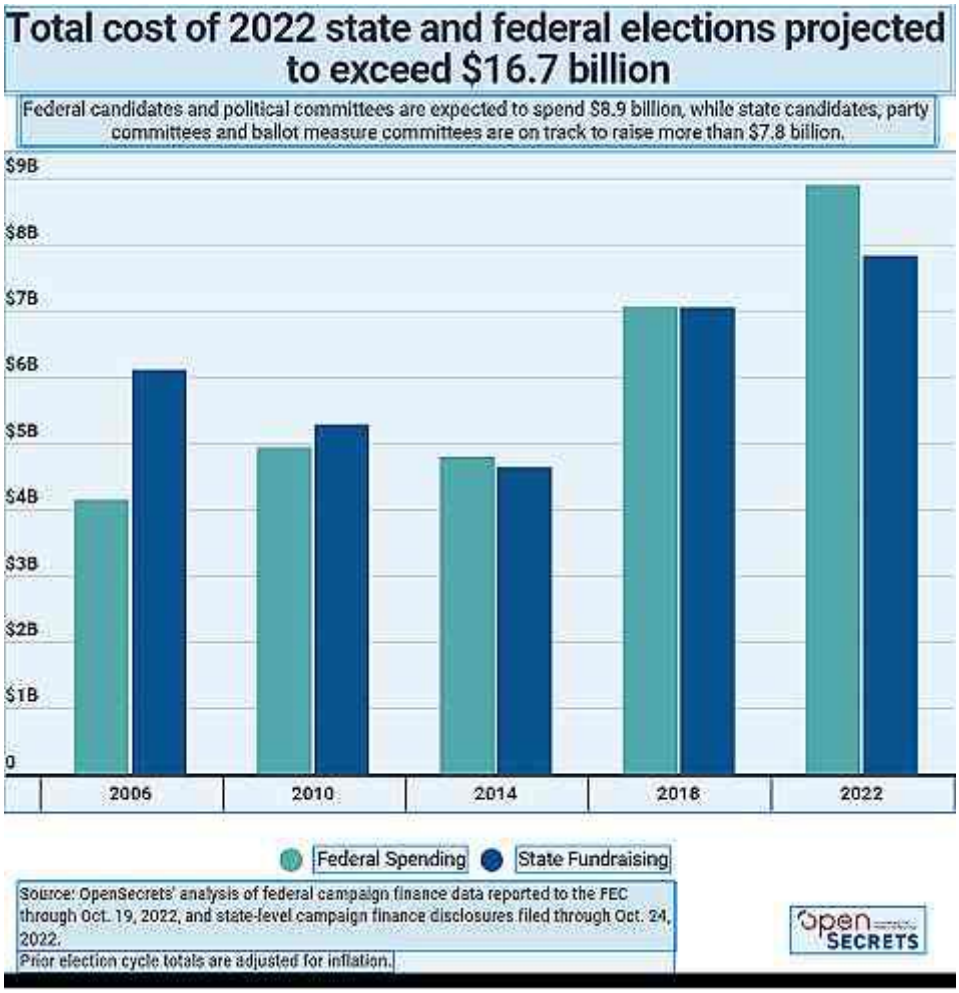
In 2022 the privatization of US state and federal elections has continued apace. As an *Open Secrets* headline proclaimed: "Total cost of 2022 state and federal elections projected to exceed $16.7 billion".

All is well in the United States! Federal and State politicians have been bought and paid for and it's 'steady as she goes' for the Ship of State!.

Voters debate the 'reasons' for the 'unexpectedly' close election results and commentators pontificate on the 'success' and 'failure' of 'Democrat' and 'Republican' strategies, but surprisingly few focus on a far more important story: cost of the 2022 'mid-terms' has exceeded the previous high-water mark of 2018!

As Taylor Giorno and Pete Quist explain:

> The total cost of 2022 state and federal midterm elections is projected to exceed $16.7 billion, according to a new OpenSecrets analysis. Federal candidates and political committees are expected to spend $8.9 billion, while state candidates, party committees and ballot measure committees are on track to raise $7.8 billion.
>
> Election-related spending at the federal level has already blown past the inflation-adjusted 2018 midterm record of $7.1 billion. State-level candidate, party committee and ballot measure committee expenditures could surpass the estimated 2018 midterm spending record of $6.6 billion, adjusted for inflation.



(Taylor Giorno and Pete Quist, "Total cost of 2022 state and federal elections projected to exceed $16.7 billion, *Open Secrets*, November 03, 2022)

In countries around the world, corporations gain the cooperation of political players and government officials, blurring the boundaries between the 'public' and 'private' realms. While neoliberal economists and fellow travelers have insisted that "governments should not be involved in economic enterprise", there has been little protest about the involvement of major corporations in government. Economic enterprises have become major players in governments around the world.

Haris Tabakovic and Thomas Wollmann have investigated and described the behaviors and motivations of regulatory agency employees in the United States over the past half century. As they explain,

> Many regulatory agency employees follow brief, public sector experience with more lucrative work at the firms they used to regulate. In several industries, the practice is so common that these agencies

> appear to have "revolving doors." This may begin with - and partly be motivated by - firms' desires to hire workers with agency experience. The concern, however, is that it leads to a *quid pro quo*: lax supervision is exchanged for future employment.
>
> Whether explicit or tacit, this arrangement can have first order welfare consequences stemming from policies that are ineffective at correcting market failures and unmotivated to protect the public interest.... Despite this concern, there is no empirical work studying individual public-to-private sector transitions among regulatory agency employees *at the decision level*.
> (Haris Tabakovic and Thomas Wollmann, œFrom Revolving Doors to Regulatory Capture? Evidence from Patent Examiners, April 2, 2018 (published by the *National Bureau of Economic Research*: NBER Working Paper No. 24638, Issued in May 2018))

œCreswell and White (2008), in an article in the *New York Times*, provided a description of the kinds of blurring which occur. As they explained,

> The power and influence that Goldman wields at the nexus of politics and finance is no accident. Long regarded as the savviest and most admired firm among the ranks - now decimated - of Wall Street investment banks, it has a history and culture of encouraging its partners to take leadership roles in public service [621].

The interconnections they describe are not unique to Goldman Sachs. Corporations everywhere, attempt to institute similar relationships with government and political partners.

Praful Bidwai (2010) claims that in India,

> Washington-style practices of corporate lobbying have crept up on New Delhi politics, subverting the policy-making process to meet the profit imperatives of private corporations. The new trend of corporate lobbying in India presents a real and serious threat to democracy.
>
> ...Lobbyists have come to acquire enormous clout, to the point of influencing the choice of Cabinet minister, nominating key bureaucrats, and formulating economic and industrial policies at the nuts-and-bolts level.
> (œBidwai May 2010)

The *Center for Responsive Politics* has provided an in-depth examination of lobbying in the United States between 1998 and 2018. In an introduction to their œLobbying Database, they summarize:

> In addition to campaign contributions to elected officials and candidates, companies, labor unions, and other organizations spend billions of dollars each year to lobby Congress and federal agencies. Some special interests retain lobbying firms, many of them located along Washington's legendary K Street; others have lobbyists working in-house. We've got totals spent on lobbying, beginning in 1998, for everyone from AAI Corp. to Zurich Financial. (See also: œForeign Lobby Watch.)

Of course, corporate lobbying is the tip of an iceberg. As Creswell and White (2008) explained for Goldman Sachs,

> It is a widely held view within the bank that no matter how much money you pile up, you are not a true Goldman star until you make your mark in the political sphere.

There is an interchange of personnel between government agencies and private corporations as individuals supply expertise and networking links to both through short term contract activities. At times it can be difficult to distinguish between corporate and government staffing as people move between public and private organizations - usually justified as 'selecting the best people for the job'.

For these corporations, competition can be controlled by internal corporate protections; by limiting business interaction and promotion to those which are included under a common corporate umbrella; and by securing favorable business-government relations for themselves at the expense of possible competitors. This provides them with a powerful platform from which to negotiate favorable terms of trade with both Western and Third World governments and communities.

Protective regulation for populations has been weakened or removed within national boundaries, leaving communities and individuals open to free market exploitation. To take advantage of the new conditions, international corporations, using their extensive legal and political expertise and connections, have invented their own forms of protective insulation from the impoverishing effects of internationalized 'free competition'.

It is scarcely surprising that, to maintain their contrived advantage, they will continue to vociferously denounce public regulation of economic activity as contrary to the spirit of 'free markets'. The markets are only truly 'free', however, for those who cannot insulate themselves from its effects in similar ways.

In the long run, in a deregulated worldwide economy, the only winners are those who can insulate themselves from its consequences: those who can, through various subterfuges, gain and maintain monopoly or cartel-like control of business transactions. For the rest, since costs are always driven down, and prices are similarly adjusted to the margins, the logical outcome of allowing market forces free play is that businesses become uncompetitive or marginally profitable. œIglesias and de Almeida (2011 p. 1,3) explained why:

> Many recent models of trade dynamics use the simple idea of wealth exchanges among economic agents in order to obtain a stable or equilibrium distribution of wealth among the agents. In particular, a plain analogy compares the wealth in a society with the energy in a physical system, and the trade between agents to the energy exchange between molecules during collisions.
>
> In physical systems, the energy exchange among molecules leads to a state of equipartition of the energy and to an equilibrium situation where the entropy is a maximum.
>
> On the other hand, in the majority of exchange models, the system converges to a very unequal condensed state, where one or a few agents concentrate all the wealth of the society while the wide majority of agents shares zero or almost zero fraction of the wealth. So, in those economic systems a minimum entropy state is attained.
>
> ....a frequent outcome in [free market] models is *condensation*, i.e. concentration of all available wealth in just one or a few agents. This final state corresponds to a kind of equipartition of poverty: All agents (except for a set of zero measure) possess zero wealth while one, or a few ones, concentrate all available resources.

(See An inevitable concentration of wealth and stalling of market exchange for more on this).

There seems to be a force at work in the 'free' marketplace, driving down production costs and prices and, in the process, reducing the bulk of people involved in small-scale production to penury.

As Paul Burkett described of the 1980s:

> The severe economic crisis experienced in most of the periphery in the 1980s is shown by World Bank data. During the 1980-88 period, the average annual growth rate of real per capita gross domestic product (GDP) in the countries of Sub-Saharan Africa (excluding South Africa) was -2.4 per cent. For Latin America and the Caribbean, per capita GDP growth averaged *-0.7* per cent.
>
> Overall, per capita GDP shrank at an average annual rate of -0.8per cent in the countries that the World Bank classifies as 'low-income' (excluding China and India).
> (Burkett 1991, p. 475)

Burkett asked why centuries

> ...of production for the world market left the majority of Third World people with appallingly low living standards?

and concluded:

> One answer is that it is the global capitalist economy that *itself* reproduces underdevelopment and poverty in the Third World.
> (1991, p. 477)

Over the past thirty years, the world has become aware of a growing population of destitute people living not only in Third World slums and areas of rural depression, but also in First World cities [622].

The implementation of structural adjustment programs in Third World countries seems to have resulted in a process of patterned disorder. People have lost access to subsistence resource bases, communities have been disrupted, poverty has become endemic in many areas of the Third World, and the disparity between the rich and the poor has grown more pronounced in both Third World and industrialized countries.

For many people in Third World countries, globalization seems like a conspiracy of the rich and economically powerful against the poor and defenceless. As Marjorie Mbilinyi, author of *Big Slavery: The Crisis of Women's Employment and Incomes in Tanzania* (1991), said in an interview at the University of Guelph:

> We could have a lot of despair in Africa right now. Many of us see this as a moment of mass genocide. And it's a very conscious one, we think, on the side of at least some big government actors as well as some of the actors in agencies like the World Bank and the IMF.
>
> The peoples of Africa are being steadily impoverished. They are also being dispossessed of their lands.
>
> Governments like Tanzania, partly in response to popular demand, had begun to nationalize assets and try to guide the economy in the direction that would meet the basic needs of the people and increase national control and make it more inward oriented. Now we have complete reversal so that it is almost worse than in the colonial period.
> (Mbilinyi 1994)

Fantu Cheru claimed of African experience:

> The overwhelming consensus among the poor in Africa today is that development, over the past 25 years, has been an instrument of social control. For these people, development has always meant the progressive modernization of their poverty.
>
> The absence of freedom, the sacrifice of culture, the loss of solidarity and self reliance which I personally observed and experienced in many African countries, including my own, explains why a growing number of poor Africans beg: please do not develop us!
> (Cheru 1989, p. 20)

Conclusion

- Nearly one billion people alive today - one in every six human beings - are slum dwellers, and that number is likely to double in the next thirty years, according to UN-HABITAT's new publication *The Challenge of Slums: Global Report on Human Settlements 2003*.

  Unprecedented urban growth in the face of increasing poverty and social inequality, and a predicted increase in the number of people living in slums (to about 2 billion by 2030), mean that the United Nations Millennium Development goal to improve the lives of at least 100 million slum dwellers by 2020 should be considered the absolute bare minimum that the international community should aim for, according to the report to be released in October 2003.

  The locus of poverty is moving from the countryside to cities, in a process now recognized as the "urbanization of poverty." The absolute number of poor and undernourished in urban areas is increasing, as are the numbers of urban poor who suffer from malnutrition, say the report's authors.
  (œUN - HABITAT: Twenty First Session of the Governing Council, 16 - 20 April 2007, Nairobi, Kenya)

There are strong international pressures for the deregulation of economic activity within national borders and for the lowering of tariff barriers and other forms of restrictive import and export regulations.

International business is becoming truly independent of national governments and increasingly able to play countries and regions off against each other in negotiating investment terms. And, in the process, is increasingly able to escape responsibility for funding social welfare needs of the communities within which it operates.
(See: Louise Story, As Companies Seek Tax Deals, Governments Pay High Price (*New York Times*, December 1, 2012) for more on this.)

In efforts to limit the effects of this internationalization, there have been a number of bilateral and regional trade agreements and organizations established [623]. They have attempted to mimic the conglomerate organization of international business, trying to gain the advantages of internationalization while maintaining some control over regional economic activity. In large measure, however, they provide further support to transnational economic activity and provide little regulation.

It has been said before [624], but bears reiteration:

Nation-states, once firmly in control of economic activity within their borders are, in a deregulated, privatized world, decreasingly able to shield

their populations from the exploitative consequences of unregulated and internationalized market exchange. Those countries with few bargaining counters become those most vulnerable to demands by transnational business for ever more favorable conditions of trade and access to their resources.

For many people in Third World countries, the free-market economic order is one in which they have lost what power they once had to control their own destinies. They do not even have the recourse of the colonial past to appeal to the colonizing power to limit exploitation within their regions.

Now, there is no international forum capable of limiting and directing the bargaining advantages of business conglomerates whose holdings and turnover eclipse those of the countries with which they do business.

No longer is the economy the means by which communities meet their needs and wants. Now communities service an internationalized economy which need accept no reciprocal responsibilities for their welfare.

chapter 10:
The Nature and Importance of Public and Private Credit
Only Believe...

Introduction

The Distinction between Democratic and Plutocratic Organization;
- The Importance of Public Control of Private Credit Creation
  - What are Central Reserve Authorities?
  - The Nature of Government Bonds or 'Debt Securities'
    - US 'Debt Securities' *must* be bought on 'The Open Market'

How Democratic Capitalist Governments Generate Credit (and *manage perceptions* of economic stability)
- The management of perceived credit stability
- Only Believe...
- How credit is generated

The Relation Between Government Debt and Private Wealth
- Regulation of Private Credit Creation
- Governments Bail Out Big Banks

Blowing Bubbles
- Wolves and Sheep

The Nature of Taxation in Democratic Capitalist Nations

Taxing the Superrich: It is past time to Re-empower communities

Conclusion

Introduction

(15/05/16)(15/06/16) (08/08/16) (06/01/16)(16/06/16) (14/03/16)(01/06/18) (05/01/16) (20/07/21) (31/10/21) (19/04/23) (16/07/23) (18/07/23)

There is an old Evangelical song my mother taught me as a small child. She told me that it was very important to understand its meaning:

> Only believe, only believe, all things are possible - only believe!
> (Referring to a remark made by Jesus: Mark Ch.9 V.23)

This topic [625] demonstrates the efficacy of that song's message in a capitalist world: a world shaped by, and shaping, deeply held and historically forged ideologies.

Let's start this discussion by stipulating that capitalism runs on 'credit': the reification of a particular form of value - 'exchange value'.

Credit is the unitized, quantifiable reification of a particular form of value *believed to exist* within commoditized objects - legitimized independently of commodities, through a process of tokenization (it's real because we 'know' it's real and we know that it's real because it is tokenized - which is why economic literature very often seems to confuse the terms 'credit' and 'money' (*tokenized* credit)).

As Carl Wennerlind (2013) explained:

> Credit, as is often forgotten, is nothing more than belief, confidence and imagination. If enough people believe that a certain amount of value will be generated in the future or in a distant place, that value

> can be used today, either for consumption, investment or debt restructuring. It is this capacity to transfer [*presumed*] value through time and space that gives credit an appearance of magic.

The objective, in capitalist societies, is to accumulate 'credit' and to enjoy the privileges which the possession and exchange of credit can secure.

As explained elsewhere, we, in Western communities, live in a commoditized world. The Western need to accumulate credit inevitably results in more and more of the forms of activity, interaction and organization which people perceive as important to themselves, being exploited for 'profit' or, as Adam Smith put it, "the acquisition of fortune".

With credit creation no longer legitimized by tying it to the putative value of gold or some other commodity[626], it can, at last, be recognized for what it always has been: credit creation 'out of thin air '.

In 2023, there has been an increasing belief in the importance of 'gold-backed' sovereign currencies to 'legitimize' those currencies in bilateral credit swaps and in cross-nation local-currency financial transactions. This, of course, sets limits on a sovereign government's ability to manage its own fiat currency based economy, tying it to the availability of 'gold'.[627]

Nothing is gained by pegging sovereign national currencies to the 'value' of their 'gold reserves' or to the value of any other 'commodity'. Gold has no esoteric mystical property which privileges it over any other commodity, 'basket of currencies' or anything else.

The belief that this legitimizes and strengthens national currencies is false. What it actually does is make *any credit system* which is 'backed by gold' of equal standing, whether managed by a sovereign government or private entities. As we have seen, the use of 'the gold standard' always resulted in fictitious currency legitimization. The original 'gold standard' was what ultimately enabled the United States Dollar to become the *de facto* setter of currency values for those 'gold standard' nations.

Beardsley Ruml, Chairman of the Federal Reserve Bank of New York (1941-1946), spelt out what the fiat nature of a currency meant (or could mean) for the United States (and any other democratically organized capitalist nation with a similar central banking system):

> The United States is a national state which has a central banking system, the Federal Reserve System, and whose currency, for domestic purposes, is not convertible into any commodity. It follows that our Federal Government has final freedom from the money market in meeting its financial requirements.
> (Beardsley Ruml, 'œTaxes For Revenue Are Obsolete ', *American Affairs*, January 1946;
> See 'What Taxes are Really For' for more on this.)

At the start of the 21st century there are two competing systems of governance, each with its own set of presumptions as to the primary source of legitimately created credit[628] :

- In *democratically organized* capitalist societies, credit originates in the public realm. Sovereign governments[629] establish and maintain central banking systems which manage and regulate credit supply and are able, as necessary, to create credit 'out of thin air'[630]. Private banks, which are prone to create credit of their own, are

responsible to central banks and subject to public oversight and regulation.

- (12/03/16) In *laissez faire* (that is, plutocratically organized) capitalist societies, it is believed that all credit originates (or should originate) in 'private money markets'. Private banks create credit 'out of thin air'.
  (Though a surprising number of devotees to this view of the world also subscribe to the "intermediation of loanable funds (ILF) model of banking" fallacy.[631])

  Governments in need of credit should borrow what they need from private money markets. Central banks should be independent entities, responsible and responsive to private money markets[632]. Governments should, in economic matters, be subservient to the marketplace and any attempt at regulation is a move to economic inefficiency[633].

Fiscal policy is the devil - Walk this way and I will provide you with a loan instead!

Robert Skidelsky, addressing the role of the central bank in Britain, explained the necessary subordination of the central bank (and of course all other government administrative departments and institutions) to political policy and decision making:

> In his March budget, the United Kingdom's chancellor of the exchequer, Rishi Sunak, enlarged the mandate of the Bank of England to include supporting the government's target of achieving net-zero greenhouse-gas emissions by 2050. But in a June 8 letter to the *Financial Times*, Mervyn King, a former BOE governor, was sharply critical of the move. King warned that "an expansion of central bank mandates into political areas such as climate change [...] threaten[s] to weaken de facto central bank independence, leading to a slow response to signs of higher inflation." So, what is going on?[634]

Simon Johnson has explained the post 1970s transition from democratically organized capitalist societies to *laissez faire* (that is, plutocratically organized) capitalist societies and the consequences of that shift for control of financial regulation in the United States:

> President Donald Trump has a broad deregulation agenda, supported by House and Senate Republicans. Most of the key powers to regulate finance have already been delegated to the Federal Reserve - ironically by the Dodd-Frank legislation itself. And the president appoints the people who have complete control over regulation at the Fed. This is a dangerous combination.
>
> Trump... knows very well what he wants with regard to the relationship between government and business: he wants the government to stop telling business what to do. On this issue, the president stands in a direct line of ideological descent from Ronald Reagan, who strongly believed that government was the problem. [635]

As Western nations, seemingly inevitably, dismantle their New-Deal-inspired legislation which placed control of credit creation firmly within the public arena, they are losing control of credit creation and regulation and becoming subservient to internationalized plutocratic forces. As they transition from democratic to plutocratic forms of governance the institutions and processes set in place during the New Deal period (roughly

the mid-1930s to early 1970s) are increasingly being warped to reflect *laissez faire* requirements[636].

So, in capitalist societies, there are (potentially) *two* primary sources of legitimately created credit: Sovereign Governments (the *Public* realm - issuing unencumbered sovereign credit) and *Private* Banks (issuing encumbered credit): two entities which can conjure credit from 'thin air' (see James Galbraith (2010)).

In Western capitalist societies there has long been a divide between those who believe that all credit is created within the private marketplace, without government interference (*Laissez-faire* economic activity - or 'free market fundamentalism', leading, inevitably, to plutocracy); and those who believe that in democratically organized capitalist societies private economic activity presupposes sovereign credit and currency *creation* and oversight in the 'public' (or 'government') realm.

The Distinction between Democratic and Plutocratic Organization

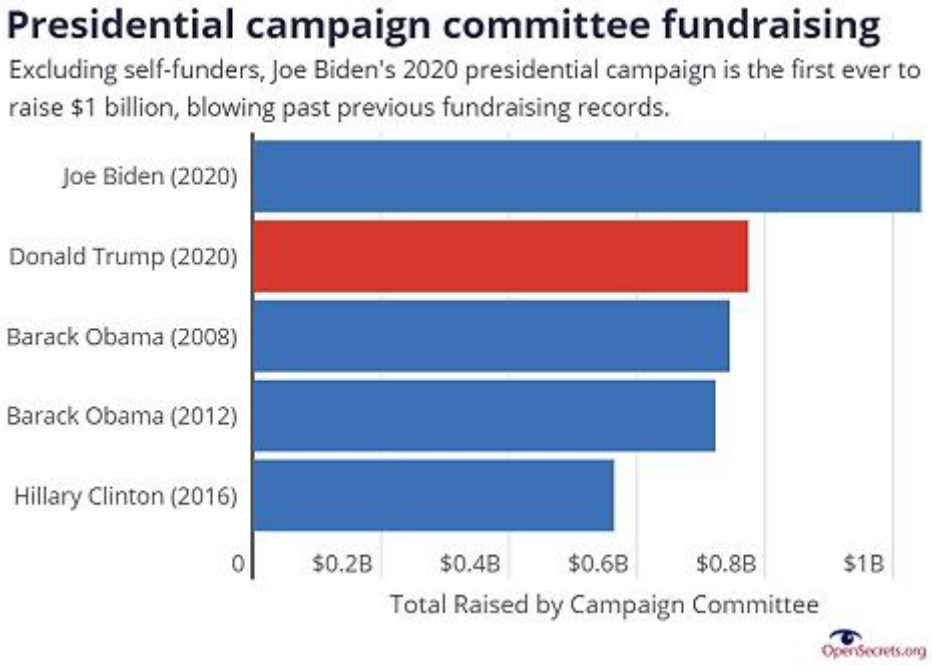
(31/01/16) (19/07/16) (01/01/17) (27/03/17) (13/07/17) (29/06/17) (09/05/18) (23/03/17) (07/07/19) (18/03/20) (21/03/20) (10/04/20) (14/04/20) (15/04/20) (20/04/20) (21/04/20) (07/08/20) (08/12/20) (21/12/20) (23/12/20) (13/04/21) (27/05/21) (24/07/21) (29/07/21) (21/12/21) (27/01/16) (11/06/17)

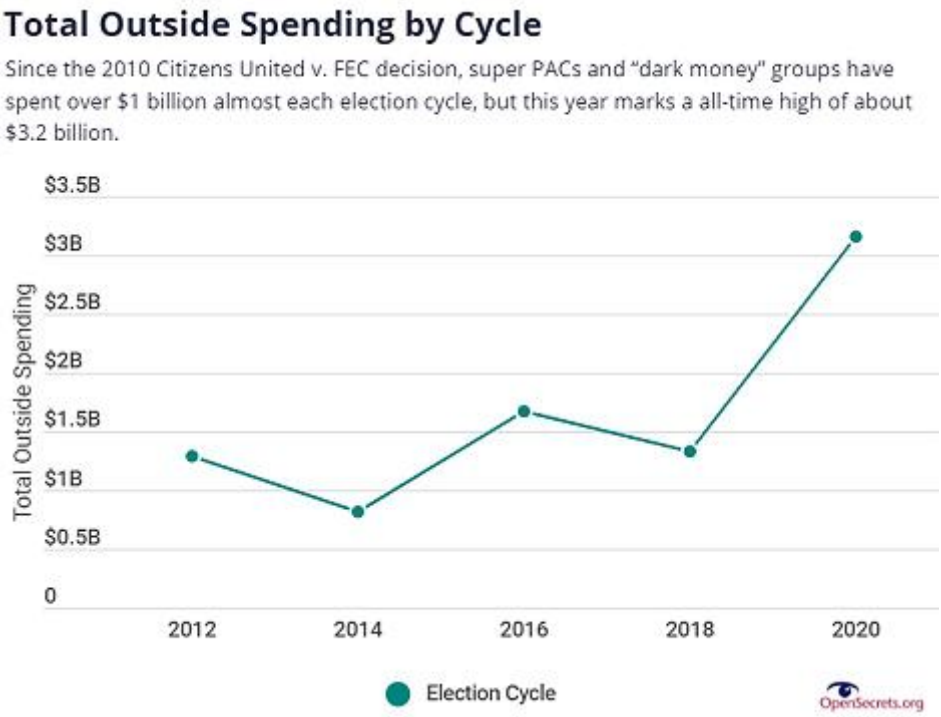
There can be no true democracy where political aspirants must raise vast sums of money to fund campaigns. Whatever the initial motivations of candidates, it will not be long before the need for cash donations swamps all other concerns.

Where that happens, politics is primed to deliver plutocracy - not democracy! The 2020 US presidential campaign clearly illustrates this rather obvious fact.

Karl Evers-Hillstrom and Brendan Quinn explained the role of fund-raising in the US 2020 presidential contest and illustrated the exponentially growing funding needs of those who aspire to the presidency:

> At the end of 2019, we predicted that 2020 was going to be "the most expensive election year" we'd ever seen - little did we know then that the price of the 2020 cycle would approach the mind-blowing figure of $14 billion, roughly double the cost of the 2016 election. In the presidential race between President Donald Trump and former Vice President Joe Biden as well as high-profile races for Congress, fundraising records were obliterated as both parties sought control.
>
> But elections weren't the only place political money was spent. As the novel coronavirus pandemic spread across the nation, virtually every industry shelled out cash to lobby for relief. As the crisis began to impact the stock market, a number of prominent political figures found themselves in hot water for suspiciously-timed trades....[637]





Inevitably, political parties court donors - particularly those able to contribute multi-million dollar amounts to campaigns. And so, equally inevitably, such parties become captive to major corporate players[638].

Wherever the funds come from; there the center of political power will lie!

- If political aspirants are *privately* funded, then the private sphere will, behind the scenes, hugely influence political decision making.
- If political aspirants are *publicly* funded, then 'the people' - the voters - will have greater influence.

So, the question is: politically, what kind of nation has the United States become in this 21st century? Is it a 'democracy'; a 'plutocracy'; a fast maturing 'fascist' nation; or a militarist state, a 'cimilicy'? [639]

Democratically organized capitalist societies presume the primacy of the community over the marketplace[640].

Laissez faire (that is, plutocratically organized) capitalist societies, by default, presume the primacy of the marketplace over the community[641].

This distinction is not trivial - It's ***either*** Democracy ***or*** Plutocracy [642].

In the first case, control of credit ultimately resides in the public sphere. Democratically organized governments establish central banking authorities which control the monetary base, generate credit and administer publicly determined regulations ensuring the economic wellbeing of their populations and both monetary and financial stability.

One of the most important achievements of the New Deal period was to clarify and consolidate public underwriting, supervision and regulation of credit creation and distribution.

Thomas Hanna (2017) has cogently argued that state and local government infrastructure funding can reasonably be provided by Central Banks issuing new money in ways analogous with the funding of sovereign government requirements. As he says: [643]

> There are at least two ways to go about this. In one, the Federal Reserve would create money just as it did through its post-financial crisis "quantitative easing" (QE) program, when trillions in new money was pumped into the financial system through the purchase of securities from banks. These funds could then capitalize a national infrastructure bank or a network of state-level infrastructure banks. [Brown] calls this "qualitative easing," because the money would be injected into the real economy rather than into the balance sheets of the major Wall Street banks.
>
> The other approach would be for the Treasury, Federal Reserve or Congress to create the money and just directly invest it in infrastructure projects. Whether funneled through a public bank or banks, or invested directly, the funds could be provided at no or very low interest, allowing states and localities to pursue a host of pressing infrastructure projects without levying or raising taxes, tolls and user fees.

Robert Raymond has expanded on the possibilities of public funding of US regional and local government. As he argues,

> ...[T]here is a budding movement in the United States that is working to reimagine banking as an institution that truly serves the public....
>
> What makes public banks different from traditional banks is that they are actually accountable to the public - they're democratic. So the public can not only decide what services the bank provides and where their taxpayer dollars are invested, but they also have a say in what kinds of investments are off limits....
>
> So instead of having our money going to purposes that are antithetical to our values, public banking is a way to move toward a more equitable and sustainable economic system."
>
> Despite gaining traction on both the national and state levels, the push for public banking has really taken off on a municipal level, with cities like San Francisco leading the way.
>
> "We see the need for public banking all over the country right now, but there's no better example of it anywhere else than in San Francisco, which is one of the wealthiest cities in the world but also one of the most unequal in terms of income," Kurtis Wu, an organizer with the

> San Francisco Public Bank Coalition, told Truthout. "We have 7,000 unhoused residents on the streets of San Francisco. Rent is now approaching $4,000 for a one-bedroom apartment. Our infrastructure is crumbling, our public transit system is embarrassing. We see public banking as a mechanism that can really start to redirect capital toward these things."
> (Robert R. Raymond, œWall Street Beware: The Public Banking Movement Is Coming for You, *Truthout*, July 5, 2019)

In the second case, no such public responsibilities are recognized. Transactions between private parties are free of government 'interference'. As Thomas Huxley put it,

> ...The State is simply a policeman, and its duty is neither more nor less than to prevent robbery and murder and enforce contracts. It is not to promote good, nor even to do anything to prevent evil, except by the enforcement of penalties upon those who have been guilty of obvious and tangible assault upon purses or persons.
> (1893, p. 258)

One of the central aims of the neoliberal resurgence in the post-New Deal era has been the dismantling of the New Deal legislative understandings and measures which ensured public control of credit creation and distribution. As Margaret Thatcher explained to the faithful at the 1983 British Conservative Party conference, "There is no such thing as public money; there is only taxpayers' money" [644].

Much of the economic confusion which exists within 21st century Western capitalist societies stems from failure to recognize the incompatibility of these two options. One either has democracy or one has plutocracy - one can't have both [645].

It's robber barons[646] and their minions[647] or, as Abraham Lincoln expressed it:

> "We here highly resolve ... that government of the people, by the people, for the people, shall not perish from the earth"
> (Gettysburg Address, November 19, 1863).[648]

Beardsley Ruml spelt out the Roosevelt administration's understanding of the nature of credit within a democratically organized capitalist society:

> ...our Federal Government has final freedom from the money market in meeting its financial requirements.

With control of its own 'printing presses', government could *create credit* as required. The journal editor of Ruml's paper summarized:

> ...[G]iven (1) control of a central banking system and (2) an inconvertible currency, a sovereign national government is finally free of money worries and need no longer levy taxes for the purpose of providing itself with revenue.

An explanation issued by the US Federal Reserve in 1939 put it even more clearly:

> Federal Reserve Bank credit... does not consist of funds that the Reserve authorities "get" somewhere in order to lend, but constitutes funds that they are empowered to create.
>
> The process of creation is one of giving the promises of the Federal Reserve Bank - in the form of Federal Reserve notes and reserve

> deposits - in exchange for the promises made by others to the Federal Reserve Banks, the reason for the exchange being that the Federal Reserve Banks' promises are recognized by law as having a particular monetary utility not possessed by the promises of individuals or of private institutions.
>
> That is, Federal Reserve Bank promises - or "liabilities," as they are commonly called - serve in the form of Federal Reserve notes as the principal element of the circulating medium, and they serve in the form of reserve deposits as a basis for the extension of credit by member banks. These are the specific uses of the funds that have their source in Federal Reserve Bank credit.
> (*The Federal Reserve System - Its Purposes and Functions*, First Edition, May 1939, US Federal Reserve, p.85)
> (See Jan Kregel, œ*Wright Patman's Proposal To Fund Government Debt At Zero Interest Rates: Lessons For The Current Debate On The Us Debt Limit*, Levy Economic Institute, Policy Note 2014 / 2)

One of the signal achievements of the New Deal period was this clarification of the credit issuing responsibility of democratically organized sovereign governments. What had been implied since the formation of the Bank of England in 1694 and its subsequent close interaction with the British Treasury and Exchequer (see œPierre Ortlieb (2018); œThomas Russell (1916 pp. 81-90); What are Central Reserve Authorities?; and Central banks are state institutions) was, at last, formally recognized and employed in economic direction and regulation - resulting in prolonged economic stability and improving social equity[649] within democratically organized Western nations.

The Importance of Public Control of Private Credit Creation

(11/02/18) (08/06/18) (15/09/18) (11/10/21)

Of course, as Voltaire (amongst others) is reputed to have observed, with great power comes great responsibility. With the power to create credit comes the responsibility to regulate its supply and the Roosevelt administration, through a range of legislative measures stemming from the Pecora Commission's findings, instituted far-reaching private and public financial reforms. Amongst the most important were measures designed to strengthen government control of credit creation and distribution.

Francis Bacon, in a 1625 essay, summed up the state's responsibility:

> Above all things, good policy is to be used, that the treasure and moneys, in a state, be not gathered into few hands. For otherwise a state may have a great stock, and yet starve. And money is like muck [manure], not good except it be spread. This is done, chiefly by suppressing, or at least keeping a strait [strict] hand, upon the devouring trades of usury, ingrossing [accumulating (cf. Blackstone (Intro. p.17))] great pasturages, and the like.
> (Francis Bacon, œOf Seditions and Troubles, *Essays*, No. 15 (1625))

Discussions of entries in a democratically organized government's accounts, through which it keeps track of the credit/currency

- it has issued to (debit entries - i.e. Government 'spending')
- and has withdrawn from (credit entries - i.e. Government 'taxes')

the private sector, have all-too-often assumed that the term 'debit' necessarily presumes 'debt' - though, of course, in this case the term being used is a bookkeeping convention which *does not* presume 'debt'[650]. In consequence, far too many people, who should know better, become concerned about the 'debt' which the government is accumulating in issuing credit. Of course, the credit is *created*, not borrowed or taken from some stockpile of credit - whether held by the government or any other entities (metaphysical or corporeal)

It needs to be emphasized that this understanding of the nature of 'sovereign debt' was not new. Thomas Macaulay, in 1849, had clearly explained the consequences of increasing the 'national debt' for Great Britain, starting from the accession of James II to the British throne in February 1685.

In the course of a narrative dealing with what he described as 'an important fiscal revolution', Macaulay described the process through which Great Britain launched into 'sovereign debt'. Once this happened it became inevitable that the process would be formalized and legitimized through the establishment of the Bank of England.

How little we have learned in the past three or more centuries. Then, as now, there was 'anguish and despair' among those who *knew* that descent into a 'debt laden future' would 'permanently cripple the body politic'. As he says,

> ...At every stage in the growth of that debt the nation has set up the same cry of anguish and despair. At every stage in the growth of that debt it has been seriously asserted by wise men that bankruptcy and ruin were at hand. Yet still the debt went on growing; and still bankruptcy and ruin were as remote as ever.
>
> When the great contest with Lewis the Fourteenth [Louis XIV of France] was finally terminated by the Peace of Utrecht, the nation owed about fifty millions; and that debt was considered, not merely by the rude multitude, not merely by foxhunting squires and coffeehouse orators, but by acute and profound thinkers, as an incumbrance which would permanently cripple the body politic; Nevertheless trade flourished; wealth increased; the nation became richer and richer.... (Thomas Babington Macaulay, œ*The History of England from the Accession of James II. Volume 4*, Chapter 19, P. 327, Longman, Green, London 1864)[651]

Pierre Ortlieb (2018) has expanded on this:

> ...[T]he history of central banks shows them to be far more intertwined with states and treasuries than current commentary or policy would suggest. At their founding, central banks frequently served not as constraints on the state, but rather as fiscal agents of the state. The inception of the Bank of England (BoE) in 1694, for example, was the result of a compromise that granted the state loans to finance its war with France, while the BoE was granted the right to issue and manage banknotes. As a result of this bargain, the market for public debt in the United Kingdom exploded in the 18th century, and government debt peaked at 260 percent of GDP during the Napoleonic wars. This both facilitated the expansion of Britain's hegemonic financial position and enabled the industrial revolution, as borrowing at low risk made vast industrial development possible.

(Pierre Ortlieb, œVictorian despite themselves: central banks in historical perspective, *Economic Questions*, September 9, 2018)

As Ortlieb explained, unlike neoliberally justified 'independent' central banks of the early 21st century, 'at their founding, central banks frequently served not as constraints on the state, but rather as fiscal agents of the state'. They were not established as 'impartial', independent constraints on government expenditure but as facilitators of the credit governments determined that they needed. *The responsibility for regulation and constraint rested with the governments*, not with the central banks!

Ortlieb's reference to the British Government 'borrowing at low risk' needs to be understood in terms of the initial establishment of the Bank of England as *an independent bank* servicing Government credit.

Its putative independence allowed it to benefit in two ways from the arrangement: it 'was granted the right to issue and manage banknotes' - giving it an underpinning privilege in dealings with private banks and similar entities; and, it received an interest return on the credit it supplied to Government. The latter benefit should be seen as a transitional one resulting from the decision to create a 'national bank' (modelled on existing 18th century bank organization) which would supervise and control sovereign credit creation within the nation.

From that early beginning, national reserve banks, in capitalist nations, gradually morphed into wholly state controlled entities servicing both government's credit requirements and the credit requirements of private banking.

With movement from the gold standard (US internal credit and currency was removed from the gold standard by FDR on June 5, 1933) and with federal control of reserve bank activities, national reserve banks effectively became government departments both providing and regulating credit supply throughout the nation. Inevitably, through the 20th century most reserve banks became formally recognized as state-owned entities. Their 'profits', therefore, became 'government profits'.

Once this happened the charging of 'interest' on credit provided to government became anachronous, as did the issuing of 'government bonds' by treasuries in order to trigger reserve bank credit creation on their behalf.

Government treasuries and government reserve banks became two interdependent departments of the same government and Treasury *requests* for required credit became similar to other inter-departmental requests. What had been referred to as 'bonds' issued by government and 'bought' by the putatively independent central bank became *requisitions* requiring the central bank to provide credit and other services at the direction of the Treasury - both were charged with *implementing* politically determined regulations and directives.

In the light of the neoliberally driven absurdities of this century, it is important to stress that **both** payment of interest on credit provided to government by their central banks **and** the issuing of 'bonds' as the means of obtaining necessary credit from their central banks became anachronous.

While the shift to full ownership of central banks by their associated governments became standard in the post WW2 period, the practices of those governments, written into government legislation over many years, failed to reflect the new realities. So, we have the, now redundant, practice of Treasury Departments issuing 'government bonds' for 'sale' to their

central banks in order to obtain the credit they need. Those bonds, of course, are now identical in purpose to the issuing of 'requisitions' which is standard in other inter-departmental transactions.

Rewriting of the relevant legislation in capitalist nations to reflect the new realities is long overdue!

Neoliberal policies and practices over the past half century and more have relied on that arcane legislative language and so have denied the new reality, arguing that the legislative language makes central banks independent entities which 'lend' to governments. So, preposterously, governments are assumed to accumulate 'deficits' when relying on central bank credit creation and those 'deficits' must be 'repaid'. Capitalist nations have been hogtied by failure to update their arcane central-bank-related legislation.

The failure to update legislation to the new reality of government owned and controlled central banks should not be seen as a mere consequence of legislative inertia. The mystification of sovereign credit creation and obfuscation of the government's power over central bank activities was part of a deliberate campaign to reinstate a 1920s free-market deregulatory environment.. As S. W. Adams explained,

> ...[W]hen Mr. Eccles, the then chairman of the Board, retired, the Board had discovered that the book [The Federal Reserve System Its Purposes And Functions] had made banking so simple that the masses could understand it and that was intolerable: money must be kept a mystery. The few who got hold of the book began to ask why Congress should surrender a delegated Constitutional power to private corporations who used it for private gain....
>
> ...The Board [which] had come to realize the great danger to their money power gained and exercised through the Reserve Act of 1913, promptly stopped the distribution of this book, and had it rewritten, completely omitting or obscuring the damaging statements.

What are Central Reserve Authorities?

(02/02/17) (29/06/18) (25/01/16)(19/11/16)(01/12/16) (03/10/16) (17/10/16) (27/06/17) (28/06/22) (18/04/23)

One of the many admirable features of the US New Deal period was the willingness of the US administration to ensure a well-informed public. In 1939, the Board of Governors of the US Federal Reserve System published a book entitled *The Federal Reserve System: Its Purposes and Functions*. As it explained in the foreword:

> This book is intended primarily for students, bankers, business men, and others who desire an authoritative statement of the purposes and functions of the Federal Reserve System. It is neither a primer, nor is it an exhaustive treatise. The aim has been to have it cover the middle ground between those extremes and to make it clear and readable without neglect of essentials.
>
> The Federal Reserve System is twenty-five years old this year. Its operations have become a factor of great importance in American economic life. While they chiefly concern banks and the Government, their effects extend into all forms of economic activity and are felt indirectly by everyone.

> It is desirable, therefore, that the Federal Reserve System be as fully understood as possible by the public in whose interest it was established and in whose interest it is administered.
> (*The Federal Reserve System - Its Purposes and Functions*, First Edition, May 1939, US Federal Reserve)

The clarity of its explanation and description of the Federal Reserve System makes this suppressed book an enduring source of information for all who wish to understand the nature of Central Reserve authorities in sovereign nations.

David Bholat and Karla Martinez Gutierrez, writing on the *Bank of England* Bank Underground blog site, explained the varied relationships between central governments and their associated central banks in 2019[652].

Historically, there has been confusion over the nature of credit and the roles of government and private money markets in its creation. In large part this has been an inevitable consequence of the quasi-private nature of the formation of the Bank of England in 1694 and its subsequent history (see: œThe Bank of England Restriction. 1797-1821, *The North American Review* Vol. 105, No. 217 (Oct., 1867), pp. 393-434; œWhen Britain went fiat and the skies remained above, Bill Mitchell, *Billy Blog*, November 30, 2016; œThomas Russell (1916 pp. 81-90))

The Bank of England provided a description of its history and nature:

> **The beginnings of the Bank**
>
> The revolution of 1688, which brought William and Mary to the throne, gave England political stability for the first time in nearly a century.
>
> Businesses flourished, but the public finances were weak and the system of money and credit was in disarray. The goldsmith bankers, who had begun to develop the basic principles of banks as deposit-takers and lenders, had been damaged by the lax financial management of the Stuart kings.
>
> There were calls for a national or public bank to mobilise the nation's resources, largely inspired by the Dutch example of the Amsterdam Wisselbank. Many schemes were proposed. The successful one, from Scottish entrepreneur William Paterson, invited the public to invest in a new project. The public subscriptions raised £1.2 million in a few weeks, which formed the initial capital stock of the Bank of England and was lent to Government in return for a Royal Charter. The Royal Charter was sealed on 27 July 1694, and the Bank started its role as the Government's banker and debt manager...
> (œHistory of the Bank of England, *Bank of England*, accessed 03 December, 2016)

The quasi-private nature of US Federal Reserve Banks has continued to muddy the waters to the present[653]. As a US Federal Reserve FAQ explains:

> The 12 regional Federal Reserve Banks, which were established by the Congress as the operating arms of the nation's central banking system, are organized similarly to private corporations - possibly leading to some confusion about "ownership." For example, the Reserve Banks issue shares of stock to member banks. However, owning Reserve Bank stock is quite different from owning stock in a private company. The Reserve Banks are not operated for profit, and ownership of a certain amount of stock is, by law, a condition of membership in the System. The stock may not be sold, traded, or pledged as security for

> a loan; dividends are, by law, 6 percent per year.
> (*US Federal Reserve Board* : Current FAQs: œWho owns the Federal Reserve?)

While there is still, in the 21st century, some confusion in Western sovereign nations as to the nature of Central Banks, it is important to remember that in Western nations, *Central Banks are State Institutions*. No matter how loudly neoliberal aficionados might proclaim Central Bank independence[654], they are creatures of Government and no more independent of government than are Treasuries or Ministries of Finance.

Keynes, in 1933, before the Roosevelt administration's clarification of the credit issuing responsibility of democratically organized sovereign governments, reflected that confusion in an open letter to Roosevelt. In it he referred to government *Loan* expenditure[655] when describing government's role in the "stimulation of output by increasing aggregate purchasing power":

> ...[A]s the prime mover in the first stage of the technique of recovery I lay overwhelming emphasis on the increase of national purchasing power resulting from governmental expenditure which is financed by Loans and not by taxing present incomes. Nothing else counts in comparison with this. In a boom inflation can be caused by allowing unlimited credit to support the excited enthusiasm of business speculators. But in a slump governmental Loan expenditure is the only sure means of securing quickly a rising output at rising prices.
> (œAn Open Letter to President Roosevelt, John Maynard Keynes, Oxford, England, FDRL: PPF: 140: Frankfurter, Felix, December 16, 1933)

This apparent presumption of the need for Government borrowing in private money markets to fund government spending has been perpetuated to the present amongst many who profess to be 'liberal' economic commentators. Paul Krugman, in an Op-Ed piece in the *New York Times* illustrates this:

> ...the mismatch between desired saving and the willingness to invest has kept the economy depressed. Remember, your spending is my income and my spending is your income, so if everyone tries to spend less at the same time, everyone's income falls.
>
> There's an obvious policy response to this situation: public investment. We have huge infrastructure needs, especially in water and transportation, and the federal government can borrow incredibly cheaply - in fact, interest rates on inflation-protected bonds have been negative much of the time (they're currently just 0.4 percent). So borrowing to build roads, repair sewers and more seems like a no-brainer.
> (œIdeology and Investment, *New York Times*, Oct. 26 2014)

The question has to be - "Why borrow?". As Beardsley Ruml (1946) explained: "...our Federal Government has final freedom from the money market in meeting its financial requirements".

On a related matter, the emergence of the US dollar as the international reserve currency of choice is largely a by-product of 'gold standard' negotiations. And, given the 21st century weaponizing of the dollar there seems to be little other than inertia preventing its displacement by credit reserve swaps between nations [656].

The presumption (by those who deeply believe in the preeminence of 'internationalized free markets' guided by an 'invisible hand') that government is not (or should not be) an *issuer* but a *user* of credit leads to the presumption that 'government debt' (created by the generation and dispersal of credit to fund government activity) needs to be, as US Federal Reserve Chairman (1987-2006) Alan Greenspan put it, 'repaid'; and that future government commitments 'owed' to 'the public' need to be 'funded'.

Those who live comfortably within ideologically defined realities seldom need to address, or even be aware of, the core presumptions which subliminally frame their lives.

This has been inadvertently demonstrated in a report on their research 'discovery' by two Scandinavian economists. Sublimely unaware of the ideological frame circumscribing their own understanding of the world, they inform their readers that their research has uncovered a 'tendency, termed divine legitimation', which

> ...incentivized rulers to embed religion into institutions. We illustrate within a simple framework that the use of religion to legitimize power and the consequent institutionalization of religion may help explain why religion and religious institutions have persisted despite modernization.
> (Jeanet Sinding Bentzen & Gunes Gokmen, œThe power of religion *Journal of Economic Growth* , Vol.28, Pp 45-78 (2023))

Beware all ideologues - particularly those who claim that their ideological blinkering does not exist but alert us all to the 'religious' blinkering of others![657]

The Nature of Government Bonds or 'Debt Securities'

(31/12/16) (30/01/17) (23/09/17) (25/03/18) (01/06/20) (12/06/18) (22/03/18)

Let's start this discussion by stipulating that the sleight-of-hand process of relabeling fiat-currency-issuing governments' unencumbered sovereign credit requirements as 'government debt' and then 'selling' that 'debt' to private institutions and investors as 'Government Debt Securities' is an attempt to validate private credit creation as the only source of Government credit (based in a confusion stemming from the historic role of gold in setting the putative value of national currencies).

As Damian Paletta explained of the burgeoning US federal deficit. It is,

> ...the difference between what the *government earns* in revenue and *spends* on programs. (My emphasis)

There is a substantial group of 'experts' whose belief that all credit originates in the private sphere (and so, Sovereign governments must 'earn' the 'income' they *use*) is justified, in their own minds, by a felt need to account for a US legal directive which stipulates that

> ...direct [and guaranteed] obligations of the United States ... may be purchased only in the open market.

US 'Debt Securities' *must* be bought on 'The Open Market'

(22/01/17) (03/02/17) (23/01/17)(20/02/17) (16/02/17) (03/04/17) (16/03/18) (05/06/20) (08/06/20) (28/06/20) (24/09/20) (06/11/20) (11/11/20) (11/01/21) (03/03/21) (08/10/21) (03/02/23) (21/06/23) (09/10/23)

To understand this section one needs, first, to realize that the convoluted explanations of sovereign government financing underpinning neoliberal economics are generated by and 'justify' neoliberal ideology. And, underpinning that neoliberal ideology has been a determination to privatize the world.

Over the past fifty-plus years there has been a world-wide self-serving, plutocratic drive to remove all public restrictions on private 'enterprise' (including parochial 'laws and regulations', (especially all forms of sovereign 'capital control' of currencies), which hinder the free flow of financial transactions across national borders).

In the process they have subverted public responsibility for the wellbeing of communities, determinedly converting public goods, services and resources into internationalized, private, profit making 'assets' controlled by private 'individuals', not governments.

Those convoluted neoliberal explanations are generated by the need to 'explain' a capitalist world founded on a simplistic (or disingenuous) failure to understand that a sovereign nation's internal credit requirements are underwritten by that sovereign government's ability and willingness to ***create credit*** and control its supply within the nation.

They are a product of the absurd, self-serving belief that, in this 21st century, government is not (or should not be) an issuer but a user of credit and that privately generated credit should be supplied by those internationalized forces that have captured their resources and distorted/ dismantled the public responsibilities of government.

Bill Mitchell has illustrated this in describing the Reserve Bank of Australia's attempt 'to educate the population on these matters' in a blog posting entitled œAustralian government issues debt, buys most of it itself, and then pays itself interest into the bargain (October 07, 2021). A commenter on the post, pseudonymed Ikonoclast, put it well:

> My naive question is this. Why does Federal Government debt have to exist at all? Why not create the money without the associated debt? When one owes debt to oneself the net result is zero. What does double-entry bookkeeping achieve in this case? I suspect the "book" if it was in physical form would have the shape of a fig-leaf.

When the world in which one lives is illusory its justificatory policies become phantasmic!

It is long-past time for truly sovereign nations (that is, nations whose 'leaders' have not sold the souls of themselves and their populations to servitude, becoming vassal states enthralled to and in awe of some hegemonic power) to exercise their sovereign economic and civil rights and responsibilities.

As Beardsley Ruml (1946) explained, they can *create* the credit they need without becoming indebted to either domestic or international 'money markets'. And they do not need to believe themselves burdened by insurmountable 'debts' in doing so!

There is, at last, a developing momentum toward bilateral central bank links between sovereign nations, bypassing the Washington controlled international monetary system. Associated Press describes one such emerging development:

> Iran and Russia have taken a key step toward linking their banking systems in a move that further boosts their cooperation in the face of Western sanctions, an Iranian official said.
>
> At a signing ceremony on Sunday, Mohsen Karami, the deputy central bank governor, said banks in the two countries had connected their messaging networks following agreements reached over the past year, according to the state-run IRNA news agency.
>
> It was not clear whether those links would allow for the transfer of funds, and services were not yet available to bank customers. Karami said 100 banks in 13 other countries were connected to the network, without naming them.
>
> There was no immediate comment from Russia or the United States, which has worked with its allies to isolate both countries.
>
> In response to Russia's invasion of Ukraine nearly a year ago, Western countries banned key Russian banks from the Belgium-based SWIFT financial messaging system, which daily moves billions of dollars around the world among more than 11,000 banks and financial institutions.
> (œIran, Russia move to link banks to evade Western sanctions, *Associated Press*, February 01, 2023)

The year 2023 might well go down in history as the year in which Washington's Dollar Hegemony was fatally undermined,[658]

One can but hope that the emerging networks will not replicate Washington's irrational obsession with central bank created 'national debt' obligations and equally irrational belief in the need for sovereign governments to 'borrow' from domestic and international money markets to fund sovereign responsibilities.

Before we begin an examination of this topic: here is the standard 21st Century, neoliberal explanation of the consequences for sovereign nations of engaging in increased 'sovereign debt' creation:

> ...[A] tsunami of sovereign debt distress is coming. And the choice for the private creditors of low- and middle-income countries is simple and stark: agree to an orderly process of debt mitigation that shares the burden and limits the damage or demand immediate repayment and set off a wave of catastrophic defaults that sweeps many countries - and their creditors - away....
>
> To avoid a catastrophic string of defaults, governments and private creditors must share the burden of providing debt relief. This is a matter both of fairness and of ensuring adequate funding. But a successful debt relief scheme cannot rely on the initiative of individual creditors, since they are unlikely to soften their opposition to debt deferment under the current circumstances, and in any case, relief provided by participating creditors would simply go toward debt service payments to nonparticipating ones....
>
> The worst may be yet to come. In the poorest countries, private creditors hold only ten percent of sovereign debt. In many middle-income countries, by contrast, the private sector holds more than 80 percent. Commercial creditors have already expressed their reluctance to defer the debts of the poorest countries. It would be a mistake - an expensive mistake - to allow them to free-ride when middle-income countries come calling in a few months' time.

(Patrick Bolton *et al*, œHow to Prevent a Sovereign Debt Disaster: A Relief Plan for Emerging Markets, *Foreign Affairs*, June 4, 2020)

As explained elsewhere, the major 'sovereign debt' problems of low- and middle-income countries stem from their re-colonization by the stalking-horses of Neoliberal Capitalism: The IMF and the World Bank[659].

Michael Hudson, interviewed by Bonnie Faulkner on the *Guns and Butter* website, summed it up:

> Bonnie Faulkner: ...[W]hy has the World Bank, for instance, traditionally been headed by a U.S. secretary of defense?
>
> Michael Hudson: Because its job is to do in the financial sphere what in the past was done by the military sphere.
>
> The purpose of a military conquest is to take control of a foreign economy, to take control of its lands and to impose tribute on the defeated country.
>
> The genius of the World Bank was to say, "We don't have to occupy and take over a country in order to impose tribute, in order to take over its industry and its agriculture and its land. Instead of bullets, we can use financial manipulation and maneuvering. As long as other countries play a game that we can control, finance can do today what it used to take bombs and loss of life by our soldiers to do."
>
> In this case, the loss of life is in the debtor countries, population growth shrinks, suicides go up.
>
> The World Bank is economic warfare that is just as destructive as military warfare, and this is exactly what Russia's President Putin said at the end of the Yeltsin period. He said American neo-liberalism in Russia destroyed more population in Russia than World War II. And the neo-liberalism, which basically is the doctrine of American supremacy and foreign dependency, is the doctrine of the World Bank and the IMF. (Michael Hudson, interviewed by Bonnie Faulkner, œtranscript-The-IMF-and-World-Bank-Partners-In-Backwardness, *Guns and Butter*, 29 June 2019)

Anis Chowdhury and Jomo Kwame Sundaram, focusing on the consequences of the 2020 Covid-19 crisis and rich-country profit-based-supply of commercial vaccines, have described the ways in which financial liberalization has continued to impact these countries:

> After being undermined by decades of financial liberalisation, developing countries now are not only victims of vaccine imperialism, but also cannot count on much financial support as their COVID-19 recessions drag on due to global vaccine apartheid.
>
> **Financialisation undermined South**
>
> Developing countries have long been pressured to liberalise finance by the International Monetary Fund (IMF) and the World Bank. The international financial institutions claimed this would bring net capital inflows. This was supposed to reduce foreign exchange constraints to accelerating growth, creating "a rosy scenario, indeed".
>
> Globalisation's claim naively expects "more birds to fly into, rather than out of an open birdcage". Instead, financial globalisation meant net capital flows from capital-poor developing countries to capital-rich developed countries, i.e., dubbed the "Lucas paradox". A decade later, flows "uphill" had "intensified over time".

> The past decade saw the largest, fastest and most broad-based foreign debt increase in these economies in half a century. Total foreign debt of emerging market economies rose from around 110% of GDP in 2010 to more than 170% in 2019, while that of low-income countries (LICs) increased from 48% to 67%.
> (Anis Chowdhury and Jomo Kwame Sundaram, œNeoliberal Finance Undermines Poor Countries' Recovery, *Inter Press Service News Agency*, March 2 2021)

Julius Ihonvbere[660], in 1994, described the consequences for those financial-parasite infested countries:

> In country after country, stabilization and adjustment policies have culminated in or precipitated civil wars, ethnic and religious violence, coups and counter coups, demonstrations, massacre of protesting workers, peasants and women, inflation, bankruptcies, and an unprecedented deterioration in living standards and the general quality of life. There have been very destructive riots in Nigeria and Zambia to take just two examples...
>
> ...[T]he failure of these monetarist prescriptions, usually conceived in purely economic terms have delegitimized the state, its institutions and agents, and at the same time ruined indigenous producers thus facilitating the recolonization of Africa.

Brasil Wire, in a well-researched, two-part examination, explained how U.S. state and corporate power successfully captured political processes in Brazil[661] in order to 'liberate' the Amazon region to foreign, private sector, exploitation:

> In the 1970s, it was the World Bank that originally convinced Brazil's Military Dictatorship (which President Jair Bolsonaro would seek to emulate) that Amazon deforestation would be positive for the economy. In 1981 it launched a programme called 'Polonoroeste', for road network construction and the resettlement of cattle ranchers in the state of Rondonia. As Adrian Cowell documented in his film "Decade of Destruction", before international pressure forced the World Bank to cancel the project in 1986, thousands died and an area of rainforest the size of Great Britain had been decimated.
>
> The World Bank's private-sector arm is the International Finance Corporation (IFC), a Council of the Americas elite member, which more recently gave its approval to development projects led by investment group Blackstone, with devastating consequences.
> (Convivial War: How Wall Street Recolonized Brazil. œPart One and œPartTwo, *Brasil Wire*, October 7 & 11, 2019)

When sovereign states yield or forfeit control of their own internal currencies and economies to foreign and/or international agencies, they relinquish their sovereignty and open their countries to financial and resource predation by foreign and international organisations and institutions. To talk about 'sovereign debt' in nations which have been recolonized over the past half-century and more is simply disingenuous - or evidence of stupidity!

As a well-worn aphorism has it:

> Never attribute to villainy what is adequately explained by stupidity.

Neoliberal institutions, their economists and fellow travelers have not only highjacked the economies and currencies of low- and middle-income

countries, they have also, over the past fifty years and more, been intent on convincing Western capitalist nations that they too face a 'sovereign debt tsunami' if they engage in 'sovereign debt' creation. Here is how that has been 'justified':

Daniel Thornton explained the means by which the US treasury and Federal Reserve are legally required to 'finance deficit spending'[662]:

> The Fed is forbidden by law to purchase government securities directly from the government. The government first sells securities to the private sector and the Fed then purchases securities from the private sector, specifically, government securities dealers.

The 1935 directive to which Thornton alludes states that 'direct [and guaranteed] obligations of the United States ... may be purchased *only in the open market*'.

However, those securities *purchased from the private sector*, as we will see, are not, in fact, 'securities' at all. They are Treasury requests (*requisitions*) directing the Federal Reserve to create the sovereign credit the Treasury requires[663]. The resulting document, received by the Federal Reserve, is *merely a record of the request* made by the Treasury.

Thornton's explanation, of course, begs the question: Why would this directive exist if it was not based on an understanding that all credit is created in the private marketplace? [664]

It is only when one examines that directive more closely that it becomes apparent that this is an unexplained and unjustified amendment tacked onto a piece of 1935 US legislation during its passage through the US House of Representatives. This occurred during a period when Roosevelt's legislative attempts to consolidate New Deal legislation were being most vociferously opposed. The directive was, indeed, an attempt to derail the New Deal legislation and it has, since the 1950s, proved most effective in doing so.

The relabeling of a sovereign government's future sovereign credit needs as 'debt' seems deliberately designed to enable private financial institutions to impose a private sector 'tax' (disguised as 'interest rates on the country's debt') on government credit channeled into the real economy. As S. W. Adams put it in 1957:

> Why should the people give to bankers U.S. Bonds, and pay an annual interest on these bonds, that they might use their own credit? Why should the Government have to borrow its own money (use its own credit) when forced to use more revenues than current taxes afforded? (œ*The Federal Reserve System Its Purposes And Functions* : As Originally Published, Washington, D.C., 1939, A Reprint of a Suppressed Public Document Published by OMNI Publications, May 1, 1958)

Belief in a self-existent, self-sustaining economic environment, governed by its own peculiar principles of organization and behavior, seems to lead, almost inevitably, to a belief that all credit is (or, in an ideal world, should be) created within that realm. Allowing government a central credit-creating/controlling responsibility within that environment is presumed to threaten the integrity of the autonomous economy.

Daniel Thornton's claim that "the U.S. Treasury has only one option for financing deficit spending - issuing debt", or Bill Mitchell's use of the term

'public debt instruments' in describing the nature of public bonds, conflate government bonds and 'government debt'. However, there is no 'natural law' of financing which requires this.[665]

Eccles, in 1947, explained the origin and purpose of the legislative amendment to the US Banking Act of August 23, 1935 which underpins all this. It was an amendment designed to serve the interests of Private Sector bond dealers, pushed through the House of Representatives by their lobbyists[666], and it has no logical purpose other than ensuring Private sector Bond Dealers' incomes!

Sovereign Government bonds are not the means by which 'the government sells debt to non-government bond dealers'.

Sovereign Bonds are sovereign bonds (just as currency is currency)[667].

It needs to be remembered that we are speaking of *sovereign* bonds. Bonds issued by private bodies and/or by non-sovereign public bodies are indeed issued to raise revenue. Those who purchase bonds issued by lower levels of government or by private entities are lending credit to the issuers for an interest return. This has been neatly explained by Jerry Brown:

> ...[A] state government like California is not the currency issuer and actually does have to fund its spending projects. Bonds are one way California can do that. And those bonds may have the effect of reducing other people's spending power, (while increasing California's in the short term) especially depending on how the Fed rates them as collateral and how liquid the market on second hand California bonds is. There is always a real risk of default involved with a state government or corporate type bond that is not in any way comparable to default risk on a US government bond which is zero for all intents and purposes.
> (Jerry Brown, Commenter on Bill Mitchell's blog 'œMore fun in Japanese bond markets', *Billy Blog*, February 7, 2017)

(11/02/17) Sovereign bonds are, of course, not equivalent to currency. The purposes are quite different.

In the case of sovereign bonds, the purposes are two-fold:

1. They provide security to those who are looking for a safe haven for surplus credit and, in the process, set the baseline for interest rates in the economy.
2. They are one of the means by which sovereign governments can withdraw excess credit from the economy (the inducement of an interest return on credit employed in purchasing them is used to encourage their purchase).

Of course, when sovereign bonds are sold in private sector 'bond markets' 'to support government spending'[668], the credit/currency employed in their purchase is withdrawn from the private realm and so reduces available sovereign credit/currency in that realm.

(09/03/17) Michael Kalecki (1943) explained the source of the confusion well:

> To understand this process it is best, I think, to imagine for a moment that the government pays its suppliers in government securities. The suppliers will, in general, not retain these securities but put them into circulation while buying other goods and services, and so on, until finally these securities will reach persons or firms which retain them as

> interest-yielding assets. In any period of time the total increase in government securities in the possession (transitory or final) of persons and firms will be equal to the goods and services sold to the government.Thus what the economy lends to the government are goods and services whose production is 'financed' by government securities. ***In reality the government pays for the services, not in securities, but in cash, but it simultaneously issues securities and so drains the cash off; and this is equivalent to the imaginary process described above***.
> (My emphasis)

To use one of US president Donald Trump's favorite sayings: 'How Sad, so sad' that neoliberal ideologues (including those attempting to advise President Trump) should presume the 'imaginary process' to be 'reality' and the real process to be 'imaginary'!

Kalecki was writing in 1943. By the 1950s, as Adams explained, neoliberal 'experts' were claiming that sovereign bonds should be issued, not simply to pay for government expenditures, but to raise the credit 'needed' to pay for their expenditures from private banks. After all, as those 'experts' 'knew', all credit originates in the private realm. Sovereign bonds were, 'obviously', 'debt securities'.

The implication of Kalecki's explanation is that Government is able, through the issuing of bonds, 'to cover Government spending', ensuring that credit supply in the private sector is minimally affected by Government activity. In order to *increase* private credit supply, a government can issue bonds of lesser value than government spending; to *decrease* private credit supply, it can issue bonds of greater value than its spending. And, the effect of all this on processes of redistribution is positive since those who engage in bond market activity are, overwhelmingly, those who have accumulated credit.

So long as government spending flows directly into the real economy, bypassing the banks, this will directly affect credit availability in the real economy. And, since the prevailing belief in this neoliberal world is that, as Kalecki has explained, government spending is "'financed' by government securities", the private sector can remain blissfully unaware of the process by which government stimulates or dampens private economic activity and engages in redistributive activity.

So, the claim by neoliberal ideologues that 'Every dollar of increased government spending must correspond to one less dollar of private spending' can, only superficially, seem justified.

Sovereign government bonds are ***not***:

* Public debt instruments;
* Government debt sold to non-government bond dealers;
* 'The public's holdings of government debt';
* 'Debt securities issued by a government to support government spending';
* Or any other of the multiple phrases which, when applied to *sovereign bond sales*, convey no intelligible information but seem, rather, to be employed to obscure reality.

These phrases, when applied to sovereign bond sales are, as *Merriam-Webster's English Dictionary* explains, 'logical nonsense'.

> To restate the obvious: All *sovereign bond sales* reduce available sovereign credit in the sector in which they are purchased - whether that is or is not the assumed purpose of the sales. However, *they do not increase* sovereign credit available to sovereign governments, nor do they increase sovereign 'debt' loads. Since sovereign credit is ***always*** created as needed, credit issued to repay bond principal to bond holders on maturity is also *created* when needed.

In the second case, currency is:

1. A tangible expression of sovereign credit circulating within the economy - and so can be held as an alternative to sovereign reserves by those who do not have access to sovereign reserve accounts.
2. And, of course, it can be used to purchase sovereign government bonds (withdrawing the currency from circulation - just as sovereign reserve funds used to purchase sovereign government bonds sequester those reserves).

Neoliberal explanation might attempt to conflate sovereign government bonds with 'government debt', but, in reality, no debt is created in issuing bonds, and no debt is purchased when those bonds are sold. No matter how much bond markets might fluctuate, those fluctuations are contained within the private sector 'bond markets'. They have as little impact on a sovereign Government's ability to 'fund its commitments' as fluctuation in the watermelon market!

Of course, if a government 'believes' that fluctuations in private bond markets (or private watermelon markets!) will 'bring down the government' then the resulting behaviors and consequent voter reactions might well do that. However, the government's predicament is not brought about by fluctuations in the markets but by ideologically driven reactions to market behavior. Bill Mitchell has commented on all this:

> ...Apparently, this narrative alleges that if bond markets are not 'confident' (whatever that means) then they will stop begging treasury departments for more debt issues and the government, in question, will run out of money and then pensions will stop being paid and the public service will be sacked and public trains and buses will stop running and before we know it the skies will blacken and collapse on us.
>
> The narrative ignores the usual statistics that bid-to-cover ratios are typically high (hence my 'begging' terminology) which are supplemented by well documented cases where the bond dealers (including banks etc) do actually beg central banks to stop driving yields down in maturity segments where these characters have pitched their "business model" (read: where they make the most profits).
>
> The facts are exactly the opposite to the neo-liberal pitch. Currency-issuing governments never need to worry about how bond markets 'feel'. Essentially, the bond markets are irrelevant to the ability of such a government to design and implement its fiscal plans.
>
> ...So next time you hear an economist or a politician talk about how bond markets have to be satisfied and they use that as a justification for hacking into public spending (and driving up unemployment and poverty rates) you know they are lying and are frauds.
>
> The bond traders **never** have to be satisfied. They can be forced to live on crumbs by the central bank if it so chooses.

(Bill Mitchell, œCurrency-issuing governments never have to worry about bond markets, *Billy Blog*, April 3, 2017)

Capitalism is, indeed, the playground of ideologues.[669]

The reasoning which requires credit to originate in the marketplace was well illustrated in a speech given by the then Federal Reserve Board Chairman, Alan Greenspan, [670] in 2001:

> ...The substantial surpluses in retirement programs (especially social security) in recent years and in the nearer-term budget projections are on a cash basis. Were we fully accruing the benefit liabilities inferable from existing law, these retirement programs would currently be in deficit, and contingent liabilities amounting to about $10 trillion for social security alone would have been added to the current debt to the public.
>
> ...I have long argued that paying down the national debt is beneficial for the economy: It keeps interest rates lower than they otherwise would be and frees savings to finance increases in the capital stock, thereby boosting productivity and real incomes. But the current budget projections are such that we need to consider what path of debt reduction is best for the economy...
> (œRemarks by Chairman Alan Greenspan: The paydown of federal debt, Before the Bond Market Association, White Sulphur Springs, West Virginia (via videoconference), April 27, 2001.)

The presumption that a sovereign government is (or should be) a user and not an issuer of credit results in 'government borrowing' in the private marketplace to fund its use of credit and so creates a real public debt which must be repaid.

This dangerously tautologous understanding of the nature of 'government debt' is not unique to Greenspan, it is merely an iteration of that free-market fundamentalism which Thomas Huxley (1871) described in the second half of the 19th century (though, as an Ayn Rand acolyte, Greenspan has been particularly susceptible to tautologous reasoning).

Free-market fundamentalism has driven concern over the need to 'rein in expenditure' for much of the past forty years in Western economic circles. It has also ceded the private financial marketplace unwarranted influence over sovereign governments.

How Democratic Capitalist Governments Generate Credit (and *manage perceptions* of economic stability)

(14/08/17) (19/10/17) (19/04/19) (26/04/19) (29/04/19) (03/05/19) (17/07/19) (23/07/20) (25/07/20) (30/07/20) (31/07/20) (02/10/20) (28/12/20)

We do not need to live in neoliberally organized societies - societies in which economists and politicians earnestly but illogically remind us that budget deficits reflecting reserve-bank-created credit are debts we pass on to future generations[671]; that taxes on 'wealth creators' cost jobs; and that mega-wealth always 'trickles down', ensuring the wellbeing of us all.

As US Senator John Thune (R, SD, June 4, 2020)) explained of $2.4 trillion Congress committed to fighting the Covid-19 pandemic,

> ...[W]e need to remember that every dollar we've provided is borrowed money that our children and grandchildren will have to repay.

> Our debt was already very large compared to the size of our economy even before this year's coronavirus-related borrowing.
>
> And that's a very concerning reality.
>
> The truth is, we can't just keep borrowing and borrowing ever greater sums without suffering real economic consequences.

Bill Mitchell has summed up the 2020 Covid-19 crisis alternative to these kinds of neoliberal responses:

> ...*[N]ational governments, which issue their own currency, could take up the entire wage and profits bill if it wanted to - to reduce the 'economic costs' of the lockdowns to close to zero.*
>
> Unemployment did not have to rise.
>
> Businesses did not have to be destroyed.
>
> If we had an enforceable lockdown and eliminated the virus, with our borders strictly controlled until a credible health solution was introduced, then no economic damage was necessary.
>
> The economic losses that have been recorded to date - and they are massive - were avoidable.
>
> They are not due to the lockdowns which were the sensible strategy for governments to adopt. I am thankful the Australian government took a relatively strict approach although I think they have relaxed the lockdown too early.
>
> ...The economic losses arise because the governments adopted a flawed fiscal approach. They knew they had to expand fiscal deficits but were still thinking surpluses.
>
> Our own [Australian] Treasurer has even been channeling Margaret Thatcher in recent days - which means they are gearing up to further cut the already inadequate fiscal support.
> (œAcademic freedom requires evidence and knowledge - not a desire for headlines, *Bill Mitchell - Modern Monetary Theory*, July 28, 2020 - my emphasis)

Societies which conform to the presumptions spelled out by neoliberal aficionados are geared to ensuring increasing inequality[672] and the consequent growth of absurd credit accumulation:

- Budget Surpluses and Balanced Budgets are *not* evidences of 'responsible economic management': they are **not** *virtues*[673].
  - Beware electioneering which promotes these as responsible political goals. [674]
  - They are not.
  - Those who claim they are committed to such policies are affirming their commitment to neoliberal understandings aimed at benefiting the wealthy and increasing inequality.
  - Such policies **decrease** credit availability in the private sector.
  - They rely on removing credit from the economy, usually at the expense of social support for the lower 75% of the population - those with the least political power in most democracies.
    - This results in reduced sovereign credit creation and increased reliance on private accumulations of credit;

- Communities become increasingly reliant on borrowing private credit to fund the necessities of life. To paraphrase Bill Mitchell: "Private debt builds up and shonky (and criminal) bankers increasingly defy responsible and ethical business practice".

- Budget Deficits for positive socially responsible purposes are both *virtuous* and *responsible*:
  - Government has a Fiduciary Responsibility.
  - Budget deficits **increase** credit availability in the private sector.
  - Of course, how that increased credit is fed into the private economy is important:
    - If it is fed into the economy through various subsidies aimed at the 'top end of town' it will do little or nothing for those who most need it.
    - If it is fed into the economy through strengthening social institutions and services it will benefit all who access those institutions and services.

      But, it will do much more than this!

      - Credit fed into the system through socially responsible programs flows through them and into the private economy.
      - The positive effects will be experienced throughout the economy. To quote James Galbraith: "Ordinary people benefit, but there is nothing in it for banks".
- Perennial Budget Deficits in support of "Military Defense" are irresponsible and court 'Spiritual Death'.
  - Many of the most intractable problems in this 21st century world are products of such misplaced funding.

Nothing is 'lost' or 'owed' by the government when it issues currency and other forms of credit. The 'debit' entry is an idiosyncrasy of double-entry profit-and-loss bookkeeping. This accounting convention, through which the quantity of credit issued by government can be regulated and tracked through time (necessarily for ensuring long-term credit and currency stability) can all-too-easily, but, of course, illogically, be considered a Government *liability* which must be 'repaid'[675].

Equally, of course, since government creates credit, there is no point in stockpiling it. Credit withdrawn from the private sector reduces available sovereign credit in that sector, but it *does not increase 'government wealth'* and does not increase some imaginary sovereign credit stockpile - nor does it back-fill a putative 'deficit' pit (except in the minds of those who feel compelled to believe that such stockpiles and pits exist!). It is, however, recorded as a credit entry in the government's accounts so that the quantity of sovereign credit available in the private sector can be tracked through time.

The management of perceived credit stability

(19/01/16) (17/10/17) (13/02/18) (16/04/19) (24/10/19)

In the real world, governments must fund their activities without engaging in behavior which might result in various forms of price inflation or in a crisis in confidence as to the 'real worth' of credit and currency. As Samuelson put it: "What is important about the budget... is whether it is inflationary or deflationary, not whether [it is] balanced or unbalanced."

So, they cannot simply fund their activities by issuing credit. The upshot is that a government must generate the credit needed to fund its activities while maintaining a stable monetary base. There are two basic ways in which this can be done:

- First, and most obviously, a government can 'tax and spend'. As Francis Bacon put it:

  > Good policy is to be used, that the treasure and moneys, in a state, be not gathered into few hands. For otherwise a state may have a great stock, and yet starve. And money is like muck [manure], not good except it be spread.

- There is nothing complicated in this: the government withdraws credit from the private realm, and distributes a similar quantity of credit to that withdrawn through its various activities - the order in which these occur is irrelevant since the government does not 'need' tax revenue in order to distribute credit.
- Over time, the monetary base remains stable and government spending results in private economic activity - it stimulates the economy through its activities. While such activity results in credit redistribution (required to ensure ongoing, optimal credit circulation), it does *not* result in diminished access to credit within the private sector.
- Second, and far more problematically, governments can (and unfortunately far too many have) become players in the private realm, borrowing the credit required to fund their activities from unsecured-credit-creating banks (a logical redundancy).
- (Since the mid-1970s, with the triumph of neoliberalism, the removal of social costs from production and financial activity costs in Western economies (and insistence that governments should 'borrow' credit, not create it), has produced its inevitable consequence. Sovereign debt has grown steadily as governments have increasingly borrowed in the private financial marketplace and gone into deficit to cover those costs.)
- The logic of public borrowing within the private sector is dubious at best. The aim cannot be to limit the expansion of credit within the private sector since such borrowing is, inevitably, funded by private credit creation. Once governments engage in such activity, they *do* create private sector 'debts' which must be repaid.
- In fact, if they do not become profit-making players in the private realm, they will, ultimately, have to resort to creating credit [676] in order to meet the loan and interest obligations they have incurred (*doubling* the credit creation consequences of their activity and rewarding the banks for their participation by matching their unsecured credit creation with newly acquired government-guaranteed credit - small wonder that banks delight in funding government activity!).

- It is this pernicious propensity of governments to indulge in private market borrowing to fund activity which causes much of the confusion in people's minds as to the dangers of a 'debt burden' bequeathed to future generations.

Deficits based on private sector borrowing are public debts owed to the lenders and generate all the costs associated with borrowing in private money markets.

Deficits reflecting government (i.e. Central Bank) created credit are not debts and generate no such costs. Bookkeeping entries, shown as debits and credits and generating 'interest' obligations between government agencies are illusory - as are "credits, advances, or overdrafts to the government by the central bank " (cf œ*Code of Good Practices on Transparency in Monetary and Financial Policies: Declaration of Principles*, International Monetary Fund, Washington, D.C. September 1999, p. 10).

Beardsley Ruml (1946), Chairman of the Federal Reserve Bank of New York, provided a clear explanation of the difference between sovereign credit generation and private sector borrowing to fund government activity:

> *Free of the Money Market*
>
> Final freedom from the domestic money market exists for every sovereign national state where there exists an institution which functions in the manner of a modern central bank, and whose currency is not convertible into gold or into some other commodity.
>
> The United States is a national state which has a central banking system, the Federal Reserve System, and whose currency, for domestic purposes, is not convertible into any commodity. It follows that our Federal Government has final freedom from the money market in meeting its financial requirements. Accordingly, the inevitable social and economic consequences of any and all taxes have now become the prime consideration in the imposition of taxes. In general, it may be said that since all taxes have consequences of a social and economic character, the government should look to these consequences in formulating its tax policy. All federal taxes must meet the test of public policy and practical effect. The public purpose which is served should never be obscured in a tax program under the mask of raising revenue.
> (Beardsley Ruml, 'œTaxes For Revenue Are Obsolete ', œ*American Affairs*, January 1946;
> See 'What Taxes are Really For' for more on this.)

(05/05/17)

In most capitalist societies, increases in total spending and moderate inflation are deemed to be signs of 'economic health'. So, in most years, government spending *should* exceed government revenue collection. Galbraith, Wray and Mosler (2009) explained:

> Federal spending can, and almost always does, exceed tax receipts. And that is almost always a good thing because it provides the wherewithal to allow the nongovernment sector to save in the form of highly desired, safe, dollar-denominated financial assets. Further, there is an important counterbalancing asset to the government's liability: the accumulated financial, physical, and human capital of our nation that is available to be called upon should we ever need to mobilize capital to serve the public purpose.
> (James K. Galbraith, L. Randall Wray, Warren Mosler, œThe Case

> Against Intergenerational Accounting: The Accounting Campaign Against Social Security and Medicare, Public Policy Brief, No. 98, The Levy Economics Institute of Bard College, 2009 p. 22)

(31/03/16)

The use of the term 'government liability' in the above quotation needs to be recognized for what it is. If Beardsley Ruml's explanation is correct then any 'liability' incurred by government in funding infrastructural activity and services through central-bank-generated credit is merely a reflection of the features of double entry bookkeeping (a means of keeping track of quantities of credit generated through time), not a liability which *must* be 'funded' by future revenue raising. As The Federal Reserve explained in 1939, "Federal Reserve Bank promises - or "liabilities," as they are commonly called - serve in the form of Federal Reserve notes as the principal element of the circulating medium".[677]

As the authors suggest, in most years, government spending *should* exceed government revenue raising. 'Balanced budgets' lead to assumed economic 'stagnation' and consequent 'bear markets'.

James Galbraith (2010) explained how perceived 'economic growth' is achieved in capitalist societies:

> To put things crudely, there are two ways to get the increase in total spending that we call "economic growth." One way is for government to spend. The other is for banks to lend. Leaving aside short-term adjustments like increased net exports or financial innovation, that's basically all there is. Governments and banks are the two entities with the power to create something from nothing. If total spending power is to grow, one or the other of these two great financial motors - public deficits or private loans - has to be in action.

And, one might add, in the interests of simplicity and economic stability, if governments wish to remain 'free of the Money Market', they should be very wary of crossing the wires of the two options through which spending might be financed. Governments should 'tax and spend'. This can be a nuanced process with lags between taxation and spending. Spending can (and usually does) precede taxation (or even occur without compensating taxation) for so long as the money supply is *perceived* to be stable. As we've already seen, it's all about *long-term perceived balance* - with spending growth and inflation subliminally factored into the perceived stability.

James Galbraith explained why Government expenditures benefit 'ordinary people':

> For ordinary people, public budget deficits, despite their bad reputation, are much better than private loans. Deficits put money in private pockets. Private households get more cash. They own that cash free and clear, and they can spend it as they like. If they wish, they can also convert it into interest-earning government bonds or they can repay their debts. This is called an increase in "net financial wealth." Ordinary people benefit, but there is nothing in it for banks.

When sovereign governments 'put money into private pockets' they increase the net wealth of the recipients. When private banks 'lend' to those private 'pockets' they increase the net debt owed by the recipients of the 'loans'. John Siman explained it well:

> In any society in which interest on loans is calculated, [borrowers are] inevitably subject to being impoverished, then stripped of their property, and finally reduced to servitude.

Only Believe...

(01/07/16) (19/05/16) (12/06/16) (14/01/17) (27/04/17) (24/05/17) (05/06/17) (24/08/19)

In the early decades of the 21st century, the Western World is rife with ideologues, simplistic thinkers and opportunists who have, in one way or another, gained political power and now (ignoring the importance of perceived stability) whip up hysteria about 'budget deficits' and snow-balling 'government debt', demanding immediate reductions in government expenditure to ensure 'balanced budgets'.

Paul Krugman describes it,

> The doctrine of expansionary austerity - the proposition that cuts in government spending would actually cause higher growth despite their direct negative impact on demand, thanks to the confidence fairy...
>
> But expansionary austerity was and is such a convenient doctrine politically that, like insistence on the magical effects of tax cuts, it has proved unkillable.
> (Paul Krugman, œThe Expansionary Austerity Zombie, *New York Times*, Opinion Pages, November, 20, 2015)

All-too-often, neoliberal ideologues (particularly those with an Ayn Rand bias) insist on the need for lower rates of taxation as essential for 'economic health' (Krugman's "magical effects of tax cuts" based on 1920s 'scientific taxation' arguments[678]).

Paul Krugman has summed up the long-running neoliberal fascination with what the first Bush, as a presidential candidate in 1982, aptly described as 'voodoo economics' (though, faced with working in a Reagan White House, he later denied that he had done so):

> Almost four decades ago then-candidate George H.W. Bush used the phrase "voodoo economic policy" to describe Ronald Reagan's claim that cutting taxes for the rich would pay for itself. He was more prescient than he could have imagined.
>
> For voodoo economics isn't just a doctrine based on magical thinking. It's the ultimate policy zombie, a belief that seemingly can't be killed by evidence. It has failed every time its proponents have tried to put it into practice, but it just keeps shambling along. In fact, at this point it has eaten the brains of every significant figure in the Republican Party. Even Susan Collins, the least right-wing G.O.P. senator (although that isn't saying much), insisted that the 2017 tax cut would actually reduce the deficit.
> (Paul Krugman, œFrom Voodoo Economics to Evil-Eye Economics, *New York Times* Opinion, August 22, 2019)

Often, perversely, those not strongly infected with Ayn Rand tautologies argue for the logic of reduced taxation but increased spending (usually focused on military expenditures, reliant, apparently, on those 'magical effects' of tax cuts) - which, of course, all-too-easily leads to private sector borrowing (usually through issuing government bonds) [679].

The underlying presumption which drives this is that all credit is (or, should be) created in the private marketplace: that sovereign governments should

not issue credit, since this, inevitably, increases 'government debt' which will, inevitably, result in increased taxation which will, inevitably, depress private economic activity.

And, of course, if governments borrow what they need from the private realm then (if one fails to understand that private banks *create* credit 'from thin air') "every dollar of increased government spending must correspond to one less dollar of private spending" - the "intermediation of loanable funds (ILF) model of banking " fallacy[680].

As one true believer, John Cochrane, put it:

> If the government borrows a dollar from you, that is a dollar that you do not spend, or that you do not lend to a company to spend on new investment. Every dollar of increased government spending must correspond to one less dollar of private spending. Jobs created by stimulus spending are offset by jobs lost from the decline in private spending. We can build roads instead of factories, but fiscal stimulus can't help us to build more of both....
>
> The government should borrow to finance worthy projects, whose rate of return is greater than projects the private sector would undertake with the same money, spreading the taxes that pay for them over many years, after making sure its existing spending meets the same cost-benefit tradeoff. Just don't call it 'stimulus,' don't claim it will solve our current credit problems, 'create jobs' on net, or do anything to help the economy in the short run...
> (John H. Cochrane, œFiscal Stimulus, Fiscal Inflation, or Fiscal Fallacies?, Myron S. Scholes Professor of Finance, University of Chicago Booth School of Business, Version 2.5 Feb 27 2009)

To allay any suspicion that this was a carelessly written piece, unlikely to be representative of Cochrane's writing, he has obligingly recommitted his ideas to print in a *Wall Street Journal* essay entitled œEnding America's Slow-Growth Tailspin: The U.S. economy needs a dramatic legal and regulatory simplification (WSJ, May 2, 2016 - behind a pay wall).

As Bill Black has suggested:

> Don't try to search for Cochrane's logic, this is simple dogma and protection of his elite patrons...
>
> When I criticize Mankiw and Cochrane I am not picking on obscure theoclassical economists, but rather what their movement considers its stars. The public has no idea how radical the views of these people are, how often and destructively their predictions and policies have failed, and how impervious their dogmas are to change when their predictions fail. The naked shilling for their elite patrons is the moldy cherry on their odious sundae.
> (William K. Black, œCochrane Proposes "Restoring the Rule of Law" by Letting CEOs Defraud with Impunity, *New Economic Perspectives*,May 18, 2016)

Yes, in capitalist societies economics and 'the economy' are the playground of secondary ideologies and magic formulae. All-too-often, 'very serious people' promote cartoon capitalism, a realm in which simplistic reasoning and impenetrable logic enhance mystique!

Unquestionably, Cochrane, like so many Western conservatives, is a true (and credulous) believer. He has unshakeable faith in the necessity for, and *Summum Bonum* consequences of, deregulated, self-correcting

internationalized free markets. His objective reality requires that they be defended against the evils of 'big government', 'public spending' and enterprise-destroying taxation at all costs. To paraphrase (and with apologies to) the apostle Paul:

> ...without faith it is impossible to please [the Free Market], because anyone who comes to [it] must believe that [it] exists and that [it] rewards those who earnestly seek [it]
> (œHebrews Ch.11 V.6, NIV)

Cochrane's sophistic portrayal of the apparently non-existent private impact of public spending raises more questions than it could possibly answer, yet similar understandings are all-too-common in 21st century economic discourse.

The consequence, of course, is that since governments should not engage in profit-making activity; should minimize taxation; and should not create credit, they must engage in unsustainable private sector borrowing to fund their activities[681] - which is why the Cochranes of this world have no hesitation in endorsing Henry Thoreau's (1849) conclusion:

> "That government is best which governs least"; and I should like to see it acted up to more rapidly and systematically. Carried out, it finally amounts to this, which also I believe, - "That government is best which governs not at all"; and when men are prepared for it, that will be the kind of government which they will have.

The logic of these approaches escapes me, but I grew up (and in my early years, was positively involved) in a strongly Pentecostal environment and am well aware that belief welcomes the non-rational in a world where the counter-intuitive reinforces faith. The apostle Paul explained the nature of faith in his Letter to the Hebrews:

> Now faith is confidence in what we hope for and assurance about what we do not see.
> (Hebrews Ch.11 V.1 New International Version)

How credit is generated

(03/03/16) (04/03/16) (15/05/17) (11/08/17) (20/08/17) (28/11/17) (12/04/17) (03/03/18) (01/04/20) (05/04/20) (06/07/20) (06/11/20) (15/11/20) (19/11/20)

The *issuer* of sovereign currencies and related forms of 'credit' or 'wealth' is government (however one wishes to define that term). In accounting terms, this process is usually recorded as a 'debit' in that government's accounts - which can, all-too-easily, but erroneously, be equated with a 'debt' which the government owes to itself or to 'the public', as Alan Greenspan suggested.

Government 'debt' (in the form of sovereign credit creation - which *should* fund the *capitalist infrastructural commons*) is private wealth (wherever it is incurred/created). But, as Beardsley Ruml explained, nobody is 'owed' anything as a consequence of its creation. A 1939 US Federal Reserve publication spelt it out

> Federal Reserve Bank credit... does not consist of funds that the Reserve authorities "get" somewhere in order to lend, but constitutes funds that they are empowered to create.

Sovereign deficits resulting from credit creation are *not* debts which have to be 'repaid' and Budget Surpluses or Balanced Budgets are not evidences of

'responsible economic management': they are not virtues. However, none of this absolves governments from fiscal responsibility.

We are, of course, talking about the 'sovereign' level of government which controls the monetary base that underwrites private economic activity. Lower levels of government, which rely on access to credit in much the same way as private entities, should be subject to similar regulation and oversight by the controller of the monetary base [682].

Ideally, all levels of government are in complementary, symbiotic relationship and funding processes at the sovereign level should be available to lower levels of government, subject to necessary sovereign constraints. As Galbraith explained,

> Governments and banks are the two entities with the power to create something from nothing. If total spending power is to grow, one or the other of these two great financial motors - public deficits or private loans - has to be in action.

Public spending (whether sovereign, regional, state or local in focus) should be publicly, not privately, funded and should be directed to those individuals (real or 'artificial') which deliver the services and infrastructure funded by government[683].

In 2020, in the grip of a worldwide Covid-19 crisis, with countries in 'lockdown' and economies in free-fall [684], sovereign governments should not only underwrite non-sovereign levels of government, they should, using their sovereign credit creation powers, coupled with judicious redistributive processes, underwrite the incomes and livelihoods of all those living in fear of losing jobs and incomes.

If ever there was a God-given opportunity to reset Western communities/ economies/ polities to the requirements of a world facing environmental/ health/ social/ economic/ and military catastrophe, 2020 and the consequences of the Covid-19 crisis is one!

The question is whether Western peoples are up to the challenge. The opportunity has been presented, can the moment be seized to reshape the world or will we allow the *status quo* to persist into a Covid-19 future where the pursuit of endless profit, all-consuming lust after 'power', greed and uncontrolled consumptive appetites drive us toward disaster?

Bill Mitchell (in a discussion of 'explanations' of their activities offered by Reserve Bank of Australia [RBA] officials, entitled 'œMemo: Right pocket to left pocket - don't let anyone know what is going on in these trousers') has neatly explained what the RBA should do in response to the State-level problems which have arisen in dealing with the 2020 Covid-19 support of Australian communities[685]:

> My recommendation is the RBA [Reserve Bank of Australia] should fund all state and territory government deficits for the foreseeable future to allow them to recover from the pandemic.
>
> They should also buy all the federal government debt to allow them to get on with the business of creating jobs.
>
> They should also pressure the federal government to introduce a large-scale job creation program to provide high-skill work to advance the shift away from carbon-intensive production.

> And at the lower end of the labour market, the RBA should announce they will 100 per cent [fund] a Job Guarantee program and seek a partnership with the federal government to make that operational.
>
> It could then announce it will fund 400,000 new social housing constructions to allow low-income families to enjoy the benefits of home ownership and take them out of the repressive rental market.

Sovereign governments have a fiduciary responsibility to ensure the wellbeing and livelihoods of all under their care - not just in times of crisis but *always*. Chief among their responsibilities should, inevitably, be the provision of unencumbered sovereign credit aimed at both underwriting and promoting the commonweal at all levels of government.

We are wont to describe Western capitalist nations as the 'developed' nations of the world but this belies reality.

Hidden from the view of the affluent (both by geographical location and by a myopic inability to see what is in plain sight) are legions of dispossessed, denigrated and despairing human beings.

And those governments, with the means readily available, still proclaim that the costs of addressing this disgrace are too high; that the 'government deficit' is already too large; that, anyway, if they really applied themselves they too could be among 'the advantaged'.

Martin Luther King expressed the consequences well: 'They find themselves perishing on a lonely island of poverty in the midst of a vast ocean of material prosperity'.

Liz Theoharis has addressed the US scene: one repeated to varying degree in most, if not all Western nations:

> In the two weeks since Election 2020, the country has oscillated between joy and anger, hope and dread in an era of polarization sharpened by the forces of racism, nativism, and hate. Still, truth be told, though the divisive tone of this moment may only be sharpening, division in the United States of America is not a new phenomenon.
>
> Over the past days, I've found myself returning to the words of Dr. Martin Luther King, Jr., who, in 1967, just a year before his own assassination, gave a speech prophetically entitled "The Other America" in which he vividly described a reality that feels all too of this moment rather than that one:
>
>> There are literally two Americas. One America is beautiful... and overflowing with the milk of prosperity and the honey of opportunity. This America is the habitat of millions of people who have food and material necessities for their bodies; and culture and education for their minds; and freedom and human dignity for their spirits...
>>
>> But tragically and unfortunately, there is another America. This other America has a daily ugliness about it that constantly transforms the ebulliency of hope into the fatigue of despair. In this America millions of work-starved men walk the streets daily in search for jobs that do not exist. In this America millions of people find themselves living in rat-infested, vermin-filled slums. In this America people are poor by the millions. They find themselves perishing on a lonely island of poverty in the midst of a vast ocean

of material prosperity.
(Martin Luther King, œThe Other America, 1967, 1968)

In Dr. King's day, that other America was, for a time, laid bare to the nation through mass social unrest and political change, through the bold actions of the freedom fighters who won the Voting Rights Act and then just kept on fighting, as well as governmental programs like the "War on Poverty." And yet, despite the significant gains then, for many decades since, inequality in this country has been on the rise to previously unimaginable levels, while poverty remained locked in and largely ignored.

Today, in the early winter of an uncurbed pandemic and the economic crisis that accompanies it, there are 140 million poor or low-income Americans, disproportionately people of color, but reaching into every community in this country: 24 million Blacks, 38 million Latinos, eight million Asians, two million Native peoples, and 66 million whites.

More than a third of the potential electorate, in other words, has been relegated to poverty and precariousness and yet how little of the political discourse in recent elections was directed at those who were poor or one storm, fire, job loss, eviction, or healthcare crisis away from poverty and economic chaos.

In the distorted mirror of public policy, those 140 million people have remained essentially invisible. As in the 1960s and other times in our history, however, the poor are no longer waiting for recognition from Washington. Instead, every indication is that they're beginning to organize themselves, taking decisive action to alter the scales of political power.
(Liz Theoharis, œThe Other America: The New Politics of the Poor in Joe Biden's (and Mitch McConnell's) USA, *TomDispatch*, November 17, 2020.
œReproduced, with comments on the *NakedCapitalism* site)

Newton Finn, in an insightful comment on a œBill Mitchell blog posting has asked:

> ...[H]ow many are working part-time jobs, temp jobs, gig jobs, independent contractor jobs, on-call jobs, etc., ...how many are working more than one such job or are compelled to work well past retirement age, all in a desperate effort to make ends meet...?.

Such conditions *do not have to exist*. They are a consequence of inadequate government labor policies and regulations in support of vulnerable people.

One can but hope that sovereign governments, both in the 2020 time of crisis and in its aftermath, will realize and act upon the understanding that the only limitations on the funding of the credit requirements of both private economic activity and public commons institutions, processes and activities are those of:

- *Resource availability*;

  and

- The will of government to take responsibility for maintaining economic stability through *well-crafted taxation policies* which remove excess credit from the economy when it has fulfilled its varied purposes. Inevitably, this will require removing surplus

credit from extreme accumulations of credit within the private realm.

The most certain means of stimulating the real economy is *not* by channeling sovereign credit into the banking system - that tends to be absorbed by the financial institutions and diverted into any of a variety of financial activities designed to grow bank profits, not the real economy.

Rather, public spending should flow directly into the real economy[686].

Banks will benefit through the normal processes of private economic activity as that government spending takes effect. Private financial institutions such as banks should provide financial services *within* the private sector, not be conduits of public credit to the private sector.

Inevitably, financial institutions will loudly protest that government spending should be channeled through them. However, we should remember Galbraith's explanation of the value of government spending in the private sector: "Ordinary people benefit, but there is nothing in it for banks".

The sovereign level of government in a democratic society *should be responsible for ensuring the wellbeing of lower levels of government*.

In a bottom-up democracy, most of the local and regional services will be in the hands of local and regional authorities. However, the only branch of government that is able to create credit as required is the sovereign level of government.

So, if ongoing credit support is not provided by the sovereign level of government, in any general downturn of the economy, local and regional authorities are left to the tender mercies of private sector generators of credit to cover fluctuations in costs of services: Governmental welfare services are more costly in economic downturns and less costly in times of economic prosperity.

Responsible symbiotic relationships between various levels of government become essential to ensure that non-sovereign levels of government do not become increasingly indebted to private sector financial institutions through being required, whenever there is a downturn, to turn to them for support.

In a truly symbiotic governmental system, there should *never* be a situation where local and regional authorities must issue 'bonds' in order to raise credit for necessary services.

Without sovereign government support, lower levels of government are left in the unenviable position of having to scale back community support services in times of economic downturn. The alternative is to become increasingly indebted to the private sector. This ensures that, as illustrated below, when economic prosperity returns they are left with inflated borrowings and payments to private sector financial institutions. These, inevitably, continue to hobble those services in good times and prevent the buildup of resources for future downturns.

The only reasonable solution to all this is for the sovereign level of government to provide *institutionalized* necessary credit support on a non-profit basis to lower levels of government when they need it.

In the absence of adequate sovereign funding support, lower levels of government need to find alternative, sustainable, funding sources. Sarah Anderson and Chuck Collins have canvased a number of these in an article

entitled 'How to Reduce Poverty and Inequality Through State Government Taxes'. As they explain:

> New progressive taxes are needed at the state level to generate much-needed revenue for anti-poverty programs while also curbing the excessive power the wealthiest 1% currently hold over our political system. Case in point: the new federal tax law that will lower taxes on the wealthy, despite majority support among U.S. taxpayers for substantial taxes on the rich. And while opponents will no doubt argue the contrary, a joint Stanford University-Treasury Department report shows that high taxes do not drive millionaires to move across state lines.
>
> Here is a menu of some of the most promising options:
>
> - Taxes on High-income Earners...;
> - State Estate Taxation...;
> - Tax on Companies With Extreme Gaps Between CEO and Worker Pay...;
> - High-end Real Estate Taxes to Fund Affordable Housing and Other Priorities...;
> - Carried Interest Tax...;
> - Financial Transaction Tax...;
> - Capital Gains Tax...;
> - Luxury Taxes...;
>
> and
>
> - State Payroll Tax On High Incomes...;
>
> (Sarah Anderson and Chuck Collins, œHow to Reduce Poverty and Inequality Through State Government Taxes, *Inequality*, Blogging Our Great Divide, March 02, 2018)

Yes, there are alternatives to issuing government 'bonds', raising necessary revenue through borrowing from the private sector. Though, of course, in this absurd neoliberal age in which so many of the 'authoritative' voices are beholden to those whose 'wealth' is enhanced by reducing, not increasing, taxation, these means of generating public revenue will be vehemently opposed.

When governments (at whatever level) fund activity through private borrowing (or even through contracting financial institutions to act as funding intermediaries) they can, all-too-easily, find themselves with exorbitant debt servicing costs which cripple their ability to provide necessary public services. Effectively, financial institutions can impose a 'tax' on government credit channeled into the real economy.[687]

Though logically unnecessary (and of dubious value to the real economy), this is a common predicament in which state and local authorities far too often find themselves. David Sirota has illustrated the problem:

> When a city is forced to spend more on Wall Street fees than on basic public services, it is the sign of trouble. When that city is one of America's biggest population centers, it is the sign of a burgeoning crisis.

> That's the key takeaway from œa recent report looking at what has been happening in Los Angeles over the last few years. Published by the union-backed Fix LA Coalition, the report details how the city has slashed its spending in the wake of revenue losses from the Wall Street-engineered financial crisis. Yet, as the analysis shows, the city is nonetheless still being crushed by Wall Street - in this specific case, it is being forced to spend $300 million a year on financial fees. For some context, that's more than the city spends each year maintaining all of its roads.
> (œHow Wall Street Financial Fees Choke Our Cities: L.A. is on the hook for millions of dollars in the same scheme that has plagued cities across America (*In These Times*, May 9, 2014).)[688]

The Relation Between Government Debt and Private Wealth

(02/04/16)(24/10/16) (04/05/17)

The use of the term 'debt' to describe the creation/distribution of sovereign credit is unfortunate since it leads to confusion between this fundamentally creative role of government in wealth generation and economic stimulus and private spending which is the *dissipation* of credit.

There is, and historically has been, an apparent confusion in the minds of many US (and other Western government) legislators as to the nature of 'government deficits' and 'government debt'. Using a simplistic presumption that 'household budgets' (and/or 'business budgets') and 'government budgets' are analogous[689], they have argued that government debt should be eliminated or reduced to as low a level as possible[690].

As Margaret Thatcher explained:

> ...[S]omeone has to add up the figures. Every business has to do it, every housewife has to do it, every Government should do it, and this one will.

In the attempt they have, inevitably, withdrawn credit from their economies, starving them of the funds needed to ensure economic wellbeing.

As Paul Samuelson put it in an interview with Mark Blaug[691] :

> I think there is an element of truth in the view that the superstition that the budget must be balanced at all times [is necessary]. Once it is debunked [that] takes away one of the bulwarks that every society must have against expenditure out of control.
>
> There must be discipline in the allocation of resources or you will have anarchistic chaos and inefficiency. And one of the functions of old fashioned religion was to scare people by sometimes what might be regarded as myths into behaving in a way that the long-run civilized life requires.
>
> We have taken away a belief in the intrinsic necessity of balancing the budget if not in every year, [then] in every short period of time. If Prime Minister Gladstone came back to life he would say "uh, oh what you have done?"...
> (Bruce Bartlett, œA Balanced Budget: Worthy Superstition?, CapitalGainsandGames.com, 30 April 2010)

Far too many Western politicians (and economists) now believe that the superstition is reality. So, they set about reordering reality to the

requirements of the myth their progenitors contrived, irrationally insisting on an "intrinsic necessity of balancing the budget"[692].

Frederick Thayer (1996) provided a description and explanation of the historical relation between government debt and private wealth in the United States:

> Since 1791, the earliest data available, the national debt has been increased in 112 years, decreased in 93 years. 57 of those balanced-budget, debt-reduction years have been concentrated in six sustained periods of varying length. Also since 1791, there have been six significant economic depressions among the innumerable "business cycles." Each sustained period of budget-balancing was immediately followed by a significant depression. There are as yet no exceptions to this historical pattern.
>
> This is the record of six depressions:
>
> 1. 1817-21: in five years, the national debt was reduced by 29 percent, to $90 million. A depression began in 1819.
> 2. 1823-36: in 14 years, the debt was reduced by 99.7 percent, to $38,000. A depression began in 1837.
> 3. 1852-57: in six years, the debt was reduced by 59 percent, to $28.7 million. A depression began in 1857.
> 4. 1867-73: in seven years, the debt was reduced by 27 percent, to $2.2 billion. A depression began in 1873.
> 5. 1880-93: in 14 years, the debt was reduced by 57 percent, to $1 billion. A depression began in 1893.
> 6. 1920-30: in 11 years, the debt was reduced by 36 percent, to $16.2 billion. A depression began in 1929.
>
> There has been no sustained period of budget-balancing since 1920-30, and no new depression, the longest such period in our history.
>
> The question is whether this consistent pattern of balance the budget-reduce the national debt-have a big depression is anything other than a set of coincidences. According to economic myths, none of these sequences should have occurred at all. How on earth, for example, could we virtually wipe out the national debt in the mid-1830s, then fall immediately into one of the six recognized collapses in our history? Those who write about the desirability of reducing the national debt frequently praise Andrew Jackson for his vigorous pursuit of such a goal, but do not mention "depression" in the same breath. It is helpful to the maintenance of economic myth to say little about depressions in textbooks, thus making it easy to avoid looking at connections considered impossible anyway.
> (Thayer, Frederick C., "Balanced Budgets and Depressions, *The American Journal of Economics and Sociology*, April 1996)

Regulation of Private Credit Creation

Of course, all this assumes effective regulation of *private* credit creation. Banks and similar credit facilitating entities lend and trade on the basis of an assumption of 'credit-worthiness' (that is, a presumption of either government-guaranteed collateral security or sufficient 'equity' - similarly backed, accumulated and 'congealed' credit (aka 'assets') - to cover their

commitments). They are, therefore, able to *create* credit to the extent that those with whom they deal believe in their ability to cover their commitments and the extent to which 'regulatory capital adequacy requirements'[693] are effective (see here for further explanation).

James Galbraith (2010) has provided a clear explanation of some of the key differences between public deficit spending and private bank lending:

> ...the deficit phobia of Wall Street, the press, some economists and practically all politicians is one of the deepest dangers that we face. It's not just the old and the sick who are threatened; we all are. To cut current deficits without first rebuilding the economic engine of the private credit system is a sure path to stagnation, to a double-dip recession - even to a second Great Depression. To focus obsessively on cutting future deficits is also a path that will obstruct, not assist, what we need to do to re-establish strong growth and high employment.
>
> To put things crudely, there are two ways to get the increase in total spending that we call "economic growth." One way is for government to spend. The other is for banks to lend. Leaving aside short-term adjustments like increased net exports or financial innovation, that's basically all there is. Governments and banks are the two entities with the power to create something from nothing. If total spending power is to grow, one or the other of these two great financial motors - public deficits or private loans - has to be in action.
>
> For ordinary people, public budget deficits, despite their bad reputation, are much better than private loans. Deficits put money in private pockets. Private households get more cash. They own that cash free and clear, and they can spend it as they like. If they wish, they can also convert it into interest-earning government bonds or they can repay their debts. This is called an increase in "net financial wealth." Ordinary people benefit, but there is nothing in it for banks.
>
> And this, in the simplest terms, explains the deficit phobia of Wall Street, the corporate media and the right-wing economists. Bankers don't like budget deficits because they compete with bank loans as a source of growth. When a bank makes a loan, cash balances in private hands also go up. But now the cash is not owned free and clear. There is a contractual obligation to pay interest and to repay principal. If the enterprise defaults, there may be an asset left over - a house or factory or company - that will then become the property of the bank. It's easy to see why bankers love private credit but hate public deficits. (James K. Galbraith, œIn Defense of Deficits: A big deficit-reduction program would destroy the economy two years into the Great Crisis, *The Nation*, March 22, 2010)

As Dan Kervick has explained,

> ...Due to a combination of deliberate policy choices and historical contingencies, societies have chosen to institute complex monetary and credit systems in which the generation of the most commonly used means of exchange is primarily a market-driven phenomenon, but one that is heavily regulated and supplemented by government agencies that also issue their own forms of money.
>
> We can also note that those latter forms of narrow government money usually play a foundational role in constraining and underpinning the broader forms of money, since they are needed to settle the

> obligations that are incurred by issuing those broader forms of money.
> (œHyper-Endogeneity, *New Economic Perspectives*, August 30, 2013)

In bubble-promoting economic conditions, where regulatory capital adequacy requirements are weak or ineffective, the perceived inflation in the 'value' of whatever is driving the inflating bubble becomes the guarantee of private lenders' ability to cover their commitments, enabling increasingly unchecked growth of unsecured credit. As Robert Shiller put it:

> A "speculative bubble,"... is "a situation in which news of price increases spurs investor enthusiasm, which spreads by psychological contagion from person to person, in the process amplifying stories that might justify the price increase." This attracts "a larger and larger class of investors, who, despite doubts about the real value of the investment, are drawn to it partly through envy of others' successes and partly through a gambler's excitement."
>
> That seems to be the core of the meaning of the word as it is most consistently used. Implicit in this definition is a suggestion about why it is so difficult for "smart money" to profit by betting against bubbles: the psychological contagion promotes a mindset that justifies the price increases, so that participation in the bubble might be called almost rational. But it is not rational.
> (Robert J. Shiller, œBubbles Forever, *Project Syndicate*, Jul. 17, 2013)
> (See Charles Mackay (1852), *Memoirs of Extraordinary Popular Delusions* , for a description of bubbles and their consequences in 18th and 19th century Western Europe)

John Kay has provided a delightful article dealing with some of the features of bubble blowing. As he says,

> Embezzlement, Galbraith observed, has the property that "weeks, months, or years elapse between the commission of the crime and its discovery. This is the period, incidentally, when the embezzler has his gain and the man who has been embezzled feels no loss. There is a net increase in psychic wealth." Galbraith described that increase in wealth as "the bezzle."
> (John Kay, œThe Bezzle Years, *Project Syndicate*, October 7, 2015)

A prime responsibility of regulators of credit supply is to ensure that unsecured-credit-creating entities have sufficient reserves to cover their commitments should they need to do so. In a deregulated world it becomes easier for private banks and similar financial entities to effectively subsume the role of government and issue their own credit with little or no government-guaranteed collateral security.

In the short run, as found in the 1920s and again in the 1980s, this can appear to result in economic growth and wealth creation (the 'bezzle'), giving credence to the naive claims of free-marketeers and fellow travelers that deregulation leads to economic growth and wellbeing.

However, the unchecked growth of credit with inadequate regulatory oversight and/or government-guaranteed collateral security leads, inevitably, to an over-supply of credit with all the consequent problems of over-supply - as we all found to our cost in the post-2007 global financial crisis. Robert Skidelsky has succinctly described the consequences:

> We all know how the global economic crisis began. The banks over-lent to the housing market. The subsequent burst of the housing bubble in the United States caused banks to fail, because banking had gone

> global and the big banks held one another's bad loans. Banking failure caused a credit crunch. Lending dried up and economies started shrinking.
>
> So governments bailed out banks and economies, producing a sovereign debt crisis. With everyone busy deleveraging, economies failed to recover. Much of the world, especially Europe, but also the slightly less sickly US, remains stuck in a semi-slump.
> (œEconomic Rebalancing Acts, *Project Syndicate*, Jun. 30, 2013)

How unfortunate that those responsible for this pathological proliferation of unsecured credit should then be rewarded by being handed the government credit needed to legitimize their unsecured extravagances because their behavior had made them 'too-big-to-fail' - confirming the widely held belief that governments bail out big banks.[694]

Governments Bail Out Big Banks

(18/02/16) (14/01/16) (21/04/16) (16/02/16) (29/08/18) (01/09/18) (08/09/18) (25/10/18) (03/10/20) (03/12/20) (30/03/21) (15/09/21)

This is a tale of two worlds: of a parasitic world of 'high finance' and of a gutted and parasitized industrial world. It is a tale of missed opportunities; of Obama's meaningless chants of 'Yes We Can'[695]: devoid of vision, devoid of a 'New Deal'; of pigs at a trough and their facilitators; and of those who saw the problems but devised no solutions, promoted no vision of a Western future which would, once again, be focused on government 'of the people, by the people, for the people' and have dismissed the visions of others as 'impossible dreams'.

This is a tale of people in positions of authority and power and 'experts', who lacked a vision of the possible and had a vested interest in maintaining the *status quo*.

In a 2018 self-congratulatory essay, the chief US architects of the 2008 Global Financial Crisis (GFC) 'solutions', which steered politicians away from 'New Deal' policies and toward a massive bailout of the primary culprits of the crisis, argue for ensuring that their 'solutions' should be enshrined in law as means of dealing with the inevitable next crisis[696]:

> Many of the actions necessary to stem the crisis, including the provision of loans and capital to financial institutions, were controversial and unpopular. To us, as to the public, the responses often seemed unjust, helping some of the very people and firms who had caused the damage. Those reactions are completely understandable, particularly since the economic pain from the panic was devastating for many.
>
> The paradox of any financial crisis is that the policies necessary to stop it are always politically unpopular. But if that unpopularity delays or prevents a strong response, the costs to the economy become greater. We need to make sure that future generations of financial firefighters have the emergency powers they need to prevent the next fire from becoming a conflagration. We must also resist calls to eliminate safeguards as the memory of the crisis fades. For those working to keep our financial system resilient, the enemy is forgetting.
> (Ben S. Bernanke, Timothy F. Geithner and Henry M. Paulson Jr., œWhat We Need to Fight the Next Financial Crisis: Congress has taken away some of the tools that were crucial to us during the 2008 panic. It's time to bring them back, *New York Times*, September 7, 2018)

As they say, the enemy is, indeed, forgetting: how an opportunity to reset the burgeoning inequality of the previous forty years was squandered and the diversion of wealth to the very richest was entrenched[697]. Saez and Zucman explained:

> Wealth inequality has considerably increased at the top over the last three decades. By our estimates, almost all of this increase is due to the rise of the share of wealth owned by the 0.1% richest families, from 7% in 1978 to 22% in 2012, a level comparable to that of the early twentieth century.

It is a tale which reaffirms a 2500 year old aphorism:

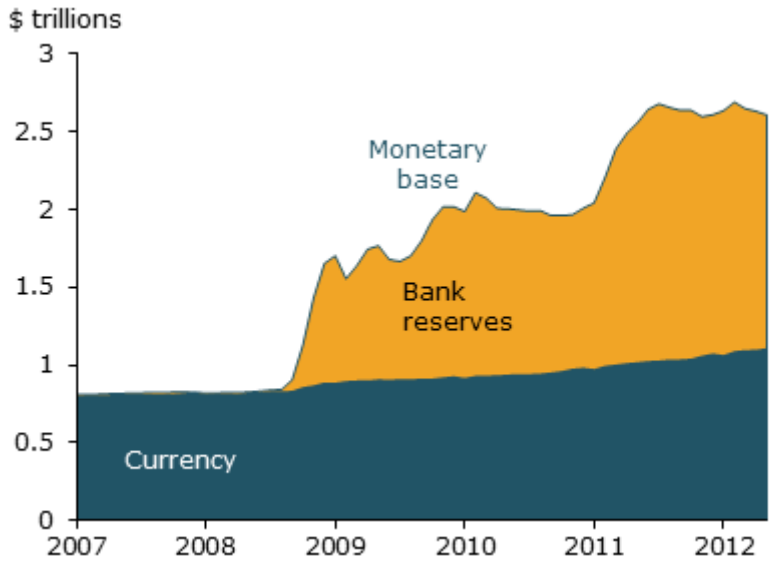
> Where there is no vision, the people perish
> (œProverbs 29:18 (King James Version of Bible)

Where was the true champion of 'The People', the visionary Western politician with a new vision of a 'New Deal' future, in the early 21st century?

As œYellen (2007), describing east Asian experience in the late 1990s, put it, there was "a perception that the governments of these nations stood ready to intervene to forestall bank failures".

John Williams (CEO, Federal Reserve Bank of San Francisco) provided a graphic illustration of what happened in response to the 2007-9 banking crisis in the US:

Figure 2
The monetary base



As he explained:

> The monetary base is the sum of U.S. currency in circulation and bank reserves held at the Federal Reserve. Figure 2 shows the key components of the monetary base since 2007. Up until late 2008, it consisted mostly of currency, with a small amount of bank reserves held mostly to meet regulatory requirements. Since then, the monetary base has risen dramatically, primarily because of a $1.5 trillion increase in bank reserves...
>
> But, once the economy improves sufficiently, won't banks start lending more actively, causing the historical money multiplier to reassert itself? And can't the resulting huge increase in the money supply overheat the economy, leading to higher inflation? The answer to these questions is

> no, and the reason is a profound, but largely unappreciated change in the inner workings of monetary policy.
>
> The change is that the Fed now pays interest on reserves. The opportunity cost of holding reserves is now the difference between the federal funds rate and the interest rate on reserves...
>
> As a result, in a world where the Fed pays interest on bank reserves, traditional theories that tell of a mechanical link between reserves, money supply, and, ultimately, inflation are no longer valid. In particular, the world changes if the Fed is willing to pay a high enough interest rate on reserves. In that case, the quantity of reserves held by U.S. banks could be extremely large and have only small effects on, say, the money stock, bank lending, or inflation.
> (John C. Williams, œMonetary Policy, Money, and Inflation, FRBSF Economic Letter, July 9, 2012)

(See these graphs for US monetary base expansion from 1984 to 2013.)

Mariana Mazzucato, in a *Foreign Affairs* article entitled œCapitalism After the Pandemic: Getting the Recovery Right (October 02, 2020), explained what happened:

> After the 2008 financial crisis, governments across the world injected over $3 trillion into the financial system. The goal was to unfreeze credit markets and get the global economy working again. But instead of supporting the real economy - the part that involves the production of actual goods and services - the bulk of the aid ended up in the financial sector. Governments bailed out the big investment banks that had directly contributed to the crisis, and when the economy got going again, it was those companies that reaped the rewards of the recovery. Taxpayers, for their part, were left with a global economy that was just as broken, unequal, and carbon-intensive as before. "Never let a good crisis go to waste," goes a popular policymaking maxim. But that is exactly what happened.[698]

John Talbot provided a speculative explanation of the significance of the ongoing increase in US bank reserves:

> ... back in 2008, Hank Paulson, our treasury secretary at the time, convinced Congress over a weekend that he needed $700 billion of TARP [Troubled Asset Relief Program] funds to get the toxic assets off our commercial banks' books. Amazingly, within weeks of being given the funds by Congress, Paulson decided not to proceed with the purchase of toxic assets from the banks, instead giving away hundreds of billions of dollars to the commercial and investment banks and funding a series of bailouts - giving money to Chrysler, General Motors and AIG (some of which immediately found its way back to the commercial and investment banking community).
>
> ... I believe the reason Paulson didn't pursue his original toxic-asset purchasing plan is because such a purchase would have created a market price for these assets, and then all of the banks would have had to mark their poor-quality assets to this low market price. This would have resulted in the bankruptcy of almost all the major commercial and investment banks, because their leverage was so high that they couldn't withstand such a hit to their equity.
>
> ... What I believe the Fed did next was fraudulent and deceitful, its full impact still hidden from the American public, who want bank reform.

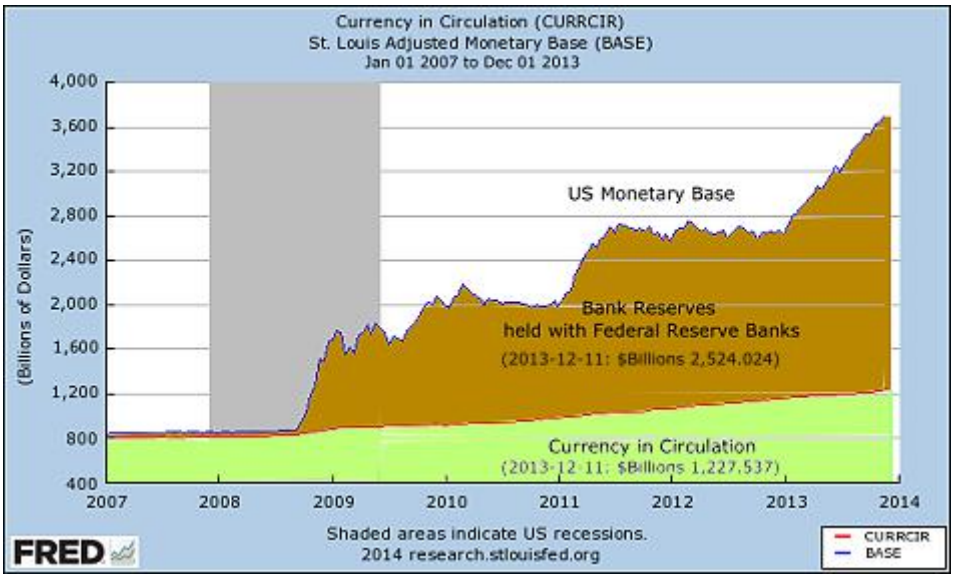
> The Fed, I am convinced, went to these commercial banks and offered to take many of their toxic mortgage assets off their books, often accepting them as collateral for loans to the banks. In exchange, the Fed credited the commercial banks with an increase in the reserves held at the Fed, so long as the banks agreed not to withdraw the excess reserves immediately. Magically, the Fed was able to take a bad asset like a CDO [œcollateralized debt obligation] and transform it into a sparkling good asset: bank reserves at the Fed.
> (John R. Talbott, œThe trillion-dollar fraud, *Salon*, May 2, 2010)

The US Federal Reserve effectively legitimized the extraordinarily profligate behavior of the too-big-to-fail banks by taking some of their greatest consequent liabilities and transforming them into 'sparkling good assets': bank reserves at the Fed - albeit as 'collateral for loans' which were later repaid [699].

Concurrently, as shown in the graph below, the Fed purchased longer-term securities[700] from its œdesignated Primary Dealers (in the US, the major 'too-big-to-fail' banks), paid for by creating bank reserves (converting the unsecured-credit created by banks to fund their acquisitions into interest-earning, government-guaranteed bank reserves (legitimizing further unsecured-credit creation) and, in the process, insulating those institutions from the vagaries of an uncertain market-place[701]).

In the process they vastly expanded those banks' federal bank reserves, giving them a license to create credit with few, if any Federal Bank checks on their activities.

Bank reserves held with Federal Reserve Banks (in billions of dollars) from January 01 2007 to December 01 2013



There is, indeed, nothing new under the sun. Abraham Lincoln, in a speech to the Illinois legislature, Jan. 1837:

> These capitalists generally act harmoniously and in concert to fleece the people, and now that they have got into a quarrel with themselves, we are called upon to appropriate the people's money to settle the quarrel.
> (œSpeech to Illinois legislature, Jan. 1837. See Vol. 1, p. 24 of *Complete Works of Abraham Lincoln*, ed. by Nicolay and Hay (New York: F.D. Tandy Co., 1905))

Joseph Stiglitz has given a post-2008 Global Financial Crisis version of this[702]:

> ...Those responsible for managing the 2008 recovery (the same individuals bearing culpability for the under-regulation of the economy in its pre-crisis days, to whom President Barack Obama inexplicably turned to fix what they had helped break) found the idea of secular stagnation attractive, because it explained their failures to achieve a quick, robust recovery. So, as the economy languished, the idea was revived: Don't blame us, its promoters implied, we're doing what we can....
>
> ...*[T]here is nothing that inherently prevents our economy from being run in a way that ensures full employment and shared prosperity* [my emphasis]. Secular stagnation was just an excuse for flawed economic policies. Unless and until the selfishness and myopia that define our politics - especially in the US under Trump and his Republican enablers - is overcome, an economy that serves the many, rather than the few, will remain an impossible dream.

There is little need for these 'too-big-to-fail' banks to draw-down excess bank reserves[703]. They are, after all, not only receiving a guaranteed interest return on those holdings from the Fed but are able to create credit to the extent that those with whom they deal believe in their ability to cover their commitments[704]. In this new climate of excess bank reserves, œ'regulatory capital adequacy requirements' are irrelevant.

Given the close ties which exist between many Federal Reserve Bank senior staff and the major banks, it would be interesting to know whether they were aware of the likely consequences of their actions. (It would be, œas Krugman puts it, œ'surprising, and a bit dismaying', given their assumed expertise, if they were not!)[705]

It is time to comprehensively re-regulate economies, insulating them from the corrosive consequences of hyperglobalization. Any deployment of idle bank reserves in stimulating real economic activity will otherwise be sabotaged by 'the fragmentation of manufacturing across borders - the famous slicing up of the value-added chain - as individual production stages are located where the costs of production are lowest.'[706]

Not only is it essential that we re-regulate to protect internal productive activity, job creation and wage rates; it is equally important to claw back bank reserves to bring them into line with long-established requirements. If this is not achieved the effect will, over time, be similar to enhanced bank deregulation. (There is more than one way to skin a cat - apologies to cat lovers! One can drive for deregulation and/or one can emasculate regulators by inflating bank reserves, making their levers decreasingly effective.)

The banks, of course, are less likely to 'fail', but they are more, not less, likely to use their new-found power to manipulate markets and concentrate the control of credit in their own hands. Without such claw-back, the US 'Fed' will have effectively abdicated responsibility for credit creation and redistribution to the too-big-to-fail banks, their private equity partners and 'alternative asset managers'[707]. Gillian Tett has highlighted this problem (addressed in the 1934 Pecora Commission report and regulated through the associated legislation):

> The US Office of the Comptroller of the Currency recently warned that the activities of non-banks has fuelled a boom in risky corporate loans - and warned banks not to "skirt rules" by teaming up with non-banks to create more credit.
> (Gillian Tett, œThe real titans of finance are no longer in the banks, *Financial Times*, February 13, 2014)

As Barry Eichengreen says:

> Central banks should focus on developing more effective macro-prudential instruments. They should widen the regulatory perimeter - that is, they should work to bring nonbank financial institutions under their regulatory umbrella. They should use the resulting instruments and powers preemptively.
> (Barry Eichengreen, œLeaners of Last Resort, *Project Syndicate*, 11 June 2014)

Bank reserves, at unprecedented levels, are not being employed to fund development in the mundane economy of material production and consumption. Instead, they provide interest-bearing, government-guaranteed collateral security for œvortex economic activity. The casino style behavior of players in the emergent realm of internationalized electronic wealth manipulation, relocation, redistribution and accumulation is now backed by interest-bearing 'bank reserves at the Fed'. Keynes warned of the dangers of the casino capitalism that wreaked havoc in the 1920s and 1930s:

> ... the position is serious when enterprise becomes the bubble on a whirlpool of speculation. When the capital development of a country becomes a by-product of the activities of a casino, the job is likely to be ill-done.[708]

Klaus Schwab has described the consequences:

> The Fed's QE policy, and variants of it elsewhere, have caused the major central banks' balance sheets to expand dramatically (from $5-6

> trillion prior to the crisis to almost $20 trillion now), causing financial markets to become addicted to easy money. This has led, in turn, to a global search for yield, artificial asset-price inflation, and misallocation of capital.
> (Klaus Schwab, œThe Global Economy in 2014, *Project Syndicate*, Jan 6, 2014)

Gerald Epstein and Juan Antonio Montecino summed up the consequences for the US well. The resulting dysfunctions have seriously affected both people and productive economies throughout the world:

> A healthy financial system is one that channels finance to productive investment, helps families save for and finance big expenses such as higher education and retirement, provides products such as insurance to help reduce risk, creates sufficient amounts of useful liquidity, runs an efficient payments mechanism, and generates financial innovations to do all these useful things more cheaply and effectively.
>
> All of these functions are crucial to a stable and productive market economy. But after decades of deregulation, the current U.S. financial system has evolved into a highly speculative system that has failed rather spectacularly at performing these critical tasks.
>
> What has this flawed financial system cost the U.S. economy?
>
> How much have American families, taxpayers, and businesses been "overcharged" as a result of these questionable financial activities?
>
> In this report, we estimate these costs by analyzing three components: (1) rents, or excess profits; (2) misallocation costs, or the price of diverting resources away from non-financial activities; and (3) crisis costs, meaning the cost of the 2008 financial crisis. Adding these together, we estimate that the financial system will impose an excess cost of as much as **$22.7 trillion between 1990 and 2023**, making finance in its current form a net drag on the American economy....
>
> The financial crisis of 2007-2008, whose massive costs are still being felt in many parts of the country, made clear to most Americans that the financial system is broken and needs serious reconstructive surgery. It has also become apparent that the dysfunctions of finance go far beyond the dramatic crashes; even when the system seems to be operating "normally," it costs most of us dearly on a daily basis and puts the long-term prosperity of our economy at risk.
>
> These dysfunctions involve overcharging for brokerage services, predatory lending, and generally charging high fees for financial services; misallocating human talent from productive employment in technology, education, and health care to less socially productive employment; reorienting non-financial corporate behavior from longterm investment to short-term speculation that costs jobs, wages, and productivity growth; and choosing poor investments that put people's retirement incomes at risk.
>
> The flip side of this coin is that a relatively small number of owners and operatives in the financial sector make significant salaries, bonuses, and profits as a result of these practices. Yet finance does not simply create a zero sum game that transfers income and wealth from customers to bankers and bank owners. It is worse than that: The destructive aspects of finance also negatively affect the overall health of the economy, both in the short run and in the long run.

> That is, finance has operated in recent years as a negative sum game. This means that it costs us more than a dollar to transfer a dollar of wealth to financiers - significantly more. So even if you think our financiers deserve every penny they get, it would be a lot cheaper simply to write them a check every year than to let them continue business as usual.
> (Gerald Epstein and Juan Antonio Montecino, *Overcharged: The High Cost of High Finance*, *Roosevelt Institute*, Pp. 2-4, July 2016)

Blowing Bubbles

(07/05/18) (17/11/18) (19/11/18) (14/05/19) (30/07/19)

The dramatic expansion in central banks' balance sheets after 2008 ensured financial institutions access to trillions of dollars in bank reserves. As a result, the too-big-to-fail banks, their private equity partners and 'alternative asset managers' were handed unprecedented power to fund bubbles to their short-term advantage (ensuring, of course, that borrowers' collateral is real, secure, transferable and discounted [709]) - making that 4-fold increase in the monetary base between October 2007 and October 2015 a gift that, for those too-big-to-fail banks, keeps on giving!

Michael Hudson has spelt out the bottom line of predatory capitalism:

> The big economic question is - and has always been - what will happen if debts cannot be paid? Will there be a debt writedown in favor of debtors (as has been done for large corporations), or will creditors be allowed to foreclose (as is always done on personal debtors and mortgage-holders), leading to their political takeover of the assets of the economy - and the government's public sector?
> (Michael Hudson, œ...and Forgive Them Their Debts, August 13, 2018)

Tobias Adrian, Fabio Natalucci, and Thomas Piontek have described the 2018 growth of predatory lending in the United States. As they say, 'with interest rates extremely low for years and with ample money flowing though the financial system, yield-hungry investors are tolerating ever-higher levels of risk and betting on financial instruments that, in less speculative times, they might sensibly shun':

> We warned in the most recent œ*Global Financial Stability Report* that speculative excesses in some financial markets may be approaching a threatening level. For evidence, look no further than the $1.3 trillion global market for so-called leverage loans, which has some analysts and academics sounding the alarm on a dangerous deterioration in lending standards. They have a point.
>
> This growing segment of the financial world involves loans, usually arranged by a syndicate of banks, to companies that are heavily indebted or have weak credit ratings. These loans are called "leveraged" because the ratio of the borrower's debt to assets or earnings significantly exceeds industry norms....
>
> At this late stage of the credit cycle, with signs reminiscent of past episodes of excess, it's vital to ask: How vulnerable is the leveraged-loan market to a sudden shift in investor risk appetite? If this market froze, what would be the economic impact? In a worst-cast scenario, could a breakdown threaten financial stability?
>
> It is not only the sheer volume of debt that is causing concern. Underwriting standards and credit quality have deteriorated. In the

United States, the most highly indebted speculative grade firms now account for a larger share of new issuance than before the crisis. New deals also include fewer investor protections, known as covenants, and lower loss-absorption capacity. This year, so-called covenant-lite loans account for up 80 percent of new loans arranged for nonbank lenders (so-called "institutional investors"), up from about 30 percent in 2007. Not only the number, but also the quality of covenants has deteriorated.

Less investor protection
The volume of loans with fewer investor protections, known as covenants, has grown in the United States, and quality has weakened.
(percent of issuance)

Source: Standard & Poor's Leveraged Commentary and Data; IMF staff calculations; and Moody's.
Note: 2018 data is through Q3. Moody's Loan Covenant Quality Index score is a yearly average; data are unavailable from 2008 to 2010 due to lack of rated leveraged loan issuance.

INTERNATIONAL MONETARY FUND

(Tobias Adrian, Fabio Natalucci, and Thomas Piontek, œSounding the Alarm on Leveraged Lending, IMFBlog, November 15, 2018)

Those who 'know' that banks will finally use their inflated interest-bearing 'bank reserves at the Fed' to stimulate real economic development will enthusiastically approve the increased lending associated with such manipulation. But, to paraphrase Michael Hudson:

> ...What predatory creditors really want is not merely the interest as such, but the collateral - whatever economic assets debtors possess, to 'own and control' their labor; their property; and, finally, their lives.
>
> Welcome to œa neo-feudal world! A two-tiered system of justice and governance with two sets of laws: one set for mega-wealth and the institutions and processes which sustain it, and another set for everyone else.

William Cohan, in an essay entitled 'What Hedge Funds Consider a Win Is a Disaster for Everyone Else: "Are you working in our interests? Or are you trying to screw me?"', has described Hedge Fund behavior well:

> Once upon a time in America, when banks or investors lent money to a company, they expected to receive years of agreed-upon interest payments plus the return of the money borrowed. If the business did well, the lenders were paid back on time and made money. So they wanted the company to succeed. Not anymore.
>
> Instead, the misuse of financial instruments is creating perverse incentives, rewarding crafty creditors for forcing companies into bankruptcy. Thanks to a lack of rules requiring creditors to be transparent, companies, their employees and their investors may have no way of knowing a creditor's real intentions until it's too late.
>
> The main, but not the only, culprit is a form of financial insurance called credit-default swaps - and the hedge fund wiseguys who wield them like cudgels. Credit-default swaps, you may remember from the 2008 financial crisis, allow creditors to insure themselves against the risk that the borrower responsible for debt they own might go into default. Buying insurance means that in case of default they can still get paid back 100 cents on the dollar....
>
> ...So instead of trying to find ways to keep a company out of bankruptcy - say, by restructuring repayments or lowering the interest rate owed or adjusting other terms of a loan covenant to avoid default - hedge fund managers have been pushing the companies that owe them money into bankruptcy. The hedge funds figure they can make more money from the insurance payoff than they can from getting their principal repaid.
> (William D. Cohan, œWhat Hedge Funds Consider a Win Is a Disaster for Everyone Else: "Are you working in our interests? Or are you trying to screw me?"', *New York Times*, May 12, 2019)

Dan Eberhart has described the Shale Oil 'industry' through the 2nd decade of the 21st century,

> The shale industry has historically sought more than 40% of the capital it needs from debt and equity markets, and its appetite for outside financing to fuel the U.S. oil and gas boom of the last decade has been downright voracious. According to a Wall Street Journal analysis of FactSet data, the companies behind the boom have spent $265 billion more than they generated from operations since 2010.
>
> Energy experts continue to raise expectations for the shale sector's potential - the United States is projected to emerge as the undisputed global oil and gas leader over the next decade - but a key consideration is whether the sector will continue to have access to the capital it needs to achieve these lofty forecasts.
>
> There should be no reason for concern. Producers survived the worst downturn in history and recently pushed U.S. oil production to record levels - with an output of 10 million barrels a day likely to be surpassed soon. Domestic oil prices have firmed up above $60 per barrel, recently hitting their highest level since 2014. Exports of both oil and gas are ramping up, with global demand for U.S. LNG finally expected to lift domestic gas prices, which have been throttled by oversupply for years.

> Industry cash flows are rising, balance sheets are getting stronger, and producers are hedging more production to lock in attractive prices on future production - providing a critical sense of financial security for lenders.
> (Dan Eberhart, œThe Challenges Of Funding The U.S.'s Shale Boom 2.0, *Forbes*, 26 January, 2018)

As Justin Mikulka has explained:

> The U.S. shale oil industry hailed as a "revolution" has burned through a quarter trillion dollars more than it has brought in over the last decade. It has been a money-losing endeavor of epic proportions.
> (Justin Mikulka, œHow Wall Street Enabled the Fracking 'Revolution' That's Losing Billions, *DeSmog*, 4 May, 2018)

Three years later, Mikulka summed up the long-obvious reality for the shale oil business:

> What's happening with the U.S. shale industry in this high price oil environment is unusual. Oil is typically a very predictable boom-and-bust business: When prices go up, oil drillers produce as much as they can, and when prices go down they stop.
>
> But for American drillers right now, the money isn't there because investors no longer are willing to lend to frackers based on promises of future profits that have yet to materialize for the industry. In July 2020, accounting firm DeLoitte released a report stating that, "The U.S. shale industry registered net negative free cash flows of $300 billion, impaired more than $450 billion of invested capital, and saw more than 190 bankruptcies since 2010" - supporting the claim that the industry has peaked without ever making money....
>
> The U.S. shale industry has been accurately described as being composed of "œcapital destruction machines". The œhundreds of billions in losses the industry has accumulated in the past decade prove that it's true. With few investors willing to provide new capital to feed the machine, the only option is not drilling, even though prices are the highest they have been in years, at nearly $75 per barrel.
> (Justin Mikulka, œThe U.S. Shale Revolution Has Surrendered to Reality: Fracking companies aren't drilling as investment continues to dry up. *DeSmog*, Jul 16, 2021)

A commenter pseudonymed 'The Rev Kev' summed it all up:

> The US shale industry has been like the Freddy Krueger of the American landscape. No matter how many times it looked like it had been killed off, it was back again. Hopefully this will finally die now that all the stupid money has dried up but this is not the end. This is merely the beginning. There is going to have to be an almighty reckoning with how much damage and destruction has been done to the American landscape and here I am talking about water & soil contamination, health care costs, habitat destruction, repair of public infrastructure and services (if it can be afforded), and economic depression in former fracking areas. I am here to say that eventually ... this will run into the trillions and that some damage cannot be undone. How do you replace contaminated aquifers for example?
>
> Wall Street made out like bandits with the fracking industry but don't think that they will be anywhere to be seen when the cleanup bills

> arrive. Their buddies in DC will make sure of that....
> (The Rev Kev, œ*Naked Capitlaism*, July 17, 2021)

Bubbles will appear not as bubbles but as evidence of the long-awaited recovery (the Greenspan delusion which persisted for nineteen years). However, as œEugene Linden put it: "...speculators love a bubble economy because bubbles always pop".[710]

Greenspan's (and others') calm acceptance of bubbles as part of 'normal' economic activity has been examined by Oscar Jordà, Moritz Schularick and Alan Taylor (June 2015). As they have explained, prior to the 2008 crisis, "policymakers and economists preferred to ignore bubbles, arguing that they couldn't exist, or couldn't be detected, or not reliably, or that nothing could or should be done, or there might be unintended consequences, and so on":

> What risk do asset price bubbles present to the economy? Naturally, in the wake of the largest financial crisis since the Great Depression, the causes and consequences of extended mispricing of financial assets have climbed to the top of the agenda for macroeconomists and policymakers. It has become harder to dismiss such bubble episodes as rare aberrations and exclude them from macroeconomic thinking on axiomatic grounds.
>
> In the pre-crisis consensus, to a large extent, policymakers and economists preferred to ignore bubbles, arguing that they couldn't exist, or couldn't be detected, or not reliably, or that nothing could or should be done, or there might be unintended consequences, and so on. Researchers and central bankers imagined that the problem of depressions had been solved and that the financial sector would be self-stabilizing. The financial stability role of central banks was mostly regarded as secondary, if not quaintly vestigial. The crisis exploded these and other myths which had taken hold based on very little firm empirical evidence, and with scant regard for the lessons of history. The Former Fed Chairman very publicly resiled from old beliefs: he stepped away from a benign neglect approach to markets' irrational exuberance, admitted the "flaw" in his worldview, and began to entertain, as above, the possibility that central banks might need to pay heed to bubbles, or at least some of them, rather more seriously than before.
> (Oscar Jordà, Moritz Schularick and Alan Taylor, œ*Leveraged Bubbles*, NBER Conference Paper (EASE15), June 2015)

The drive to deregulation which produces such consequences is based in a presumption that 'free markets' are 'naturally' self-correcting. As Bill Black put it, demonstrating Greenspan's predilection for Ayn Rand style reasoning:

> At the heart of Greenspan's failure lies an ethical void in the brand of economics that has dominated American universities and policy circles for the last several decades, a brand known as "free market fundamentalism" or the "neoclassical school." (I call it "theoclassical economics" for its quasi-religious belief system.) Mainstream economists who follow this school assert a deeply flawed and controversial concept known as the "efficient market hypothesis," which holds that financial markets magically regulate themselves (they automatically "self-correct") and are thus immune to fraud. When an economist starts believing in that kind of fallacy, he is bound to become blind to reality. Let's take a look at what blinded Greenspan:

1. Greenspan knew that markets were "efficient" because the efficient market hypothesis is the foundational pillar underlying modern finance theory.
2. Markets can't be efficient if there is control fraud, so there must not be any.
3. Wait, there are control frauds! Tens of thousands of them.
4. Then control fraud must not really be harmful, or markets would not be efficient.
5. Control fraud, therefore, must not be immoral. As crime boss Emilio Barzini put it in The Godfather, "It's just business."

> As delusional and immoral as this "logic" chain is, many elite economists believe it.
> (William K. Black, May 29, 2013, œHow Elite Economic Hucksters Drive America's Biggest Fraud Epidemics, *Alternet*)

Greenspan (Chairman of the US Federal Reserve 1987-2006), however, true believer that he obviously is, has reaffirmed his faith in 'an international version of Adam Smith's "invisible hand"'. A deregulated, internationalized free market will, inevitably, and in a timely manner, 'self-correct'. Markets, left to themselves, really are 'efficient'.

In 1997 he spelled out his abiding faith in 'the market-stabilizing private regulatory forces' which 'should gradually displace many cumbersome, increasingly ineffective government structures' in future decades:

> As the history of American banking demonstrates, private market regulation can be quite effective, provided that government does not get in its way.
>
> Indeed, rapidly changing technology is rendering obsolescent much of the old bank examination regime. Bank regulators are perforce being pressed to depend increasingly on ever more complex and sophisticated private market regulation.
> (œRemarks by Chairman Alan Greenspan At the Annual Conference of the Association of Private Enterprise Education, Arlington, Virginia April 12, 1997)

In 2011, he again assured anyone still listening that unsecured speculative investment bubbles and illusory wealth creation are merely 'notably rare exceptions' to the remarkable stability of deregulated free markets!

> The problem is that regulators, and for that matter everyone else, can never get more than a glimpse at the internal workings of the simplest of modern financial systems. Today's competitive markets, whether we seek to recognise it or not, are driven by an international version of Adam Smith's "invisible hand" that is unredeemably opaque. With notably rare exceptions (2008, for example), the global "invisible hand" has created relatively stable exchange rates, interest rates, prices, and wage rates.
>
> In the most regulated financial markets, the overwhelming set of interactions is never visible. This is the reason that interpretation of contemporaneous financial market behaviour is subject to so wide a variety of "explanations", especially in contrast to the physical sciences where cause and effect is much more soundly grounded.
> (Alan Greenspan, œDodd-Frank fails to meet test of our times, *Financial Times*, March 29, 2011)

One can but wonder what planet he lived on during the roller coaster years of his Federal Reserve chairmanship.

Charles Ferguson (2010) neatly summarized the bubble inducing consequences of the deregulation of US financial institutions from the 1980s (spanning the duration of Greenspan's Federal Reserve chairmanship):

> Starting in the 1980s, and heavily influenced by laissez-faire economics, the United States began deregulating financial services. Shortly thereafter, America began to experience financial crises for the first time since the Great Depression. The first one arose from the savings-and-loan and junk-bond scandals of the 1980s; then came the dot-com bubble of the late 1990s, the Asian financial crisis; the collapse of Long Term Capital Management, in 1998; Enron; and then the housing bubble, which led to the global financial crisis. Yet through the entire period, the U.S. financial sector grew larger, more powerful, and enormously more profitable. By 2006, financial services accounted for 40 percent of total American corporate profits.
> (œLarry Summers and the Subversion of Economics, *The Chronicle of Higher Education*, October 3, 2010)

It is time to move beyond the free-market tautologies of the past forty years to which Greenspan so obviously subscribed.

Wolves and Sheep

(24/07/16) (27/04/18)

Unless governments have in place effective regulatory powers and are able to require (and enforce) sufficient formal reserves to cover private lending and spending, they effectively lose control of credit creation and distribution, leading to unsecured speculative investment bubbles and illusory wealth creation[711].

Paul Krugman, commenting, approvingly, on a paper delivered by Larry Summers at the 14th Annual IMF Research Conference (November 8, 2013), suggests that, perhaps, economies like that of the United States need bubbles to achieve anything close to full-employment:

> So how can you reconcile repeated bubbles with an economy showing no sign of inflationary pressures? Summers's answer is that we may be an economy that needs bubbles just to achieve something near full employment - that in the absence of bubbles the economy has a negative natural rate of interest. And this hasn't just been true since the 2008 financial crisis; it has arguably been true, although perhaps with increasing severity, since the 1980s.
> (Krugman, November 16, 2013, œSecular Stagnation, Coalmines, Bubbles, and Larry Summers)

And, again, in a *New York Times* article entitled 'œA Permanent Slump? ' (November 17, 2013):

> ...Mr. Summers went on to draw a remarkable moral: We have, he suggested, an economy whose normal condition is one of inadequate demand - of at least mild depression - and which only gets anywhere close to full employment when it is being buoyed by bubbles.
>
> I'd weigh in with some further evidence. Look at household debt relative to income. That ratio was roughly stable from 1960 to 1985, but rose rapidly and inexorably from 1985 to 2007, when crisis struck.

> Yet even with households going ever deeper into debt, the economy's performance over the period as a whole was mediocre at best, and demand showed no sign of running ahead of supply. Looking forward, we obviously can't go back to the days of ever-rising debt. Yet that means weaker consumer demand - and without that demand, how are we supposed to return to full employment?
>
> Again, the evidence suggests that we have become an economy whose normal state is one of mild depression, whose brief episodes of prosperity occur only thanks to bubbles and unsustainable borrowing.
>
> ...as Mr. Summers said, the crisis "is not over until it is over" - and economic reality is what it is. And what that reality appears to be right now is one in which depression rules will apply for a very long time.

(23/03/16) (09/06/17)

That 'economic reality' to which Krugman alludes is inevitable within a globalized neoliberal economic world.

If wealth is drained from the bottom 60+% of the population, to accumulate within the top 5%, and stimulus funds become trapped within Federal Reserve bank reserves, the absence of generalized inflation, "with households going ever deeper into debt" and "the economy's performance... mediocre at best", is scarcely surprising[712]. Deregulated financial institutions, gifted vastly inflated and interest-bearing bank reserves, together with access to the accumulating wealth of the top 5%, are free to indulge in bubble blowing, resulting in, as œRobert Shiller (2013) put it,

> ..."a situation in which news of price increases spurs investor enthusiasm, which spreads by psychological contagion from person to person, in the process amplifying stories that might justify the price increase." This attracts "a larger and larger class of investors, who, despite doubts about the real value of the investment, are drawn to it partly through envy of others' successes and partly through a gambler's excitement."

Many who become enmeshed in such schemes are duped by often impressively connected and apparently 'professional', but under- or unregulated, financial advisers intent on ensnaring the unwary. Others are driven to it through despair of ever finding any other means of climbing out of the financial mire into which members of the increasingly disenfranchised lower 95% too often find themselves[713].

As Jefferson put it "they have divided their nations into two classes, wolves and sheep".

(29/05/20)

Sridhar Natarajan has described the 2018 consequences as a global proliferation of extreme wealth has provided private banks with a lucrative target population, bypassing and sidelining those who have already lost almost everything:

> A global proliferation of extreme wealth over the past decade is providing banks with opportunities to land new clients. That's helped Goldman Sachs's private-banking arm -- long dwarfed by units at firms including Morgan Stanley, Bank of America Corp. and JPMorgan Chase & Co. -- win lucrative business in recent years.
>
> "The world seems to be growing rich people faster than we can grow advisers to cover them," Chief Executive Officer œLloyd Blankfein told

> investors in February. The firm has about 700 private-wealth advisers, each generating an average of $4.5 million of revenue, he said.
>
> The private wealth management unit works with individuals, families, foundations and endowments who typically entrust more than $40 million with the firm. It falls under the investment-management division, which also includes Goldman Sachs Asset Management....
>
> Goldman Sachs had $458 billion of assets from high-net-worth individuals at the end of 2017. Rivals Morgan Stanley and Bank of America, which target a wider swath of clients, both have more than $2 trillion.
> (Sridhar Natarajan, œGoldman Taps John Mallory to Head Unit Targeting America's Super-Rich, *Bloomberg*, April 24, 2018)

When conditions like these emerge, governments lose control of credit creation and distribution, leading to unsecured speculative investment bubbles, illusory wealth creation and, as the bubbles burst, further concentration of wealth in the hands of those who funded the bubbles.

Stable economic conditions and relatively full employment emerge when governments take their responsibilities seriously, ensure effective, socially responsible economic regulation, and engage in credit redistribution to ensure real economic health and the well-being of their populations.

Bill Mitchell has provided a digital version of a 1945 Australian Government White Paper entitled 'œFULL EMPLOYMENT IN AUSTRALIA (The 1945 White Paper)'. It provides a vision, commonplace in the post-New-Deal period from the late 1930s to around 1970, of a nation which ensured remunerative employment to all who needed or wanted a job. As the first statement in the Introduction says:

> Full employment is a fundamental aim of the Commonwealth Government. The Government believes that the people of Australia will demand and are entitled to expect full employment, and that for this purpose it will be able to count on the cooperation of servicemen's associations, trade unions, employers' associations and other groups. ...[T]he cooperation of State Governments and local authorities will be particularly necessary.
> (For a clear discussion of the issues as they relate to the early 21st century see Bill Mitchell, œMay 30, 2020 - we remember the release of the 1945 White Paper on Full Employment, Wednesday, May 27, 2020)

It is, of course, inevitable that neoliberal economists and fellow travelers will develop 'explanations' which flow from their ideological presumptions to justify 'free trade', globalization and the presumed reality of Adam Smith's "invisible hand": where deregulated, internationalized free markets inevitably, and in a timely manner, 'self-correct'. The result, however, is a world in which fewer and fewer persons and corporations concentrate the wealth of the society - a world where 'economic health' requires 'bubbles'; where, as Paul Krugman puts it, the 'normal state' of the economy is:

> ...one of mild depression, whose brief episodes of prosperity occur only thanks to bubbles and unsustainable borrowing.

'Unsustainable borrowing' is the *raison d'être* of bubble economies. Those who fund bubbles seldom do so benignly. Bubbles are only truly profitable when the value of the foreclosed, discounted collateral of those induced to engage in 'unsustainable borrowing' is transferred to the lenders[714].

Rebecca Burns, Michael Donley and Carmilla Manzanet (2014) have examined the consequences of the burst housing bubble in the US since 2008:

> ...Seeing a profitable opening in the wake of the foreclosure crisis, investment groups have worked diligently to bring a "rentership society" into being. During the past two years, investors have bought approximately 200,000 single-family homes, mostly foreclosures, in urban areas nationwide, with plans to convert them into rental properties. In Atlanta, one such investment group purchased 1,400 homes on a single day in April of last year.
>
> This investor-led feeding frenzy has sent home sales and prices rising again, leading some commentators to hail a "robust housing recovery." But it's one that's happening largely without homeowners.
>
> ...Long a bète noire for progressive activists because of its history of buying out troubled companies and then shipping jobs overseas, Blackstone began its foray into real estate in 2012, when it created a subsidiary called Invitation Homes to purchase and manage single-family rental homes. Invitation Homes has since become the largest owner of single-family homes in the United States, spending more than $7 billion to gobble up 41,000 properties.
>
> ...Blackstone is backed by a host of companies that bear direct responsibility for the foreclosure crisis, including Morgan Stanley, CitiBank and Bank of America. After first making money from the housing bubble that crashed the economy, then benefitting from the federal bailout, banks and investors now stand ready to profit all over again by cleaning up the mess they made.
> (Rebecca Burns, Michael Donley & Carmilla Manzanet, œGame of Homes: The private-equity firm Blackstone could be your next landlord, *In These Times* and The Institute For Public Affairs, March 31, 2014)

Since its 2007 emergence, Blackstone's property empire has grown exponentially, parasitically feeding on the misfortunes of property owners wherever and whenever this occurs and turning the acquired properties into exploitative rentals. Nick Corbishley has elaborated:

> Back in 2008, Blackstone emerged as one of the biggest beneficiaries of the subprime crisis, becoming a trailblazer in financializing rents. As that crisis went global, so too did Blackstone's property empire. By the time the dust had settled, it was the biggest commercial real estate company on the planet, according to Fortune magazine. .
>
> Now, Blackstone wants to repeat the feat, albeit using a somewhat different playbook. At the Goldman Sachs Financial Services Conference, held on December 9, Blackstone's CEO, Stephen Schwarzman, gave a few hints about how it plans to do just that. Asked if he thought large firms such as Blackstone would once more gain more market share during this crisis, he responded:
>
> I think something similar will happen. You always have winners and losers. Blackstone was a huge winner coming out of the global financial crisis. And I think something similar is going to happen.
>
> During the last crisis, Blackstone pioneered the buy-to-rent scheme by snapping up, for cents on the dollar, huge batches of foreclosed homes from struggling and bailed-out banks and then turning them into rental properties. In short order, Blackstone's subsidiary Invitation Homes

> became the largest owner of single-family rental homes in the United States. It also took the meaning of "absentee landlord" to a whole new level, as accusations of ill repair and poor maintenance quickly mounted. Tenants also complained about excessive rent increases and fees.
>
> **Waiting for "Blood in the Streets"**
>
> Once the model was up and running in the U.S., it was quickly exported to cities in Canada (Toronto) and Europe (Berlin, Madrid, Barcelona, Dublin, Stockholm...). Since going public in 2007, Blackstone has multiplied eightfold the equity capital it devotes to real estate, to $163 billion. As Scharzman himself put it, the company's strategy in post-crisis Europe essentially involved "waiting to see how beaten up people's psyches get, and where they're willing to sell assets ... You want to wait until there's really blood in the streets." (Nick Corbishley, œWall Street Mega-Landlord Blackstone Prepares to Reap the Spoils of Another Crisis, *NakedCapitalism*, December 29, 2020)

The performance of the poorly regulated 'Hedge Funds' industry over the past several decades provides a salutary example of similar activity. Greg Fisher (2012), reviewing Simon Lack's *The Hedge Fund Mirage* (John Wiley & Sons, 2012), summarized Lack's examination of Hedge Fund performance:

> Lack estimates that from 1998-2010 investors collectively lost $308 billion in hedge funds while the industry earned fees of $324 billion.

As he concluded:

> ...One wonders why the assets continue to flow in. Here's how the book begins: "If all the money that's ever been invested in hedge funds had been put in treasury bills instead, the results would have been twice as good."
>
> ...Lack is an industry insider, having spent a career at JPMorgan, where he helped to allocate more than $1 billion to hedge funds and to seed emerging hedge fund managers. Immersed in the industry, he eventually came to the conclusion that: "While the hedge fund industry has generated fabulous wealth and created many fortunes, it has largely done so for itself." ..."Star-struck investors have too often equated enormous financial success amongst managers with high returns for clients...Faulty or weak analysis, performance chasing, shortage of skepticism, and a desire to be associated with winners without proper regard for terms have all caused the sorry result." (Gregg S. Fisher, œChasing the Mirage of Hedge Fund Returns, *Forbes*, Personal Finance, 1/23/2012)

Les Leopold has summed up the rewards obtained by those who engage in such 'financial strip mining':

> ...[T]he true robber barons run hedge funds and private equity companies. They make billions, not millions, and they do it not by running businesses, but by siphoning wealth away from companies, consumers, students and governments.
>
> ...Hedge funds and their close cousins - private equity firms and the proprietary trading desks at large banks - are financial strip miners. Rather than create new products and services, they tear wealth away from the real economy...

(Les Leopold, œStudies of Bloated CEO Pay Miss the Fattest Cats in America, *Moyers & Company*, April 21, 2014)

Such predator-friendly, roller-coaster conditions arise as capitalist societies devolve from democratic to plutocratic organization. In well regulated democratically organized capitalist societies, bubbles are anomalies!

For more on this see: The post-1970s erosion of bank regulation which ultimately led to the 2007-9 crisis

The Nature of Taxation in Democratically Organized Capitalist Nations

(25/02/16) (10/12/16) (19/09/17) (07/11/19) (06/04/17) (03/06/16) (10/06/16) (16/09/17) (29/03/18)(08/04/18) (16/04/18) (06/11/19) (07/02/21) (12/02/21) (14/02/21) (24/04/21) (04/01/22)

Before we continue, let's make something absolutely clear.

> **Sovereign governments do not need to tax in order to spend. They can *create* the credit they need.**

However, they do need to tax in order to ensure equity[715]. This is not some recent 'progressive' presumption. Francis Bacon, in 1625, and later James Madison, in 1792, explained the purpose of such taxation. Governments have a fiduciary, commonweal responsibility to their constituents. If they allow the unchecked accumulation of credit in the hands of a few, then, as Lincoln explained in 1864,

> the money power of the country will endeavor to prolong its reign by working upon the prejudices of the people until all wealth is aggregated in a few hands and the Republic is destroyed.

If this seems like an unnecessary restatement of the obvious so-be-it! As we've seen, in this neoliberal age, even those who recognize governments' responsibility for the commonweal seem to believe that governments must tax in order to spend. Joseph Stiglitz, Todd Tucker, and Gabriel Zucman provide a cautionary example of this. These are surely 'progressive' economists of the early 21st century and yet they assert:

> The state requires something simple to perform its multiple roles: revenue. It takes money to build roads and ports, to provide education for the young and health care for the sick, to finance the basic research that is the wellspring of all progress, and to staff the bureaucracies that keep societies and economies in motion. No successful market can survive without the underpinnings of a strong, functioning state.
>
> That simple truth is being forgotten today. In the United States, total tax revenues paid to all levels of government shrank by close to four percent of national income over the last two decades, from about 32 percent in 1999 to approximately 28 percent today, a decline unique in modern history among wealthy nations. The direct consequences of this shift are clear: crumbling infrastructure, a slowing pace of innovation, a diminishing rate of growth, booming inequality, shorter life expectancy, and a sense of despair among large parts of the population. These consequences add up to something much larger: a threat to the sustainability of democracy and the global market economy.
> (Joseph E. Stiglitz, Todd N. Tucker, and Gabriel Zucman, œThe Starving State: Why Capitalism's Salvation Depends on Taxation, *Foreign Affairs*, January/February 2020)

So, once again, let's repeat: 'Sovereign Governments are not hamstrung by 'lack of taxes'!

Too much government 'debt' (i.e. Central Reserve Authority or 'Central Bank' created sovereign credit) fed into the real economy can, amongst other things, result in various forms of price inflation and in a crisis in confidence as to the 'real worth' of money. So, in the long run, government cannot simply continue to issue credit indefinitely. It must, over time, balance credit availability with desired levels of economic activity and public confidence in the 'value' of credit. Amongst the controls through which it achieves these ends is taxation.

Since government must maintain a balance between availability of credit for economic activity of various kinds, and confidence in the value of money, it must keep control of the money supply and should only tax or 'rein in expenditure' to *pay down its deficit* (i.e. 'balance budgets' and create 'budget surpluses') if it wants to regulate the growth of economic activity[716]. Such measures withdraw credit from the economy and result in consequent economic contraction.

In democratically organized capitalist societies, taxation is not simply about withdrawing credit from the private sector (and it is *not about 'raising revenue'*). It is, far more importantly, about ensuring an equitable redistribution of wealth through the society: quite literally taking from the rich and redistributing the wealth through the society to ensure continued credit circulation and consequent 'economic health'[717].

Franklin Roosevelt, in a 1936 speech, put it clearly:

> ...One sure way to determine the social conscience of a Government is to examine the way taxes are collected and how they are spent. And one sure way to determine the social conscience of an individual is to get his tax-reaction.
>
> Taxes, after all, are the dues that we pay for the privileges of membership in an organized society.
>
> As society becomes more civilized, Government - national, State and local government - is called on to assume more obligations to its citizens. The privileges of membership in a civilized society have vastly increased in modern times. But I am afraid we have many who still do not recognize their advantages and want to avoid paying their dues...
>
> Taxes are the price we all pay collectively to get those things done.
>
> To divide fairly among the people the obligation to pay for these benefits has been a major part of our struggle to maintain democracy in America.
>
> Ever since 1776 that struggle has been between two forces. On the one hand, there has been the vast majority of our citizens who believed that the benefits of democracy should be extended and who were willing to pay their fair share to extend them. On the other hand, there has been a small, but powerful group which has fought the extension of those benefits, because it did not want to pay a fair share of their cost.
>
> That was the line-up in 1776. That is the line-up in this campaign. And I am confident that once more - in 1936 - democracy in taxation will win.

> Here is my principle: Taxes shall be levied according to ability to pay. That is the only American principle.
> (Franklin D. Roosevelt: œ Address at Worcester, Mass., October 21, 1936. Online by Gerhard Peters and John T. Woolley, The American Presidency Project)

The importance of both clearly legislated *public* welfare programs coupled with various processes of wealth redistribution in democratically organized capitalist societies cannot be too strongly stressed[718]. As has been suggested elsewhere, private philanthropy is not a reasonable substitute for publicly legislated and guaranteed social welfare programs and processes. Nor is it reasonable to leave equitable wealth redistribution to plutocratic largesse. As Fred Guerin explained,

> A society that genuinely cares for its citizens' well-being has little need for manufactured, top-down charity because such a society builds institutions that democratically enable all citizens to participate in a shared commons, where no one need suffer the indignity of gross injustice, burdensome debt or soul-destroying poverty.

Bill Mitchell has clearly addressed these issues:

> Neo-liberal economists have long endorsed a BIG [basic income guarantee] as a way of avoiding starvation in a world where they want charitable services to be privately supplied.
>
> These economists hate collective solutions to social problems. Just read Milton Friedman's 1994 Introduction to F.A. Hayek's 50 Anniversary edition of The Road to Serfdom where he expressed disdain for the "growing intellectual support of collectivism" and suggests that the main game is to defeat any semblance of collective action (which he considers tantamount to socialism).
> (Bill Mitchell, œA basic income guarantee is a neo-liberal strategy for serfdom without the work, *Billy Blog*, April 5, 2017)

Josh Bivens has cogently argued that there is a need for both a jobs guarantee and a universal basic income for those who need access to such income. Further, as he explains, both job guarantee programs and universal basic income programs should focus on the '*quality of life*' not only afforded to those who rely on such programs but as a means of ensuring a minimum quality of life experience within the society. Here is a summary of his 'recommendations for creating jobs and economic security in the U.S.':

- **We need to maintain aggregate demand at levels consistent with macroeconomic full employment**. The most important task facing policymakers is ensuring that aggregate demand (spending by households, businesses, and governments) at the *national* level is high enough to support maximum sustainable levels of employment (or *macroeconomic full employment*). This aggregate demand management is the task of macroeconomic policy - specifically, fiscal, monetary, and exchange rate policies. If aggregate demand is too low, no other job creation strategy can work at scale until the shortfall is fixed.
- **We need to make sure the resulting job growth is widely shared**. Complementary policies should be enacted to ensure that the maximum sustainable level of aggregate demand nationally is spread as widely as possible across workers, regions, and communities.

- To make a given level of aggregate demand as "job-intensive" as possible, policies aimed at reducing average hours of work should be pursued. Efforts to reduce working time include paid family and medical leave, paid vacations, allowing work-sharing subsidies in the unemployment insurance system, and preserving recent increases in the salary threshold below which hourly workers automatically qualify for overtime pay.
- To ensure that the maximum national level of aggregate demand is spread widely across regions and communities, we can use the strategic deployment of public investments like infrastructure, energy efficiency, and early child care and education. These investments are crucially important to undertake even if they result in no net new jobs at all. But their deployment can be prioritized in part based on their potential for creating jobs in communities that need them. In the jargon of macroeconomists, this means leaning more heavily on targeted fiscal policy and less on untargeted monetary policy to maintain nationally appropriate levels of aggregate demand.

- **We need to then address remaining stubborn pockets of unemployment through targeted policies and programs, including a "public option for employment."** Once genuine full employment is achieved nationally, and once this national full employment is spread widely across the country through reduced work hours and increased public investments, there will still be pockets of unemployment remaining. To address these remaining unemployment hot spots, policymakers should begin building capacity to undertake the direct hiring of people for public service jobs that can serve as a "public option for employment." The public-sector managerial capacity to do this at scale in the very near term is likely limited. A key priority should be building this managerial capacity up quickly.
- **We need to focus on boosting job *quality* as well as quantity**. Policymakers should focus on boosting job *quality* of both new and incumbent jobs as well as simply creating more jobs. The most widespread labor market problem facing U.S. workers is near-stagnant wage growth faced by the bottom 70 percent of workers over recent decades. Solving this job quality problem will require boosting the economic leverage and bargaining power of low- and moderate-wage workers through a range of policy interventions, from targeting macroeconomic full employment to modernized labor standards to rewriting the rules governing globalization.
- **We need to ensure that people's basic economic security is not so tightly linked to their employment.** Finally, policymakers should aim to delink some key measures of economic security from employment. For example, health and retirement benefits can be expanded through existing social insurance models (say by expanding Social Security and Medicare) rather than remaining tightly linked to particular jobs.
(Josh Bivens, "Recommendations for creating jobs and economic security in the U.S.: Making sense of debates about full employment, public investment, and public job creation, *Economic Policy Institute*, March 27, 2018)

These do, indeed, seem to be necessary elements of a genuine, quality-of-life-ensuring, social safety net in a truly democratic society. They need to be accompanied by effective means of taxation to ensure an equitable, ongoing redistribution of wealth through the society.[719]

We need, constantly, to remind ourselves that 'the economy' is not a separate, self-contained, autonomous environment, governed and defined by its own peculiar sets of 'natural laws'. Economic activity is *embedded* within the fabric of societies (it is *an aspect of social life*, the means by which human beings ensure their material wellbeing).

In consequence, any 'programs' designed to enhance the infrastructures of capitalism and/ or the wellbeing of individuals and communities should be seen not as *economic* programs but as elements of *The Commons* in capitalist societies, constrained and informed by all the tensions, ideological biases and flaws of social organization and interaction in such societies.

Pavlina Tcherneva has discussed all this in a Working Paper entitled *The Job Guarantee: Design, Jobs, and Implementation*. As she explains:

> The job guarantee (JG) is a public option for jobs. It is a permanent, federally funded, and locally administered program that supplies voluntary employment opportunities on demand for all who are ready and willing to work at a living wage. While it is first and foremost a jobs program, it has the potential to be transformative by advancing the public purpose and improving working conditions, people's everyday lives, and the economy as a whole.
>
> This working paper provides a blueprint for operationalizing the proposal. It addresses frequently asked questions and common concerns. It begins by outlining some of the core propositions in the existing literature that have motivated the JG proposal. These propositions suggest specific design and implementation features. (Some questions are answered in greater detail in appendix III). The paper presents the core objectives and expected benefits of the program, and suggests an institutional structure, funding mechanism, and project design and administration....
>
> The JG is first and foremost a program that provides decent jobs at decent pay, but it resides within a broader policy agenda. A comprehensive policy reform that aims to address income insecurity must incorporate other forms of nonwage income support. These would include expanding Social Security and Disability benefits, reducing the retirement age and working week, and instituting a federal-level paid family leave. Furthermore, while the JG will go a long way to reducing individual and household poverty, an anti-poverty agenda ought to also include a universal child allowance policy, universal childcare, free school lunches, and a public healthcare option, to name a few. (Pavlina R. Tcherneva, œThe Job Guarantee: Design, Jobs, and Implementation, *Levy Economics Institute of Bard College*, Working Paper No. 902, pp. 2, 8, April 2018)

This is, as she points out, a 2018 updating and expanded version of 'Franklin D. Roosevelt's call for an Economic Bill of Rights'. It includes far more than a simple Jobs Guarantee. It would require a revolutionary reorganization of capitalism focused, indeed, on 'government of the people *by the people*'.[720] And, in order to ensure its success it would, of course, require a concurrent set of policies to ensure effective means of credit redistribution through time.

Unless democratic capitalist societies pursue effective redistributive policies, they inevitably, over time, devolve from democracy to plutocracy.

Using thermodynamic dissipative processes as an analogy, economic activity is the dissipation of credit over time. In order to avoid the inevitable long-term entropic consequences of credit dissipation, the issuer of credit needs to be able to 'reset' credit distribution through time. This is usually accomplished through taxation (and other processes of revenue collection) and redistribution [721].

Beardsley Ruml, Chairman of the Federal Reserve Bank of New York in the latter stages of the Roosevelt Administration, addressed the post-New Deal understanding of the nature and purpose of taxation in an article entitled 'œTaxes For Revenue Are Obsolete ' (œ*American Affairs*, April 1946). As Ruml explained:

> *What Taxes Are Really For*
>
> Federal taxes can be made to serve four principal purposes of a social and economic character. These purposes are:
>
> 1. As an instrument of fiscal policy to help stabilize the purchasing power of the dollar;
> 2. To express public policy in the distribution of wealth and of income, as in the case of the progressive income and estate taxes;
> 3. To express public policy in subsidizing or in penalizing various industries and economic groups;
> 4. To isolate and assess directly the costs of certain national benefits, such as highways and social security.
>
> In the recent past, we have used our federal tax program consciously for each of these purposes. In serving these purposes, the tax program is a means to an end. The purposes themselves are matters of basic national policy which should be established, in the first instance, independently of any national tax program.
>
> Among the policy questions with which we have to deal are these:
>
> Do we want a dollar with reasonably stable purchasing power over the years?
>
> Do we want greater equality of wealth and of income than would result from economic forces working alone?
>
> Do we want to subsidize certain industries and certain economic groups?
>
> Do we want the beneficiaries of certain federal activities to be aware of what they cost?
>
> These questions are not tax questions; they are questions as to the kind of country we want and the kind of life we want to lead. The tax program should be a means to an agreed end. The tax program should be devised as an instrument, and it should be judged by how well it serves its purpose.

Since, as Ruml explained, taxes are not 'needed' in order to fund revenue raising, "the public purpose which is served should never be obscured in a tax program under the mask of raising revenue". Taxes should never be

considered 'government income'. They serve two primary purposes: to maintain a stable monetary base and to redistribute credit through the society.

Taxing the Superrich
It is past time to Re-empower communities

(05/03/16) (30/04/16) (24/05/16) (10/11/17)(01/05/20) (09/05/20) (19/04/21) (19/05/23) (21/05/23) (13/06/23)

In the third decade of the 21st century Western capitalist nations are living in a time of societal collapse.

The neoliberal unleashing of unregulated, greed-driven, *Laissez faire* capitalism has been based on denying the very existence of 'societies' of interdependent people and the communities in which they live.

We are living in a time in which independent self-interest has triumphed over social responsibility; when greed and the drive to consume and accumulate have over-ridden a sense of responsibility and concern for the wellbeing of each other.

A time in which communities and nations are seen as impediments to 'economic success', to be disempowered and dismantled to facilitate the 'free' exploitation of human beings and environments, accumulation of assets and movement of capital in the self-interested pursuit of 'wealth'.

We are living in a time when capitalism has evolved and, true to its history, 'tradition' - the legitimation and empowering of communities - has been demonized and its subversion has become regarded as 'necessary' to 'development'[722]. A time when the true nature of 'capitalism' has been made plain and exposed.

Margaret Thatcher's absurd proclamation that

> There is no such thing as society. There are individual men and women

has 'justified' the defunding of communal infrastructures and services; dismantling of social safety nets and processes of wealth redistribution.

> Political paralysis is snuffing out what is left of our anemic democracy.
>
> It is the paralysis of doing nothing while the ruling oligarchs, who have increased their wealth by nearly a third since the pandemic began and by close to 90 percent over the past decade, orchestrate virtual tax boycotts as millions of Americans [and inhabitants of other Western nations] go into bankruptcy to pay medical bills, mortgages, credit card debt, student debt, car loans and soaring utility bills demanded by a system that has privatized nearly every aspect of our lives.
>
> It is the paralysis of doing nothing about raising the minimum wage, despite the ravages of inflation, around 600,000 homeless Americans and 33.8 million people living in food insecure homes, including 9.3 million children.
>
> It is the paralysis of ignoring the climate crisis, the greatest existential threat we face, to expand fossil fuel extraction.
>
> It is the paralysis of pouring hundreds of billions of dollars into the permanent war economy rather than repairing the nation's collapsing roads, rails, bridges, schools, electrical grid and water supply...
> (Mr Fish, œFollow the Money, *The Chris Hedges Report*, April 23, 2023)

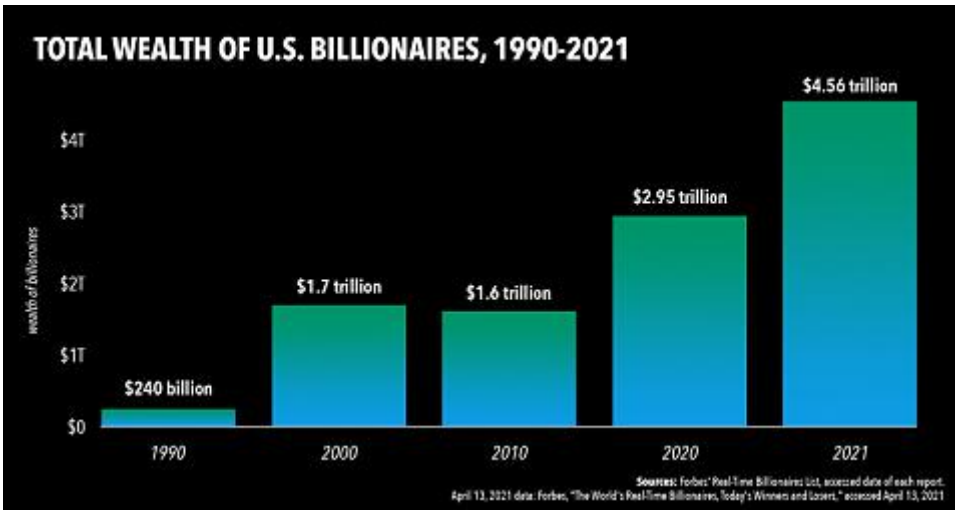
Governments should never shy away from social, economic and environmental regulation and 'wealth taxes'[723]. They are necessary to counter the inevitable long-term unravelling of communities, destruction of environments and entropic consequences of credit dissipation, ensuring continued credit circulation and consequent 'economic health'.

Thomas Piketty and Emmanuel Saez (2013) provide a compelling case, with historical contextualization, for progressive inheritance, income and wealth taxes in democratically organized capitalist societies. As they summarize:

> ...We emphasize three main rationales for capital taxation.
>
> > First, the frontier between capital and labor income flows is often fuzzy, thereby lending support to a broad-based, comprehensive income tax.
> >
> > Next, the very notions of income and consumption flows are difficult to define and measure for top wealth holders. Therefore the proper way to tax billionaires is a progressive wealth tax.
> >
> > Finally, there are strong meritocratic reasons why we should tax inherited wealth more than earned income or self-made wealth (for which individuals can be held responsible, at least in part). This implies that the ideal fiscal system should also entail a progressive inheritance tax, in addition to progressive income and wealth taxes.
>
> We then confront our prescriptions with historical experience. Although there are significant differences, in particular regarding the wealth tax, we argue that observed fiscal systems in modern democracies bear important similarities with this ideal triptych.
> (Thomas Piketty and Emmanuel Saez, œRethinking capital and wealth taxation, September 17, 2013)

There seems little or no reason why in this neoliberal deregulated world 'we should tax inherited wealth more than earned income or self-made wealth'. Why give the super-rich a loophole through which their hired help can funnel their deregulated 'gains'? As Chuck Collins has described,

> America's 719 billionaires now hold over four times more wealth ($4.56 trillion) than all the roughly 165 million Americans in society's bottom half ($1.01 trillion), according to Federal Reserve Board data.
>
> In 1990, the situation was reversed - billionaires were worth $240 billion and the bottom 50 percent had $380 billion in combined wealth.
>
> Billionaires' huge pandemic-era wealth gains have come amid the past 13 months of coronavirus misery. During those same 13 months, over 30 million Americans fell ill from COVID, over 560,000 died from it and about 77 million lost jobs.



(Chuck Collins, "A Third of U.S. Billionaire Wealth Gains Since 1990 Have Come During Pandemic: U.S. billionaire pandemic profit balloons to $4.56 trillion, a 55 percent increase, *Inequality.Org*, April 15, 2021)

Tax and spend' is what governments do (or ought to do!). It is the primary means by which credit distribution is reset through time, countering the long-term entropic consequences of credit dissipation! This does not require 'big government'. It merely requires effective processes of redistribution [724]. How that is achieved will always be determined by the secondary ideologies of those in power.

The equitable distribution of credit through any society requires both taxation and redistribution. Josh Biven has explained the problem in the US over the past forty years and suggested ways in which to address it:

> ...To put it simply, the rise in inequality has easily been the biggest factor driving underperformance of income growth for the bottom and middle. We define this underperformance in two ways in this paper. The first is essentially definitional - income growth for the bottom 90 percent of households that significantly lags economy-wide average growth (that is, slower growth than what the economy could have delivered to all households). That is, any increase in inequality should be seen as a potential economic policy failure. The second definition of underperformance is simply income growth for the bottom 90 percent that is significantly slower than what these households experienced in earlier economic eras....
>
> Since the rise of inequality has been the biggest cause of disappointing income growth for the vast majority, reversing (or at least stopping) this rise in inequality is obviously key to accelerating future living standards' growth for this group. In short, an economic strategy that does not aim to explicitly confront inequality would severely shortchange the living standards of the vast majority. Given this, it is bizarre indeed to argue that policymakers should not make it a priority to reverse (or at least stop) recent decades' trends toward greater inequality.
>
> Those arguing for ignoring distribution and focusing only on growth often claim (at least implicitly) that progressive redistribution and growth conflict, and that strategies aimed explicitly at progressively redistributing income will hamstring overall growth. In fact, recent economic history in the U.S. strongly indicates that it is regressive redistribution and growth that are in conflict; the package of policy changes that led to the rise in inequality did nothing to boost overall

> growth of the economy. Instead, as inequality rose, overall growth rates fell. In short, equity and efficiency are often not in conflict. And an ambitious agenda that restores economic power to the vast majority can make the economy grow both fairer and faster.
> (Josh Bivens, œProgressive Redistribution Without Guilt: Using Policy to Shift Economic Power and Make U. S. Incomes Grow Fairer and Faster, *Economic Policy Institute*, Report 107762, June 9, 2016)

Francis Bacon, in 1625, explained the state's responsibility to its citizenry:

> Money is like muck, not good except it be spread.

Over the past half century, Western nations, committed to a *laissez faire*, free-market-fundamentalist world have ignored Bacon's warning. The result has been an unsustainable, exponential exploitation of environments, resources and peoples for private gain and a burgeoning and dramatic increase in income and wealth inequality.

Laissez faire capitalism has, indeed, denied the very existence of communities. Margaret Thatcher's absurd proclamation that

> There is no such thing as society. There are individual men and women

has 'justified' the defunding of communal infrastructures and services; dismantling of social safety nets and processes of wealth redistribution.

Emmanuel Saez and Gabriel Zucman, in an article entitled 'Taxing the Superrich', have explained how Western nations can begin to redress this burgeoning inequality:

> Wealth is power. An extreme concentration of wealth means an extreme concentration of power: the power to influence government policy, the power to stifle competition, the power to shape ideology...
>
> For the sake of justice and democracy, we need a progressive wealth tax.[725]

It has been said several times but cannot be too strongly stressed: *Unless democratic capitalist societies pursue effective redistributive policies, they inevitably, over time, devolve from democracy to plutocracy.*

Emmanuel Saez and Gabriel Zucman explained James Madison's concern for the United States:

> Writing in 1792 about the necessity and dangers of political parties, James Madison made the connection between excessive wealth and its political influence:
>
> > The great object should be to combat the evil:
> >
> > 1. By establishing a political equality among all.
> > 2. By withholding unnecessary opportunities from a few, to increase the inequality of property, by an immoderate, and especially an unmerited, accumulation of riches.
> > 3. By the silent operation of laws, which, without violating the rights of property, reduce extreme wealth towards a state of mediocrity, and raise extreme indigence towards a state of comfort.
> > [James Madison, œIn every political society, parties are unavoidable, 23 Jan. 1792, Papers 14:197--98]

And Lincoln in 1864:

> the money power of the country will endeavor to prolong its reign by working upon the prejudices of the people until all wealth is aggregated in a few hands and the Republic is destroyed.

(30/07/16) One of the important functions of government in democratically organized capitalist societies is administration, development and maintenance of what, under feudalism, was termed 'the commons'. As capitalism has matured, more and more features of the physical, social and intellectual realms have become recognized as commodities and, therefore, available for divestment to private individuals to be 'profitably' developed. In the process, government responsibilities have been weakened and warped to individualized, self-interested ends.

Earlier in his Report Biven argues for well defined 'public' responsibilities of government and suggests some of the ways in which 'we can fix the problem':

> **How we can fix the problem**: Income redistribution over the last few decades has been a zero-sum process, with gains at the top essentially coming straight out of the pockets of the bottom 90 percent of Americans. This zerosum dynamic means that intelligent policies - including but going way beyond smarter and fairer taxing and spending - can convert these lost potential gains for the bottom and middle into actual income increases without harming overall economic growth. We should:
>
> - Use the levers of macroeconomic policy (monetary, fiscal, and exchange-rate policy) to target genuine full employment.
> - Make investments that markets are not making - in early childhood education, infrastructure, school construction, energy efficiency, and public health care.
> - Strengthen antitrust regulations and look for other opportunities to introduce competition to private markets, such as public options for health insurance and retirement savings.
> - Reregulate many activities of the financial sector to squeeze out the activities that don't enhance productivity or create efficiency but simply enrich well-placed actors within finance. A financial transactions tax is the clearest example of a policy that can stop this income skimming.
> - Enact climate-change mitigation measures - realizing that policies beyond simply increasing the market price of greenhouse gas emissions can play large and useful roles.
> - Strengthen regulations and institutions that help shift bargaining leverage from capital-owners and corporate managers to low- and middle-income workers. Key examples include higher minimum wages and labor law reform that allows willing workers to join unions and bargain collectively.

In large part, the rhetoric which employs 'tax and spend' as a pejorative epithet, assumes that government should not be involved in the distribution and redistribution of credit: the 'free market' will sort it all out! Both history and an examination of models of trade dynamics provide fairly convincing evidence that it does not and cannot (see Thomas Piketty (Trans. Arthur Goldhammer) œ*Capital in the Twenty-First Century* (Harvard University

Press, April 2014) for an historical examination of the reasons why deregulated 'free markets' *cannot* ensure the redistribution of credit through time). As Godley and Lavoie (2007a) explained:

> a particular level of government expenditure relative to tax rates, and also relative to GDP, is essential if stable, noninflationary growth and full employment are to be achieved
> (Wynne Godley and Marc Lavoie, œ*Fiscal Policy in a Stock-Flow Consistent (SFC) Model* , Levy Economics Institute Working Paper No. 494, April 2007a, p. 3).

Let's not buy into the currently common view that we should take advice on all this from those who have accumulated wealth and, of course, will determinedly and strenuously defend their 'right' to retain it ("it's mine I tell you...mine...mine...mine!!") - the path to plutocracy. [726]

Robert Reich (2014) has summed up the consequences of governmental failure to redistribute US national wealth through the past several decades:

> When billionaires supplant political parties, candidates are beholden directly to the billionaires. And if and when those candidates win election, the billionaires will be completely in charge.
> (Robert Reich, œThe New Billionaire Political Bosses, March 25, 2014)

In this 21st century, the specter of elected democratic offices both bought and perverted by plutocrats through 'lobbyists' and other surrogates haunts Western democracies. Sadly, in a capitalist world, 'money talks'. It also enables the subversion of true democracy. Sam Pizzigati, describing yet another Wall Street banker's State gubernatorial campaign, summed it up:

> Murphy may... prove to be an excellent governor who moves his state toward significantly greater equality. Or he may prove to be a blundering know-it-all whose incompetence discredits the progressive positions he now champions. Murphy's tenure, in other words, figures to be a crapshoot.
>
> In a deeply unequal America, with wealth concentrated outrageously at our economic summit, we see these sorts of crapshoots all the time. We vote for mega millionaires who say the right things. We hope against hope they'll make these right things happen.
>
> Voters shouldn't have to gamble like this. We need a more equal America. We need a mass movement that fights for one.
> (Sam Pizzigati,œ Have We Now Reached Peak Goldman Sachs? Still another Wall Street banker is assuming a position of power in America's political firmament. Could this latest power grab have, for once, a happy ending? *Inequality*: Blogging Our Great Divide, November 09, 2017)

Conclusion

Without controls ensuring the distribution and redistribution of credit through society, wealth, and so power, in capitalist societies, tends, over time, to concentrate in fewer and fewer hands. Any government which abdicates responsibility for ensuring such redistribution is failing in its primary duty of care within a democratic capitalist system.

One of its most important responsibilities is to ensure that adequate credit is available to all sectors and actors within the society and that the wealth of the society (and so, in capitalist societies, manipulative power) is not

concentrated and held in too few hands (however the term 'hands' might be defined).

So, with one hand, governments withdraw wealth from the private sector, and with the other, they 'spend' (or redistribute) a similar quantity of credit to stimulate economic activity. The focuses of taxation (credit withdrawal) and spending reveal a great deal about the social priorities (and secondary ideologies) of those who control this redistribution.

All this has *nothing to do with 'socialism'!* Credit supply and redistribution are necessary functions of the administrators of credit within any society, whatever the locus of economic activity and control in that society.

Questions about the involvement of government in the normal economic life of any community are separate from *and should never be confused with* this primary responsibility of government for the supply and distribution of credit within the society. (This 'redistributive' responsibility is not solely a feature of government within a capitalist society. It is a prime responsibility of any formal or informal system of leadership in communities.)

Chapter 11:
The Looming Catastrophe: Is this the way our world ends? (Not with a bang but a whimper!)

(Update dates for this chapter)

This is the way the world ends
This is the way the world ends
This is the way the world ends
Not with a bang but a whimper

(T. S. Elliot, *The Hollow Men* (1925))

Of Tipping Points and Early Warnings

Capitalism is an inherently unsustainable system

- The Intergovernmental Panel on Climate Change
- Disasters, both small and large, are happening everywhere
- All that is needed is reshaping of current practices
- Producing and consuming our way into our species' grave

What is happening around the world?

For life, this planet may be as good as it gets

- Hostage to the stupidity of 'leaders' and 'power brokers'

Net Zero by 2050 is insanity: We're heading into a frightening future

The 21st century mantra is "More...More...More!". Welcome to a pseudo-social interactional world

World Leaders' have setttled for 'business-as-usual'

- Cold fusion or LENR is coming: It won't be long now!!

CO_2 increase since 1962 is 100 times faster than previous natural increases

Arctic basal melt rates are several orders of magnitude higher than predictions

And it's not just the Arctic! Antarctica is also warming!

It really is 'Global' warming! The tropics are getting hotter!

Entangled in a crisis which is a direct consequence of deregulated capitalism

- How fast are the world's oceans rising?
- What about 'ozone collapse'? We are gambling on being able to control the conditions
- What's happening to the world's oceans?

An unprecedented planet-wide experiment

- It is, I promise, worse than you think! We may see PETM-magnitude extinction and accelerated evolution in as few as 140 years
- Cataclysmic disintegration of planetary terrestrial, marine and freshwater environments
- The myopic stupidity of many who live within the bubble of Western capitalism
- Pressures being placed on groundwater storages around the world.

Temperature Records keep falling 'nor are those [~~five~~ ~~six~~ ~~seven~~] eight... years an anomaly''

- And, of course, there's always methane!

Of Tipping Points and Early Warnings

There have been five great mass extinctions in Earth's history. And, as documented in this chapter, we are at the precipice of the sixth. But this will not be a 'natural' disaster - this one is a direct consequence of Western Capitalism.

In order to understand the looming 21st century threat of a disastrous escalation of conditions resulting in 'climate change', 'greenhouse warming' and planetary pollution one needs to understand the nature of 'tipping points' which 'feed' that escalation. As David Armstrong Mckay *et al* explain:

> Climate tipping points (CTPs) are a source of growing scientific, policy, and public concern. They occur when change in large parts of the climate system - known as tipping elements - become self-perpetuating beyond a warming threshold. Triggering CTPs leads to significant, policy-relevant impacts, including substantial sea level rise from collapsing ice sheets, dieback of biodiverse biomes such as the Amazon rainforest or warm-water corals, and carbon release from thawing permafrost. Nine policy-relevant tipping elements and their CTPs were originally identified by Lenton et al. (2008). ...
>
> ...Observations have revealed that parts of the West Antarctic ice sheet may have already passed a tipping point. Potential early warning signals of the Greenland ice sheet, Atlantic Meridional Overturning Circulation, and Amazon rainforest destabilization have been detected. Multiple abrupt shifts have been found in climate models. Recent work has suggested that up to 15 tipping elements are now active (Lenton et al., 2019)....
>
> ...We show that even the œParis Agreement [December 2015] goal of limiting warming to well below 2°C and preferably 1.5°C is not safe as 1.5°C and above risks crossing multiple tipping points. Crossing these CTPs can generate positive feedbacks that increase the likelihood of crossing other CTPs. Currently the world is heading toward ~2 to 3°C of global warming; at best, if all net-zero pledges and nationally determined contributions are implemented it could reach just below 2°C. This would lower tipping point risks somewhat but would still be dangerous as it could trigger multiple climate tipping points.
> (David I. Armstrong Mckay *et al*, œExceeding 1.5°C global warming could trigger multiple climate tipping points, *Science*, Vol 377, Issue 661, Pp. 1171-80, 9 September 2022)

Once those tipping points are triggered, what humanity does might not matter and global warming might well not stop at 2-3°C. We are proving to be a delusional species which believes that nature will 'honor' our 'good' intentions if we decide to limit warming to 1.5 or 2°C.

The world is fast heading for disaster. But this is not a disaster that has come upon us unawares! Those most directly involved in creating the conditions for this disaster to occur have been aware of the consequences of their activities for more than a hundred years:

> On 18 May 1859, the Irish physicist John Tyndall wrote in his journal 'the subject is completely in my hands'. This is no cryptic note. Just nine days earlier he had set up his complex and clever new apparatus

> at the Royal Institution in London to try to detect the absorption of heat by gases. Now, he had done it. And as far as he knew, no-one had done it before him....
>
> He had demonstrated the physical basis of the greenhouse effect. And he knew what he had shown. He wrote: "Thus the atmosphere admits of the entrance of solar heat; but checks its exit, and the result is a tendency to accumulate heat at the surface of the planet".
> (Roland Jackson, œWho discovered the greenhouse effect? *The Royal Institution*, 17 May, 2019)

By the 1970s major greenhouse gas polluters had commissioned the research and received the studies (including the obligatory one page 'executive summaries') demonstrating their responsibility. As Supran, Rahmstorf and Oreskes explain:

> In 2015, investigative journalists discovered internal company memos indicating that Exxon oil company has known since the late 1970s that its fossil fuel products could lead to global warming with "dramatic environmental effects before the year 2050."
>
> Additional documents then emerged showing that the US oil and gas industry's largest trade association had likewise known since at least the 1950s, as had the coal industry since at least the 1960s, and electric utilities, Total oil company, and GM and Ford motor companies since at least the 1970s.
>
> Scholars and journalists have analyzed the texts contained in these documents, providing qualitative accounts of fossil fuel interests' knowledge of climate science and its implications.
>
> In 2017, for instance, we demonstrated that Exxon's internal documents, as well as peer-reviewed studies published by Exxon and ExxonMobil Corp scientists, overwhelmingly acknowledged that climate change is real and human-caused.
>
> By contrast, the majority of Mobil and ExxonMobil Corp's public communications promoted doubt on the matter.
> (G. Supran, S. Rahmstorf and N. Oreskes, œAssessing ExxonMobil's global warming projections, *Science*, January 13, 2023)

Of course those self-serving œcorporations and their CEOs should be made to pay. Of course it is only fair that they should be held accountable for the consequences of their myopic greed.

But it really is too late to divert attention from looming world-wide catastrophes to seek 'revenge'. We are all responsible and we must all accept that to avert disaster will require a major diversion of resources and talent and mobilization of entire populations to address the problems we have all been party to creating.

In 2023 we are already œseeing what awaits humanity over coming decades. After more than a hundred years of unambiguous warnings, during which Western capitalists have blithely continued their planet-wide ecosystem pillage, human beings around the world are experiencing the early stages of the outcome of their myopic, sociopathic irresponsibility:

> The men of the Masai village of Tipilit, a collection of twenty mud huts standing in the dry lands that encroach upon the Amboseli National Park in Kenya, greet their visitors with a haunting song that rises and deepens in the evening sun. Their polyphonic rhythm is arresting and

> sinuous, but also wields a hidden sadness. These songs are usually sung during the times of rain. And this year, those rains may never come.
>
> On Thursday, 400 km away in Mombasa on the Kenyan coast, a meeting of climate experts and sectoral stakeholders announced the dire prediction that millions of Africans may never again get the rains they so desperately need.
>
> The 62nd Greater Horn of Africa Climate Outlook Forum (GHACOF) ended its three-day session with the words: "we have never seen anything like this - five seasons of drought".
>
> "You should even wonder if you can call it a rainfall season," the committee concluded. It "will be devastating" for countless numbers of East Africans living through the longest drought in decades.
>
> A joint statement by other metrological partners, including the UK Met Office, in May of this year had predicted the October-December 2022 rainy season could fail. Now, that forecast has been confirmed.
>
> This news will be devastating to vast swathes of communities in the Horn of Africa facing the threat of starvation following four consecutive failed rainy seasons in parts of Ethiopia, Kenya and Somalia. It is a climatic event not seen in at least 40 years.
> (Iain Overton, œ'I Do Not Know If My People Will Survive': A Fifth Year of Drought Is Coming to East Africa, *Byline Times*, 26 August 2022)

And, in Pakistan:

> Striking new satellite images that reveal the extent of Pakistan's record flooding show how an overflowing Indus River has turned part of Sindh Province into a 100 kilometre-wide inland lake.
>
> Swaths of the country are now underwater, after what United Nation officials have described as a "monsoon on steroids" brought the heaviest rainfall in living memory and flooding that has killed 1,162 people, injured 3,554 and affected 33 million since mid-June.
>
> The new images, taken on Aug. 28 from NASA's MODIS satellite sensor, show how a combination of heavy rain and an overflowing Indus River have inundated much of Sindh province in the South.
>
> In the centre of the picture, a large area of dark blue shows the Indus overflowing and flooding an area around 100 kilometres (62 miles) wide, turning what were once agricultural fields into a giant inland lake.
> (Brandon Miller, Judson Jones, Sophia Saifi and Kathleen Magramo, œPakistan's deadly floods have created a massive 100 km-wide inland lake, satellite images show, *CTV News*, Aug. 31, 2022)

And these are but a random sample of dozens of similar 2022 disasters which portend what is awaiting our species over coming decades.[727]

Capitalism is an inherently unsustainable system

We, Western Capitalists, intent on increasing our 'weath', have displayed remarkable equanimity in the face of mounting evidence that our activities are causing what is increasingly obviously an environmental emergency - soon to be a disaster!

The problem is not merely one of 'greenhouse gas emissions': Capitalism is an inherently unsustainable system.

The *presumed* solution to the looming 'greenhouse' catastrophe requires finding alternative means of fueling 'necessary' 'economic development'. Vast resources are being committed to research and development of 'alternative' energy sources.

Manufacture and deployment of those alternatives reguire not only access to energy but also burgeoning access to scarce resources. Though this seldom seems to be recognized, let alone addressed, like all manufactured products, there will have to be a built-in schedule of expansion (to meet future 'needs'), maintenance and replacement with concomitant access and development of needed resources.[728]

Jens Glüsing *et al* have explained:

> There are great hopes that the green technology can be used to help save the climate, but that rescue also entails stripping the planet of precious resources. And this is the paradox behind what is currently the most important project of the industrialized world: the global energy transition.
>
> The dilemma, which is becoming increasingly apparent, is also on the minds of the 25,000 or so delegates at the World Climate Conference currently taking place in Glasgow.
>
> Deposits in the poor South are being exploited so that the rich North can transition to environmental sustainability. At least to a lifestyle that appears sustainable. Mathis Wackernagel, a resource researcher who lives in California, describes it as a disastrous development. "We haven't quite thought the future through," he says.
> (Jens Glüsing *et al*, œMining the Planet to Death: The Dirty Truth About Clean Technologies, *Spiegel International*, November 04, 2021)

George Hay has elaborated:

> COP26 has a blind spot. The prime ministers and corporate bigwigs gathered in Glasgow want to cut demand for the fossil fuels that constitute most of the world's greenhouse gas emissions. To make that happen without crashing the economy, there has to be lots more of the metals underpinning a greener society.
>
> Along with phasing out coal and reducing deforestation, COP26 needs to champion electric vehicles and spur investment in renewable energy. That means more wind turbines, solar panels, energy storage and charge points. That in turn means more aluminium, cobalt, copper, lithium and nickel.
>
> Consultant Wood Mackenzie has œrun the numbers. Limiting global warming to 2 degrees Celsius above preindustrial levels implies 19 million tonnes of additional annual copper production by 2030, a 60% increase. Aluminium supply needs to jump 30%, nickel 50%, and lithium and cobalt 140% and 150% respectively. Limiting warming to 1.5 degrees Celsius implies an even greater supply hike.
>
> Normally this would be an epic green light for miners to get digging. After an iron ore boom, giants like BHP (BHP.AX), (BHPB.L) and Rio Tinto (RIO.L), (RIO.AX) are awash with cash. But the gap between the investment that's needed over the next 15 years and what's signed off is almost $2 trillion, Wood Mackenzie says.

> (George Hay, œForget COP26. The world needs COPPER 26, *Reuters*, November 5, 2021)

In November 2022 we're on the cusp of disaster (of both the 'bang' and the 'whimper' varieties) but, fear not! Our 'leaders' and 'diplomats' are about to 'deliver'! They're gathering in Egypt for COP27. This time the world's leaders will be 'Delivering for people and the planet'.

Previous talkfests were merely prelude:

> From 6 to 18 November [2022], Heads of State, ministers and negotiators, along with climate activists, mayors, civil society representatives and CEOs will meet in the Egyptian coastal city of Sharm el-Sheikh for the largest annual gathering on climate action.
>
> The 27th Conference of the Parties to the United Nations Framework Convention on Climate Change - COP27 - will build on the outcomes of COP26 to deliver action on an array of issues critical to tackling the climate emergency - from urgently reducing greenhouse gas emissions, building resilience and adapting to the inevitable impacts of climate change, to delivering on the commitments to finance climate action in developing countries.
>
> Faced with a growing energy crisis, record greenhouse gas concentrations, and increasing extreme weather events, COP27 seeks renewed solidarity between countries, to deliver on the landmark Paris Agreement, for people and the planet.
> (*United Nations*, œCOP 27: Delivering for people and the planet, (accessed 05 November, 2022))

It might be true, as UN Secretary-General œAntónio Guterres insisted on 27 October 2022, that

> Droughts, floods, storms and wildfires are devastating lives and livelihoods across the globe.
>
> Loss and damage from the climate emergency is getting worse by the day.
>
> And global and national climate commitments are falling pitifully short.
>
> The window to limit global temperature rise to 1.5 degrees is closing fast.
>
> Greenhouse gas emissions must be cut by 45 per cent this decade.
>
> But as today's emissions gap report confirms, they remain at dangerous and record highs and still rising.
>
> Under current policies, the world is headed for 2.8 degrees of global heating by the end of the century.
>
> In other words, we are headed for a global catastrophe.

But, the world will remember that in November 2022, its leaders 'led'. Miraculously, they 'solved the problem'! and averted planetary disaster!

After all that's what leaders are there for!!

COP27 came and went! Nothing happened but, then, given all the mayhem and carnage to which the world has been witness in 2023, it would be unrealistic to expect 'our leaders' to do much about the Climate! But, there's always COP28!

COP28 has come and gone. Clearly Big Business is getting worried, they flooded the conference with delegates, most of them dressed in the fine woven suits of 'serious' business people! Surely that must mean that they expect momentous decisions affecting them are likely!

As Caroline Muturi, a coordinator at the campaign group Ibon Africa, explained:

> ...Cops have become an avenue for these corporations to greenwash their polluting businesses and foist dangerous distractions from real climate action.

Nina Lakhani, summed up COP28:

> KBPO is a coalition of more than 450 organisations across the world calling for an end to fossil fuel companies' influence in climate policy. After years of pressure for greater transparency, the UN caved and this year required applicants to declare who they represent, which may partly explain the rise in oil and gas lobbyists, as they may previously have attended previous Cops incognito.
>
> The data on lobbyists was compiled by the organisations Corporate Accountability, Global Witness and Corporate Europe Observatory from the UN's provisional list of about 84,000 participants at Cop28, and is the most in-depth study into fossil fuel industry presence at any talks to date. It found:
>
> - Fossil fuel lobbyists received more passes than the combined total of delegates (1,609) from the 10 most climate vulnerable countries combined, including Somalia, Chad, Tonga, Solomon Islands and Sudan.
> - Many fossil fuel lobbyists were granted access as part of a trade association, of which nine of the 10 largest came from the global north. This included the Geneva-based International Emissions Trading Association, which brought 116 people including representatives from Shell, TotalEnergies and Norway's Equinor.
>
> The sharp rise in industry lobbyists is perhaps unsurprising given recent revelations that the host country planned to use climate meetings with other countries to promote deals for its national oil and gas companies.
>
> The Cop president, Sultan Al Jaber, was recorded claiming there was "no science" indicating that a phase-out of fossil fuels is needed to restrict global heating to 1.5C (2.7F) above preindustrial levels. (Nina Lakhani, œRecord number of fossil fuel lobbyists get access to Cop28 climate talks: UAE-hosted summit admitted at least 2,456 people affiliated with oil and gas industries, analysis finds, *The Guardian*, December 05, 2023)

How long will it take 'World Leaders' to realize that any long-term solution to the problems confronting them will require a massive reduction in energy use? Attempting merely to maintain existing energy requirements is no longer sustainable, much less, the continued exponential expansion of energy requirements to allow the 'rest of the world' to 'catch up' with the developed nations

Yes, it's not fair! Those responsible for abusing and misusing the world's populations, environments and resources and creating the insurmountable problems with which humanity is confronted are 'already developed'.

Now they, inevitably, insist that those they have abused must suffer the consequences of their profligacy! But there really is no alternative!! And, most unfairly of all, they will smugly insist on this because "we're all in this together"

Kelly Sims Gallagher has explained the problem:

> In the struggle to combat climate change, the world is fighting the last war. Since the dawn of the Industrial Revolution, countries have released one and a half trillion metric tons of carbon dioxide into the atmosphere.
>
> The largest cumulative emissions have come from the United States, European countries, China, and Russia, in that order. But these countries are now prosperous enough to pay for policies that can place them on the path to net-zero emissions by midcentury.
>
> The top emitting countries of the future could come largely from the developing world - countries such as Brazil, India, Indonesia, and South Africa, which face the herculean task of bringing millions out of poverty while simultaneously adapting to the harsh realities of climate change.
>
> If industrialized countries do not shoulder the responsibility to help prevent this next wave of emissions, the global effort to avoid climate disruption will fail.
>
> Efforts to ensure that today's largest polluters rapidly curb their emissions are vitally important, but this progress risks being erased if poorer countries find it impossible to pursue a low-carbon development strategy.
>
> In order to simultaneously preserve the environment and help lift hundreds of millions of people out of poverty, rich countries must provide financing and policy support at a scale that has so far been unavailable to poorer countries.
>
> There are roughly two dozen emerging economies across the globe that are poised to expand their greenhouse gas emissions dramatically in the near future if they do not receive this assistance. Their population size, rapid economic growth rates, and reliance on fossil fuels have placed them on a trajectory for a dramatic expansion of their emissions.
>
> Together, they could cause the same massive wave of emissions that China produced during the first two decades of this century, when it released 195 billion metric tons of greenhouse gases into the atmosphere.
>
> This would render impossible the efforts to reach global "net zero" by midcentury, which scientists say is necessary to avoid the worst effects of climate change.
> (Kelly Sims Gallagher, œThe Coming Carbon Tsunami: Developing Countries Need a New Growth Model - Before It's Too Late, *Foreign Affairs*, Vol.101, No.1, January/February 2022)

There can no longer be room for complacency.

The Intergovernmental Panel on Climate Change

The Intergovernmental Panel on Climate Change (IPCC) released an interim report on 7 August 2021 entitled œ*Climate Change 2021: The Physical Science Basis* and subtitled 'Working Group I contribution to the Sixth Assessment Report of the Intergovernmental Panel on Climate Change'. It provides an inevitably cautious and conservative assessment of

> ...[T]he current state of the climate, including how it is changing and the role of human influence, the state of knowledge about possible climate futures, climate information relevant to regions and sectors, and limiting human-induced climate change.[SPM-4]

The nature of the IPCC (reflecting not only the consensus findings of research on the issues it addresses but also the views of governmental representatives (195 nations) around the world on the manner in which those findings are presented) should be considered a product not only of scientific but also political and industry assessments of draft versions of reports.

As a result of this form of extensive consultation and critique, IPCC reports should be viewed not as the most 'likely' outcome of current climate developments around the world but as cautious, conservatively filtered and limited assessments of possible outcomes. A common criticism of IPCC reports has been that they, by presenting conservative estimates of the consequences of climate change, reduce the impetus to action which such reports should stimulate.

That is not the purpose of information presented in this chapter. Its purpose is to provide credible, usually peer-reviewed, research describing and explaining emerging globally significant climatic and environmental conditions and trajectories. The reader is left with the task of comparing and contrasting what has been presented with ongoing research on the issues. As new studies emerge, of course, they will be woven into the text to provide explanations of the trajectories of change and consequent possibilities of social and environmental disruption.

We are on the cusp of environmental and social changes greater than any experienced in the history of homo sapiens on this planet and there are highly credible studies outlining their possibly disastrous consequences for humanity. It would be delinquent not to highlight such possibilities and warn of looming disaster.

Conservative assessments of climatic and environmental trajectories are calculated to minimize 'alarmist' conclusions. Here it is presumed that it is long-past time to introduce a little panic into the conversation!

We are going to have to get used to new sets of terms shorthanding reality over the next few decades. Among those terms will, inevitably, be a number describing climate-induced relocation. Brad Wible has summarized:

> Climate-induced relocation. Managed retreat. Facilitated migration. Climate-related displacement. These terms describe aspects of what may be beyond words to millions of people whose homes, communities, and cultures are, or could soon be, profoundly threatened by climate change. These people must decide whether, where, when, and how to move, and to thrive, out of harm's way. Communities facing an influx of uprooted people are no less challenged. Although no single term has been legally defined and universally accepted to describe people on the move as a result of

> environmental drivers, the global community has made commitments to support them.[729]

Most people living in Western communities still believe that, while 'climate change might be happening', it will not impact their lives. In my region of the world, this is increasingly looking like self-delusion.

Disasters, both small and large, are happening everywhere

(18/04/24)

Cmmunities which, in the past, thought themselves safe from natural catastrophe, have found that they aren't. Wild fires and wild weather have uprooted thousands who had assumed that this would never happen to them; that this was something that happened in remote parts of the world which they voyeuristically watched, in graphic detail, on their entertainment media.

No longer! Disasters, both small and large, are happening everywhere. Where does one go, and what does one do to insulate oneself from them? Any place to which the uprooted might flee will, sooner or later, be prone to similar disaster.

Welcome to humanity's future![730]

Virginia Iglesias *et al* have discussed the growing likelihood of 'losses [in the US] from natural hazards [which] are escalating dramatically, with more properties and critical infrastructure affected each year':

> ... Although the magnitude, intensity and/or frequency of certain hazards has increased, development contributes to this unsustainable trend, as disasters emerge when natural disturbances meet vulnerable assets and populations.... [W]e identified earthquake, flood, hurricane, tornado, and wildfire hazard hotspots, and overlaid them with land-use information from the Historical Settlement Data Compilation dataset.
>
> Our results show that 57% of structures (homes, schools, hospitals, office buildings, etc.) are located in hazard hotspots, which represent only a third of CONUS [conterminous United States] area, and ~1.5 million buildings lie in hotspots for two or more hazards.
>
> These critical levels of exposure are the legacy of decades of sustained growth and point to our inability, lack of knowledge, or unwillingness to limit development in hazardous zones. Development in these areas is still growing more rapidly than the baseline rates for the nation, portending larger future losses even if the effects of climate change are not considered.
> (Virginia Iglesias *et al*, "Risky development: Increasing exposure to natural hazards in the United States, *Earth's Future*, 08 June 2021)

With so many governments paying lip-service to the need for policies aimed at mitigating the consequences of 'climate-change', many are allowing continued settlement development in vulnerable areas. The real consequences of climate change are much closer than many people, including politicians and planners, actually believe!

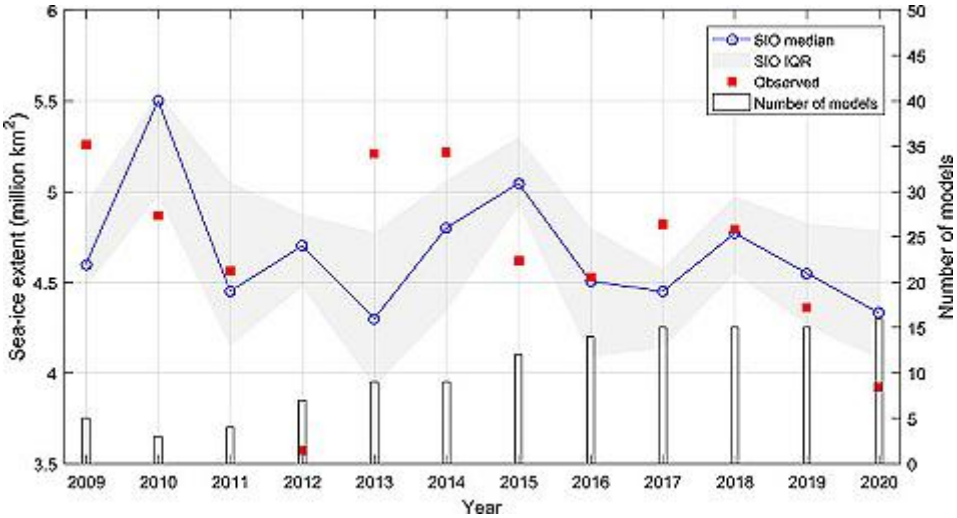
The Arctic provides the clearest evidence of what is happening - but it is merely an exemplar of conditions around the world. What starts in the Arctic (and Antarctic) does not stay in those regions, these conditions foretell our imminent future!

The 2021 summary of Arctic conditions and trends (published by AMAP, established in 1991 under the eight-country Arctic Environmental Protection Strategy) titled *Arctic Climate Change Update 2021: Key Trends and Impacts*, provides a somber picture of air temperature (and many other) changes in the Arctic between 1971 and 2019:

> From 1971-2019, the annually averaged Arctic near-surface air temperature increased by 3.1°C, three times faster than the global average. This finding is based on instrumental data, with interpolation applied over the Arctic Ocean where observations are sparse, and is higher than the increase reported in previous AMAP reports. The largest change in air temperature over this 49-year period was over the Arctic Ocean during the months of October through May, averaging 4.6°C with a peak warming of 10.6°C occurring over the northeastern Barents Sea.

Ke Wei *et al* described 2020 Arctic conditions - they are no longer associated with clear weather anomalies: 'during the melting season of 2020, there was no powerful cyclone, and the sea surface temperature of the equatorial central and eastern Pacific was neutral':

> On 15 September 2020, the Arctic sea-ice extent (SIE) reached its annual minimum, which, based on data from the National Snow and Ice Data Center (NSIDC, 2020a), was about 3.74 million km2 (1.44 million square miles). This value was about 40% less than the climate average (~6.27 million km2) during 1980-2010. It was second only to the record low (3.34 million km2) set on 16 September 2012, but significantly smaller than the previous second-lowest (4.145 million km2, set on 7 September 2016) and third-lowest (4.147 million km2, set on 14 September 2007) values, making 2020 the second-lowest SIE year of the satellite era (42 years of data).
>
> Although ranked second lowest, the year 2020 carries special meaning. In August 2012, the Arctic experienced the Great Arctic Cyclone, which was the most extreme cyclone in summer on record since the beginning of the satellite era, reaching the level of strong cyclones in winter (Simmonds and Rudeva, 2012). It led to a dramatic reduction in Arctic sea ice and thus set the historical record still standing today. In 2015/16, the occurrence of a super El Niño was linked to extremely warm anomalies in the Arctic, which affected sea-ice loss (Petty et al., 2018; Stroeve and Notz, 2018). By contrast, during the melting season of 2020, there was no powerful cyclone, and the sea surface temperature of the equatorial central and eastern Pacific was neutral (La Niña had been developing since autumn).



The median and interquartile range (IQR) of the September Arctic Sea Ice Outlook (SIO) based on the July predictions of dynamical models that participated in the Sea Ice Prediction Network.
(Ke Wei *et al*, Subseasonal to seasonal Arctic sea-ice prediction: A grand challenge of climate science, *Atmospheric and Oceanic Science Letters*, 2 April 2021)
(**Join the dots!**)

Robert Graham *et al*, in 2017, described the frequency with which 'extreme warming events were observed over sea ice in the central Arctic Ocean. Each of these warming events were associated with temperatures close to or above 0°C, which lasted for between 1 and 3 days'. As they explain,

> Temperatures in the Arctic are increasing twice as fast as the global average.... The most rapid Arctic warming has been recorded during the winter months..., and 2015-2016 was the warmest winter since records began in 1950.... Winter 2015-2016 featured an Arctic wide (north of 66°N) winter temperature anomaly of approximately 5°C, which was 2°C warmer than the previous record.... The winter maximum sea ice extent in March 2017 was the lowest in the 38 year satellite record (http://nsidc.org/arcticseaicenews/). March 2016 and March 2015 were the joint lowest, prior to 2017...
> (Robert M. Graham *et al*, Increasing frequency and duration of Arctic winter warming events. *Geophysical Research Letters*, 10 July 2017 [references omitted])

Matthew Cappucci, in a March 16, 2022 *Washington Post* report on recent events, described recent Arctic winter atmospheric warming:

> Temperatures averaged over the high Arctic north of 80 degrees latitude are about 25 degrees (14 Celsius) above normal. Some forecast models indicate small areas in the Arctic, including near the North Pole, could experience temperatures as much as 45 to 54 degrees (25 to 30 Celsius) above normal Wednesday and Thursday.
>
> In Hopen, an island off Svalbard in the Barents Sea at 76 degrees north latitude, the temperature recently hit 39 degrees (3.9 Celsius), its highest March temperature on record....
>
> "It appears that a new record has been set for lowest pressure on record anywhere in Greenland at 934.1 hPa measured at the [Danish Meteorological Institute] station at Ikermiuarssuk," Mottram said. The pressure reading hasn't been officially certified as a record, but Mottram notes that it is consistent with other observations and model forecasts.

> (Matthew Cappucci, œRecord 'bomb cyclone' bringing exceptional warmth to North Pole: Arctic temperatures could approach the melting point as they surge nearly 50 degrees above normal, *Washington Post*, March 16, 2022)

And, it's not only happening in the Arctic!

As in the Arctic, so in the Antarctic, sea-ice extent is declining. The *National Snow and Ice Data Center* described what is happening:

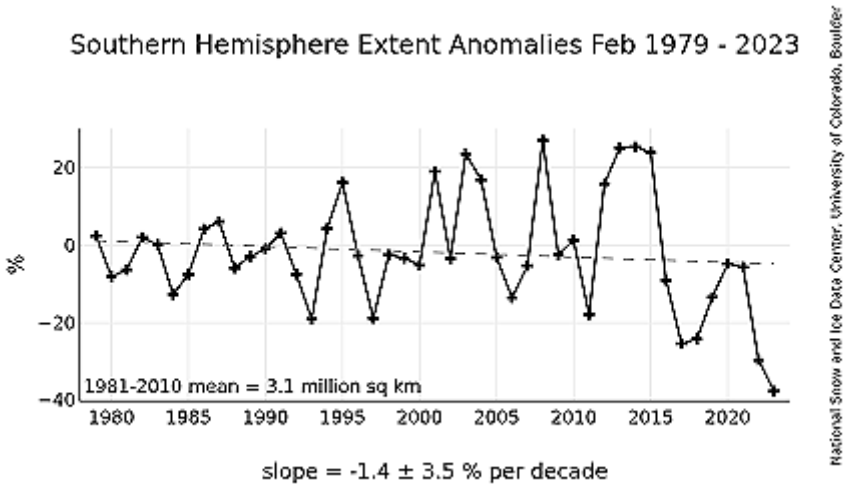
> Antarctic sea ice recently reached its late-summer minimum, dropping below all previous minimum ice extents in the satellite record.... For the first time since the satellite record began in 1979, extent fell below 2 million square kilometers (772,000 square miles), reaching a minimum extent of 1.92 million square kilometers (741,000 square miles) on February 25. Ice extent declined at a near-average rate through most of the month at about 40,000 square kilometers (15,400 square miles) per day, but the decline significantly slowed to about 15,000 square kilometers (5,800 square miles) per day towards the end of the month.
> (œArctic sea ice approaches maximum; record low minimum in the south, *National Snow and Ice Data Center*, March 8, 2022)

Jinfei Wang *et al* summed up what happened:

> SIE [sea ice extent] reached a new record low since recordkeeping began in 1978 of 1.9 million km^2 on 25 February, 0.17 million km^2 lower than the previous record low set in 2017. One reason for this is that the Antarctic sea ice retreated earlier than normal, starting from early September of 2021. The negative anomalies became larger until mid-November, and then sea ice exhibited a steadily decreasing rate until mid-December of 2021 and dropped quickly, exceeding two standard deviations (SDs) of the climatology, on 8 February 2022.
> (Jinfei Wang *et al*, œAn Unprecedented Record Low Antarctic Sea-ice Extent during Austral Summer 2022, *Advances in Atmospheric Sciences*, April 19, 2022)

And, of course, in 2023, The *National Snow and Ice Data Center* reported that:

> On February 13, 2023, Antarctic sea ice extent fell to 1.91 million square kilometers (737,000 square miles) (Figure 1a). This set a new record low, dropping below the previous record of 1.92 million square kilometers (741,000 square miles) set on February 25, 2022 (Figure 1b). This year represents only the second year that Antarctic extent has fallen below 2 million square kilometers (772,000 square miles). In past years, the annual minimum has occurred between February 18 and March 3, so further decline is expected.



(œAntarctic Sea Ice Extent sets a new record low, *National Snow and Ice Data Center*, February 14, 2023)

Bob Henson, in a *Yale Climate Connections* article entitled 'How this month produced a mind-boggling warm-up in eastern Antarctica (and the Arctic)', has described the seeming 'coincidence' of extreme heat events in both the Arctic and Eastern Antarctic regions in March 2022. As he describes:

> The bloodless term "anomaly" doesn't do justice to the stupendous temperature departures seen across parts of both the Antarctic and Arctic in mid-March 2022. With the initial shock now behind them, scientists are taking stock of exactly what happened and what it might portend.
>
> The observations from both polar regions - especially the Antarctic - would be almost laughable if they weren't so unsettling. Even as some of the scientists working in these remote areas shared humorous takes on the bizarre warm-ups, one could find plenty of angst, as temperatures in the Antarctic soared to levels that were in some cases virtually unthinkable just a few days beforehand.
>
> The Arctic's warm spell was impressive in its own right. An atmospheric river (or AR, a narrow plume of warmth and moisture that typically pushes toward higher latitudes) surged from the North Atlantic well into the Arctic Ocean on a track running just east of Greenland. The AR was associated with a powerful mid-latitude cyclone that produced the lowest atmospheric pressure ever recorded in Greenland: 934.1 mb at Ikermiuarsuk, beating a value of 936.2 mb set at two locations in 1986 and 1988....
>
> Even more impressive was the freakish warming at Earth's South Pole. An atmospheric river originating near southeast Australia surged across much of the vast, barren landscape of East Antarctica, the coldest large plateau on the planet.
>
> "This Antarctic heat wave definitely changes what we thought was possible for Antarctic weather," tweeted Jonathan Wille (Université Grenoble Alpes)....
>
> East Antarctica doesn't get gradual springs and autumns, to put it mildly. Instead, months of winter darkness switch abruptly into summers with near-constant sunshine and temperatures still frigid but far warmer than in winter. The winter cool-down arrives only a few weeks later.

> In the case of March 2022, just days before the southern autumn equinox of March 20 - a time when temperatures have normally plunged close to winter levels - the atmospheric river spread warmth-trapping clouds and moisture well inland across East Antarctica.
>
> As a result, temperatures soared to levels as much as 50°F [28°C] or more above average over broad areas on March 18 and remained far above average for several days....
>
> Above all, what the twin polar warmings reinforce is that, more than ever, we can expect the unexpected in a warming atmosphere. Wille likened the extremity of the Antarctic warm-up to the similarly out-of-bounds heat observed in the Pacific Northwest and British Columbia in the summer of 2021, with both occurrences seemingly implausible until they happened.
>
> "For me, it's hard to feel surprised by events like this anymore," Schneider wrote in an email. He pointed out that studies of past climate indicate that, at times when atmospheric carbon dioxide concentrations were similar to their current values of around 420 parts per million, the Antarctic Ice Sheet was significantly smaller....
> (Bob Henson, œHow this month produced a mind-boggling warm-up in eastern Antarctica (and the Arctic): Two atmospheric rivers surge toward opposite poles, *Yale Climate Connections*, March 23, 2022)

And, on March 23, 2022, an East Antarctic ice shelf collapsed:

> It is relatively common for ice shelves in Antarctica to spawn icebergs. It is less common for an ice shelf to completely disintegrate. In March 2022, an ice shelf in East Antarctica did both. The collapse has reshaped a part of the Antarctic landscape where coastal glacial ice was once thought to be stable.
>
> The change happened fast. At the start of March 2022, the floating shelf fed by the Glenzer and Conger glaciers was still intact. By the middle of the month, it had fallen apart....
>
> The loss of an ice shelf is problematic because it can indirectly contribute to sea level rise. "Ice shelves are essentially the 'safety band' holding up the rest of the Antarctic Ice Sheet," Walker said. When they collapse, the ice behind them can more quickly flow into the ocean. "And that is what raises sea levels."
>
> By Antarctic standards, the ice shelf and glaciers that it held back are relatively small, so the impacts from the collapse are expected to be minimal. Scientists are more concerned about the location of the collapse.
>
> "All of the previous collapses have taken place in West Antarctica, not East Antarctica, which until recently has been thought of as relatively stable," Walker said. "This is something like a dress rehearsal for what we could expect from other, more massive ice shelves if they continue to melt and destabilize. Then we'll really be past the turnaround point in terms of slowing sea level rise."
> (Kathryn Hansen, œIce Shelf Collapse in East Antarctic, *NASA Earth Observatory*, March 29, 2022)

Wenxia Zhang *et al*, in a study entitled '2023: Weather and Climate Extremes Hitting the Globe with Emerging Features', examine the impact of 'extreme weather and climate events throughout the world'. As they summarize:

> Globally, 2023 was the warmest observed year on record since at least 1850 and, according to proxy evidence, possibly of the past 100 000 years. As in recent years, the record warmth has again been accompanied with yet more extreme weather and climate events throughout the world.
>
> Here, we provide an overview of those of 2023, with details and key background causes to help build upon our understanding of the roles of internal climate variability and anthropogenic climate change. We also highlight emerging features associated with some of these extreme events.
>
> Hot extremes are occurring earlier in the year, and increasingly simultaneously in differing parts of the world (e.g., the concurrent hot extremes in the Northern Hemisphere in July 2023). Intense cyclones are exacerbating precipitation extremes (e.g., the North China flooding in July and the Libya flooding in September).
>
> Droughts in some regions (e.g., California and the Horn of Africa) have transitioned into flood conditions. Climate extremes also show increasing interactions with ecosystems via wildfires (e.g., those in Hawaii in August and in Canada from spring to autumn 2023) and sandstorms (e.g., those in Mongolia in April 2023).
>
> Finally, we also consider the challenges to research that these emerging characteristics present for the strategy and practice of adaptation.
> (Wenxia Zhang *et al*, œ2023: Weather and Climate Extremes Hitting the Globe with Emerging Feature, *Advances in Atmospheric Sciences*, 17 April 2024)

All that is needed is reshaping of current practices

Inconsiderately, Global Warming has not put itself on hold while US politicians play 'World Bully' and œnations on the receiving end of their shenanigans react to protect themselves from the consequences of US belligerence. We are being manipulated by sociopathic opportunists, intent on myopically pursuing absurd political advantage as though nothing else was happening to this sad world of ours!

So far, in the US[731], and, indeed, in much of the rest of the Western World, measures to address the underlying causes of looming catastrophe have assumed that all that is needed is reshaping of current practices. The strangely muted 'œGreen New Deal' which has been proposed (but not implemented) in the US illustrates an apparent belief that tinkering with the current system is all that is required to avert disaster.

Yves Smith has explained

> As we've stressed repeatedly, the Green New Deal proponents will not acknowledge, let alone promote, far and aways the most important and urgent measures we can take to combat climate change: radical conservation.
>
> They aren't even pushing for some of the measures implemented during the [1970s] Oil Crisis to discourage fossil fuel use, like setting summer thermometers at 77 degrees to reduce air conditioning use, every other day access to gas stations, and encouraging commuter ride-sharing.

> These may seem merely symbolic to the level of the challenge, but they send a strong psychological message of needing to change our daily habits to reduce greenhouse gas use. And perhaps most important, if citizens en masse are encouraged or required to curtail their activities, it will become politically difficult for those higher up the food chain, both large companies and wealthy individuals, to continue to be carbon profligates.
> (Yves Smith, œLessons from the First New Deal for the Next One, *NakedCapitalism*, April 14, 2021)

In the face of rapidly deteriorating conditions around the world, optimism is looking increasingly like self-delusion:

> Next year is going to be a huge one for international climate negotiations. Because the 2020 climate summit was canceled, there are big expectations for the next meeting in Glasgow, Scotland, in November 2021. When the Paris Agreement was signed in 2015, nearly every country in the world committed to the goal of working together to limit global warming to well below 2 degrees Celsius....
>
> **In a reversal of President Trump's policies, President-elect Biden plans to re-enter the Paris climate accord and consider climate change part of the leadership of every cabinet position...**
> (Mark Shimabukuro, œWhat's on the Horizon for the Climate Desk?, *New York Times*, December 30, 2020) (Their emphasis)

Stewart Patrick explained the likely outcome of all this:

> Unfortunately, rejoining the accord itself will do little to change the current climate trajectory. To meet the 1.5 degree Celsius target, parties must cut global emissions 7.2 percent each year through 2030, reducing them 45 percent from 2010 levels.
>
> That is not going to happen. Emissions may fall by 8 percent this year because of the pandemic shutdowns - the biggest annual decline since World War II. But history suggests they will rebound sharply. Given the accumulated stock of greenhouse gases in the atmosphere, 2020's brief downward blip will not slow the momentum of global warming.
> (Stewart M. Patrick, œRejoining the Paris Agreement Is the Easy Part for Biden on Climate Change, *World Politics Review*, November 9, 2020)

As 2021 unfolded, what practical measures has a new, corporatist, neoliberal US administration not merely 'proclaimed' but **taken** to reinstate the minimal environmental protections which had been established prior to the 2017-2021 Trump presidency?

Bernie Sanders, as reported by Maureen Dowd, summed up the 2021 US reality (echoed to varying extent in most Western 'democracies'):

> "Maureen, let me just tell you what we're trying to do here," he says. "We're working on what I think is the most consequential piece of legislation for working families since the 1930s."...
>
> "Does anyone deny that our child care system, for example, is a disaster? Does anyone deny that pre-K, similarly, is totally inadequate? Does anyone deny that there's something absurd that our young people can't afford to go to college or are leaving school deeply in debt? Does anybody deny that our physical infrastructure is collapsing?

> Does anybody except anti-science people deny that climate change is real? Does anyone deny that we have a major health care crisis? Does anyone deny that we pay the highest prices in the world for prescription drugs? Does anyone deny we have a housing crisis? Does anyone deny that half the people live paycheck to paycheck?"
>
> Sanders, who has talked about spending up to $6 trillion on the reconciliation package, says he will not support a two- or three-trillion-dollar bill. "That's much too low."
> (Maureen Dowd, œThe Ascension of Bernie Sanders, *New York Times*, 10 July, 2021)

But, of course, as Sanders is well aware, he is 'cooperating' with a President who has, at least since 1973, been a 'right-of-center' Washington politician. One can but wish Sanders well in his Sisyphean bid to ensure that President Biden not only promises but actually delivers 'fundamental reform'.

Those US voters who recognize the enormity of the task before him, should do everything in their power to support him in his determination. It might well be the US' last, best hope of rebuilding a government 'by the people, for the people'.

Patrick summed up the Biden instigated Earth Day summit:

> The summit... leaves important, lingering questions, the most important of these being the feasibility and credibility of Biden's plans. His topline commitment is to reduce U.S. greenhouse gas emissions by 50 to 52 percent from their 2005 levels by 2030. This new target is nearly double what then-President Barack Obama offered as the U.S. contribution to the Paris Agreement in 2015. The good news is that U.S. emissions have been declining. They were down 13 percent from the 2005 levels in 2019 and are estimated to have declined 21 percent from that baseline last year, thanks to the pandemic-induced recession. The bad news is that emissions are now rising as the U.S. economy recovers.
> (Stewart M. Patrick, œBiden's Ambitious Climate Pledge Puts U.S. Credibility on the Line, *World Politics Review*, April 26, 2021)

Coral Davenport explained the probable 2021 achievements of the new administration in 'rolling back' the deregulatory 'achievements' of the Trump era:

> President Biden, vowing to restore environmental protections frayed over the past four years, has ordered the review of more than 100 rules and regulations on air, water, public lands, endangered species and climate change that were weakened or rolled back by his predecessor.
>
> But legal experts warn that it could take two to three years - and in some cases, most of Mr. Biden's term - to put many of the old rules back in place.
>
> "People should temper their expectations about what can be done quickly," said Kevin Minoli, who served as a lawyer at the Environmental Protection Agency in the Clinton, Bush, Obama and Trump administrations.
> (Coral Davenport, œRestoring Environmental Rules Rolled Back by Trump Could Take Years, *New York Times*, January 22, 2021)

As Davenport outlines, there is a wide range of 'reasons' which can be used to justify 'rollback inertia'!

Here is what that looks like:

> On his first day as president, Mr. Biden won praise from climate resilience experts by signing an executive order that, according to the White House, reinstated an Obama-era rule on flood risk.
>
> The rule imposed higher standards on federally funded construction in flood zones. It was rescinded by Mr. Trump after the home building industry said it would increase costs.
>
> Climate experts hailed Mr. Biden's move as a crucial step to ensure that new homes, roads and other investments would be safe from rising seas, stronger hurricanes and more intense storms. In particular, restoring the flood rule would help ensure that projects funded through the president's $2 trillion infrastructure package would be better protected.
>
> But the administration reversed itself last month, saying that Mr. Biden's order did not in fact reinstate the flood rule. No reason was given. Mr. Patel did not respond to questions about the rule.
>
> Rob Moore, a senior policy analyst at the Natural Resources Defense Council, said the administration needed to put the flood rule in place. "Otherwise, they run the risk of a lot of money going out the door to build things that fall in the water," he said.
> (Christopher Flavelle, œBiden Promises to 'Build Back Better.' Some Climate Experts See Trouble, *New York Times*, May 6, 2021)

Let's not feign surprise! It was always more likely that Biden would find an exit enabling him to 'modify' his proposals (after all that's what happened when he was the vice president under Obama). Davenport *et al* explained:

> On Wednesday, White House officials said they had not wavered in their commitment to making climate a core part of any infrastructure package. The administration has encouraged a bipartisan group of senators to continue to try to hammer out an agreement.
>
> "The president has underscored that climate change is one of the defining crises we face as a nation, and in the negotiations he has continuously fought for leading on the clean energy economy and on clean energy jobs - which is critical for our economic growth, competitiveness, and middle class," said Andrew J. Bates, a White House spokesman, in a statement.
>
> Several Democratic senators as well as many climate activists say they nonetheless fear that the prospects for climate legislation could evaporate, as they did in the first term of the Obama administration.
> (Coral Davenport, Lisa Friedman and Emily Cochrane, œCollapse of Infrastructure Talks Puts Climate Action at Risk, *New York Times*, June 9, 2021)

The process continued through the rest of June, 2021. First there *was* an agreement; then there *wasn't* an agreement; then there 'almost certainly' *was* one again... [732]

Successful US politicians have developed a remarkable deftness in ensuring that their voter-oriented 'visionary' policies are 'justifiably' modified - often into oblivion!

Lambert Strether described the 2021 US political inertia problem well:

> Coverage of the infrastructure bill seems to have stalled (along with the bill itself;...). The same goes for a lot of other Biden administration initiatives, like WTO patent waives for vaccines, withdrawal from Yemen; basically everything except the Covid relief bill, which the entire political class agreed had to be passed (just like the CARES Act). ...
>
> [I]t seems that whenever Biden announces something will get done, the press moves on to something else, confident that *something*, at least, will get done.
>
> Perhaps they're all at brunch now. Or perhaps newsrooms are even leaner than before, now that the clicks from Trump's constant churn aren't boosting revenues. Or perhaps the press just won't criticize someone they see as representing them, as a class.
>
> Whatever the reason, if one after-effect of Covid is *brain fog*, one effect of the Biden administration is *Biden Fog*; it's extremely difficult to see what, if anything, the administration is actually *doing*. Biden Fog makes me very uneasy, more uneasy than the Obama administration's smooth manipulativeness.
> (Lambert Strether of Corrente, œWater Cooler: Politics, *Naked Capitalism*, May 10, 2021)

Producing and consuming our way into our species' grave

Greenhouse gasses are but one of the problems facing humanity in future years.

We are myopically 'producing' and 'consuming' our way into our species' grave - because 'profit'; because 'greed'; because 'we need to shop - it makes us feel good about ourselves'. Rusty Guinn explained:

> The problem, of course, is that consumption really does make us happier, at least for a while. Then, inevitably, we do what humans do best. We adapt. To trigger the same chemical and emotional response, our brain tells us we need new consumption. Something bigger and more exciting.
>
> The hedonic treadmill is real...
> (Rusty Guinn, œThe ZIRP Paradox, *Epsilon Theory*, December 14, 2020)

Rachit Dubey *et al*, in a 2022 article entitled 'The pursuit of happiness: A reinforcement learning perspective on habituation and comparisons', have explained the problem for peoples trapped in an individualized competitive determination to materially demonstrate 'self-worth'[733].

Mami Mizutori and Debarati Guha-Sapir (in a foreword to the report below) explained the consequences:

> We are twenty years into this new century, and disaster risk is taking on new shapes and sizes with every passing year.
>
> Disasters have never waited their turn, and increasingly risk is interconnected. Risk drivers and consequences are multiplying and cascading, colliding in unanticipated ways. We must have a commensurate systemic response with national and local strategies for disaster risk reduction fit for purpose. Political commitment, strategies and scenario planning have never been more important for disaster risk management....

> It is baffling that we willingly and knowingly continue to sow the seeds of our own destruction, despite the science and evidence that we are turning our only home into an uninhabitable hell for millions of people.[734]

What is happening around the world?

> The Arctic is among the fastest warming regions in the world and is heating at twice the global average. Annual surface air temperatures over the last 4 years (2016-2019) in the Arctic (60°-85°N) have been the highest on record. The volume of Arctic sea-ice in the month of September 2019 (after the melting season) has declined by more than 50% compared to the mean value for 1979-2019.
>
> Siberia has witnessed exceptional heat, with temperatures up to 10°C (18.5 °F) above average in May and driving the warmest May on record for the entire Northern hemisphere and indeed the globe.
>
> But it wasn't just May that was unusually mild in this region; the whole of winter and spring had repeated periods of higher-than-average surface air temperatures, particularly from January onwards.
>
> The unusual warmth in winter and spring was associated with an exceptionally early break-up of ice in Siberia's rivers.
> (œReported new record temperature of 38°C north of Arctic Circle, *World Meteorological Organization*, 23 June, 2020)

With that warming comes thawing and drying of the tundra and its associated subsurface peat. Jannik Martens *et al*, in a research article entitled œRemobilization of dormant carbon from Siberian-Arctic permafrost during three past warming events (*Science Advances* Vol. 6, no. 42, 16 Oct 2020) have made a sobering prediction based on their research:

> Arctic warming by only a few degrees may suffice to abruptly activate large-scale permafrost thawing, indicating a sensitive trigger for a threshold-like permafrost climate change feedback.

Rashit Hantemirov *et al* have summed up the Arctic region's trajectory over the first two decades of the 21st century:

> The 2011-2020 mean temperature of the Arctic region (>60° latitude) alone was 0.71 °C higher than the preceding decade mean. Adverse consequences of this rapid warming are already underway: enhanced ice loss across Greenland, record-low Arctic sea ice extent, permafrost thawing and unprecedented wildfires across Siberia, with considerable implications on a suite of human and natural systems, both within and outside the polar regions. Yet, despite the relevance of temperature for the Arctic system, instrumental records are often short or incomplete in polar regions and precisely-dated temperature proxies with high temporal resolution are largely lacking.
>
> Siberia is among the regions with the strongest warming worldwide (Fig. 1a) and heatwaves have reached a disturbing new level in recent years, especially in 2020 when temperatures soared across Siberia to reach a record-breaking 38 °C inside the Arctic Circle.
>
> This massive build-up of heat in the Arctic promotes the rapid disappearance of sea ice, accelerates thawing of carbon-rich permafrost and the emergence of extreme wildfires. A hotter climate in Siberia arguably has devastating, cascading effects on local ecosystems, human communities, and the built environment. It will

> also impact the global climate system as a whole, for example through the enhanced release of greenhouse gases from permafrost bodies, the largest peatland surface on Earth, and wildfires, reduced snow cover and melting ice, or even changes in the physical processes of the Arctic Ocean.
> (Rashit M. Hantemirov *et al*, œCurrent Siberian heating is unprecedented during the past seven millennia, *Nature Communications*, Vol. 13, Article number: 4968, 25 August 2022)

As the tundra and its associated subsurface peat dry they become susceptible to burning. Shelly Sommer has described what is happening:

> "Zombie fires" and burning of fire-resistant vegetation are new features driving Arctic fires - with strong consequences for the global climate - warn international fire scientists in a œcommentary published today in *Nature Geoscience*.
>
> The 2020 Arctic wildfire season began two months early and was unprecedented in scope.
>
> "It's not just the amount of burned area that is alarming," said Dr. Merritt Turetsky, a coauthor of the study who is a fire and permafrost ecologist at INSTAAR. "There are other trends we noticed in the satellite data that tell us how the Arctic fire regime is changing and what this spells for our climate future."[735]

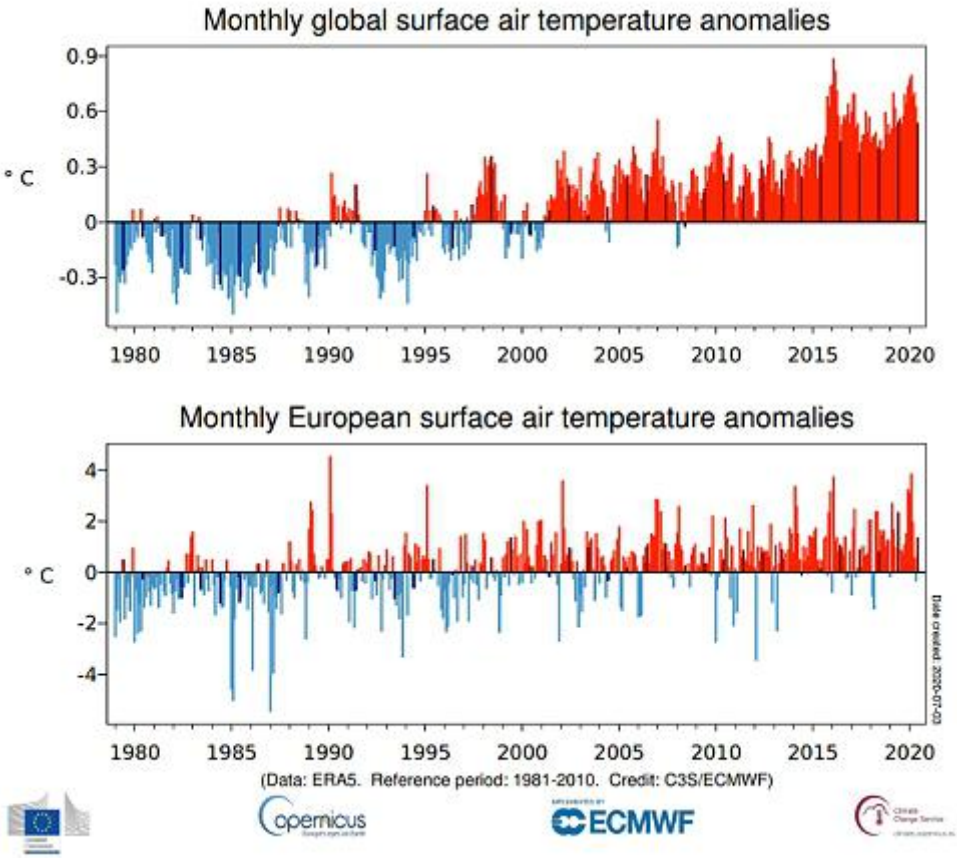
A *Nature Geoscience* editorial has explained the consequences of permafrost warming:

> Permafrost warming changes the soil environment, which activates the microbial decomposition of organic matter. Microbial activity is largely suppressed when the temperature is below freezing. However, as the ambient climate warms, frozen soil thaws and microorganisms speed up the decomposition of organic matter into carbon dioxide (CO_2), methane (CH_4) and nitrous oxide (N_2O). The process can be further accelerated as the microbial community composition changes.
>
> Permafrost soil is lacking biogeochemical processes due to the reduced diversity of the microbial community via environment filtering over millennia-long freezing. These missing processes, however, can be recovered as the community diversity increases in the warmed soil. An Article in this issue [Sylvain Monteux *et al*, œCarbon and nitrogen cycling in Yedoma permafrost controlled by microbial functional limitations] shows that easing limitations of biogeochemical functions in permafrost soil makes soil carbon even more vulnerable to decomposition, which increases microbial CO_2 production by 38%.
>
> Direct GHG emissions may only account for part of the carbon loss from thawing sites. Much of the carbon is actually taken away by meltwater. Direct measurements of soil carbon change in an experimentally warmed permafrost site in Alaska show that lateral hydrological export of carbon is responsible for more than 50% of carbon loss during permafrost degradation3. Failure to consider the lateral transport of carbon may substantially underestimate the impact of permafrost thaw on climate change.
> (Editorial, œWhen permafrost thaws, *Nature Geoscience*, 30 November 2020)

The *Copernicus Climate Change Service* (C3S) has provided a graphic description of monthly global-mean and European-mean surface air

temperature anomalies relative to 1981-2010[736], from January 1979 to June 2020. As they explain:

> Outside Europe, temperatures deviated most from June 1981-2010 average in a band covering almost all of the Siberian Arctic land mass, where they were the warmest on record for June, both on average over the region and in terms of extremes.:

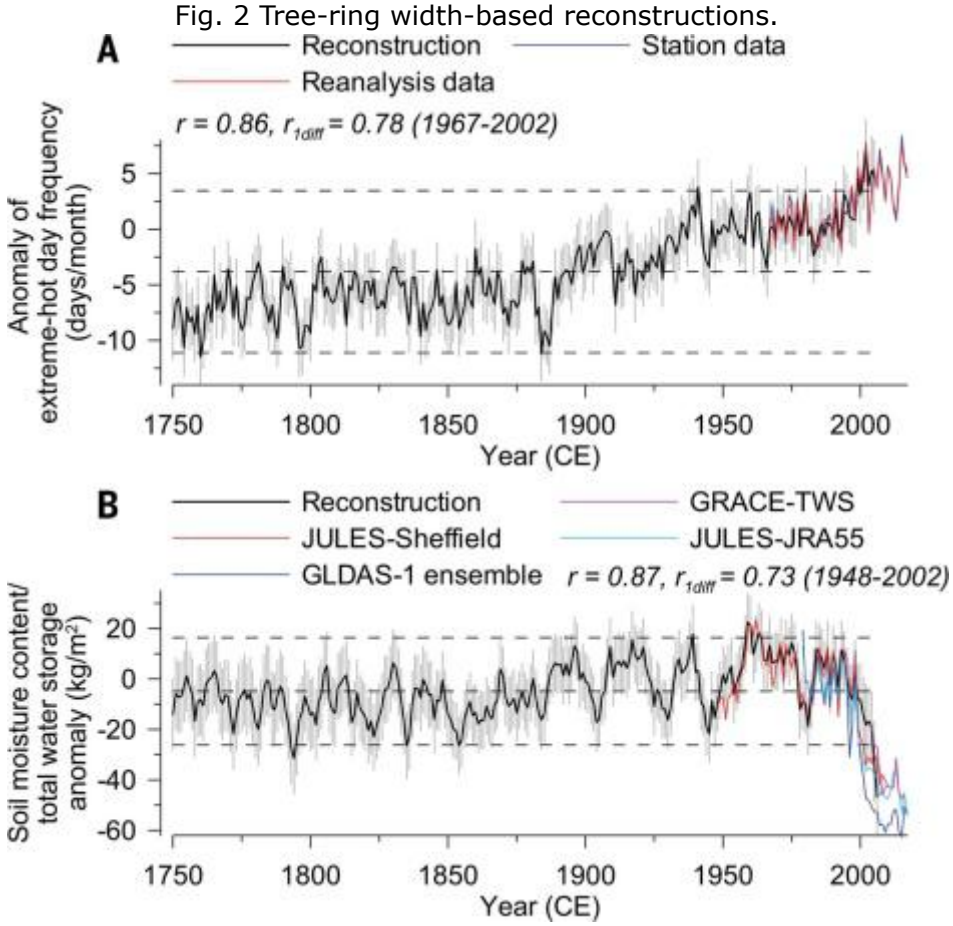


Monthly global-mean and European-mean surface air temperature anomalies relative to 1981-2010, from January 1979 to June 2020. The darker coloured bars denote the June values.
Data source: ERA5. Credit: Copernicus Climate Change Service/ECMWF
œSurface air temperature for June 2020, 07 July, 2020

Peng Zhang *et al* have provided a bleak assessment of environmental developments in inner East Asia 'that reveals an abrupt shift to hotter and drier conditions'. As they summarize:

> Unprecedented heatwave-drought concurrences in the past two decades have been reported over inner East Asia. Tree-ring-based reconstructions of heatwaves and soil moisture for the past 260 years reveal an abrupt shift to hotter and drier climate over this region.
>
> Enhanced land-atmosphere coupling, associated with persistent soil moisture deficit, appears to intensify surface warming and anticyclonic circulation anomalies, fueling heatwaves that exacerbate soil drying.
>
> Our analysis demonstrates that the magnitude of the warm and dry anomalies compounding in the recent two decades is unprecedented over the quarter of a millennium, and this trend clearly exceeds the natural variability range. The "hockey stick"-like change warns that the warming and drying concurrence is potentially irreversible beyond a tipping point in the East Asian climate system.

Fig. 2 Tree-ring width-based reconstructions.



(A and B) Tree-ring width-based reconstructions of July-August mean extremely hot day frequency (A) and soil moisture anomaly (B) in 1750-2002 in inner East Asia (solid black curves) and their uncertainty (gray bars, defined as 2s of reconstruction ensembles). The red and blue curves in (A) are the extremely hot day frequency variability derived from ERA interim and station datasets. The red, cyan, blue, and pink curves in (B) are the soil moisture anomaly...
(Peng Zhang *et al*, œAbrupt shift to hotter and drier climate over inner East Asia beyond the tipping point, *Science*, Vol. 370, Issue 6520, pp. 1095-1099, 27 Nov 2020)

For life, this planet may be as good as it gets

For life, œthis planet may be as good as it gets. As Laurette Piani has explained,

> The Earth is the only planet known to have liquid water on its surface, a fundamental characteristic when it comes to explaining the emergence of life...
> (Laurette Piani, œEarth may always have been wet, *French National Centre for Scientific Research*, August 27, 2020;
> The research report: Laurette Piani, *et al*, œEarth's water may have been inherited from material similar to enstatite chondrite meteorites, *Science*, Vol. 369, Issue 6507, pp. 1110-1113, August 28, 2020)

We are living on a planet which œseems almost uniquely tailored to support life and here is what we, Western Capitalists, are doing to it:

James Hanson has explained and illustrated the rapidly accelerating trend in global temperatures through the 2nd decade of the 21st Century:

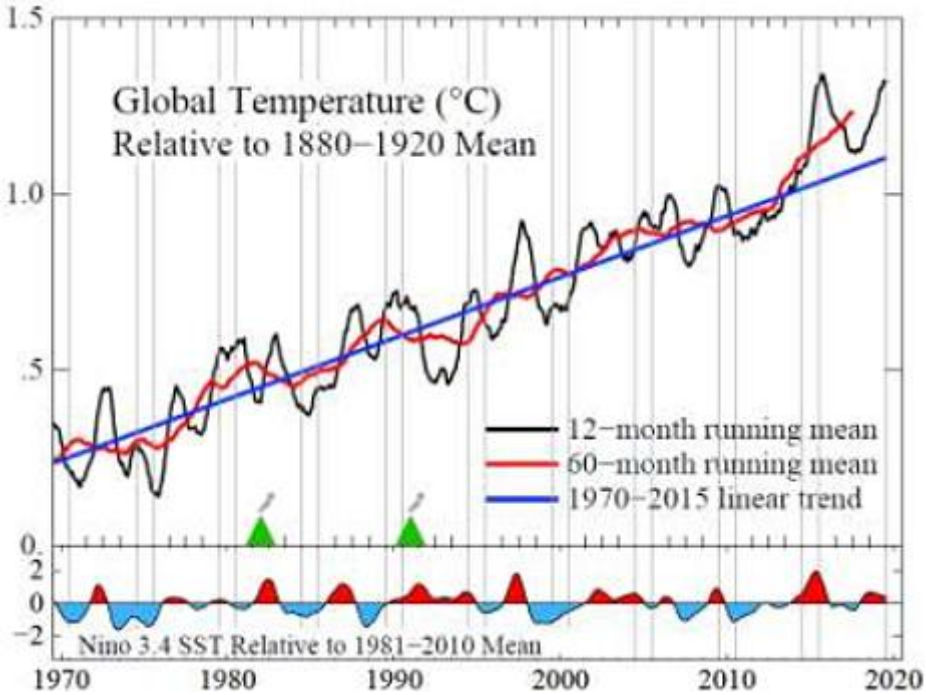
> July 2020 was the second warmest July since adequate global data began in 1880, second to July 2019. Global temperature was 0.89°C

relative to the 1951-1980 base period and 1.12°C relative to 1880-1920.

The first seven months in 2020 was the second warmest January-July at 1.08°C (1.36°C relative to 1880-1920), but 2016 was just barely warmer at 1.09°C relative to 1951-1980.

The important matter, however, is not the interesting horse race between 2020 and 2016, but rather the apparent acceleration of global warming during the past several years, as shown by the figure below. The 12-month running has reached its relative maximum and will decline during the next several months as the budding La Niña in the Tropical Pacific will cause global temperature in coming months to fall generally below the temperature in the corresponding months in 2019....

However, global temperature is clearly running well above the linear trend that existed for decades. In an upcoming communication we will discuss the relation of the warming rate to changing climate forcings.

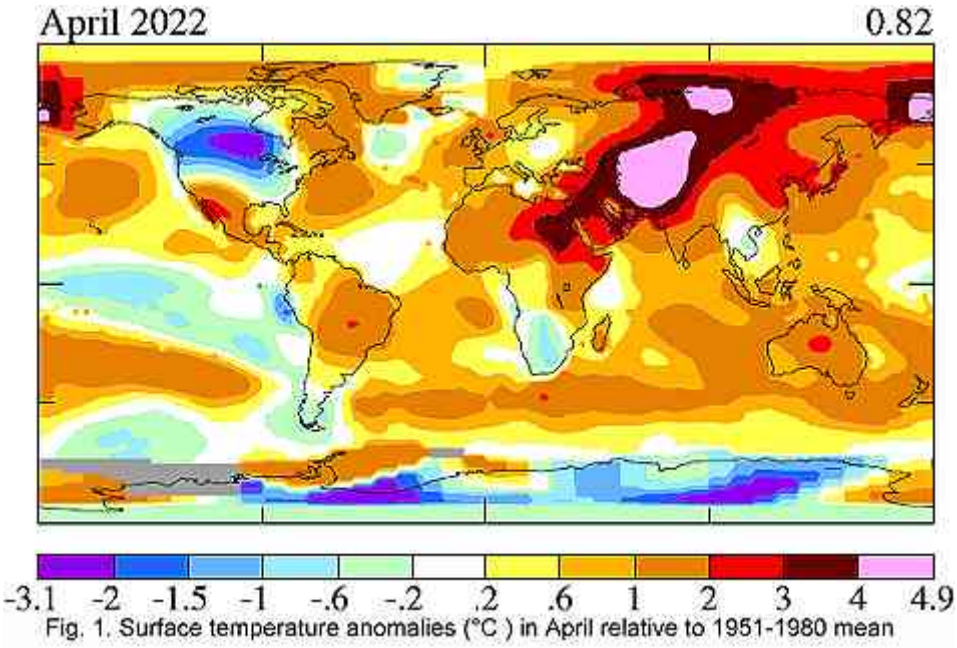


Green triangles denote El Chichón and Pinatubo volcanic eruptions. Niño 3.4 is the tropical Pacific region 5°N-5°S, 170-120°W
(James Hanson, œJuly 2020 Global Temperature Update, *Monthly Temperature Updates*, August 2020)

The anomalous acceleration in global temperature, 'running well above the linear trend that existed for decades', suggests the possibility of an emerging feedback mechanism accelerating global warming. As Hanson explained in April 2022:

> ...Hotspots are getting hotter. The major hotspot in April stretched from Iraq to India and Pakistan, and toward the northeast through Russia (Fig. 1). Temperature exceeded 45°C (113°F) in late April in at least nine Indian cities,1 on its way to 50°C (122°F) in Pakistan in May,2 where a laborer says "It's like fire burning all around" and a meteorologist describing growing heatwaves since 2015 says "The intensity is increasing, and the duration is increasing, and the frequency is increasing." Halfway around the world, Canada and north-central United States were cooler than their long-term average, but

people in British Columbia and northwest United States remember being under their own record-breaking hotspot last summer....



(James Hansen, Makiko Sato and Reto Ruedy, œHotter Hotspots, Drier Dryspots, Wetter Wetspots, and Stronger Storms, *April 2022 Temperature Update*, 16 May 2022)

Hostage to the stupidity of 'leaders' and 'power brokers'

Thomas Neuburger summed up the depths of the 2022 Western concern and determination to 'fix' the problem: œBiden Expands Oil Exploration in Bid to Slow Climate Change: Killing the climate to save it (July 13, 2022).

Jake Johnson has provided a depressing account of the internal machinations of the US Democratic Party in an essay entitled œ'Nothing Short of a Death Sentence': Fury as Manchin Tanks Climate Spending (*Common Dreams*, July 15, 2022) and subtitled

> Our democracy is broken when one man who profits from the fossil fuel industry can defy the 81 million Americans who voted for Democrats to stop the climate crisis

The peoples of the world have become hostage to the stupidity of its 'leaders' and 'power brokers'. 'Leaders' legitimized by claims of having been 'democratically' elected and so 'speaking and acting on behalf of 'the people''.

When elected officials and their lackeys are controlled, not by 'the people' but by self-serving oligarchs with no other agenda than self-enrichment and aggrandizement, then we see what we see in 2022: millions of disenfranchised, displaced and destitute people and billions of powerless victims.

We have surrendered the future to a cabal of sociopaths and become powerless to change this sad reality. In 2022, the planet is heating and nuclear-armed nations are threatening war and 'we' the billions of disenfranchised people believe ourselves powerless. We really are a strange species!!

Net Zero by 2050 is insanity: We're heading into a frightening future

The world has stepped onto a heat escalator! Anyone who has tried walking back down an 'up' escalator knows how difficult it is to stop moving upward, let alone getting back down again! The extreme heat of 2022 has not merely set new temperature records, it has set the bar above which future extreme heat events will rise:

> The World Health Organization's European office has said the heatwave baking Europe has caused over 1,700 deaths in Spain and Portugal alone, calling for joint action to tackle climate change.
>
> "Heat kills. Over the past decades, hundreds of thousands of people have died as a result of extreme heat during extended heatwaves, often with simultaneous wildfires," WHO regional director for Europe Hans Kluge said in a statement.
>
> "This year, we have already witnessed more than 1,700 needless deaths in the present heatwave in Spain and Portugal alone," Mr Kluge added.
>
> The regional director stressed that exposure to extreme heat "often exacerbates pre-existing health conditions" and noted that "individuals at either end of life's spectrum - infants and children, and older people - are at particular risk".
>
> Responding to a query by AFP, WHO Europe explained that the figure is a preliminary estimate based on reports by national authorities, and that the toll had "already increased and will increase further over the coming days".
> (œWHO says heatwave caused 1,700 deaths in Spain, Portugal, *RTE*, 22 July, 2022)

At 47°C lawns crackle underfoot and the sound and oppressive heat make the walker aware that the slightest spark could trigger an inferno. Best to stay indoors and pray!

And we're heading to higher temperatures than that over coming years and decades. There is no option! The time has come for truly drastic action and there can be no delay - we're heading into a frightening future.

Net Zero by 2050 or 2060 is insanity. Radical conservation, immediate reductions in all forms of planetary pollution and cessation of all forms of profit-driven production and consumption are minimum requirements if we are to limit the devastating consequences of near-term planetary heating.

This is realism - not fantasy. With *La Niña* conditions set to persist into 2023 the northern hemisphere will need to brace for headlines like this: œAstounding heat obliterates all-time records....

Chunzai Wang *et al* have described the 'Unprecedented Heatwave in Western North America during Late June of 2021':

> An extraordinary and unprecedented heatwave swept across western North America (i.e., the Pacific Northwest) in late June of 2021, resulting in hundreds of deaths, a massive die-off of sea creatures off the coast, and horrific wildfires. Here, we use observational data to find the atmospheric circulation variabilities of the North Pacific and Arctic-Pacific-Canada patterns that co-occurred with the development and mature phases of the heatwave, as well as the North America pattern, which coincided with the decaying and eastward movement of the

> heatwave. Climate models from the Coupled Model Intercomparison Project (Phase 6) are not designed to simulate a particular heatwave event like this one. Still, models show that greenhouse gases are the main reason for the long-term increase of average daily maximum temperature in western North America in the past and future....
>
> Western North America (i.e., the Pacific Northwest of the United States and Canada), known for its temperate weather in June, normally has average high temperatures in the comfortable 18°C to 24°C range. However, western North America experienced an extreme heatwave in late June and early July of 2021, resulting in record temperatures in many places. In particular, Lytton, British Columbia broke Canada's all-time record on 30 June when the temperature topped 49.5°C. This heatwave is also responsible for hundreds of deaths, a massive die-off of sea creatures off the coast, and a spate of horrific wildfires .... Investigating and understanding the causes of this heatwave are both scientifically and socially important.
> (Chunzai Wang *et al*, œUnprecedented Heatwave in Western North America during Late June of 2021: Roles of Atmospheric Circulation and Global Warming, *Advances in Atmospheric Sciences*, 22 July 2022)

The likelihood of escalating disaster has been flagged by Constantin Arnscheidt and Daniel Rothman in a study entitled 'Asymmetry of extreme Cenozoic climate-carbon cycle events'. As they explain,

> The history of Earth's climate and carbon cycle is preserved in deep-sea foraminiferal carbon and oxygen isotope records. Here, we show that the sub-million-year fluctuations in both records have exhibited negatively skewed non-Gaussian tails throughout much of the Cenozoic era (66 Ma to present), suggesting an intrinsic asymmetry that favors "hyperthermal-like" extreme events of abrupt global warming and oxidation of organic carbon.
>
> We show that this asymmetry is quantitatively consistent with a general mechanism of self-amplification that can be modeled using stochastic multiplicative noise. A numerical climate-carbon cycle model in which the amplitude of random biogeochemical fluctuations increases at higher temperatures reproduces the data well and can further explain the apparent pacing of past extreme warming events by changes in orbital parameters.
>
> Our results also suggest that, as anthropogenic warming continues, Earth's climate may become more susceptible to extreme warming events on time scales of tens of thousands of years.
> (Constantin W. Arnscheidt and Daniel H. Rothman, œAsymmetry of extreme Cenozoic climate-carbon cycle events, *Science Advances*,:Vol. 7, no. 33, 11 Aug 2021)

The 21st century mantra is "More...More...More!". Welcome to a pseudo-social interactional world

(20/02/23)

There is a simple truth which western capitalists have, for too long, denied! Without controls ensuring the distribution and redistribution of credit through society, wealth (and so power), in capitalist societies, tends, over time, to concentrate in fewer and fewer hands.

It has been the failure of nations to adequately educate their citizens that has led to successful plutocratic challenges to progressive taxation and

other redistributive regimes as 'unfair' and penalizing the 'wealth creators' of capitalism. Of course, those 'wealth creators' are actually capitalism's arch credit/ power accumulators and hoarders[737].

With an absurd growth in mega-wealth through the neoliberally driven last half-century and more, those wealth accumulators have found themselves able to circumvent governments and focus on their enduring passion for 'profit' at the expense of all else.

Their 21st century mantra has become "More...More...More!".

More accumulated wealth; More deregulation and 'freedom' to exploit resources and peoples for private gain; More hyper-globalization to extend that exploitation to the furthest corners of the earth[738]; More subversion of governmental safe-guards; More control of politicians and their agents; More unravelling of communities and isolation of individuals, tethering them to 'social media', pseudo-social interaction and so to external control[739].

But, most of all, More Profit!

Fatima Bhutto has summed up the problem for less industrialized nations[740]:

> This is a climate war between the large industrial superpowers, financial predators that have polluted and poisoned our planet for profit, and the poor, who have done the least damage but will pay all of the consequences. Pakistan is responsible for less than 1 percent of global greenhouse gas emissions, but its people will bear the burden of the world's deadliest polluters. If nothing is done to mitigate global greenhouse gas emissions, according to the World Bank, 800 million people in South Asia will be at risk of amplified poverty, homelessness and hunger.
>
> The World Bank has identified Karachi as one the planet's climate hot spots. Temperatures across South Asia are estimated to rise by 3.9 degrees Fahrenheit [2.2ºC] in the next 30 years. Karachi is already struggling with poor road connectivity, dire educational facilities and limited market access. Its already pathetic public health system will plummet. The rich might buy generators for electricity, pay for water tanks and rely on expensive hospitals, but the poor will continue to be devastated.
>
> Pakistan's current government is speaking about climate change, but it is a conversation that has come too late, unaccompanied by serious action. In 1947, Pakistan was 33 percent forest. Today, we have tree cover of just about 4 percent, all because of deforestation. This destruction, largely caused by the illegal logging by timber mafias, has silted up our waterways and left us undefended against floods and storms....
> (Fatima Bhutto, œPakistan's Most Terrifying Adversary Is Climate Change, *New York Times*, September 27, 2020)

There have, in recent years, been many who have argued that as 'big business' begins to realize that it exists within a finite natural world and relies upon the health of that world in maximizing profit it will factor that realization into its calculations. It will begin to appreciate 'that environmental stewardship pays economic and other dividends....

'Citizens and policymakers will begin internalizing what ecologists have long told us: namely, that nature is not just something "nice to have." It is the

foundation for our very existence. We rely on healthy ecosystems for innumerable services, from the oxygen we breathe, thanks to forests and phytoplankton, to the crops we eat, courtesy of bees and other pollinators'.

Stewart Patrick has explained how this change of heart will occur:

> ...[M]any governments and corporations are beginning to take note, finally acknowledging that "natural capital" is just as important for human prosperity and security as financial, physical and human capital. Rather than treating human impacts on the environment [as] market "externalities" that will somehow take care of themselves, policymakers and businesspeople are starting to include nature's provision of ecosystem services in their national accounting systems and corporate balance sheets. While some environmentalists may bridle at putting a price on nature, experience suggests that *capitalism only values what it can price*.
> (Stewart M. Patrick, "California's Bold Conservation Push Is Part of a Hopeful Global Trend, *World Politics Review*, August 03, 2020 - my emphasis)

Capitalism only values what it can price. That is indeed the problem!

For those who see 'profit' as the driving motivation in investment and business decisions, 'natural capital' must, if it is to be 'taken into consideration', contribute to the 'bottom line'. Those who limit their drive for profit in the hope that their constraint will ensure long-term profitability will be out-competed by those who continue to limit their concerns to tangible, short-term contributors to realizable 'profits'.

Their myopic, unregulated drive to profit and power has already unleashed a tsunami of waste on the world[741]; a world fast becoming a vast refuse tip; a world of degraded environments and decaying infrastructures; of unraveled communities; a world of despair.

And, as if that weren't enough, they see profit in preparing the destructive means for pitting nation against nation; community against community; individual against individual, to profit from chaos, from hopelessness, from fear. Cry havoc and unleash the dogs of war![742]

Despite their protestations and claims that their greed benefits all; that they are, indeed, the world's 'super-philanthropists', they are the prime architects of the looming disasters which we have already documented elsewhere and those which we will examine here.[743]

Nothing motivates Western Capitalists more effectively than a belief that involvement will lead to profit[744]! James Baker, George Shultz, and Ted Halstead, all of them *laissez faire* capitalists, have put the case for United States 'leadership' in international action on climate change:

> In the United States, the case for greater action on climate change is typically made on environmental grounds. But there are equally compelling economic, geopolitical, and national security rationales for the United States to lead the world on climate policy. Even those who remain skeptical of the environmental urgency of the problem should recognize the overwhelming strategic advantages of U.S. climate action at home and abroad.
>
> Those who oppose greater U.S. engagement and ambition have legitimate concerns. These concerns tend to fall into two buckets. The first is economic: the chief worry is that global climate solutions could

> put the U.S. economy at a competitive disadvantage with its trading partners and reduce American living standards. The second set is geopolitical: some observers wonder why the United States should reduce its own greenhouse gas emissions if other countries won't do their part.
>
> But a well-designed U.S. climate policy can replace national vulnerabilities with major strategic opportunities. We propose here an environmentally ambitious, economically sound, and politically feasible plan that situates the United States at the forefront of a clean energy future, enhances the competitiveness of U.S. firms, and allows all Americans to benefit directly from emission reductions. Such a plan would also speed up and strengthen the United States' economic recovery once the immediate health concerns from the novel coronavirus outbreak subside.
> (James A. Baker III, George P. Shultz, and Ted Halstead, œThe Strategic Case for U.S. Climate Leadership: How Americans Can Win With a Pro-Market Solution, *Foreign Affairs*, Volume 99, Number 3, Pp. 28-38, May/June 2020)

That's what we need: 'Pro-Market Solutions'! If capitalists can profit from cleaning up the messes they create then, of course they will do so. They only need a plan (or two).

Jag Bhalla, in an essay published on the website œ*Undark*, entitled '**It's Time We Stop Listening to Economists on Climate Change: Economic models of climate change are so riddled with flaws and fudge factors that we'd be better off without them**', explained the problem (one which bedevils models built to justify 'pro-market solutions' to the looming catastrophe):

> A TRICKY TRUTH of the climate crisis is that it calls for humanity to act today on what we believe will happen in the future, which requires us to put our faith in the predictions of mathematical models. A trickier truth - one that has helped sow seemingly endless political division and inertia - is that not all of those models are created equal.
>
> Take, for instance, the work of 2021 Nobel laureates [for Physics] Syukuro Manabe and Klaus Hasselmann, whose models accurately predicted the global warming and climate change we've experienced in recent decades. Their work inspired sophisticated ocean-atmosphere models that can take months to process on the world's fastest supercomputers. Climate physics foresees an Earth undergoing essentially irreversible shifts, or tipping points, into a much-altered biosphere if global temperatures rise more than 2.7 degrees Fahrenheit (1.5 degrees Celsius) above preindustrial levels - a threshold we could reach within the next decade.
>
> Contrast that grim forecast with the predictions of the Dynamic Integrated Climate-Economy model, for which Yale University's William Nordhaus won the 2018 Nobel prize in economics. DICE is simple enough that a version of it can run in Excel, and Nordhaus has suggested society's optimal climate trajectory - the one that best balances the economic harms of global warming with the costs of climate action - would correspond to a global temperature rise of 6.3 F (3.5 C) by 2100. (Note that DICE models can generate a range of results. One 2020 paper used the model to support the U.N.'s climate targets as the optimal trajectory. Here, let's focus on Nordhaus's influential prize-winning work.)

> (Jag Bhalla, œIt's Time We Stop Listening to Economists on Climate Change: Economic models of climate change are so riddled with flaws and fudge factors that we'd be better off without them, *Undark*, November 11, 2021)

COP26, the much ballyhooed 2021 Climate Summit at which 'World Leaders' would pledge to ensure that their nations achieved 'net-zero' carbon emissions between 30 and 50 years into the future, opened on the 1st of November. Most offered plausible plans for long-term carbon emissions reduction over the period they nominated as their 'target date'. Australia's prime minister, a long-declared 'Climate-Skeptic', provided his 'plan' for reaching a 2050 'net-zero-emissions' target:

> Prime Minister Scott Morrison has pledged an extra half a billion dollars in support for Australia's Pacific and South-East Asian neighbours, grappling with the devastation wrought by climate change.
>
> Mr Morrison made the announcement during his speech at the COP26 climate summit in Glasgow, formally committing Australia to a mid-century target of net zero carbon emissions.
>
> But the Prime Minister was cautious to suggest the conference, which has been billed as one of the most important in a generation, could only achieve so much.
>
> He argued the challenge of achieving any progress on cutting carbon emissions would be "met by those who are frankly largely not in this room".
>
> "It will be our scientists, our technologists, our engineers, our entrepreneurs, our industrialists and our financiers that will actually chart the path to net zero - and it is up to us as leaders of governments to back them in," Mr Morrison said.
>
> "Technology will have the answers to a decarbonised economy, particularly over time."
>
> The federal Opposition accused Mr Morrison of embarrassing Australia on the world stage.
>
> "It's just a continuation of the steaming pile of nothingness that we had in Australia before he left," Shadow Energy Minister Chris Bowen said.
>
> "It is a speech devoid of substance, it's more slogans, more spin.
>
> Just talking about technology and saying technology over and over is not a framework for the development and adaption, or the adoption, of that technology."
> (Matthew Doran, œScott Morrison pledges funding to support neighbouring Pacific, Asian nations dealing with climate change at COP26, *ABC News*, 02 November, 2021)

Perhaps Morrison was among the more honest (and more naive) of those presenting speeches at the Summit. He would leave the task of reaching his declared 2050 'net zero' emissions target in the hands of 'our scientists, our technologists, our engineers, our entrepreneurs, our industrialists and our financiers' who will develop the necessary 'plans' and technologies as they are required. His Government had no 'plan' for reaching the goal - he would rely on the 'Private Sector' to produce the necessary technologies and plans.

'World Leaders' have setttled for 'business-as-usual'

It seems, given the rhetoric and hyperbole of the COP26 Summit, that many of the 'World Leaders' have, implicitly, decided that 'business-as-usual' is what they will settle for. Private enterprise will have to do the necessary heavy lifting if the world is to be saved from 'doomsday'.

A favorite 'plan' for doing this, which has 'justified' and legitimized many of the 'global emissions targets' of nations around the world, has centered on 'carbon offsetting'. Anis Chowdhury and Jomo Kwame Sundaram summed up this self-deluding Western 'solution' to 'global warming'

> Carbon offset markets allow the rich to emit as financial intermediaries profit. By fostering the fiction that others can be paid to cut greenhouse gases (GHGs) instead, it undermines efforts to do so.
>
> Committing to achieve 'net-zero' carbon emissions has become a major climate change policy goal. But most climate scientists agree the target is dangerously misleading. Ostensibly promoting decarbonization, it actually allows carbon emissions to continue rising.
> (Anis Chowdhury and Jomo Kwame Sundaram, œProfiting from the Carbon Offset Distraction, *Challenging Development*, November 30, 2021)

A *Climate Home News* article by '41 Scientists' explained:

> Carbon neutrality targets are often not as ambitious as they sound, relying on problematic carbon offsets and unproven technologies.
>
> The idea of carbon offsetting, which underpins so-called net zero targets, is founded on a number of myths....
>
> Assumptions of future technologies and targets decades ahead delay immediate action. Countries and corporations must shift focus from distant net zero targets to real emissions reductions now.
> (41 scientists, œ10 myths about net zero targets and carbon offsetting, busted, *Climate Home News*, 11/12/2020)

However, in the minds of politicians and others intent on finding alternatives to real emissions reductions, in the third decade of the 21st century an oft-tried and failed 'alternative technology', carbon capture and storage (CCS)[745], is apparently 'one of the new technologies that scientists hope will play an important role in tackling the climate crisis'. So, the

> UK government recently selected four sites to develop multi-billion-pound CCS projects as part of its scheme to cut 20-30m tonnes of CO2 per year by 2030 from heavy industry. Other countries have made similar carbon reduction commitments....
> (œSafer carbon capture and storage, *University of Oxford* Press Release, December 22, 2021)

Robert Service came up with a few plans (some of which have been in circulation for much of my lifetime) in a 'scientific' article entitled The carbon vault: Industrial waste can combat climate change by turning carbon dioxide into stone' [746]

What wonderful, inspiring optimism. How wrong it would be to mock such enthusiasm, to pour cold-water on such visionary schemes. But, of course, such solutions belong in the 1950s not in the 2020s. And, in the 1950s capitalists laughed scornfully at such 'impractical', profitless activities. Now, the disasters are already with us. Jeffrey Brainard, in the same edition of the Journal, describes one of them:

Hurricane Laura's double punch

> **DISASTERS:** When it roared ashore last week in Louisiana, Hurricane Laura packed a double whammy, endangering public safety with its wind and water and slowing efforts to stem the COVID-19 pandemic. Its top wind speed at landfall, 241 kilometers per hour, was the fifth highest documented for any U.S. hurricane. Laura tied a record for the fastest intensifying storm in the Gulf of Mexico, with its wind increasing on 26 August by 105 kilometers per hour in just 24 hours; the causes of such rapid strengthening are little understood. The storm led to at least 19 deaths in Louisiana and Texas. It also threatened to accelerate the spread of COVID-19; testing centers were temporarily closed, and residents of southwest Louisiana, which bore the storm's brunt and had been recording some of the state's highest rates of positive test results, evacuated elsewhere. Seven hurricanes and tropical storms have hit the United States so far this year, one of the most active seasons on record.
> (Jeffrey Brainard, œNews at a glance, *Science* Vol. 369, Issue 6508, pp. 1148-1150, 04 Sep 2020)

And, in the northern Pacific: œSuper Typhoon Haishen expected to make historic landfall in South Korea: The country has not previously been hit by three typhoons in a single year, according to records dating back to 1945 (Jeff Masters, *Yale Climate Connections*, Friday, September 4, 2020)[747]

Cold fusion or LENR is coming: It won't be long now!!

More than fifty years ago a physicist whom I respect assured me that the world would have limitless supplies of 'clean energy' within the 'next five years'. Nuclear Fusion would be mastered within that time frame. The question was: 'Why would we get involved in 'greenhouse gas reductions' when the problem is a temporary one, soon to be resolved?'. It is still 'less than five years away'! Martin Greenwald, in a *Journal of Plasma Physics* Special Edition, explained:

> This special issue provides a snapshot of the physics basis for SPARC, a compact, high-field, deuterium-tritium burning tokamak, currently under design by a team from the Massachusetts Institute of Technology and Commonwealth Fusion Systems. The project builds on a remarkable period of progress in the understanding of magnetically confined plasmas achieved collectively by the world's fusion programs. This progress puts us in a position to take advantage of a technological breakthrough developed outside of our field, namely the emergence of high-temperature superconductors (HTS) as a practical engineering material.
>
> By enabling fusion magnets to operate at high magnetic field, the beneficial impact of HTS is clear - the step size of turbulent or collisional transport processes scales with the gyroradius and thus plasma performance improves as a strong function of the number of gyroradii across the plasma ($1/\rho^*$). Further, operational limits for plasma pressure, density and current all increase with magnetic field. For exactly these reasons, the design for the ITER experiment explicitly required the highest possible magnetic field achievable with the niobium-based technology available at the time. The use of a newer, higher field magnet technology enables similar levels of plasma performance in devices of considerably smaller size and thus lower capital cost....

> (Martin Greenwald, œStatus of the SPARC physics basis, *Journal of Plasma Physics* , Vol. 86 , Issue 5 , 29 September 2020)

Charles Choi heralded the future:

> A viable nuclear fusion reactor - one that spits out more energy than it consumes - could be here as soon as 2025.
>
> That's the takeaway of seven new studies, published Sept. 29 in the Journal of Plasma Physics.
>
> If a fusion reactor reaches that milestone, it could pave the way for massive generation of clean energy.
> (Charles Q. Choi, œNuclear fusion reactor could be here as soon as 2025, *Live Science*, October 02, 2020)

Sabine Hossenfelder has produced a short video entitled 'œCold Fusion is Back (there's just one problem)' (October 8, 2022) explaining the hopes and problems besetting 'cold fusion' research. As she says 'Cold Fusion is Back (but now they call it LENR [low energy nuclear reactions])'

The simple fact is that, no matter how plausible future technologies might appear, it is folly to gamble the future of humanity on them in the hope of their 'success'.

And, when some significant advance seems to be made, inevitably, as a *Global Times* report claims, its usefulness in developing nuclear weapons is top of the agenda:

> A major US scientific breakthrough in nuclear fusion, the first time anyone has achieved the phenomenon known as fusion ignition, creating a nuclear reaction that generates more energy than it consumes, is believed by Chinese experts to aim at developing nuclear weapons, but its effectiveness and efficiency awaits improvement for practical use.
>
> The US Department of Energy (DOE) announced on Tuesday that a team from the Lawrence Livermore National Laboratory (LLNL) conducted the first controlled fusion experiment in history at the laboratory's National Ignition Facility (NIF) on December 5, paving the way for advancements in national defense and the future of clean power.
> (GT staff reporters, œUS' breakthrough in nuclear fusion targets at 'nuclear weapon research, but far from practical use', *Global Times*, December 14, 2022)

We have a long way to go and many seemingly impossible hurdles to overcome before this 'advance' is in any way useful in generating electricity, but it really could be very 'useful' as œanother avenue to igniting thermonuclear bombs! What a strange and myopic species we are to be sure!

Over the past forty and more years a variety of means of dealing with the 'problems' associated with climate change, pollution and 'global warming' have been promoted. The 'potential solutions' promoted have, all-too-often, been used as reason enough for procrastination, funneling funding into 'necessary research' as an alternative to addressing the issues themselves.[748]

Western capitalists have, indeed, over the past two hundred years, myopically set about changing the world to their short-term 'advantage',

discounting warnings which might require them to change their behavior. Now, it is increasingly clear that they have, finally, gone a step too far.

CO_2 increase since 1962 is 100 times faster than previous natural increases

(21/10/23) (21/03/24)

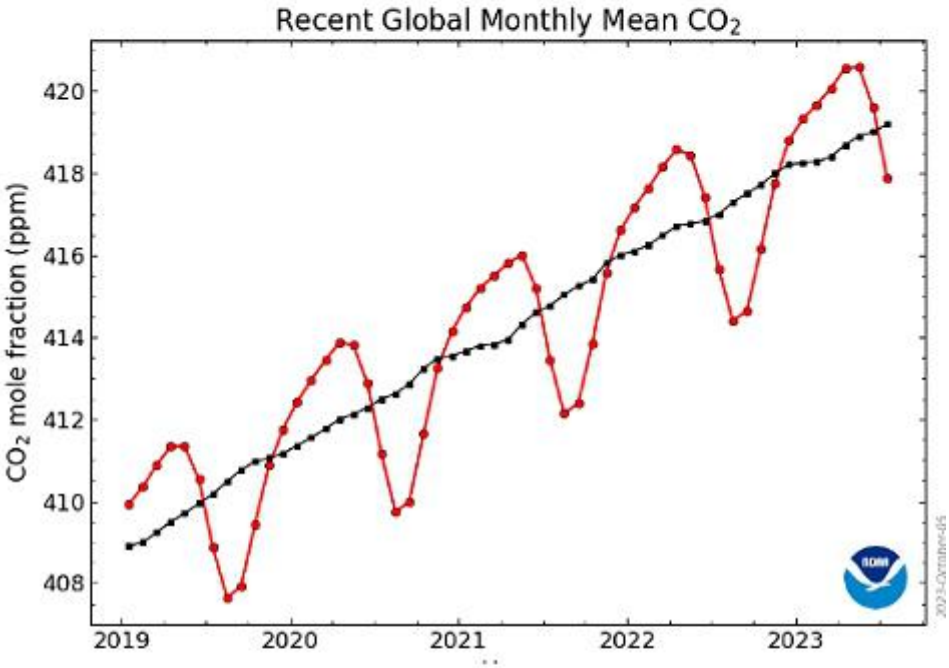
The atmospheric carbon dioxide increase of the Holocene (the period reaching more than 10,000 years before the Industrial Revolution - one of the rare intervals of warm climate that have occurred over the ice age cycles of the last million years) was 20 parts per million (ppm), over *more than 10,000 years*.

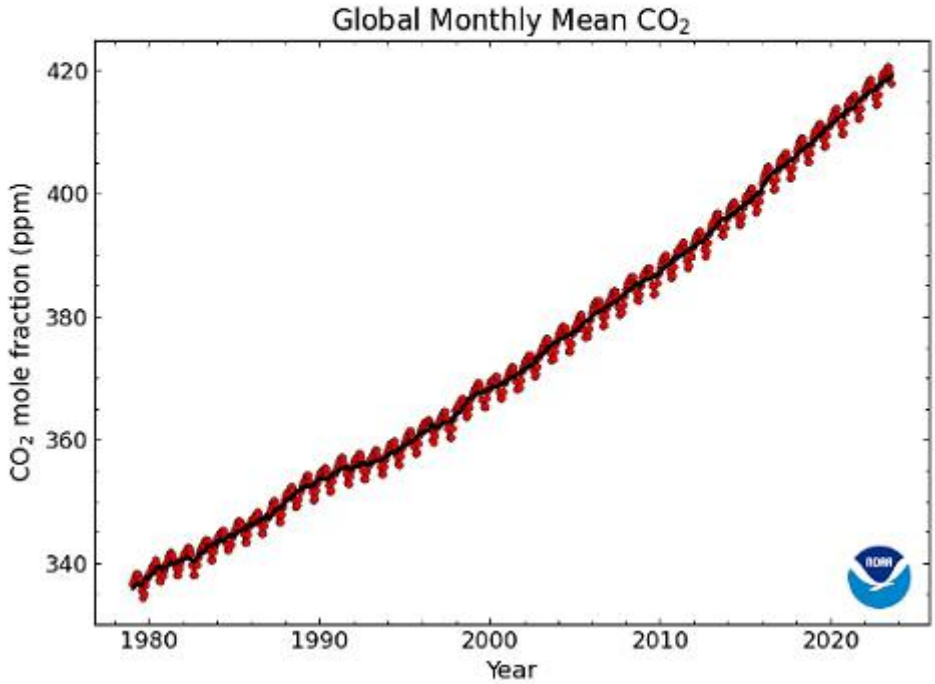
From 2011 - 2019 a similar atmospheric carbon dioxide increase *occurred in just 8 years*.

Despite all the conferences, resolutions, 'green energy' solutions of the past several decades and the absorption of more than 90% of global greenhouse emissions by the oceans, the buildup of atmospheric greenhouse gasses continues unabated:

Global Monthly Mean CO_2

July 2023: 417.87 ppm
July 2022: 415.68 ppm
Last updated: Oct 05, 2023





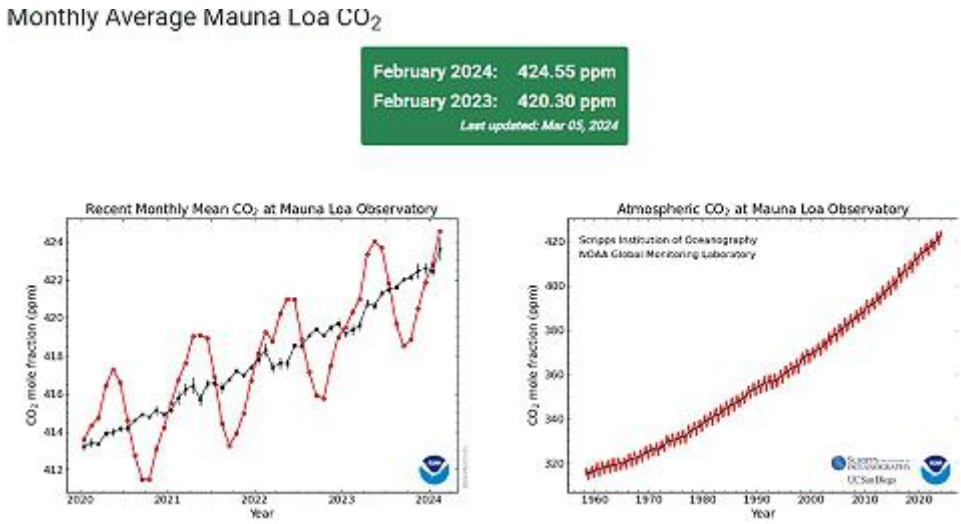
Between January 2000 and October, 2021, œthe global atmospheric carbon dioxide amount grew by 43.5 ppm, an increase of 12 percent[749].

The annual rate of increase in atmospheric carbon dioxide since 1962 is about *100 times faster than previous natural increases*.

Atmospheric CO_2 concentration œin 2011 was 393.25 ppm. The Mauna Loa January 2022 figure was 418.19 ppm (an increase of 24.94 ppm) and the œgrowth in atmospheric CO_2 is not linear! [750]

Indeed, two years on, in March 15, 2024, the daily average carbon dioxide (CO_2) at Mauna Loa, Hawaii, was œ427.93 parts per million (ppm)

The *National Oceanic and Atmospheric Administration* (NOAA) explains and illustrates the œMauna Loa CO_2 February monthly averages over the five years 2020-2024



Ying Cui, Brian Schubert and Hope Jahren, in a research study entitled 'A 23 m.y. record of low atmospheric CO_2', have shown that current atmospheric CO_2 levels are higher than any found since the end of the Paleogene Period 23.03 million years ago:

> ...[P]resent-day CO_2 (412 ppmv) exceeds the highest levels that Earth experienced at least since the Miocene, further highlighting the present-day disruption of long-established CO_2 trends within Earth's atmosphere.
> (Ying Cui, Brian A. Schubert and A. Hope Jahren, œA 23 m.y. record of low atmospheric CO_2', Geological Society of America, *GEOLOGY*, Volume 48, May 29, 2020)

A *Geology* preamble has explained the study's importance:

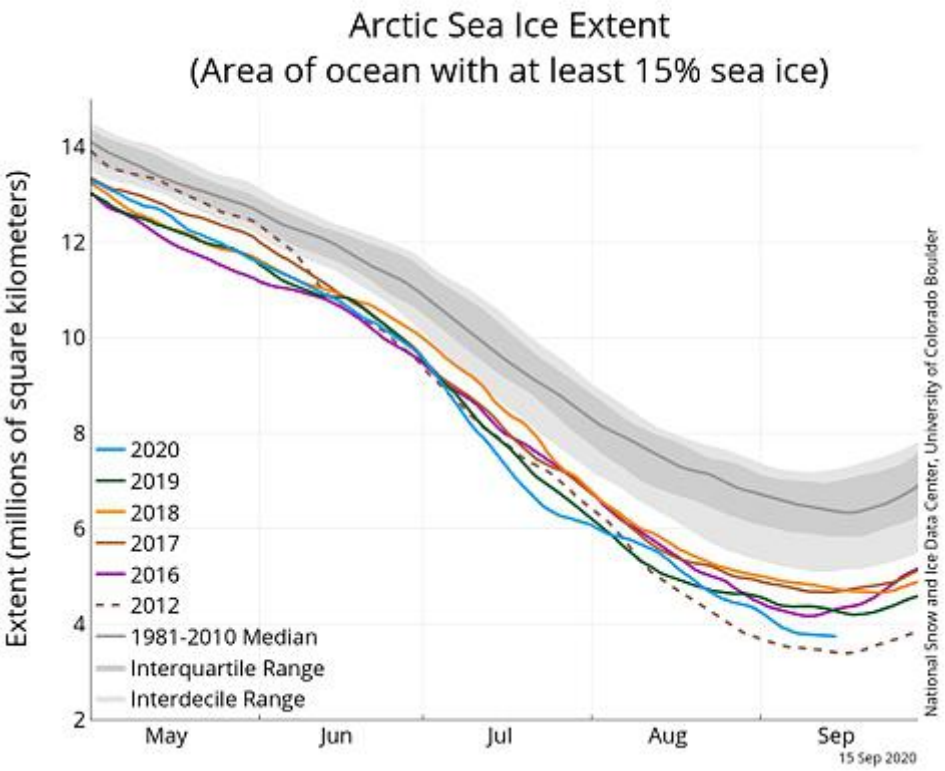
> This research, published this week in *Geology*, is a next-level study measuring the relative amount of these carbon isotopes in fossil plant materials and calculating the CO_2 concentration of the atmosphere under which the ancient plants grew.
>
> Furthermore, Schubert and colleagues' new CO_2 "timeline" revealed no evidence for any fluctuations in CO_2 that might be comparable to the dramatic CO_2 increase of the present day, which suggests today's abrupt greenhouse disruption is unique across recent geologic history.
>
> Another point, important to geological readers, is that because major evolutionary changes over the past 23 million years were not accompanied by large changes in CO_2, perhaps ecosystems and temperature might be more sensitive to smaller changes in CO_2 than previously thought. As an example: The substantial global warmth of the middle Pliocene (5 to 3 million years ago) and middle Miocene (17 to 15 million years ago), which are sometimes studied as a comparison for current global warming, were associated with only modest increases in CO_2.
> (œStudy Shows Today's Atmospheric Carbon Dioxide Levels Greater than the Past 23 Million-Year Record, *Geology*, 01 June 2020)

Arctic basal melt rates are several orders of magnitude higher than predictions

(09/05/23) (16/10/23)

As we have seen, annual surface air temperatures in the Arctic (60° - 85°N) have been the highest on record and the volume of Arctic sea-ice in the month of September 2019 (after the melting season) declined by more than 50% compared to the mean value for 1979-2019. And, of course, 2020 results are still lower. As the US *National Snow and Ice Data Center* explained:

> This year's [2020] minimum set on September 15 was 350,000 square kilometers (135,000 square miles) above the record minimum extent in the satellite era, which occurred on September 17, 2012 (Figure 2a). It is also 2.51 million square kilometers (969,000 square miles) below the 1981 to 2010 average minimum extent, which is equivalent in size to roughly the states of Alaska, Texas, and Montana combined, or Greenland and Finland combined.
>
> The 42-minimum-extent values in the satellite record can be broken down into three 14-year periods. Most notably, minimum extents in the last 14 years of the time series are the lowest 14 in the 42-year record



(*National Snow and Ice Data Center*, "Arctic sea ice decline stalls out at second lowest minimum, September 21, 2020)

As Arctic sea-ice volume continues to fall, there is other, perhaps even more concerning, melting going on! Tun Jan Young *et al* explain:[751]

Michalea King *et al* have described one of the consequences of all this. The Greenland Ice Sheet (GrIS) has reached a tipping point of sorts. There has, since the start of this century, been a switch to a new dynamic state of sustained mass loss that will persist even under a decline in surface melt:

> The Greenland Ice Sheet is losing mass at accelerated rates in the 21st century, making it the largest single contributor to rising sea levels.

> Faster flow of outlet glaciers has substantially contributed to this loss, with the cause of speedup, and potential for future change, uncertain.
>
> ... [I]ncreased glacier discharge was due almost entirely to the retreat of glacier fronts, rather than inland ice sheet processes, with a remarkably consistent speedup of 4-5% per km of retreat across the ice sheet. ...[W]idespread retreat between 2000 and 2005 resulted in a step-increase in discharge and a switch to a new dynamic state of sustained mass loss that would persist even under a decline in surface melt.
> (Michalea D. King *et al*, "Dynamic ice loss from the Greenland Ice Sheet driven by sustained glacier retreat, *Communications Earth & Environment* Vol. 1, Article No. 1, 13 August 2020)

Niklas Boers and Martin Rypdal elaborate:[752]

A further cause of Greenland Ice Sheet melting has been explained by Gabriel Lewis *et al*,

> Satellite measurements and computer models have shown that the reflectivity (or albedo) of the Greenland Ice Sheet has decreased in recent decades, causing increased melt and sea level rise. It is unknown whether this albedo decline is due to increased impurities in the snow, larger snow grain sizes, or both. Field measurements show that the amount of impurities is too small to affect albedo in our field area. However, larger snow grain sizes could lower albedo enough to cause the observed trend. We demonstrate how a recent increase in the frequency of atmospheric high pressure systems over Greenland increases grain sizes via several mechanisms and contributes to Greenland's observed albedo decline and faster melt.
> (Gabriel Lewis *et al*, "Atmospheric Blocking Drives Recent Albedo Change Across the Western Greenland Ice Sheet Percolation Zone, *Geophysical Research Letters*, 17 May 2021)

Rain seldom falls on the highest point on the Greenland Ice Sheet. It is simply too cold for that - or, it was!

> On August 14, 2021, rain was observed at the highest point on the Greenland Ice Sheet for several hours, and air temperatures remained above freezing for about nine hours. This was the third time in less than a decade, and the latest date in the year on record, that the National Science Foundation's Summit Station had above-freezing temperatures and wet snow.
>
> There is no previous report of rainfall at this location (72.58°N 38.46°W), which reaches 3,216 meters (10,551 feet) in elevation. Earlier melt events in the instrumental record occurred in 1995, 2012, and 2019; prior to those events, melting is inferred from ice cores to have been absent since an event in the late 1800s. The cause of the melting event that took place from August 14 to 16, 2021, was similar to the events that occurred this late July, where a strong low pressure center over Baffin Island and high air pressure southeast of Greenland conspired to push warm air and moisture rapidly from the south.
>
> Above freezing temperatures and rainfall were widespread to the south and west of Greenland during the three-day period, with exceptional readings from several remote weather stations in the area. Total rainfall on the ice sheet was 7 billion tons. At South Dome, the highest point on the southern lobe of the ice sheet at 2,850 meters (9,350 feet) elevation melt was recorded by satellite during all three days of

> the warm event, and the early part of this period (Figure 3) shows the rapid warming and persistent above-freezing conditions for August 14 and 15.
> (Greenland Ice Sheet Today, œRain at the summit of Greenland, *National Snow and Ice Data Center*, August 18, 2021)

Slater and Straneo have provided further evidence of the nature of rapid ice loss from the Greenland Ice Sheet: [753]

It is easy, in a world in which warmongering has become endemic and geopolitical tensions have been exacerbated by nations seeking to retain or diminish hegemonic dominance, to forget that the world is warming, ice is melting, and environments are being polluted at accelerating rates. While pursuing our petty human ambitions and nurturing our fragile egos may be human distractions, they do nothing to alter the natural forces our rampant mismanagement of the natural world are unleashing.

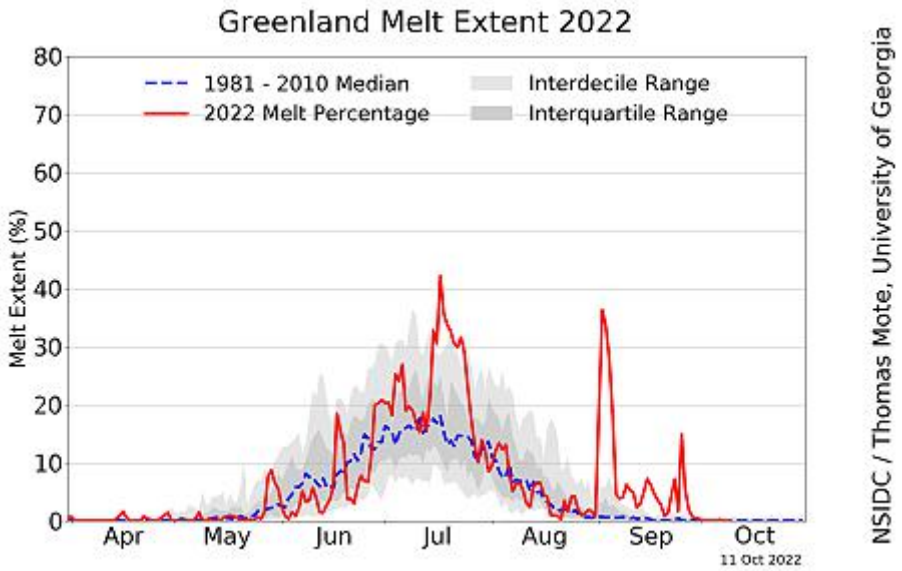
Enrico Ciraci *et al* provide further information on rapidly changing melt rates of the Greenland ice sheet. As they explain:

> Warming of the ocean waters surrounding Greenland plays a major role in driving glacier retreat and the contribution of glaciers to sea level rise.
>
> The melt rate at the junction of the ocean with grounded ice - or grounding line - is, however, not well known. Here, we employ a time series of satellite radar interferometry data from the German TanDEM-X mission, the Italian COSMO-SkyMed constellation, and the Finnish ICEYE constellation to document the grounding line migration and basal melt rates of Petermann Glacier, a major marine-based glacier of Northwest Greenland.
>
> We find that the grounding line migrates at tidal frequencies over a kilometer-wide (2 to 6 km) grounding zone, which is one order of magnitude larger than expected for grounding lines on a rigid bed. The highest ice shelf melt rates are recorded within the grounding zone with values from 60 ± 13 to 80 ± 15 m/y along laterally confined channels. As the grounding line retreated by 3.8 km in 2016 to 2022, it carved a cavity about 204 m in height where melt rates increased from 40 ± 11 m/y in 2016 to 2019 to 60 ± 15 m/y in 2020 to 2021. In 2022, the cavity remained open during the entire tidal cycle.
>
> Such high melt rates concentrated in kilometer-wide grounding zones contrast with the traditional plume model of grounding line melt which predicts zero melt. High rates of simulated basal melting in grounded glacier ice in numerical models will increase the glacier sensitivity to ocean warming and potentially double projections of sea level rise.
> (Enrico Ciraci *et al*, œMelt rates in the kilometer-size grounding zone of Petermann Glacier, Greenland, before and during a retreat, *PNAS* Vol.120, No.20, May 08, 2023)

The US *National Snow and Ice Data Center* described conditions in September, 2022:

> Unprecedented in the 44 years of continuous satellite monitoring, a late season heat wave and melt event occurred in Greenland from September 2 to 5. At the peak on September 3, more than one-third (36 percent) of the ice sheet, or around 600,000 square kilometers (232,000 square miles) had surface melting.... The only comparable event so late in the season was in 2003, in late August (in terms of

melt area) when temperatures at Summit reached only -2.5 degrees Celsius (27.5 degrees Fahrenheit). The melt event began along the southwestern coast on September 2, and moved rapidly inland and northward on September 3, accompanied by heavy rainfall that enhanced melt at lower elevations, and enhanced snowfall at higher elevations....



(*National Snow and Ice Data Center*, œOverview of conditions, September 12 2022)

We have, for most of the last century, believed that the Greenland Ice Sheet is so massive and stable that significant short-term melting is highly improbable and claims that it might significantly contribute to sea-level rise this century simply alarmist. We need to rethink all this. The Greenland Ice Sheet (GrIS) is not a 36 million (œor even a 3 million) year old block of ice! It has, within the past million years, completely melted and reformed - possibly several times! œAndrew Christ *et al* explain.

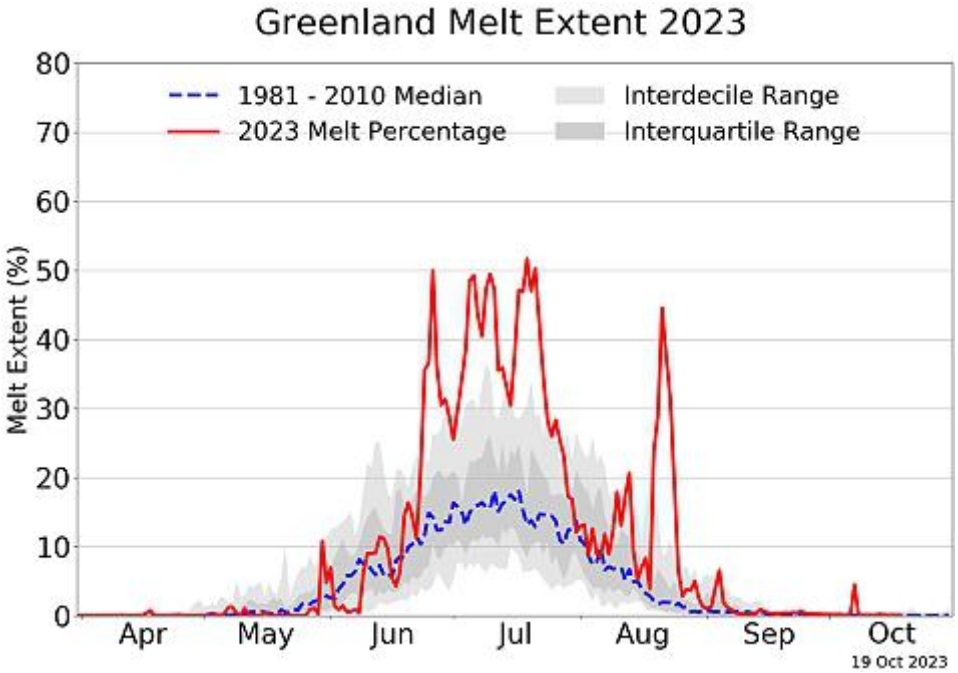
> Understanding Greenland Ice Sheet history is critical for predicting its response to future climate warming and contribution to sea-level rise.
>
> We analyzed sediment at the bottom of the Camp Century ice core, collected 120 km from the coast in northwestern Greenland. The sediment, frozen under nearly 1.4 km of ice, contains well-preserved fossil plants and biomolecules sourced from at least two ice-free warm periods in the past few million years.
>
> Enriched stable isotopes in pore ice indicate precipitation at lower elevations than present, implying ice-sheet absence. The similarity of cosmogenic isotope ratios in the upper-most sediment to those measured in bedrock near the center of Greenland suggests that the ice sheet melted and re-formed at least once during the past million years.
> (Andrew J. Christ *et al*, œA multimillion-year-old record of Greenland vegetation and glacial history preserved in sediment beneath 1.4 km of ice at Camp Century, *PNAS* 118 (13) e2021442118, March 30, 2021)

In July 2023, the northern hemisphere was experiencing unprecedented heatwaves. As several reports suggested, humanity is in 'uncharted territory'. A National Snow and Ice Data Center (NSIDC) report explained the impact of this warming on the Greenland Ice Sheet:

> Beginning on August 20, surface melt extent on the ice sheet increased rapidly, following a period when only 10 to 20 percent of the ice sheet

melted in the second half of July (Figure 1a). Melt area peaked at nearly 730,000 square kilometers (282,000 square miles) on August 22, covering about 45 percent of the ice sheet (Figure 1b). Melting began in the southwest and spread toward the higher central areas of the ice sheet and northward on August 22, and then eastward on August 23 and beyond (Figure 1c).

Cumulative melt-day area is the second highest in the 45-year satellite record with over 30 million square kilometers (11.5 million square miles). This can be compared to the extreme record year of 2012, which accumulated over 45 million square kilometers (17.4 million square miles) by late August. Note that 2010 finished the year with a higher total than the current date for 2023 because of a very late melt event in early September..



(National Snow and Ice Data Center, "Overview of conditions, October 19, 2023)

Not only have Arctic surface air temperatures increased, ocean temperature increases in the northern Atlantic Ocean have led to a warming of Arctic seas [754]. Igor Polyakov *et al* have explained:

> In recent decades there has been a dramatic decline in seasonal sea ice extent in the Arctic Ocean, with a more recent year-around decline in sea ice extent, area, and volume.... This change has shifted the local radiative balance resulting in a positive ice-albedo feedback mechanism as increasing lead fraction and surface melt pond areas in decaying Arctic sea ice facilitate enhanced upper-ocean solar heating and more rapid melting of ice floes.... Moreover, it was hypothesized that the declining sea ice has larger-scale hemispheric impacts on the North Atlantic Oscillation and, in consequence, midlatitude weather patterns....
>
> Heat associated with oceanic currents originating from lower latitudes provides an important, and year-round, source of heat to the Arctic Ocean.... The dominant external source of oceanic heat is the warm (temperature > 0°C) and salty water of Atlantic origin [Atlantic Water (AW)], which is distributed throughout the deep basins at intermediate depths (~150-900 m) and holds sufficient heat to melt the Arctic sea ice 3-4 times over....

> As ice thins - through atmospheric forcing, changing ocean heat fluxes, and feedbacks - upper-ocean stratification is responding and a new Arctic state is emerging, which may not be easily reversed. For example, a large anomaly in AW heat input coupled with shoaling may lead, through the ice/ocean-heat feedback, to an expanding and more permanent Atlantic-dominated state wherein the hydrographic structure of the halocline no longer provides sufficient insulation between the intermediate depth AW and the sea ice, even when the heat flux associated with the AW is relaxed.
> (Igor V. Polyakov *et al*, œWeakening of Cold Halocline Layer Exposes Sea Ice to Oceanic Heat in the Eastern Arctic Ocean, American Meteorological Society, *Journal of Climate*, Vol.33, Issue 18, Pp. 8107-8123. 2020)

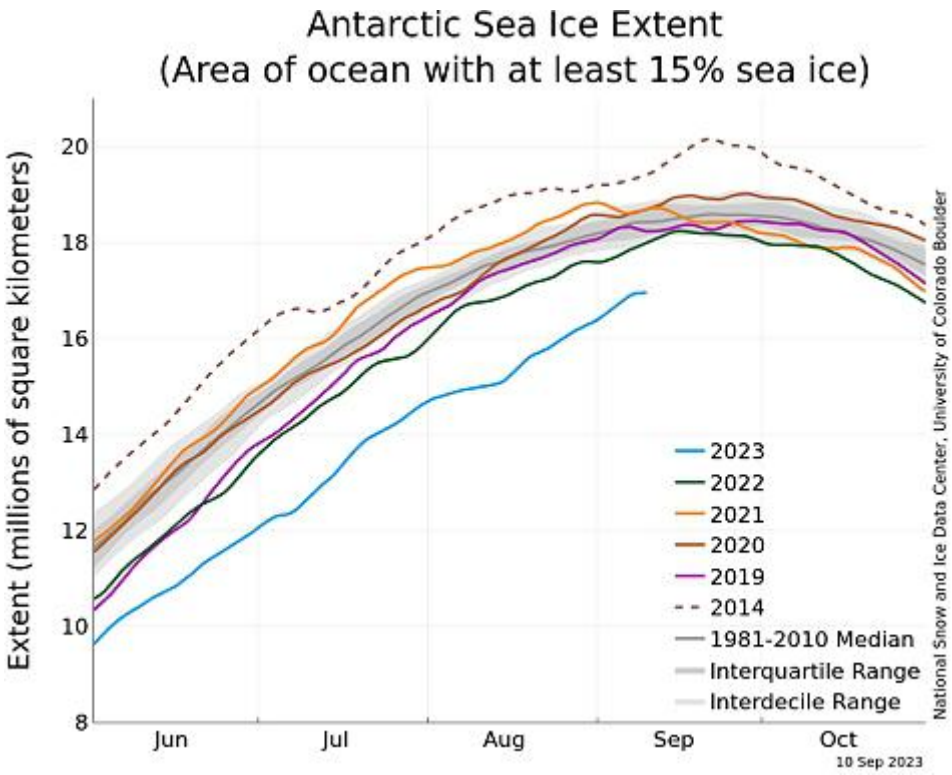
Given the rate at which ice sheets in both the northern and southern hemispheres are retreating, complacency is little more than insanity! Tine Rasmussen and Erik Thomsen have compared retreat rates and timing for both the last deglaciation, 20,000 -10,000 years ago, and for the present. Their conclusion:

> ...[G]iven the overall temporal resolution of the study, we suggest a time-frame for the break-up ranging from nearly instantaneous to about 50 - 100 years. This corresponds to a retreat rate of 2.5 km/year for the Bølling transition and 2 km/year for the Holocene transition. These values are also comparable with a number of recent rates measured in Antarctica of 0.6->2 km/year ... and in Greenland ..., and also with deglacial retreat rates calculated for the ice sheet of the northern North Sea and the Irish Ice Sheet...
>
> It has previously been suggested that subsurface warming was the main cause for the rapid retreat and break-up of the ice streams during the last glacial and deglaciation periods.... A recent model study of the deglaciation of the Svalbard-Barents Sea Ice Sheet reaches similar conclusions.... Numerous modern studies indicate that incursion of subsurface warm water underneath ice shelves and outlet glaciers have accelerated the disintegration of marine-based ice in both Greenland... and Antarctica.... Together with atmospheric warming, this incursion constitute the major forcings for the recent increase in ice calving and melting.
> (Tine L.Rasmussen and ErikThomsen, œClimate and ocean forcing of ice-sheet dynamics along the Svalbard-Barents Sea ice sheet during the deglaciation ~20,000 -10,000 years BP, *Quaternary Science Advances*, Vol. 3, April 2021, 100019 [references deleted])

Miriam Jones *et al* have provided information on the continuing loss of sea ice in the Bering Sea, affected by both increasing atmospheric CO_2 levels and warm water inflow from the Pacific Ocean. As they explain:

> ...[O]ver the last 5500 years, sea ice in the Bering Sea decreased in response to increasing winter insolation and atmospheric CO_2, suggesting that the North Pacific is highly sensitive to small changes in radiative forcing. We find that CE 2018 sea ice conditions were the lowest of the last 5500 years, and results suggest that sea ice loss may lag changes in CO_2 concentrations by several decades.
> (Miriam C. Jones *et al*, œHigh sensitivity of Bering Sea winter sea ice to winter insolation and carbon dioxide over the last 5500 years, *Science Advances*, Vol. 6, no. 36, 02 Sep 2020)

And it's not just the Arctic! Antarctica is also warming!



The graph above shows Antarctic sea ice extent as of September 10, 2023, along with daily ice extent data for four previous years and the record maximum year. 2023 is shown in blue, 2022 in green, 2021 in orange, 2020 in brown, 2019 in magenta, and 2014 in dashed brown. The 1981 to 2010 median is in dark gray. The gray areas around the median line show the interquartile and interdecile ranges of the data. Sea Ice Index data. Credit: œNational Snow and Ice Data Center

As the National Snow and Ice Data Center report says:

> ...If dramatically lower sea ice extent continues to the 2024 summer minimum and beyond, much more of the Antarctic coastline will be exposed to ocean waves and marine climate. This may lead to two opposing impacts: erosion of more perennial coastal ice and ice shelves, destabilizing the ice sheet; or increased accumulation near the coast, offsetting in part the threat of rising sea level.

One can but suggest that the old aphorism should be applied:

> By all means hope for the best -
> But Always plan for the worst!

Ariaan Purich and Edward Doddridge conclude:

> The current extremely low sea ice will have a range of impacts. Changed ocean stratification and circulation will alter basal melting beneath ice shelves.... Greater coastal exposure will increase coastal erosion and reduce ice-shelf stability.... Changes in dense shelf water production will alter bottom water formation and deep ocean ventilation.... Sea ice changes will also have contrasting influences on Adélie and emperor penguin colonies..., and substantially alter human activities along the Antarctic coastline.
>
> Anthropogenic greenhouse gas emissions have been attributed as the primary cause of Southern Ocean warming..., and here we suggest a potential link to a regime shift in Antarctic sea ice. While for many years, Antarctic sea ice increased despite increasing global

> temperatures..., it appears that we may now be seeing the inevitable decline, long projected by climate models.... The far-reaching implications of Antarctic sea ice loss highlight the urgent need to reduce greenhouse gas emissions.
> (Ariaan Purich and Edward W. Doddridge, œRecord low Antarctic sea ice coverage indicates a new sea ice state, *Communications Earth & Environment* Vol. 4, Article no.:314, September 13, 2023 - footnotes deleted)

The focus on Arctic ocean warming is understandable but does not preclude similar warming in the Southern Ocean with ice-shelf erosion similar to that being observed in Greenland. Ching-Yao Lai *et al* have described what is currently happening in the Antarctic:

> Atmospheric warming threatens to accelerate the retreat of the Antarctic Ice Sheet by increasing surface melting and facilitating 'hydrofracturing'... where meltwater flows into and enlarges fractures, potentially triggering ice-shelf collapse.... The collapse of ice shelves that buttress... the ice sheet accelerates ice flow and sea-level rise.... However, we do not know if and how much of the buttressing regions of Antarctica's ice shelves are vulnerable to hydrofracture if inundated with water.
>
> ...[W]e provide two lines of evidence suggesting that many buttressing regions are vulnerable.
>
> First, we trained a deep convolutional neural network (DCNN) to map the surface expressions of fractures in satellite imagery across all Antarctic ice shelves.
>
> Second, we developed a stability diagram of fractures based on linear elastic fracture mechanics to predict where basal and dry surface fractures form under current stress conditions.
>
> We find close agreement between the theoretical prediction and the DCNN-mapped fractures, despite limitations associated with detecting fractures in satellite imagery.
>
> Finally, we used linear elastic fracture mechanics theory to predict where surface fractures would become unstable if filled with water. Many regions regularly inundated with meltwater today are resilient to hydrofracture-stresses are low enough that all water-filled fractures are stable. Conversely, 60 ± 10 per cent of ice shelves (by area) both buttress upstream ice and are vulnerable to hydrofracture if inundated with water. The DCNN map confirms the presence of fractures in these buttressing regions. Increased surface melting could trigger hydrofracturing if it leads to water inundating the widespread vulnerable regions we identify. These regions are where atmospheric warming may have the largest impact on ice-sheet mass balance.
> (Ching-Yao Lai *et al*, œVulnerability of Antarctica's ice shelves to meltwater-driven fracture, *Nature*, Vol. 584, pages 574-578, Published: 26 August 2020)

Jeremy Bassis, in an explanatory article in the same Journal entitled 'Crevasse analysis reveals vulnerability of ice shelves to global warming', concludes:

> Lai *et al*. focus on atmospheric warming as suspect number one, but it remains unclear how tightly the fate of ice shelves is tied to suspect number two: oceanic warming. At present, atmospheric temperatures remain too cold over much of the Antarctic ice sheet to promote

> substantial surface melting. By contrast, a warming ocean has been linked to the thinning and retreat of ice shelves in the Amundsen Sea Embayment in West Antarctica. ... [W]arm ocean water is rapidly thinning these shelves and sculpting deep basal channels into their undersides. These channels have been linked to increased fracturing of the ice-shelf , but surface melt can also drain into surface depressions associated with the channels, forming rivers that efficiently remove water from the surface of the ice-shelf and thereby prevent widespread inundation of the ice-shelf . What happens on the top of an ice-shelf is thus tightly linked to what happens at the bottom.
> (Jeremy N. Bassis, œCrevasse analysis reveals vulnerability of ice shelves to global warming, *Nature*, News and Views 26 August 2020)

The thinning and retreat of ice shelves in West Antarctica is, indeed, cause for concern. Heather Selley *et al* have documented a widespread increase in dynamic imbalance in the Getz region which more than matches the thinning and retreat of ice shelves in the Amundsen Sea Embayment. As they explain:

> The Getz region of West Antarctica is losing ice at an increasing rate; however, the forcing mechanisms remain unclear. Here we use satellite observations and an ice sheet model to measure the change in ice speed and mass balance of the drainage basin over the last 25-years.
>
> Our results show a mean increase in speed of 23.8 % between 1994 and 2018, with three glaciers accelerating by over 44 %. Speedup across the Getz basin is linear, with speedup and thinning directly correlated confirming the presence of dynamic imbalance. Since 1994, 315 Gt of ice has been lost contributing 0.9 ± 0.6 mm global mean sea level, with increased loss since 2010 caused by a snowfall reduction. Overall, dynamic imbalance accounts for two thirds of the mass loss from this region of West Antarctica over the past 25-years, with a longer-term response to ocean forcing the likely driving mechanism....

They conclude:

> On all glaciers, the speed increase coincides with regions of high surface lowering, with an ~50% speed up corresponding to an ~5% reduction in ice thickness....increasing the rate of ice loss by four times in the 2010s compared to the 1990s.
> (Heather L. Selley *et al*, œWidespread increase in dynamic imbalance in the Getz region of Antarctica from 1994 to 2018, *Nature Communications*, Vol. 12, Article 1133, 23 February 2021)

Alison Banwell *et al* described the 2019-2020 surface melt duration and extent on the northern George VI Ice Shelf (GVIIS):

> Using optical satellite imagery from Landsat 8 (2013 to 2020) and Sentinel-2 (2017 to 2020), record volumes of surface meltwater ponding were also observed on the northern GVIIS in 2019/2020, with 23% of the surface area covered by 0.62 km3 of ponded meltwater on 19 January. These exceptional melt and surface ponding conditions in 2019/2020 were driven by sustained air temperatures =0 ºC for anomalously long periods (55 to 90 h) from late November onwards, which limited meltwater refreezing.
>
> The sustained warm periods were likely driven by warm, low-speed (=7.5 m s-1) northwesterly and northeasterly winds and not by foehn wind [type of wind that occurs on the leeward or downwind side of a

> mountain] conditions, which were only present for 9 h total in the 2019/2020 melt season.
>
> Increased surface ponding on ice shelves may threaten their stability through increased potential for hydrofracture initiation; a risk that may increase due to firn [type of snow that has been left over from past seasons and has been recrystallized] air content depletion in response to near-surface melting.
> (Alison F. Banwell *et al*, The 32-year record-high surface melt in 2019/2020 on the northern George VI Ice Shelf, Antarctic Peninsula, *The Cryosphere*, 15, 909-925, 25 February 2021)

This process is not confined to the West Antarctic Peninisula, The continent of Antarctica is on the move (or is it 'melt'?).

Daisuke Hirano *et al* in a *Nature Communications* article (Vol. 11, No. 4221, 24 August 2020) entitled "Strong ice-ocean interaction beneath Shirase Glacier Tongue in East Antarctica, describe direct observational evidence of

> ...high basal melt rates (7-16 m yr-1[755]) beneath an East Antarctic ice-shelf , Shirase Glacier Tongue, driven by southward-flowing warm water guided by a deep continuous trough extending to the continental slope. The strength of the alongshore wind controls the thickness of the inflowing warm water layer and the rate of basal melting....

We have, over the past fifty years, lulled ourselves into complacency over the possibility of rapid deglaciation in the Antarctic. The presumption has been that any deglaciation will be linear and slow moving, occurring over millennial time scales - giving humanity plenty of time to adjust to consequent sea level rise.

Michael Weber *et al*, in a recent examination of iceberg-rafted debris data from the Antarctic Iceberg Alley provide evidence of a much faster, decadal step process linked to sets of 'tipping points' which intiate destablization. As they explain:

> The majority of Antarctic icebergs route through Iceberg Alley after calving from the Antarctic margin... and traveling counter-clockwise around Antarctica.... Melt rates remain low within the cold Antarctic Coastal Current until the warmer Antarctic Circumpolar Current is reached, after which icebergs ablate rapidly and release their iceberg-rafted debris (IBRD) in this iceberg cemetery.
>
> Although most of the coarser debris is released from sediment-laden basal ice close to the grounding line, fine-grained, englacial IBRD travels far and is the dominant size fraction (1 - 2 mm in diameter) found in Iceberg Alley sediment sites. Since icebergs account for approximately half of the total AIS [Antarctic Ice shelf] mass loss..., the IBRD record from Iceberg Alley provides a sensitive, nearly continuous reconstruction of AIS dynamics by capturing an integrated signal of AIS mass loss....
>
> In this study, we primarily rely on published IBRD records from Iceberg Alley sites... and use the timing and magnitude of the deglacial AID [Antarctic Ice-Sheet Discharge] events... to decipher the pace of [Antarctic Ice shelf] destabilization and re-stabilization....
>
> ...[T]he 8-year sample resolution indicates that the majority of AID events took a decade or less to initiate and terminate. This implies that it could have taken substantially less than a decade to accelerate and slow down mass loss from the AIS during deglaciation and that the

> true pace of change could only be addressed with an even higher sedimentation rate site. We should add that relative uncertainties of only several decades for the multiple century-long AID events... lend further credit to the robustness of the above numbers.
> (Michael E. Weber *et al*, "Decadal-scale onset and termination of Antarctic ice-mass loss during the last deglaciation, *Nature Communications*, Vol.12, Article No.: 6683, 18 November 2021 [references deleted])

We need to remember that we are dealing with very different climatic conditions when comparing current Antarctic ice shelf destabilization with that which occurred at the start of the Holocene period. The greenhouse effect of the early Holocene resulted from a carbon dioxide increase of a mere 20ppm over more than 10 thousand years. Our current greenhouse effect results from carbon dioxide increases of 20ppm *over periods of less than 10 years*.[756]

We are, already, in uncharted territory. There is no reasonable analog for current rates of greenhouse warming in earth's history. Our near future could well include much faster rates of stepped deglaciation than those found during the onset of the Holocene.

Of course, global warming is just that. Not only are the Arctic and Antarctic regions warming, so is the rest of the planet. Hu Yang *et al*, focusing on tropical regions, have explained what's happening there:

> Both observations and climate simulations have shown that the edges of tropics and associated subtropical climate zone are shifting toward higher latitudes under climate change. The underlying dynamical mechanism driving this phenomenon that has puzzled the scientific community for more than a decade, however, is still not entirely clear.
>
> A number of investigations argued that the atmospheric processes, in the absence of the ocean dynamics, lead to the tropical expansion. For example, increasing greenhouse gases, decreasing ozone and increasing aerosols are suggested to be the dominant factors contributing to expanding the tropics. However, these investigations are mostly based on model simulations, and observations show a much more complex evolution of expanding tropics.
>
> By examining the tropical width individually over each ocean basin, in this study, we find that the width of the tropics closely follows the displacement of oceanic midlatitude meridional temperature gradients (MMTG). Under global warming, as a first-order response, the subtropical convergence zone experiences more surface warming due to background convergence of surface water. Such warming induces poleward shift of the oceanic MMTG and drives the tropical expansion.

As they conclude:

> The enhanced subtropical warming and associated poleward advance of the MMTG drives the tropical expansion and shift the atmospheric winds, jet streams, and storm tracks toward poles.... The displacement of atmospheric winds, in turn, forces a poleward shift of the wind-driven ocean circulation and causes a migration of the oceanic subtropical front toward higher latitudes.... The migration of the subtropical front further shift the MMTG toward poles, activating a positive feedback.
> (Hu Yang *et al*, "Tropical Expansion Driven by Poleward Advancing

Midlatitude Meridional Temperature Gradients, *JGR Atmospheres*, Vol. 125, Issue 16, 27 August 2020)

It really is 'Global' warming! The tropics are getting hotter!

While the current warming of arctic and antarctic regions is cause for concern, Andrew Nottingham *et al* show that further warming of tropical soils is equally concerning. As they explain:

> Tropical soils contain one-third of the carbon stored in soils globally, so destabilization of soil organic matter caused by the warming predicted for tropical regions this century could accelerate climate change by releasing additional carbon dioxide (CO_2) to the atmosphere. Theory predicts that warming should cause only modest carbon loss from tropical soils relative to those at higher latitudes, but there have been no warming experiments in tropical forests to test this.
>
> Here we show that in situ experimental warming of a lowland tropical forest soil on Barro Colorado Island, Panama, caused an unexpectedly large increase in soil CO_2 emissions. Two years of warming of the whole soil profile by four degrees Celsius increased CO_2 emissions by 55 per cent compared to soils at ambient temperature. The additional CO_2 originated from heterotrophic rather than autotrophic sources, and equated to a loss of 8.2 ± 4.2 (one standard error) tonnes of carbon per hectare per year from the breakdown of soil organic matter. During this time, we detected no acclimation of respiration rates, no thermal compensation or change in the temperature sensitivity of enzyme activities, and no change in microbial carbon-use efficiency.
>
> These results demonstrate that soil carbon in tropical forests is highly sensitive to warming, creating a potentially substantial positive feedback to climate change.
> (Andrew T. Nottingham *et al*, œSoil carbon loss by experimental warming in a tropical forest, *Nature*, Vol. 584, Pp. 234 - 237, 12 August 2020)

Not only is soil carbon in tropical forests highly sensitive to warming, creating a potentially substantial positive feedback to climate change, the extent of forest area continues to decline throughout the tropics.

Demand for forest products is escalating exponentially with rapidly growing populations and burgeoning growth in 'middle class' lifestyles and demands around the world. This is resulting in the fragmentation of forests through resource access and development infrastructures such as road and rail networks and conversion of œincreasing regions to broadacre farming to feed that growing population. Matthew Hansen *et al* have put it well:

> Separating primary forests as a target of fragmentation monitoring is crucial to future conservation efforts. While forests associated with land use exhibit disturbance rates unrelated to fragment size..., primary forests and protected areas have disturbance rates highly correlated with fragment size. Without robust mechanisms to conserve large blocks of extant natural forest, our results indicate a future of ever-increasing fragmentation and loss of primary forests outside of and within protected areas.
> (Matthew C. Hansen *et al*, œThe fate of tropical forest fragments, *Science Advances*, Vol 6, Issue 11, 11 Mar 2020)

Beatriz Fátima Alves de Oliveira *et al*, describing the impact of savannization of the Amazon Basin on the œwet-bulb globe temperature heat stress index, explained their findings:

> ...[W]e use a coupled ocean-atmosphere model to assess the impact of savannization of the Amazon Basin on the wet-bulb globe temperature heat stress index under two climate change scenarios (œRCP4.5 and RCP8.5). We find that heat stress exposure due to deforestation was comparable to the effect of climate change under RCP8.5.
>
> Our findings suggest that heat stress index could exceed the human adaptation limit by 2100 under the combined effects of Amazon savannization and climate change. Moreover, we find that risk of heat stress exposure was highest in Northern Brazil and among the most socially vulnerable.
>
> We suggest that by 2100, savannization of the Amazon will lead to more than 11 million people [being] exposed [to] heat stress that poses an extreme risk to human health under a high emission scenario.
> (Beatriz Fátima Alves de Oliveira *et al*, œDeforestation and climate change are projected to increase heat stress risk in the Brazilian Amazon, *Communications Earth & Environment* Vol. 2, Article No.: 207, 01 October, 2021)

The fragmentation and exploitation of Amazon rainforests is serious cause for concern. They, along with the Congo Basin and other tropical forest regions, are the already severely damaged lungs of our planet, among other things, breathing in CO_2 and expelling O_2. But, deforestation is happening almost everywhere! Gabriel Popkin has explained:

> Farmland is overtaking much of the planet. A new global map assembled from satellite imagery shows that over the past 2 decades, fields of corn, wheat, rice, and other crops have eaten up more than 1 million additional square kilometers of land - roughly twice the area of Spain.
>
> "The inexorable march of the human footprint is just brutal," says study coauthor Matt Hansen, a geographer at the University of Maryland (UMD), College Park.
>
> The food needs of a fast-growing population in Africa are driving some of the expansion. But the study also highlights how Earth's land is becoming, in essence, a unified global farm, with wealthier countries increasingly outsourcing crop production to poorer regions. Half of the new fields have replaced forests and other natural ecosystems that stored large amounts of carbon, threatening efforts to conserve biodiversity and avert catastrophic climate change.
> (Gabriel Popkin, œSatellites document rapid expansion of cropland: Farms added 100 million hectares globally over 2 decades, threatening biodiversity and accelerating climate change, *Science*, 07 January, 2022)

Entangled in a crisis which is a direct consequence of deregulated capitalism

Humanity has found itself entangled in a crisis which is a direct consequence of the nature of deregulated capitalism. Global capitalism demands that all 'natural assets' be transformed into profit making

'resources' and, equally, demands that the environments of all communities be reshaped to enable product, and so profit, maximization. In doing so, human communities everywhere have been disrupted and their inbuilt social and environmental protections dismantled.

The 'needs' of capitalist exploiters have over-ridden those of human society and, in the process, both social and natural environments have been, and still are being, dismantled. Our planet simply cannot afford deregulated capitalism - nor can humanity!

Unless we immediately, and unconditionally, dismantle this preposterous system of exploitation and destruction, the world homo sapiens have lived in for the past ~200,000 years, and we as a species, are enroute to catastrophe.

There are limits to both resource exploitation and atmospheric warming beyond which feedback mechanisms take over, whether resulting from increased CO_2 concentrations or other causes.

We are no longer dealing with future, possible disasters which might result from deregulated capitalism. The disasters are already occurring and will grow worse through this 21st century. They can no longer be 'avoided' by reining in fossil fuel use; by encouraging corporate environmental stewardship; or through 'policymakers and businesspeople including nature's provision of ecosystem services in their national accounting systems and corporate balance sheets'.

Fossil fuel use has, of course, been a major contributor to atmospheric warming. However, in 2020, reining in fossil fuel use will no longer suffice. The planet will continue to warm and greenhouse gases will continue to accumulate in our atmosphere and oceans. Michael Clark *et al* have explained one of the sources of greenhouse gas emissions which will, in concert with other sources of such emissions, result in continued planetary warming:

> The goal of the Paris Agreement is to limit average global temperature increases above preindustrial levels to "well below 2°C" and to pursue efforts to "limit increase to 1.5°C." Achieving either goal requires large and rapid reductions in greenhouse gas (GHG) emissions.
>
> To date, most efforts have focused on reducing GHG emissions from fossil fuel combustion in electricity production, transportation, and industry. Renewable energy sources, electric vehicles, improved efficiency, and other innovations and behavioral changes could eliminate most of these emissions, and carbon capture and sequestration could reduce atmospheric levels of previously emitted carbon.
>
> However, **eliminating all emissions from these sectors may not be sufficient** to meet the 1.5° and 2°C temperature targets. The global food system is also a major source of GHG emissions, emitting ~30% of the global total ...
>
> The global food system generates GHG emissions from multiple sources.
>
> Major sources include land clearing and deforestation, which release carbon dioxide (CO_2) and nitrous oxide (N_2O); production and use of fertilizers and other agrichemicals, which emit CO_2, N_2O, and methane (CH_4); enteric fermentation during the production of ruminants (cows,

> sheep, and goats), which emits CH_4; production of rice in paddies, which emits CH_4; livestock manure, which emits N_2O and CH_4; and combustion of fossil fuels in food production and supply chains, which emits CO_2.
>
> In total, global food system emissions averaged ~16 billion tonnes (Gt) CO_2 equivalents year-1 from 2012 to 2017
> (Michael A. Clark *et al*, "Global food system emissions could preclude achieving the 1.5° and 2°C climate change targets, *Science*, Vol. 370, Issue 6517, pp. 705-708, 06 November 2020 (My emphasis))

We have already set the stage for climate driven natural disasters. Atmospheric greenhouse gas concentrations are already at levels which guarantee escalating climate driven catastrophe in the most vulnerable regions of our planet.

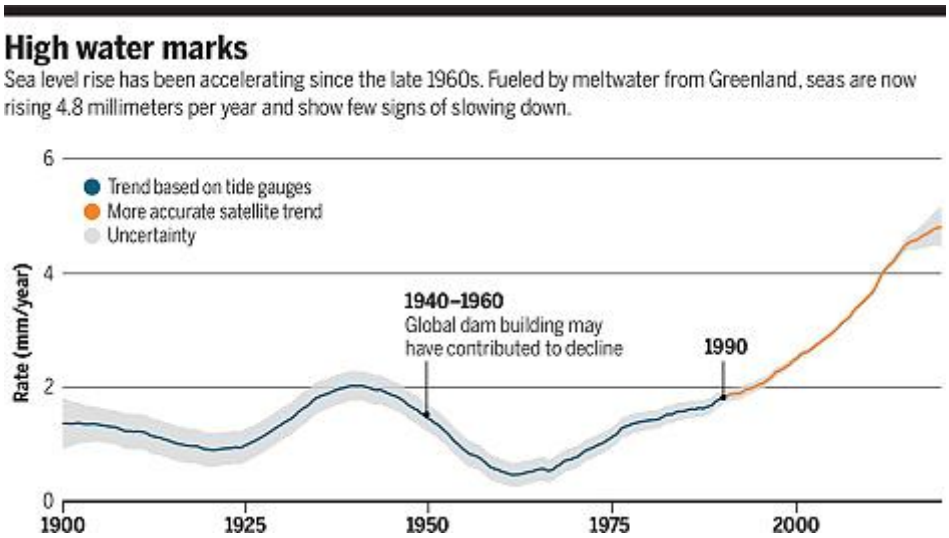
How fast are the world's oceans rising?

Paul Voosen has explained the trajectory of sea-level rise through the past 120 years:

> Ask climate scientists how fast the world's oceans are creeping upward, and many will say 3.2 millimeters per year - a figure enshrined in the last Intergovernmental Panel on Climate Change report, from 2014. But the number, based on satellite measurements taken since the early 1990s, is a long-term average. In fact, the global rate varied so much over that period that it was hard to say whether it was holding steady or accelerating.
>
> It was accelerating, big time. Faster melting of Greenland's ice has pushed the rate to 4.8 millimeters per year, according to a 10-year average compiled for Science by Benjamin Hamlington, an ocean scientist at NASA's Jet Propulsion Laboratory (JPL) and head of the agency's sea level change team. "The [Greenland] mass loss has clearly kicked into higher gear," agrees Felix Landerer, a JPL sea level scientist. With the help of new data, new models of vertical land motion, and - this month - a new radar satellite, oceanographers are sharpening their picture of how fast, and where, the seas are gobbling up the land.
>
> ...[A] group led by Sönke Dangendorf, a physical oceanographer at Old Dominion University, used tide gauge readings that predate satellite records to show seas have risen 20 centimeters since 1900. The team's data show that, after a period of global dam building in the 1950s that held back surface water and slowed sea level rise, it began to accelerate in the late 1960s - not the late 1980s, as many climate scientists assumed, Dangendorf says. "That was surprising," because the main drivers of sea level rise - the thermal expansion of ocean water from global warming, together with melting glaciers and ice sheets - were thought to have kicked in later....
>
> The trends are worrisome. Aimée Slangen, a climate scientist at the Royal Netherlands Institute for Sea Research, and colleagues are integrating recent projections from climate models to predict when sea levels will rise 25 centimeters above 2000 levels, a point when 100-year floods on some coastlines could be a near annual occurrence. In unpublished work, Slangen finds that the threshold will be reached sometime between 2040 and 2060. Efforts to slow climate change won't do much to postpone it given the inertia of ocean warming and

ice melt, though they could forestall much greater increases later in the century. And that near-term certainty, though dire, is "quite good for decision-making," Slangen says.

Dangendorf, who joined Old Dominion late last year, is getting a front row seat to the action. The university is in Norfolk, Virginia, a part of the U.S. coast where the crust is sinking about as fast as the oceans are rising. "I watch coastal flooding every week," he says. "I see it from my balcony."



Credits: (graphic) Sönke Dangendorf adapted by N. Desai/science; (data) Dangendorf et al., *Nature Climate Change*, 9, 705 (2019); Legeais et al., *Earth System Science* Data, 10, 281 (2018) (edited)
(Paul Voosen, "Seas are rising faster than ever, *Science*, Vol. 370, Issue 6519, pp. 901, 20 Nov 2020)

While rates of sea-level rise over this century remain a subject of debate and dispute among researchers (that's how insight and understanding progress!), there can be little doubt that 'business-as-usual' conditions around the world will result in significant sea-level rise. Martin Siegert *et al* have described the possibilities (they provide footnoted documentation of their projections):

Ice-sheet instability and rapid mass loss

Changes in ice-ocean interactions affecting ice-sheet flow have the greatest potential for causing large, rapid sea-level rise. With both cold air and ocean, ice flowing into the ocean generally forms a floating but attached ice shelf, calving icebergs from its terminus. Sufficient warming of air or water causes ice-shelf loss, sometimes catastrophically, shifting calving to a non-floating (grounded) ice cliff.

Essentially all ice shelves are restrained by friction, with their sides or local seafloor highs, in turn, restraining the flow of non-floating ice. Ice-shelf reduction or loss speeds flow of that non-floating ice into the ocean, raising sea level.

We focus here on ice-shelf loss and retreat from a topographic bottleneck, two well-known and often-coupled "tipping-point" behaviors that can raise sea level rapidly under strong warming.

Faster flow from thinning of ice shelves caused by warming of ocean or air can lead to fracture along ice-shelf sides and then shelf loss, as occurred at Jakobshavn Glacier in Greenland.

> Meltwater ponded in ice-shelf surface crevasses can also accelerate iceberg calving and remove an ice shelf, as happened over a few weeks to the Larsen B ice shelf along the northern Antarctic Peninsula.
>
> Ice shelves appear to be easier to lose than to regrow; despite environmental fluctuations and transient regrowth, persistent ice-shelf regrowth has not yet been observed. Flow acceleration of non-floating ice has followed ice-shelf thinning and loss, together with grounding-zone retreat as nearby non-floating ice thinned to flotation.
>
> For both ice shelves and grounded calving cliffs, the grounding zone can stabilize over long periods at a bottleneck - a seafloor high and/or fjord narrowing - that partially restrains ice flow. Stability is reinforced by several processes, including sediment accumulation. If further retreat is triggered, loss of restraint from the bottleneck favors faster calving, faster ice flow and thinning, typically causing rapid grounding-zone retreat to the next bottleneck.
>
> These retreat processes are well known...
> (Martin Siegert *et al*, œTwenty-first century sea-level rise could exceed IPCC projections for strong-warming futures, *One Earth*, Volume 3, Issue 6, pp.691-703, December 18, 2020)

Ebru Kirezci *et al*, in a report which 'assembles extensive model and measured datasets at coastlines around the world and combines these to provide projections of global extreme sea level and coastal flooding by 2100' have explained what this will mean for coastal regions:

> ...[T]here will be an increase of 48% of the world's land area, 52% of the global population and 46% of global assets at risk of flooding by 2100. A total of 68% of the global coastal area flooded will be caused by tide and storm events with 32% due to projected regional sea level rise.
> (Ebru Kirezci *et al*, œProjections of global-scale extreme sea levels and resulting episodic coastal flooding over the 21st Century, *Scientific Reports* Volume 10, Article number: 11629 (2020))

Somini Sengupta and Julfikar Ali Manik have described the 2020 floods (the fourth in five years) which have inundated as much as a third of Bangladesh:

> Torrential rains have submerged at least a quarter of Bangladesh, washing away the few things that count as assets for some of the world's poorest people - their goats and chickens, houses of mud and tin, sacks of rice stored for the lean season.
>
> It is the latest calamity to strike the delta nation of 165 million people. Only two months ago, a cyclone pummeled the country's southwest. Along the coast, a rising sea has swallowed entire villages. And while it's too soon to ascertain what role climate change has played in these latest floods, Bangladesh is already witnessing a pattern of more severe and more frequent river flooding than in the past along the mighty Brahmaputra River, scientists say, and that is projected to worsen in the years ahead as climate change intensifies the rains....
>
> This is one of the most striking inequities of the modern era. Those who are least responsible for polluting Earth's atmosphere are among those most hurt by its consequences. The average American is responsible for 33 times more planet-warming carbon dioxide than the average Bangladeshi.

> This chasm has bedeviled diplomacy for a generation, and it is once again in stark relief as the coronavirus pandemic upends the global economy and threatens to push the world's most vulnerable people deeper into ruin.
>
> An estimated 24 to 37 percent of the country's landmass is submerged, according to government estimates and satellite data By Tuesday, according to the most recent figures available, nearly a million homes were inundated and 4.7 million people were affected. At least 54 have died, most of them children.
>
> The current floods, which are a result of intense rains upstream on the Brahmaputra, could last through the middle of August....
>
> More and worse floods loom.
>
> Even if average global temperature increase modestly - by 2 degrees Celsius over the average for preindustrial times - flooding along the Brahmaputra in Bangladesh is projected to increase by 24 percent. With an increase of 4 degrees Celsius, flooding is projected to increase by over 60 percent.
> (Somini Sengupta and Julfikar Ali Manik, œINEQUITY AT THE BOILING POINT: A Quarter of Bangladesh Is Flooded. Millions Have Lost Everything, *New York Times*, July 30, 2020)

What about 'ozone collapse'? We are gambling on being able to control the conditions

The possible consequences of 'business-as-usual' conditions in the 21st century are many and varied - few, if any, to humanity's advantage. We are gambling on being able to control the conditions which are looming on humanity's horizon. Like toddlers playing with fire.

But, there are no adults around who can see the danger and rescue us from the consequences of our ignorant adventurism. We are supposed to be the adults!

Any 'Developed-World' presumption that they will escape the worst consequences of all this is delusional. Approaching the upper threshold of atmospheric warming predicted in current climate models, it is possible that the earth could experience a catastrophic collapse of its ozone layer.

Convective transport of Chlorine Monoxide (which plays a major role in stratospheric ozone depletion) in periods of rapid atmospheric warming weakens ozone layers around the planet. This might well lead to mass extinction conditions similar to those experienced 359 (and, again, 255) million years ago.

John Marshall, lead author of a study of terrestrial mass extinction at the Devonian-Carboniferous boundary (359 million years ago), explained:

> Our ozone shield vanished for a short time in this ancient period, coinciding with a brief and quick warming of the Earth. Our ozone layer is naturally in a state of flux - constantly being created and lost - and we have shown this happened in the past too, without a catalyst such as a continental scale volcanic eruption....
>
> Current estimates suggest we will reach similar global temperatures to those of 360 million years ago, with the possibility that a similar collapse of the ozone layer could occur again, exposing surface and

> shallow sea life to deadly radiation. This would move us from the current state of climate change, to a climate emergency.

The Research article, entitled 'UV-B radiation was the Devonian-Carboniferous boundary terrestrial extinction kill mechanism', explains:

> There is an unexplained terrestrial mass extinction at the Devonian-Carboniferous boundary (359 million years ago). The discovery in east Greenland of malformed land plant spores demonstrates that the extinction was coincident with elevated UV-B radiation demonstrating ozone layer reduction. Mercury data through the extinction level prove that, unlike other mass extinctions, there were no planetary scale volcanic eruptions.
>
> Importantly, the Devonian-Carboniferous boundary terrestrial mass extinction was coincident with a major climatic warming that ended the intense final glacial cycle of the latest Devonian ice age. A mechanism for ozone layer reduction during rapid warming is increased convective transport of ClO [Chlorine Monoxide -a reactive monovalent radical that plays a major role in stratospheric ozone depletion]. Hence, ozone loss during rapid warming is an inherent Earth system process with the unavoidable conclusion that we should be alert for such an eventuality in the future warming world.
> (John Marshall *et al*, œUV-B radiation was the Devonian-Carboniferous boundary terrestrial extinction kill mechanism, *Science Advances*, 27 May 2020, Vol. 6, no. 22, eaba0768
> also: œStudy shows erosion of ozone layer responsible for mass extinction event, *EurekAlert*, News Release 27 May, 2020)

Feng Liu *et al*, in a study entitled 'Dying in the Sun: Direct evidence for elevated UV-B radiation at the end-Permian mass extinction' (255 million years ago), have provided further cautionary commentary on all this:

> ...[A] recent "world avoided" modeling experiment... predicted that had the Montreal Protocol not been adopted in 1987, ozone collapse and negative UV-B impacts on plant biomass would have led to a substantial decrease in the size of the terrestrial carbon sink, increasing œatmospheric pCO2 and global temperatures in addition to those forecast for the coming decades.
>
> Modeling of end-Permian ozone depletion scenarios... has predicted similar levels of ozone loss to those recreated in this counterfactual study.... This suggests that the UV-B increase we have evidenced in this study was sufficiently substantial to decrease terrestrial carbon stores and contribute to atmospheric pCO2 increases and consequent global warming...
> (Feng Liu *et al*, œDying in the Sun: Direct evidence for elevated UV-B radiation at the end-Permian mass extinction, *Science Advances*, Vol 9, Issue 1, 06 January 2023)

What's happening to the world's oceans?

The increase in atmospheric carbon is a small part of the story. The oceans are being as, or more, strongly affected by increased CO_2 absorption and accompanying development of oxygen free waters. Erin Meyer-Gutbrod *et al* describe the process:

> Greenhouse gas emissions have driven global increases in atmospheric and ocean temperatures, which enhance ocean stratification. As the

> ocean surface layer becomes more buoyant, transport of highly oxygenated surface waters into the ocean interior is reduced.... Increases in seawater temperature also reduce oxygen solubility.... Marked declines in dissolved oxygen (DO) concentrations and shoaling of the oxygen minimum zone (OMZ) have been observed globally since 1960.... These anthropogenic processes are superimposed on natural multidecadal oscillations..., seasonal patterns... and storm impacts... on ocean oxygen content.
>
> The ecological impacts of reduced ocean oxygen concentrations include altered microbial processes and metabolic rates, changes in predator-prey dynamics and lateral and vertical distribution shifts in marine organisms.... Hypoxia disproportionately impacts large taxa, including crustaceans, echinoderms and fish, and is associated with decreased fecundity, habitat reductions and a loss of diversity.
> (Erin Meyer-Gutbrod *et al*, œMoving on up: Vertical distribution shifts in rocky reef fish species during climate-driven decline in dissolved oxygen from 1995 to 2009, *Global Change Biology*, 16 September 2021 (References deleted))

Weiqi Yao *et al* explained the inevitable trajectory and consequences:

> ...[M]easurable oxygen loss from the subarctic North Pacific will occur by 2030-2040 and ... the total volume of suboxic ocean water will expand by 50% by 2100. Once local oxygen concentrations drop below 4 μM, sulfate reduction will commence, resulting in the production of H_2S [hydrogen sulfide], which is toxic at levels as low as 4 μg/l [1 microgram (μg) is equal to 1/1000 milligram (mg) or one millionth (1×10^{-6}) of a gram; œMolarity (M) is defined as the number of moles of a solute in a liter of solution].

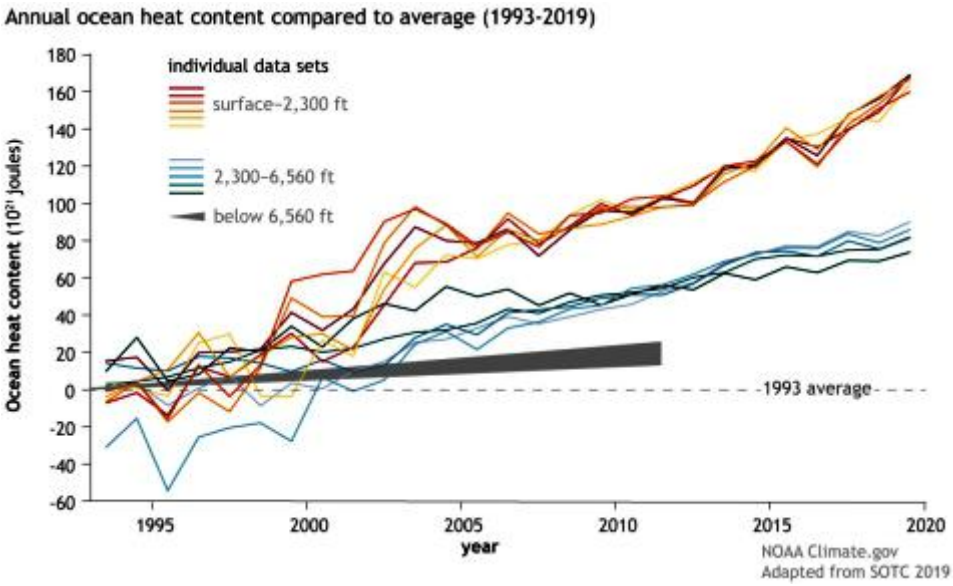
Katharina Fabricius *et al* have explained what is happening:

> Atmospheric carbon dioxide (CO_2) concentrations are steadily increasing due to human activities, in the present decade at about 2.5 ppm per year. Over a quarter of the rising atmospheric CO_2 is being taken up by the oceans. This lowers the pH and changes the carbon chemistry in surface seawaters, a process called ocean acidification.
>
> Due to human CO_2 emissions, surface seawater pH is now lower than it has been for more than 800,000 years, and the associated chemical changes are considered to be irreversible on centennial to millennial time scales.
>
> Many studies have shown that ocean acidification, both in isolation and in combination with global warming, causes profound physiological and ecological changes in marine ecosystems, with far more losers than winners. Calcifying marine organisms such as corals and coralline algae are particularly affected, especially during their early life stages, whereas some photosynthetic organisms benefit from the availability of additional inorganic carbon.
>
> Rates of changes in seawater carbon chemistry vary substantially across regions, and depend not only on atmospheric CO_2 concentrations, but also on local physical and biological factors. In coastal, shelf and marginal seas the variation in seawater carbon chemistry is typically much higher than in the open oceans due to regional metabolic processes (photosynthesis/respiration and calcification)....

(Katharina E. Fabricius *et al*, œProgressive seawater acidification on the Great Barrier Reef continental shelf, *Scientific Reports* Vol. 10, Article: 1860, 27 October 2020)

Rebecca Lindsey and Luann Dahlman have provided a graphic illustration of what has been happening. As they explain:

> More than 90 percent of the warming that has happened on Earth over the past 50 years has occurred in the ocean. Recent studies estimate that warming of the upper oceans accounts for about 63 percent of the total increase in the amount of stored heat in the climate system from 1971 to 2010, and warming from 700 meters down to the ocean floor adds about another 30 percent.



(Rebecca Lindsey and Luann Dahlman, œClimate Change: Ocean Heat Content, *Climate.gov*,August 17, 2020)

Lijing Cheng *et al* provide information for 2022:

> Changes in ocean heat content (OHC), salinity, and stratification provide critical indicators for changes in Earth's energy and water cycles. These cycles have been profoundly altered due to the emission of greenhouse gasses and other anthropogenic substances by human activities, driving pervasive changes in Earth's climate system.
>
> In 2022, the world's oceans, as given by OHC, were again the hottest in the historical record and exceeded the previous 2021 record maximum. According to IAP/CAS data, the 0-2000 m OHC in 2022 exceeded that of 2021 by 10.9 ± 8.3 ZJ (1 Zetta Joules = 1021 Joules); and according to NCEI/NOAA data, by 9.1 ± 8.7 ZJ.
>
> Among seven regions, four basins (the North Pacific, North Atlantic, the Mediterranean Sea, and southern oceans) recorded their highest OHC since the 1950s. The salinity-contrast index, a quantification of the "salty gets saltier - fresh gets fresher" pattern, also reached its highest level on record in 2022, implying continued amplification of the global hydrological cycle. Regional OHC and salinity changes in 2022 were dominated by a strong La Niña event. Global upper-ocean stratification continued its increasing trend and was among the top seven in 2022. (Lijing Cheng *et al*, œAnother Year of Record Heat for the Oceans, *Advances in Atmospheric Sciences*, 11 January 2023)

Daniel Rothman, in a sobering study of changes in the amount of carbon contained in the Earth's oceans, examined 'geologic records and observed

that over the last 540 million years, the ocean's store of carbon changed abruptly, then recovered, dozens of times.... This "excitation" of the carbon cycle occurred most dramatically near the time of four of the five great mass extinctions in Earth's history'.[757]

As Rothman has explained,

> ...Today's oceans are absorbing carbon about an order of magnitude faster than the worst case in the geologic record -- the end-Permian extinction. But humans have only been pumping carbon dioxide into the atmosphere for hundreds of years, versus the tens of thousands of years or more that it took for volcanic eruptions or other disturbances to trigger the great environmental disruptions of the past[758]. Might the modern increase of carbon be too brief to excite a major disruption?
>
> According to Rothman, today we are "at the precipice of excitation," and if it occurs, the resulting spike -- as evidenced through ocean acidification, species die-offs, and more -- is likely to be similar to past global catastrophes.
>
> "Once we're over the threshold, how we got there may not matter," says Rothman, who is publishing his results this week in the œ*Proceedings of the National Academy of Sciences*. "Once you get over it, you're dealing with how the Earth works, and it goes on its own ride."...
>
> In other words, if today's human-induced emissions cross the threshold and continue beyond it, as Rothman predicts they soon will, the consequences may be just as severe as what the Earth experienced during its previous mass extinctions.
>
> "It's difficult to know how things will end up given what's happening today," Rothman says. "But we're probably close to a critical threshold. Any spike would reach its maximum after about 10,000 years. Hopefully that would give us time to find a solution."
> (*EurekAlert*, œBreaching a 'carbon threshold' could lead to mass extinction: Carbon dioxide emissions may trigger a reflex in the carbon cycle, .with devastating consequences, study finds, *Massachusetts Institute of Technology EurekAlert*News Release 8-Jul-2019)

Nicole Lovenduski, co-author of a œclimate model for predicting the acceleration or slowdown of ocean acidification, has spelt out one of the oceanic consequences of the absorption of CO_2:

> "The ocean has been doing us a huge favor," said study co-author Nicole Lovenduski, associate professor in atmospheric and oceanic sciences and head of the Ocean Biogeochemistry Research Group at INSTAAR [the Institute of Arctic and Alpine Research].
>
> The ocean absorbs a large fraction of the excess carbon dioxide in the Earth's atmosphere derived from human activity. Unfortunately, as a result of absorbing this extra man-made carbon dioxide - 24 million tons every single day - the oceans have become more acidic. "Ocean acidification is proceeding at a rate 10 times faster today than any time in the last 55 million years," said Lovenduski.
>
> Within decades, scientists are expecting parts of the ocean to become completely corrosive for certain organisms, which means they cannot form or maintain their shells.
> (Kelsey Simpkins, œOcean acidification prediction now possible years in advance, *CU Boulder Today*, May 1, 2020)

Andrew Watson *et al*, in a research report entitled 'œRevised estimates of ocean-atmosphere CO_2 flux are consistent with ocean carbon inventory' (*Nature Communications*, Vol.11, No. 4422, 04 September 2020), show that current estimates of CO_2 absorption by the earth's oceans *significantly underestimate* the rate of absorption, and, consequently, the rate of œocean acidification.

An unprecedented planet-wide experiment

Global capitalists have embarked on an unprecedented planet-wide experiment. They have myopically reshaped the world to their 'needs', driven, not by a clear understanding of the environmental implications of their behavior, but by the 'bottom line' [759]. As William Booth explained of 19th century capitalism:

> Men go into banking and other businesses for the sake of obtaining what the American humorist said was the chief end of man in these modern times, namely, "ten per cent." To obtain a ten per cent. what will not men do? They will penetrate the bowels of the earth, explore the depths of the sea, ascend the snow-capped mountain's highest peak, or navigate the air, if they can be guaranteed a ten per cent.

In the process, they have destabilized the climate of the Holocene, the period reaching more than 10,000 years before the Industrial Revolution.

But, of course, capitalism's greatest fear is not increasingly erratic climatic conditions or 'global warming'. Those are simply (possibly conspiratory) nuisances which interfere with the pursuit of wealth. The real fear is that one day, the source of capitalism's wealth - the stores of carbon-based energy which have driven capitalist 'development' for three centuries - will become depleted! What will they do if/when those stores of energy run out?

According to the U.S. Secretary of the Interior, Ryan Zinke in 2018, that day had just receded into the remote future - certainly into a future beyond the life-spans of those who drive Capitalism's pursuit of 'wealth'! A 2018 œU.S. Geological Survey report explained:

> Using a geology-based assessment methodology, ...undiscovered, technically recoverable continuous mean resources of 46.3 billion barrels of oil and 281 trillion cubic feet of gas [have been found] in the Wolfcamp shale and Bone Spring Formation of the Delaware Basin in the Permian Basin Province, southeast New Mexico and west Texas.

Zinke provided an adulatory assessment of what this means:

> Christmas came a few weeks early this year,... American strength flows from American energy, and as it turns out, we have a lot of American energy. Before this assessment came down, I was bullish on oil and gas production in the United States. Now, I know for a fact that American energy dominance is within our grasp as a nation.

Dr. Jim Reilly, USGS Director, elaborated:

> In the 1980's, during my time in the petroleum industry, the Permian and similar mature basins were not considered viable for producing large new recoverable resources. Today, thanks to advances in technology, the Permian Basin continues to impress in terms of resource potential. The results of this most recent assessment and that of the Wolfcamp Formation in the Midland Basin in 2016 are our largest continuous oil and gas assessments ever released,... Knowing where

> these resources are located and how much exists is crucial to ensuring both our energy independence and energy dominance.
> (œUSGS identifies largest continuous oil and gas resource potential ever, *EurekAlert*, 6 December, 2018)

Worldwide resource extraction and use over the past fifty years and more have responded to the demands of both 'developing' and 'developed' nations[760] for resources to feed their burgeoning industrial economies. As a *World Politics Review* summary explained:

> Despite concerns over the environmental impact of industrial mining and the contribution that fossil fuels make to global warming, resource extraction continues to be a major source of revenue for both developing countries and wealthier nations alike. In fact, the amount of resources being pulled from the earth has tripled since 1970, though the global population has only doubled in that time.
>
> Amid global efforts to reduce carbon emissions as part of climate change diplomacy, fossil fuels remained among the most prized extractives, for a simple reason: Global demand combined with the wealth they generate have historically given some countries, including members of the Organization of the Petroleum Exporting Countries, outsized global influence.
>
> The lucrative contracts associated with the extractive sector help to explain why resource extraction remains central to many developing countries' strategy to grow their economies....
> (œThe Double-Edged Sword of Oil, Energy and Mining in International Politics, *World Politics Review*, July 22, 2020)

In 2021 the problem remains. How do nations, dependent on fossil fuels to keep their economies 'growing', address the greenhouse gas consequences of burning fossil fuels? Lisa Friedman explained:

> Mr. Biden "can't afford to take a pure position on the climate" because he lacks strong majorities in Congress, said William A. Galston, a senior fellow in governance studies at the Brookings Institution, a Washington think tank. "That is the backdrop against which this president and the administration will be making trade-offs on every single issue."

So,

> Despite President Biden's pledge to aggressively cut the pollution from fossil fuels that is driving climate change, his administration has quietly taken actions this month that will guarantee the drilling and burning of oil and gas for decades to come.
>
> The clash between Mr. Biden's pledges and some of his recent decisions illustrates the political, technical and legal difficulties of disentangling the country from the oil, gas and coal that have underpinned its economy for more than a century.
>
> On Wednesday, the Biden administration defended in federal court the Willow project, a huge oil drilling operation proposed on Alaska's North Slope that was approved by the Trump administration and is being fought by environmentalists. Weeks earlier, it backed former President Donald J. Trump's decision to grant oil and gas leases on federal land in Wyoming. Also this month, it declined to act when it had an opportunity to stop crude oil from continuing to flow through the bitterly contested, 2,700-mile Dakota Access pipeline, which lacks a

> federal permit.
> (Lisa Friedman, œBiden's Fossil Fuel Moves Clash With Pledges on Climate Change, *New YorkTimes*, 28 May, 2021)

In any conflict between short-term economic wellbeing and serious action to address a longer-term (but not much longer!) climate catastrophe, industrial nations, taking their lead from the US, will opt for short-term economic 'growth'.

This is Western capitalist madness[761].

The last thing the world needs at the start of the 21st century is a vast new source of fossil fuels![762]

Daniel Sigman has explained:

> Most scientists agree that the Holocene's warmth was critical to the development of human civilization. The Holocene was an "interglacial period," one of the rare intervals of warm climate that have occurred over the ice age cycles of the last million years. The retreat of the glaciers opened a more expansive landscape for humans, and the higher concentrations of carbon dioxide in the atmosphere made for more productive agriculture, which allowed people to reduce their hunter-gathering activities and build permanent settlements.
>
> The Holocene differed from other interglacial periods in several key ways... For one, its climate was unusually stable, without the major cooling trend that is typical of the other interglacials. Secondly, the concentration of carbon dioxide in the atmosphere rose about 20 parts per million (ppm), from 260 ppm in the early Holocene to 280 ppm in the late Holocene, whereas carbon dioxide was typically stable or declined over other interglacial periods.
>
> For comparison, since the beginning of industrialization until now, the carbon dioxide concentration in the atmosphere has increased from 280 to more than 400 ppm as a consequence of burning fossil fuels.
> (œCarbon 'leak' may have warmed the planet for 11,000 years, encouraging human civilization, *EurekAlert*, 30 July, 2018)
> (Studer, Anja S., Sigman, Daniel M. *et al*, œIncreased nutrient supply to the Southern Ocean during the Holocene and its implications for the pre-industrial atmospheric CO_2 rise, *Nature Geoscience*, 30 July, 2018)

David Naafs has described the new trajectory:

> ... [U]nless we mitigate current levels of carbon dioxide emissions, [the world] could revert to the hot tropical climate of the early Paleogene period - 56-48 million years ago....
> (œEver-increasing CO_2 levels could take us back to the tropical climate of Paleogene period, *EurekAlert*, 30 July, 2018)
> (B. D. A. Naafs, M. Rohrssen *et al*, œHigh temperatures in the terrestrial mid-latitudes during the early Palaeogene, *Nature Geoscience*, 30 July, 2018)

It is, I promise, worse than you think! We may see PETM-magnitude extinction and accelerated evolution in as few as 140 years

(30/03/23) (04/08/23)

There is a possibility, explained by Christian Berndt *et al*[763], that rapid geological venting (over ~200,000 years) of greenhouse gasses preceding a major extinction event 56 million years before the present (Ma). provides

an imperfect but credible analog to the rapid venting of greenhouse gasses in the early 21st century.

The major difference, of course, and one that makes such an analog imperfect at best, is that whereas the geological venting preceding the Paleocene-Eocene thermal maximum (PETM) **occurred over 200,000 years**, similar venting in the present **results from human activity over the past 200 years**. Nobody knows, and the geological record simply does not provide a true analog of, what might result from our apocalyptic dicing with disaster.

Looming catastrophe might, indeed, arrive much sooner than we presumptuously believe!

Philip Gingerich has provided a time frame for such an occurrence: 'If the present trend of increasing carbon emissions continues, we may see PETM-magnitude extinction and accelerated evolution in as few as 140 years or about five human generations':

> The Paleocene-Eocene thermal maximum (PETM) was caused by a massive release of carbon to the atmosphere. This is a benchmark global greenhouse warming event that raised temperatures to their warmest since extinction of the dinosaurs. Rates of carbon emission today can be compared to those during onset of the PETM in two ways:
>
> (1) projection of long-term PETM rates for comparison on an annual time scale; and
>
> (2) projection of shortterm modern rates for comparison on a PETM time scale.
>
> Both require temporal scaling and extrapolation for comparison on the same time scale. PETM rates are few and projection to a short time scale is poorly constrained. Modern rates are many and projection to a longer PETM time scale is tightly constrained - modern rates are some 9-10 times higher than those during onset of the PETM.
>
> If the present trend of anthropogenic emissions continues, we can expect to reach a PETM-scale accumulation of atmospheric carbon in as few as 140 to 259 years (about 5 to 10 human generations). (Philip D. Gingerich, œTemporal Scaling of Carbon Emission and Accumulation Rates: Modern Anthropogenic Emissions Compared to Estimates of PETM-Onset Accumulation, *Paleoceanography and Paleoclimatology*, Volume 34, Issue 1, 30 January 2019)

It seems that, as the planet warms, it becomes more sensitive to CO_2 forcing (the difference between insolation (sunlight) absorbed by the Earth and energy radiated back to space). As Anagnostou *et al*, in an examination of climate sensitivity in the Eocene greenhouse (around 55-56 million years ago[764]) conclude:

> Our reconstructions, while still underlining the importance of CO_2 in driving the evolution of Eocene climate, provide evidence of strong non-linearities between climate and CO_2 forcing, likely related to both cloud feedbacks for the early-mid Eocene, and changing paleogeography and ice sheets for the late Eocene. This reveals climate-state dependent feedbacks and elevated ECS [Equilibrium Climate Sensitivity] operated during the warmest climates of the last 65 million years.

Their summary of their research and findings:

> Despite recent advances, the link between the evolution of atmospheric CO_2 and climate during the Eocene greenhouse remains uncertain. In particular, modelling studies suggest that in order to achieve the global warmth that characterised the early Eocene, warmer climates must be more sensitive to CO_2 forcing than colder climates. Here, we test this assertion in the geological record by combining a new high-resolution boron isotope-based CO_2 record with novel estimates of Global Mean Temperature. We find that Equilibrium Climate Sensitivity (ECS) was indeed higher during the warmest intervals of the Eocene, agreeing well with recent model simulations, and declined through the Eocene as global climate cooled. These observations indicate that the canonical IPCC range of ECS (1.5 to 4.5 °C per doubling) is unlikely to be appropriate for high-CO_2 warm climates of the past, and the state dependency of ECS may play an increasingly important role in determining the state of future climate as the Earth continues to warm.
> (E. Anagnostou *et al*, œProxy evidence for state-dependence of climate sensitivity in the Eocene greenhouse, *Nature Communications* Vol.11, Article No. 4436, 07 September 2020)

Capitalism has, indeed, set the planet on course for escalating disaster over the next century.

Since the start of this century, here is where we are heading: don't allow anyone to tell you that this is just a 'once in a century period' in California (or in Eastern Australia; or in (fill in your area here!)). In 2019 the *New York Times* maintained a minute by minute update of fire conditions in California (the situation in 2020 has been equally serious with œmore than 2 million acres burned: *17 of the 20 most destructive wildfires in Californian history have occured since 2003*):

> **Right Now** Firefighters are continuing to battle fires up and down California, including several that began overnight.
>
> **Here's what you need to know:**
>
> - Evacuations were ordered in San Bernardino.
> - In Jurupa Valley, strong winds are feeding the flames.
> - Firefighters battling the Kincade fire are optimistic.
> - Goats may have helped save the Reagan Presidential Library.
> - Some Sonoma County residents returned home.
> - Maps show where the fires are burning now.
> - Santa Ana winds drive flames and imperil crews.
>
> (*New York Times*, œCalifornia Fires Live Updates: Homes Burn in San Bernardino: A new blaze known as the Hillside fire forced residents to flee as strong winds drove the flames, October 31, 2019 (Updated 9:55 p.m. ET))

Bill McKibben has posed the question for California (increasingly being asked in response to such conditions around the world):œHas the climate crisis made California too dangerous to live in? As with so many things, Californians are going first where the rest of us will follow (*The Guardian*, October 29, 2019)

Of course, California is not the only state being ravaged by wildfires. Bill Morlin and Mike Baker have described the September 2020 experiences of other Western Seaboard US states:

> The wildfire arrived with such ferocity that deputies drove through the streets of Malden, Wash., screaming for people to leave. By the time the blaze passed, not even the fire station was spared - the town's only fire truck was still trapped inside, turned into an ashen hulk.
>
> The devastation in Washington State was repeated up and down the parched West Coast on Wednesday as a wildfire season of unrivaled destruction continued to spread, destroying not only much of Malden but several other communities in the Northwest, while belching enough smoke to blot out the sun in San Francisco. At least six people were killed in the recent blazes.
>
> In California, fires have now charred some 2.5 million acres - a modern record and nearly 20 times what had burned at this time last year. In Washington, a wildfire pushed into suburban communities near Tacoma. And in Oregon, officials said hundreds and perhaps more than a thousand homes had already been destroyed....
> (Bill Morlin and Mike Baker, œWildfires Bring New Devastation Across the West, *New York Times*, September 9, 2020)

As David Wallace-Wells has said:

> It is, I promise, worse than you think. If your anxiety about global warming is dominated by fears of sea-level rise, you are barely scratching the surface of what terrors are possible, even within the lifetime of a teenager today. And yet the swelling seas - and the cities they will drown - have so dominated the picture of global warming, and so overwhelmed our capacity for climate panic, that they have occluded our perception of other threats, many much closer at hand. Rising oceans are bad, in fact very bad; but fleeing the coastline will not be enough.
>
> Indeed, absent a significant adjustment to how billions of humans conduct their lives, parts of the Earth will likely become close to uninhabitable, and other parts horrifically inhospitable, as soon as the end of this century.
> (David Wallace-Wells, œThe Uninhabitable Earth, *New York Magazine*, July, 2017)

As the 21st century unfolds, we are already experiencing the consequences: Yet we continue with our absurd great power rivalries.

Capitalist nations have been relatively adept at formulating national greenhouse-gas-emissions reduction 'plans'. They have proved equally adept at finding ways of minimizing the impact of such reductions on their own economies and lifestyles. Over the past half-century many of their most polluting industries have been *offshored* to East-Asian nations along with their labor-intensive industries. [765]

Those Asian nations, in turn, have often found ways of similarly shifting responsibility for pollution to others. Bashir, Niazi and Watto, have described the process:

> After remaining flat from 2014 to 2016, global greenhouse gas emissions in 2017 increased to a record high. One contributing factor is foreign investments in coal. Many countries are working to reduce their

> carbon footprints within their borders, but adding to emissions by investing in coal-based power projects elsewhere in the world.
>
> According to the Natural Resources Defense Council (NRDC), between 2007 and 2015, G20 countries financed US$76 billion worth of overseas coal projects. China, Japan, Germany, and South Korea were responsible for US$62 billion of the total.[766]
>
> After the 2015 UN Climate Change Conference (COP21), China, along with other nations, committed to cut greenhouse gas emissions. As promised, China has taken steps to substantially reduce coal use over the past few years. However, China's government has continued to finance coal-based power projects beyond its borders, especially in countries where environmental regulations and laws are weak.
>
> In 2016 alone, China financed coal projects worth US$6.3 billion in Egypt, Bangladesh, Pakistan, and Indonesia. In Pakistan, China plans to install coal-based power plants with a capacity of at least 7800 MW as part of the China-Pakistan Economic Corridor (CPEC) project. This investment includes excavation of coal-lignite from the Thar Desert of Pakistan. Coal-lignite emits about 1100 grams CO_2 per kilowatt-hour, compared with natural gas, which emits 150 to 430 grams per kilowatt-hour...
>
> The costs and consequences of such coal-based projects can stretch over decades, and they can trap developing nations in a system of carbon-intensive energy use....
> (Safdar Bashir, Nabeel Khan Niazi, Muhammad Arif Watto, œInjustices of foreign investment in coal, *Science* 08 Jun 2018: Vol. 360, Issue 6393, pp. 1081)

Paul Voosen has described conditions 'Some 125,000 years ago, during the last brief warm period between ice ages':

> Earth was awash. Temperatures during this time, called the Eemian, were barely higher than in today's greenhouse-warmed world. Yet proxy records show sea levels were 6 to 9 meters higher than they are today, drowning huge swaths of what is now dry land.
>
> Scientists have now identified the source of all that water: a collapse of the West Antarctic Ice Sheet. Glaciologists worry about the present-day stability of this formidable ice mass. Its base lies below sea level, at risk of being undermined by warming ocean waters, and glaciers fringing it are retreating fast. The discovery, teased out of a sediment core and reported last week at a meeting of the American Geophysical Union in Washington, D.C., validates those concerns, providing evidence that the ice sheet disappeared in the recent geological past under climate conditions similar to today's. "We had an absence of evidence," says Anders Carlson, a glacial geologist at Oregon State University in Corvallis, who led the work. "I think we have evidence of absence now."
>
> If it holds up, the finding would confirm that "the West Antarctic Ice Sheet might not need a huge nudge to budge," says Jeremy Shakun, a paleoclimatologist at Boston College. That, in turn, suggests "the big uptick in mass loss observed there in the past decade or two is perhaps the start of that process rather than a short-term blip."
> (Paul Voosen, œAntarctic ice melt 125,000 years ago offers warning: Ice sheet apparently collapsed in a previous warm period, *Science*, 21 Dec 2018: Vol. 362, Issue 6421, pp. 1339)

Lijing Cheng and co-authors explain why we need not look far for the source of the necessary 'nudge to budge' the West Antarctic Ice Sheet. We might feel that the climate is warming (the 20 warmest years have all occurred in the past 22 years and the last 5 years have been the warmest on record), but, as Cheng *et al* explain, 93% of the heat trapped in a warming earth has gone, not into the atmosphere around us, but into the deep oceans[767] - into the very regions which will provide the necessary nudge to destabilize the West Antarctic Ice Sheet (WAIS) (and, of course, the necessary heat to destabilize methane clathrates [768]).

> Climate change from human activities mainly results from the energy imbalance in Earth's climate system caused by rising concentrations of heat-trapping gases. About 93% of the energy imbalance accumulates in the ocean as increased ocean heat content (OHC). The ocean record of this imbalance is much less affected by internal variability and is thus better suited for detecting and attributing human influences than more commonly used surface temperature records. Recent observation-based estimates show rapid warming of Earth's oceans over the past few decades...
>
> Although climate model results (see the supplementary materials) have been criticized during debates about a "hiatus" or "slowdown" of global mean surface temperature, it is increasingly clear that the pause in surface warming was at least in part due to the redistribution of heat within the climate system from Earth surface into the ocean interiors ...
> (Lijing Cheng, John Abraham, Zeke Hausfather, Kevin E. Trenberth, œHow fast are the oceans warming?, *Science* 11 Jan 2019: Vol. 363, Issue 6423, pp. 128-129)

Matthis Auger *et al* have documented long-term Southern Ocean temperature changes and warming of subsurface subpolar deep waters. As they conclude:

> Our 25-year study confirms two major threats (significant warming and shoaling of Upper Circumpolar Deep Water) that may enhance the ice-shelf melting downstream, with potential dramatic impacts for future global sea-level. Both of these changes that we observed at 140°E have been substantially underestimated in this part of the Southern Ocean until now and must imperatively be taken into account in future ice-sheet modeling predictions, and more generally when developing future climate change narratives.
> (Matthis Auger *et al*, œSouthern Ocean in-situ temperature trends over 25 years emerge from interannual variability, *Nature Communications*, 12, 514, 21 January, 2021)

And, in 2023, Qian Li *et al* have found that:

> ...under a high-emissions scenario, abyssal warming is set to accelerate over the next 30 years.

A *Eurekalert* explanation provided further information:

> About 250 trillion tonnes of cold, salty, oxygen-rich water sinks near Antarctica each year. This water then spreads northwards and carries oxygen into the deep Indian, Pacific and Atlantic Oceans.
>
> "If the oceans had lungs, this would be one of them," Prof England says.

> The international team of scientists modelled the amount of Antarctic deep water produced under the IPCC 'high emissions scenario', until 2050.
>
> The model captures detail of the ocean processes that previous models haven't been able to, including how predictions for meltwater from ice might influence the circulation.
>
> This deep ocean current has remained in a relatively stable state for thousands of years, but with increasing greenhouse gas emissions, Antarctic overturning is predicted to slow down significantly over the next few decades....
>
> With a collapse of this deep ocean current, the oceans below 4000 metres would stagnate.
>
> "This would trap nutrients in the deep ocean, reducing the nutrients available to support marine life near the ocean surface," says Prof England.
>
> Co-author Dr Steve Rintoul of CSIRO and the Australian Antarctic Program Partnership says the model simulations show a slowing of the overturning, which then leads to rapid warming of the deep ocean.
>
> "Direct measurements confirm that warming of the deep ocean is indeed already underway," says Dr Rintoul.
>
> The study found melting ice around Antarctica makes the nearby ocean waters less dense, which slows the Antarctic overturning circulation. The melt of the Antarctic and Greenland ice sheets is expected to continue to accelerate as the planet warms.
> (Qian Li *et al*, œAbyssal ocean overturning slowdown and warming driven by Antarctic meltwater, *Nature* vol. 615, pp. 841-847, 29 March 2023 and
> œDeep ocean currents around Antarctica headed for collapse, study finds, *University of New South Wales*, 29 March 2023)

We are witnessing the inevitable consequence of our inability to rein in the climate impacting pollution resulting from our apparently insatiable appetites for more and more generated energy and concomitant production, consumption and casual disposal of the resulting 'wastes'. Sebastian Rosier *et al* have described the impending mass loss of the Pine Island and Thwaites glaciers that could initiate a collapse of the West Antarctic Ice Sheet.

As Hilmar Gudmundsson (one of the co-authors) explained, 'should the glacier enter unstable irreversible retreat, the impact on sea level could be measured in meters, and as this study shows, once the retreat starts it might be impossible to halt it':

> While the possibility of PIG [Pine Island Glacier] undergoing unstable retreat has been raised and discussed previously, this is to our knowledge the first time the stability regime of PIG has been mapped out in this fashion.
>
> The first and second tipping events are relatively small and could be missed without careful analysis of model results but nevertheless are important in that they lead to considerable sea-level rise and would require a large reversal in ocean conditions for recovery.
>
> The third and final tipping point is crossed with an increase in sub-shelf melt rates equivalent to a +1.2 °C increase in ocean temperatures

> from initial conditions and leads to a complete collapse of PIG.
>
> Long-term warming and shoaling trends in Circumpolar Deep Water..., in combination with changing wind patterns in the Amundsen Sea..., can expose the PIG ice shelf to warmer waters for longer periods of time and make temperature changes of this magnitude increasingly likely.
> (Sebastian H. R. Rosier *et al*, œThe tipping points and early warning indicators for Pine Island Glacier, West Antarctica, *The Cryosphere*, Volume 15, issue 3, TC, 15, 1501-1516, March 25, 2021)

Wåhlin *et al* have further elaborated:

> Deep water underneath the central ice shelf derives from a previously underestimated eastern branch of warm water entering the cavity from Pine Island Bay. Inflow of warm and outflow of melt-enriched waters are identified in two seafloor troughs to the north. Spatial property gradients highlight a previously unknown convergence zone in one trough, where different water masses meet and mix. Our observations show warm water impinging from all sides on pinning points critical to ice-shelf stability, a scenario that may lead to unpinning and retreat....
>
> This pinning point is one of the last buttressing features restraining the flow of ice from upstream...
> (A. K. Wåhlin *et al*, œPathways and modification of warm water flowing beneath Thwaites Ice Shelf, West Antarctica, *Science Advances* Vol. 7, no. 15, 09 Apr 2021)

Ian Joughin *et al* have provided further explanation of the ongoing speedup of Pine Island Glacier:

> In the decades since it and neighboring Thwaites Glacier were called "the weak underbelly of the West Antarctic Ice Sheet," ... Pine Island Glacier ... has sped up in fits and starts ... as its grounding line retreated (7). In 2009, speeds peaked at ~4000 m/year near the grounding line (where grounded ice first goes afloat) and remained fairly stable over the following 8 years. Several modeling studies have shown that past speedups were due to melt-driven thinning concentrated near the grounding line and the resulting loss of basal traction as the grounding line retreated ..., with ice shelf calving only having a minor influence on ice discharge across the grounding line .... As a result of these speedups, PIG is responsible for more than a quarter of Antarctica's total sea-level contribution over the past few decades
>
> Beginning in 2015, the Copernicus Sentinel 1A/B synthetic aperture radar (SAR) satellites began collecting data every 12 (before fall 2016) and 6 days (fall 2016 to present) over PIG and much of its catchment. Here, we use these data to investigate changes in PIG's flow speed as its ice shelf retreated by nearly 20 km since late 2017. While most of the past speedup was due to processes concentrated at the grounding line, earlier work has shown that partial loss of the outer shelf also can cause speedup of the grounded ice ... Thus, we analyze changes in flow speed and geometry using an ice-flow model to investigate the cause of the recent speedup..
>
> ... Tthe long-term stability of PIG appears to depend heavily on how calving rates affect the viability of its remaining ice shelf ... A stabilization of the ice front near its current position is possible, but so is a retreat far more rapid than expected from ocean- and surface

> melt-related processes alone. The extent to which these rifting processes might influence other ice shelves remains unclear, leading to increased grounded-ice discharge.
> (Ian Joughin *et al*, œIce-shelf retreat drives recent Pine Island Glacier speedup, *Science Advances*, Vol. 7, no. 24, 11 June 2021) (References deleted)

In this 21st century the effect of Southern Ocean warming on the Antarctic region is, indeed, cause for concern. Maurice Huguenin *et al* have summed up the consequences of ocean heat uptake (OHU) for the Southern Ocean and for Antarctica.

> Wind and thermodynamic changes each explain ~ 50% of global OHU, while Southern Ocean forcing trends can account for almost all of the global OHU....
>
> Heat uptake in the Indian and Pacific subtropical and tropical basins plays only a minor role on the global scale.... This is likely because the Indian and Pacific basins lack a convection-driven deep circulation... that would efficiently take up heat over multi-decadal time scales. In addition, heat uptake in the tropics is inhibited by the warming response of the SST [sea surface temperatures].... In contrast, at the high latitudes of the Southern Ocean, the SST increases at a rate that keeps pace with local atmospheric warming (due to wind-driven Ekman effects) creating favourable conditions for continuous ocean heat uptake...
>
> In summary, our experiments emphasise that recent trends in Southern Ocean surface winds, surface air temperature and radiation have driven almost all of the globally integrated ocean warming of the past half century...
> (Maurice F. Huguenin *et al*, œDrivers and distribution of global ocean heat uptake over the last half century, *Nature Communications* Vol. 13, Article No. 4921, 07 September 2022)

Shijian Hu and co-authors, in an analysis of a deep-reaching acceleration of global mean ocean circulation over the past two decades, provide clear evidence that there has, since the 1990s, been an acceleration of global ocean circulation that extends into the deep oceans on a planetary scale. As they summarize:

> ...The increasing trend in kinetic energy is particularly prominent in the global tropical oceans, reaching depths of thousands of meters. The deep-reaching acceleration of the ocean circulation is mainly induced by a planetary intensification of surface winds since the early 1990s. Although possibly influenced by wind changes associated with the onset of a negative Pacific decadal oscillation since the late 1990s, the recent acceleration is far larger than that associated with natural variability, suggesting that it is principally part of a long-term trend.
> (Shijian Hu *et al*, œDeep-reaching acceleration of global mean ocean circulation over the past two decades, *Science Advances*,:Vol. 6, no. 6, 05 February 2020)

With an acceleration of global mean ocean circulation at depth, ocean heat content is being increasingly diffused through those depths. In a paper entitled 'Upper Ocean Temperatures Hit Record High in 2020', Lijing Cheng *et al* provide an excellent graphic of global Ocean Heat Content (OHC) acceleration between 1958 and 2020. As they explain,

> Since 1986, the average annual increase is 9.1 ± 0.3 ZJ [zeta (10^{21}) joules] yr-1 (1986 to 2020), almost eight times larger than the linear rate from 1958~1985 (1.2 ± 0.6 ZJ yr-1). Further, the uncertainty has decreased as improved instruments... and analysis methods have become available.... Moreover, each decade has been warmer than its preceding decade.

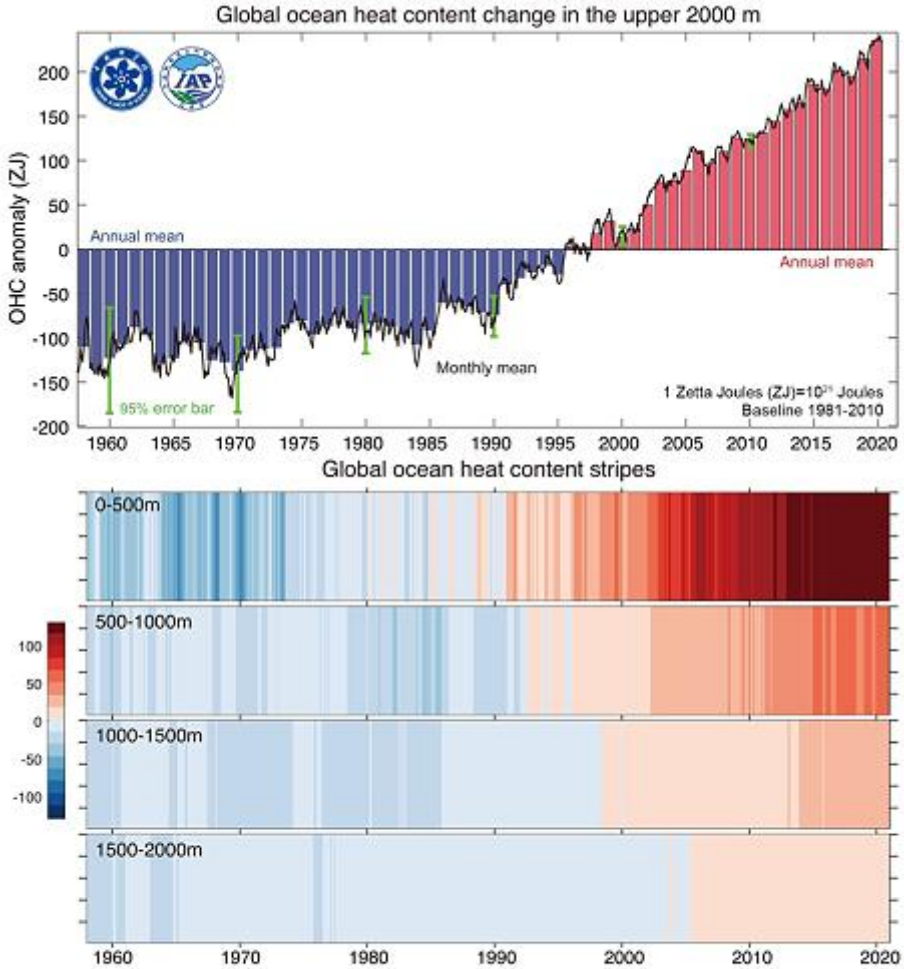


Fig. 1. (Upper) Global upper 2000 m OHC from 1958 through 2020. The histogram presents annual anomalies relative to a 1981–2010 baseline, with positive anomalies shown as red bars and negative anomalies as blue. (Bottom) Global 0–500 m, 500–1000 m, 1000–1500 m, and 1500–2000 m OHC stripes from 1958 to 2020. Units: ZJ.

(Lijing Cheng *et al*, œUpper Ocean Temperatures Hit Record High in 2020, *Advances in Atmospheric Sciences,*, 13 January 2021)

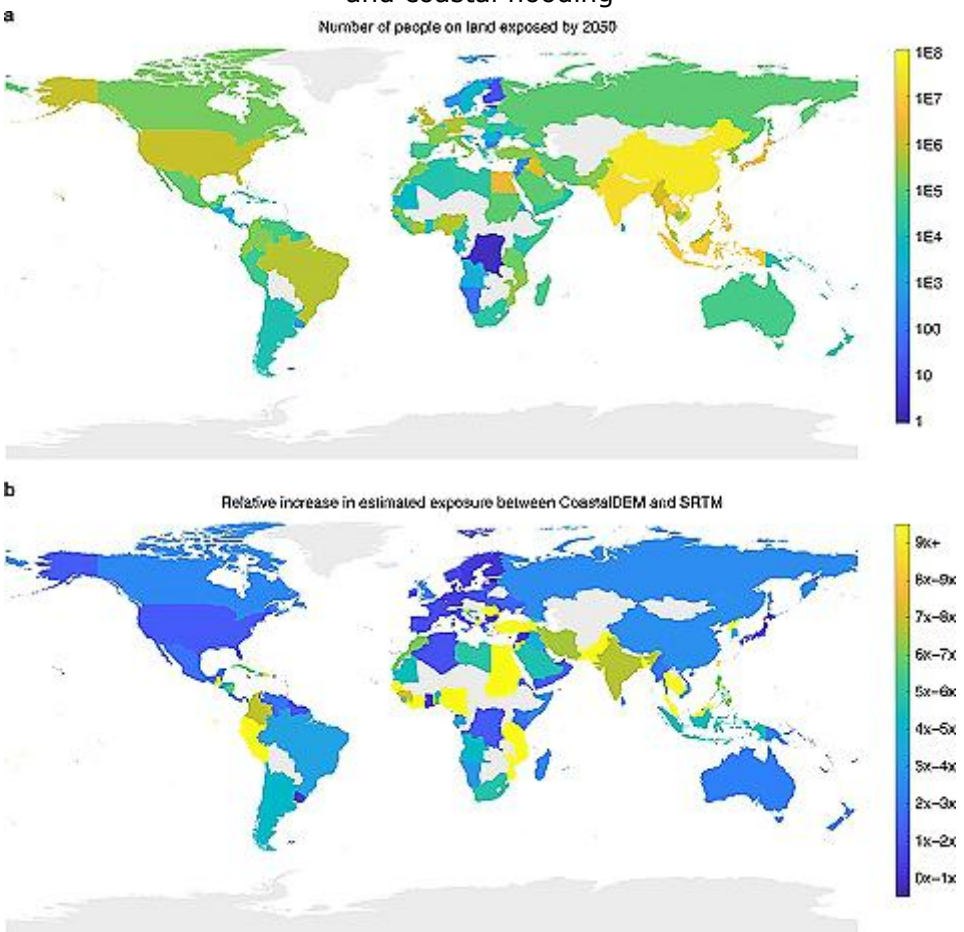
As the aphorism says, "By all means hope for the best, but always plan for the worst"! What looks like centimeters now, might all-too-soon become meters!

Scott Kulp and Benjamin Strauss, in an abstract of a study in *Nature Communications*, have elaborated:

> Most estimates of global mean sea-level rise this century fall below 2m. This quantity is comparable to the positive vertical bias of the principle digital elevation model (DEM) used to assess global and national population exposures to extreme coastal water levels, NASA's SRTM [œShuttle Radar Topography Mission]. CoastalDEM is a new DEM utilizing neural networks to reduce SRTM error. Here we show - employing CoastalDEM - that 190 M people (150-250 M, 90% CI) currently occupy global land below projected high tide lines for 2100 under low carbon emissions, up from 110 M today, for a median increase of 80 M. These figures triple SRTM-based values. Under high emissions, CoastalDEM indicates up to 630 M people live on land below

projected annual flood levels for 2100, and up to 340 M for mid-century, versus roughly 250 M at present. We estimate one billion people now occupy land less than 10 m above current high tide lines, including 250 M below 1 m.

New elevation data triple estimates of global vulnerability to sea-level rise and coastal flooding



(œFull size image, with explanation)

(Scott A. Kulp and Benjamin H. Strauss, œNew elevation data triple estimates of global vulnerability to sea-level rise and coastal flooding, *Nature Communications*, volume10, Article number: 4844 (29 October 2019))

Of course, while warming oceans will, certainly, affect polar ice melt and methane clathrate stability, there are other consequences which also become inevitable. William Leggat *et al* have spelt out the consequences of rapidly warming oceans for coral reefs:

> Severe marine heatwaves have recently become a common feature of global ocean conditions due to a rapidly changing climate.... These increasingly severe thermal conditions are causing an unprecedented increase in the frequency and severity of mortality events in marine ecosystems, including on coral reefs.... The degradation of coral reefs will result in the collapse of ecosystem services that sustain over half a billion people globally.....
>
> Here, we show that marine heatwave events on coral reefs are biologically distinct to how coral bleaching has been understood to date, in that heatwave conditions result in an immediate heat-induced mortality of the coral colony, rapid coral skeletal dissolution, and the loss of the three-dimensional reef structure.
>
> During heatwave-induced mortality, the coral skeletons exposed by tissue loss are, within days, encased by a complex biofilm of

> phototrophic microbes, whose metabolic activity accelerates calcium carbonate dissolution to rates exceeding accretion by healthy corals and far greater than has been documented on reefs under normal seawater conditions. This dissolution reduces the skeletal density and hardness and increases porosity.
>
> These results demonstrate that severe-heatwave-induced mortality events should be considered as a distinct biological phenomenon from bleaching events on coral reefs. We also suggest that such heatwave mortality events, and rapid reef decay, will become more frequent as the intensity of marine heatwaves increases and provides further compelling evidence for the need to mitigate climate change and instigate actions to reduce marine heatwaves.
> (William Leggat *et al*, "Rapid Coral Decay Is Associated with Marine Heatwave Mortality Events on Reefs, *Current Biology*, August 8, 2019)

As the authors conclude, 'heatwave conditions result in an immediate heat-induced mortality of the coral colony, rapid coral skeletal dissolution, and the loss of the three-dimensional reef structure'. This is far more than an unfortunate problem for eco-tourism. Billions of human beings around the world rely on such resources for their very existence.

(11/03/20)(27/03/20) (13/06/20)

Cataclysmic disintegration of planetary terrestrial, marine and freshwater environments

We are in the process of triggering cataclysmic disintegration of planetary terrestrial, marine and freshwater environments and their collapse is almost certainly going to be over 'human' timescales of years and decades, not centuries.

As the 21st century continues to unfold, the evidence for looming natural disaster grows. Peter Grace and Louise Barton explained the significance of atmospheric N_2O emissions: one tonne of nitrous oxide is equivalent to 298 tonnes of carbon dioxide and nitrous oxide has an atmospheric lifetime of 110 years. And, of course, it plays a major role in stratospheric ozone depletion.

Elisabeth Ramm *et al*, in a research report entitled 'The Forgotten Nutrient - The Role of Nitrogen in Permafrost Soils of Northern China', have explained why the often overlooked contribution of nitrous oxide to the greenhouse gas problems humanity is confronting needs to be addressed[769]:

Of course, there are, in a time when anthropogenically driven changes are moving us into uncharted waters, a range of possible consequences, some of them contradictory in nature. One such, possibly catastrophic, set of possibilities relates to the slowing of the Atlantic Meridional Overturning Circulation (AMOC) which transports warm water from the Southern Hemisphere into the North Atlantic. [770].

As a summary of findings of research into similar events in previous inter-glacial periods in earth's history has explained:

> ...The warm North Atlantic Current - the northernmost part of the Gulf Stream - flows into the Greenland Sea. It becomes progressively colder and saltier due to heat loss to the air, eventually sinking and forming the North Atlantic Deep Water formation - a mass of deep, cold water that flows southward. Melting of the polar ice sheet in the Arctic region would result in more fresh water entering the ocean and disrupting

> that circulation pattern, potentially causing cooling in northern areas of Europe and North America.
>
> In their 2014 study, the scientists presented evidence of disruptions in the North Atlantic Deep Water formation during the last interglacial period (the Eemian) about 116,000 to 128,000 years ago. Increased freshwater entering the Arctic region due to melting of the polar ice sheet in a warmer world may have disrupted circulation, which normally brings warmer water to the ocean off northern regions of North America and Europe. Such disruptions seem to last around a century or more.
>
> The latest study covers three other warm interglacial periods within the past 450,000 years. During all of them, regardless of the degree of global warming, the scientists found similar century-long disruptions of the North Atlantic Deep Water formation. And they found that such disruptions are more easily achieved than once believed and took place in climate conditions similar to those we may soon face with global warming.
> (Rutgers University, œHow stable is deep ocean circulation in warmer climate? Altered circulation might have cooled northern areas of North America and Europe, *EurekAlert*, News Release 26 March, 2020)

The referenced article summed it up:

> **Disrupting deep circulation**
>
> Atlantic Meridional Overturning Circulation (AMOC) and the related process of North Atlantic Deep Water (NADW) have been thought to be stable during warm, interglacial periods. Galaasen et al. report that episodes of reduced NADW over the past 500,000 years actually have been relatively common and occasionally long-lasting features of interglacials and that they can occur independently of the catastrophic freshwater outburst floods normally thought to be their cause (see the Perspective by Stocker). This discovery implies that large NADW disruptions might be more likely than we have assumed in the warmer climate of the future.
> (Eirik Vinje Galaasen *et al*, œInterglacial instability of North Atlantic Deep Water ventilation, *Science*, :Vol. 367, Issue 6485, pp. 1485-1489, 27 Mar 2020)

Katinka Bellomo *et al* have described alternative scenarios for warming in the North Atlantic:

> In climate model simulations of future climate change, the Atlantic Meridional Overturning Circulation (AMOC) is projected to decline. However, the impacts of this decline, relative to other changes, remain to be identified.
>
> Here we address this problem by analyzing 30 idealized abrupt-4xCO_2 climate model simulations. We find that in models with larger AMOC decline, there is a minimum warming in the North Atlantic, a southward displacement of the Inter-tropical Convergence Zone, and a poleward shift of the mid-latitude jet.
>
> The changes in the models with smaller AMOC decline are drastically different: there is a relatively larger warming in the North Atlantic, the precipitation response exhibits a wet-get-wetter, dry-get-drier pattern, and there are smaller displacements of the mid-latitude jet. Our study indicates that the AMOC is a major source of inter-model uncertainty,

> and continued observational efforts are needed to constrain the AMOC response in future climate change.
> (Katinka Bellomo *et al*, œFuture climate change shaped by inter-model differences in Atlantic meridional overturning circulation response, *Nature Communications*, vol. 12, No. 3659, 16 June 2021)

(10/01/17)(31/12/17)(06/02/18)

Nicholas Kristof described a few of the 21st century consequences of rampant deregulated capitalism for the rest of the world:

> She is just a frightened mom, worrying if her son will survive, and certainly not fretting about American politics - for she has never heard of either President Obama or Donald Trump.
>
> What about America itself? Ranomasy, who lives in an isolated village on this island of Madagascar off southern Africa, shakes her head. It doesn't ring any bells.
>
> Yet we Americans may be inadvertently killing her infant son. Climate change, disproportionately caused by carbon emissions from America, seems to be behind a severe drought that has led crops to wilt across seven countries in southern Africa. The result is acute malnutrition for 1.3 million children in the region, the United Nations says.
>
> ...The U.N. World Food Program has urgently appealed for assistance, but only half the money needed has been donated.
>
> The immediate cause of the droughts was an extremely warm El Niño event, which came on top of a larger drying trend in the last few decades in parts of Africa. New research, just published in the œBulletin of the American Meteorological Society, concludes that human-caused climate change exacerbated El Niño's intensity and significantly reduced rainfall in parts of Ethiopia and southern Africa.
>
> The researchers calculated that human contributions to global warming reduced water runoff in southern Africa by 48 percent and concluded that these human contributions "have contributed to substantial food crises."
>
> ...œThe United States single-handedly accounts for more than œone-quarter of the world's carbon dioxide emissions over the last 150 years, more than twice as much as any other country.
>
> The basic injustice is that œwe rich countries produced the carbon that is devastating impoverished people from Madagascar to Bangladesh. In America, climate change costs families beach homes; in poor countries, parents lose their children.
> (Nicholas Kristof, SundayReview | Op-Ed Columnist, œAs Donald Trump Denies Climate Change, These Kids Die of It, *New York Times*, Jan 6, 2017)

(24/05/19)(28/05/19)(09/12/19) (18/12/19) (02/05/21) (03/05/21)

In the start of summer 2019 in the Southern Hemisphere the chills of Spring, in my neck of the woods, should have been hanging around in mid-December, perhaps moving into the mid-20°C range (even into the low 30s) - a day earlier it topped out at 17°C. But, at 5.15pm on Wednesday (18/12) in the late afternoon, it was 43°C. On 20/12 it peaked at 47°C, seesawing from the mid-20°C to the mid-40°C range. 'Normal' conditions are becoming less and less of a guide to the future as the years pass.

The myopic stupidity of many who live within the bubble of Western capitalism

(02/02/24)

The myopic, sociopathic stupidity of many who live within the bubble of Western capitalism can be breath-taking[771]. The 2019 US Secretary of State, Mike Pompeo, and the Administration within which he served demonstrated a willful ignorance hard to believe possible in a supposedly 'developed' nation. The œUN Climate Change Conference - December 2019 in Madrid ended without an agreement - major polluters refused to commit to future action - again!

US singer Bing Crosby, in the 1950s, might have crooned "You've got to accentuate the positive; Eliminate the negative; And latch on to the affirmative" but the bizarre behavior and pronouncements of the 2019 US President and his appointed officials, at a time when the world desperately needed emphatic leadership in tackling the looming problems, almost certainly condemns humanity to a catastrophic future.

We no longer have to prognosticate that catastrophic future. It is already on our doorstep! One no longer has to turn to Third World countries for illustration: The effects are already impacting the 'developed' world!

We are on the cusp of changes greater than those seen in the past ten thousand years. Gregory Cooper, Simon Willcock and John Dearing have explained:

> Regime shifts can abruptly affect hydrological, climatic and terrestrial systems, leading to degraded ecosystems and impoverished societies. While the frequency of regime shifts is predicted to increase, the fundamental relationships between the spatial-temporal scales of shifts and their underlying mechanisms are poorly understood.
>
> Here we analyse empirical data from terrestrial (n = 4), marine (n = 25) and freshwater (n = 13) environments and show positive sub-linear empirical relationships between the size and shift duration of systems. Each additional unit area of an ecosystem provides an increasingly smaller unit of time taken for that system to collapse, meaning that large systems tend to shift more slowly than small systems but disproportionately faster.
>
> We substantiate these findings with five computational models that reveal the importance of system structure in controlling shift duration. The findings imply that shifts in Earth ecosystems occur over 'human' timescales of years and decades, meaning the collapse of large vulnerable ecosystems, such as the Amazon rainforest and Caribbean coral reefs, may take only a few decades once triggered....

As they conclude:

> The exponentially increasing global trends of many social and biophysical variables over the past 65 years are widely viewed as unsustainable. Along with the evidence for increasingly strong reinforcing feedbacks, interactions and couplings between variables, there is growing awareness around the heightened risk of current anthropogenic activities triggering sub-global regime shifts.
>
> Combined with the findings presented here, humanity now needs to prepare for changes in ecosystems that are faster than we previously envisaged through our traditional linear view of the world, including

> across Earth's largest and most iconic ecosystems, and the social-ecological systems that they support.
> (Cooper, G. S., Willcock, S. and Dearing, J. A. œRegime shifts occur disproportionately faster in larger ecosystems. *Nature Communications*, Volume 11, Article number: 1175 (10 March, 2020))

Ian James, in an *azcentral* article entitled 'As a hotter, drier climate grips the Colorado River, water risks grow across the Southwest', provides a description of the consequences of an ongoing drought affecting the Colorado River's catchments area. We are going to have to become used to stories of this nature as the 21st century unfolds!

> The water level of Lake Mead, the country's largest reservoir, has dropped more than 130 feet since the beginning of 2000, when the lake's surface lapped at the spillway gates on Hoover Dam.
>
> Twenty-one years later, with the Colorado River consistently yielding less water as the climate has grown warmer and drier, the reservoir near Las Vegas sits at just 39% of capacity. And it's approaching the threshold of a shortage for the first time since it was filled in the 1930s.
>
> The latest projections from the federal government show the reservoir will soon fall 7 more feet to cross the trigger point for a shortage in 2022, forcing the largest mandatory water cutbacks yet in Arizona, Nevada and Mexico.
>
> The river's reservoirs are shrinking as the Southwest endures an especially severe bout of dryness within a two-decade drought intensified by climate change, one of the driest periods in centuries that shows no sign of letting up.
> (Ian James, œAs a hotter, drier climate grips the Colorado River, water risks grow across the Southwest, *azcentral*, April 23, 2021)

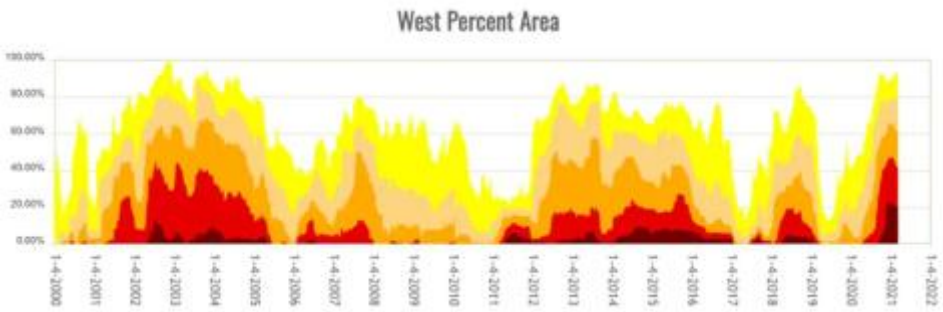
Lili Pike, for *NASA Earth Observatory*, explained what is happening across many of the western US states in 2021:

> The Western US is in the midst of yet another dangerous dry spell. The drought has been building over the past year, and since November, a greater stretch of the West has been in the most severe category of drought than at any time in the 20 years that the National Drought Mitigation Center has been keeping records.
>
> Western states are already facing water shortages, and with the National Weather Service projecting that the dry stretch will continue, the problems that accompany droughts are likely to pile up heading into this summer.
>
> Ryan Jensen saw the impacts of California's last major drought firsthand while working for the Community Water Center in the San Joaquin Valley. When residential wells ran dry, students had to shower in their school locker rooms. To keep toilets running, some rural households relied on hoses slung over fences from their neighbors.
>
> With groundwater depleted by that drought, which only ended in 2017, and ongoing overuse of water on farms, families have had to dig deeper wells, which can be prohibitively expensive.
>
> "For some folks, the last drought never really ended. There are still homes in the San Joaquin Valley that have been on a water tank since the last drought," said Jensen, who works in the center's Visalia office.

That last drought also led to other fallouts: billions of dollars in economic losses as farmers were forced to let fields lie fallow and a 50 percent drop in electricity production from dams. It also contributed to the death of over 100 million trees, which fuels bigger wildfires, like the ones that ripped through the West last summer. If the current drought continues, similarly stark consequences lie ahead.

Unfortunately, these droughts in rapid succession aren't an aberration but rather a sign of what's to come. Climate change is driving more severe droughts and spurring longer, more troubling "megadroughts" across the Western states....

The trajectory of this drought episode remains unclear, but scientists say that it is actually part of a bigger megadrought - a decades-long dry spell, punctuated by severe droughts. This megadrought began around 2000, and as the chart below shows, the majority of land in the West has been in some level of drought ever since.



Over the past 20 years, the Western US has experienced frequent severe droughts, which together form a megadrought. (The Y-axis shows the percent of Western land that is in some kind of drought. The darker colors represent more severe categories of drought.) US Drought Monitor
(Lili Pike, œThe megadrought parching 77 percent of the Western US, explained, *Earth Observatory, NASA*, March 13, 2021)

A 2019 *Science* news item illustrates one of the many developing crises with which humanity will have to grapple through the 21st Century:

Millions without water as reservoirs in India run dry

Climate change

The four reservoirs that supply Chennai, India's sixth largest city, have run dry, plunging its estimated 10 million residents into an acute water shortage. Clashes broke out in the streets last week as tens of thousands of people stood for hours in scorching heat to collect water trucked in by the government; many businesses and restaurants were forced to close. Weakening monsoons and rising temperatures have emptied the reservoirs, experts say, while groundwater supplies have been depleted by overuse. Chennai's plight - one of many water emergencies hitting cities from Cape Town, South Africa, to Säo Paulo, Brazil - is part of the worst water crisis in India's history, with an estimated 600 million people facing acute scarcity. What water exists often isn't safe to drink - some 70% of groundwater is contaminated with iron, fluorides, arsenic, or nitrates, killing nearly 200,000 people each year, according to government reports. And things may soon get worse: Forecasts suggest 40% of India's population will have no access to drinking water by the year 2030.
(œScience 28 Jun 2019, Vol. 364, Issue 6447, P. 1212)

Billions of people around the world rely on glacier discharge for their water needs and, in the early 21st century, many of those glaciers are in terminal retreat. Romain Hugonnet *et al* have described the situation:

> Glaciers, distinct from the Greenland and Antarctic ice sheets, are shrinking rapidly, altering regional hydrology, raising global sea level and elevating natural hazards. Yet, owing to the scarcity of constrained mass loss observations, glacier evolution during the satellite era is known only partially, as a geographic and temporal patchwork,
>
> Here we reveal the accelerated, albeit contrasting, patterns of glacier mass loss during the early twenty-first century.
>
> Using largely untapped satellite archives, we chart surface elevation changes at a high spatiotemporal resolution over all of Earth's glaciers. We extensively validate our estimates against independent, high-precision measurements and present a globally complete and consistent estimate of glacier mass change.
>
> We show that during 2000-2019, glaciers lost a mass of 267 ± 16 gigatonnes per year, equivalent to 21 ± 3 per cent of the observed sea-level rise. We identify a mass loss acceleration of 48 ± 16 gigatonnes per year per decade, explaining 6 to 19 per cent of the observed acceleration of sea-level rise.
>
> Particularly, thinning rates of glaciers outside ice sheet peripheries doubled over the past two decades. Glaciers currently lose more mass, and at similar or larger acceleration rates, than the Greenland or Antarctic ice sheets taken separately.
> (Romain Hugonnet *et al*, œAccelerated global glacier mass loss in the early twenty-first century, *Nature,* Vol. 592, pp. 726-731, April 28, 2021)

As mountain glaciers shrink, one of the near-term effects is the formation and expansion of unstable glacial lakes which threaten downstream populations. Guoxiong Zheng *et al* have described the effects of such glacial lake outburst floods (GLOF):

> Warming on Earth's Third Pole is leading to rapid loss of ice and the formation and expansion of glacial lakes, posing a severe threat to downstream communities. Here we provide a holistic assessment of past evolution, present state and modelled future change of glacial lakes and related glacial lake outburst flood (GLOF) risk across the Third Pole.
>
> We show that the highest GLOF risk is at present centred in the eastern Himalaya, where the current risk level is at least twice that in adjacent regions. In the future, GLOF risk will potentially almost triple as a consequence of further lake development, and additional hotspots will emerge to the west, including within transboundary regions. With apparent increases in GLOF risk already anticipated by the mid-twenty-first century in some regions, the results highlight the urgent need for forward-looking, collaborative, long-term approaches to mitigate future impacts and enhance sustainable development across the Third Pole.
> (Guoxiong Zheng *et al*, œIncreasing risk of glacial lake outburst floods from future Third Pole deglaciation, *Nature Climate Change*, Vol. 11, pp. 411-417, 06 May, 2021)

Pressures being placed on groundwater storages around the world.

The effects of both non-polar glacier thinning and retreat, while stark and ominous for the future of millions of people around the world, are matched by the pressures being placed on groundwater storages around the world. Water extraction from aquifers of all sizes is growing exponentially as recurrent droughts and various forms of 'development' drive the need for reliable water sources. The contribution of pumping, in many areas, exceeds natural groundwater replenishment.

Chandrakanta Ojha *et al* have explained what happens as aquifers lose their water,

> Groundwater depletion is often accompanied by compaction of aquifer systems and land subsidence. A recent study using high-resolution measurements of vertical land motion provided by interferometric synthetic aperture radar (InSAR) suggests a subsidence rate of ~300 mm/year in the [California] southern Central Valley during the previous drought period of 2007-2009...
> (Chandrakanta Ojha *et al*, œGroundwater Loss and Aquifer System Compaction in San Joaquin Valley During 2012-2015 Drought, *JGR: Solid Earth*, Vol.124, Issue 3, 27 February 2019)

As they explain, Groundwater depletion ia often accompanied by compaction of those aquifer systems and land subsidence, reducing their capacity for water storage. The results are becoming increasingly apparent around the world. Wen-Ying Wu *et al* have explained:

> Climate-driven GWS [groundwater storage] changes in key aquifers
>
> Our results from CESM [Community Earth System Model] simulations demonstrate that the changes in GWS do not necessarily reflect only the long-term trends in precipitation change; instead, they are also associated with enhancement of evapotranspiration, and reduction in snowmelt. Under future warming environments, the amount of spring snowmelt as a vital water resource in the seasonal snow-cover regions decreases, whereas ET (evapotranspiration, the sum of evaporation and transpiration) increases due to larger atmospheric water demand. Rainfall, ET, and snowmelt are three factors [which] act as the primary mechanisms for driving GWS changes
> (Wen-Ying Wu *et al*, œDivergent effects of climate change on future groundwater availability in key mid-latitude aquifers, *Nature Communications* Vol.11, No.3710, 24 July 2020)

As Anna Vignet and fellow reporters have explained and illustrated:

> Next to the air we breathe, it's the planet's most precious resource: fresh water. And it's disappearing. The world's largest food company describes the lack of water as a looming catastrophe that is expected to play out in the coming decades. In this episode of Reveal, we look at what's happening in places that already are running out of water.
> (Anna Vignet, œWater wars, *Reveal*, Jan 14, 2017)

Temperature Records keep falling 'nor are those [~~five~~ ~~six~~ ~~seven~~] eight... years an anomaly''

(19/10/23) (25/10/23)

Sociopaths are, in October 2023, committing unspeakable crimes, determined to treat fellow human beings with sadistic contempt, engaging

in genocide of what they have labelled as 'human animals' and dismissing the looming disasters rapidly overtaking us all. This is not going to end well!

William Ripple *et al* summarize:

> Life on planet Earth is under siege. We are now in an uncharted territory. For several decades, scientists have consistently warned of a future marked by extreme climatic conditions because of escalating global temperatures caused by ongoing human activities that release harmful greenhouse gasses into the atmosphere.
>
> Unfortunately, time is up. We are seeing the manifestation of those predictions as an alarming and unprecedented succession of climate records are broken, causing profoundly distressing scenes of suffering to unfold.
>
> We are entering an unfamiliar domain regarding our climate crisis, a situation no one has ever witnessed firsthand in the history of humanity....

Their conclusion:

> The effects of global warming are progressively more severe, and possibilities such as a worldwide societal breakdown are feasible and dangerously underexplored (Kemp et al. 2022).
>
> By the end of this century, an estimated 3 to 6 billion individuals - approximately one-third to one-half of the global population - might find themselves confined beyond the livable region, encountering severe heat, limited food availability, and elevated mortality rates because of the effects of climate change (Lenton et al. 2023). Big problems need big solutions.
>
> Therefore, we must shift our perspective on the climate emergency from being just an isolated environmental issue to a systemic, existential threat....
> (William J Ripple *et al*, œThe 2023 state of the climate report: Entering uncharted territory, *BioScience*, 24 October 2023)

The leap in global temperatures to well over 1.5°C has been explained by James Hansen...Here is his assessment of the 2023 situation:

> The September global temperature anomaly leaped to more than +1.7°C relative to the 1880-1920 mean (Fig. 1).
>
> Public discussion has focused on the remarkable magnitude of this monthly anomaly, which exceeds the prior warmest September in the period of instrumental data by about +0.5°C; we will comment on this extreme September anomaly below.
>
> However, the average anomaly of the past 4 months (+0.44°C relative to the same months in 2015, the origin year of the 2015-16 El Nino) is probably more important. If this relative anomaly is maintained through this El Nino (through Northern Hemisphere 2024 spring) the peak 12-month mean global warming will reach +1.6-1.7°C relative to 1880-1920.

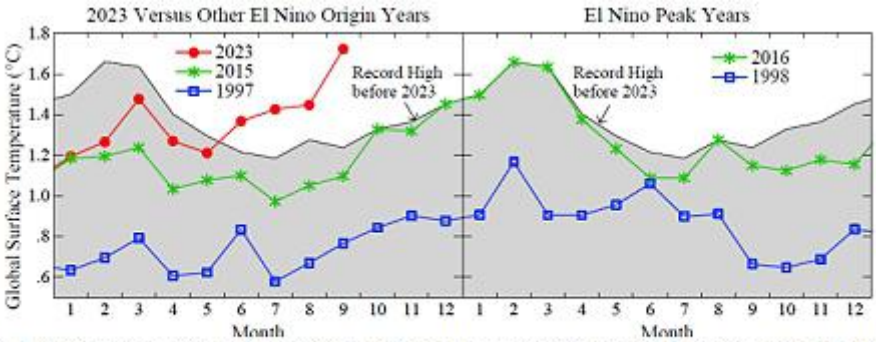


Fig. 1. Global temperature (relative to 1880-1920 mean for each month) for the 1997-98, 2015-16 and 2023-24 El Ninos. The impact of El Nino on global temperature usually peaks early in the year (El Nino Peak Year) following the year in which the El Nino originated.

> (James Hansen, Makiko Sato, Reto Ruedy, and Leon Simons, œEl Nino Fizzles. Planet Earth Sizzles. Why?, *Hansen Blog*, 13 October 2023)

Justin Gillis and John Schwartz, in a report entitled 'Earth Sets a Temperature Record for the Third Straight Year', have explained one of the many consequences of global warming for the world in which we all live. As they say:

> Marking another milestone for a changing planet, scientists reported on Wednesday that the Earth reached its highest temperature on record in 2016 - trouncing a record set only a year earlier, which beat one set in 2014. It is the first time in the modern era of global warming data that temperatures have blown past the previous record three years in a row.
>
> The findings come two days before the inauguration of an American president who has called global warming a Chinese plot and vowed to roll back his predecessor's efforts to cut emissions of heat-trapping gases.
>
> The data show that politicians cannot wish the problem away. The Earth is heating up, a point long beyond serious scientific dispute, but one becoming more evident as the records keep falling. Temperatures are heading toward levels that many experts believe will pose a profound threat to both the natural world and to human civilization.
>
> In 2015 and 2016, the planetary warming was intensified by the weather pattern known as El Niño, in which the Pacific Ocean released a huge burst of energy and water vapor into the atmosphere. But the bigger factor in setting the records was the long-term trend of rising temperature, which scientists say is being driven by increasing levels of carbon dioxide and other greenhouse gases.
> (Justin Gillis and John Schwartz, œEarth Sets a Temperature Record for the Third Straight Year, *New York Times*, January 18, 2017)

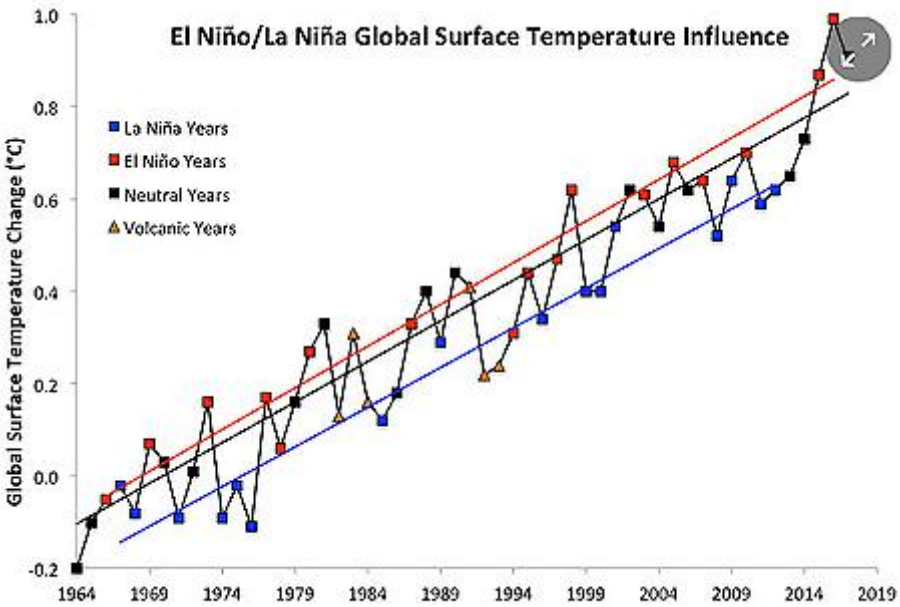
Nor are those three years an anomaly. Blunden, Hartfield, and Arndt have summarized the annual global average carbon dioxide concentration at Earth's surface for 2017 [772]:

> In 2017, the dominant greenhouse gases released into Earth's atmosphere - carbon dioxide, methane, and nitrous oxide - reached new record highs. The annual global average carbon dioxide concentration at Earth's surface for 2017 was 405.0 ± 0.1 ppm, 2.2 ppm greater than for 2016 and the highest in the modern atmospheric measurement record and in ice core records dating back as far as 800 000 years. The global growth rate of CO_2 has nearly quadrupled since the early 1960s.
> (Blunden, J., D. S. Arndt, and G. Hartfeld (eds), Abstract, œState of the

Climate in 2017. Special Supplement to the *Bulletin of the American Meteorological Society*, Vol. 99 No.8, August 2018 [18mb pdf])

Dana Nuccitelli explained:

> In fact, 2017 was the hottest year without an El Niño by a wide margin - a whopping 0.17°C hotter than 2014, which previously held that record. Remarkably, 2017 was also hotter than 2015, which at the time was by far the hottest year on record thanks in part to a strong El Niño event that year.
>
> For comparison, the neutral El Niño conditions and the level of solar activity in 1972 were quite similar to those in 2017. 45 years later, the latter was 0.9°C hotter than the former. For each type of year - La Niña, El Niño, and neutral - the global surface warming trend between 1964 and 2017 is 0.17-0.18°C per decade, which is consistent with climate model predictions.
> (Dana Nuccitelli, œ2017 was the hottest year on record without an El Niño, thanks to global warming, *The Guardian*, 2 January, 2018)



(1964-2017 global surface temperature data from Nasa, divided into El Niño (red), La Niña (blue), and neutral (black) years, with linear trends added. Illustration: Dana Nuccitelli)

(26/05/19) (27/05/19) (30/05/19) (24/09/19) (23/04/20) (30/06/20) (15/07/20) (01/10/20) (19/01/21) (06/07/21)

Robert Jackson *et al*, in an examination of increasing anthropogenic methane emissions arising from agricultural and fossil fuel sources, have provided a graphic analysis of the global methane budget for year 2017. Their conclusion:

> Methane emissions have continued to rise over the past decade and are tracking concentrations most consistent with the warmest marker scenario of the Intergovernmental Panel on Climate Change (RCP8.5, a representative concentration pathway) that yields an estimated global warming of 4.3 °C by year 2100.
>
> Current trajectories in socioeconomic development also suggest the world is likely to follow IPCC Shared Socioeconomic pathways (SSP) leading to relatively higher emission trajectories over the next decade. Estimates for 2018 and 2019 show increases in atmospheric methane

> of 8.5 and 10.7 ppb, respectively, two of the four highest annual growth rates since 2000.
>
> Increased emissions from both the agriculture and waste sector and the fossil fuel sector are likely the dominant cause of this global increase, highlighting the need for stronger mitigation in both areas.
>
> Our analysis also highlights emission increases in agriculture, waste, and fossil fuel sectors from southern and southeastern Asia, including China, as well as increases in the fossil fuel sector in the United States. In contrast, Europe is the only continent in which methane emissions appear to be decreasing. While changes in the sink of methane from atmospheric or soil uptake remains possible, atmospheric chemistry and land-surface models suggest the timescales for sink responses are too slow to explain most of the increased methane in the atmosphere in recent years.
>
> Climate policies overall, where present for methane mitigation, have yet to alter substantially the global emissions trajectory to date. (Robert Jackson *et al*, œIncreasing anthropogenic methane emissions arise equally from agricultural and fossil fuel sources, *Environmental Research Letters*, Volume 15, Number 7, 07 July 2020)

Risking accusations of being repetitive, one can only say, again, 'Nor are those [four] years an anomaly.' The *World Meteorological Organization* has explained:

> 2018 is on course to be the 4th warmest year on record. This would mean that the past four years - 2015, 2016, 2017 and 2018 - are also the four warmest years in the series. 2018 is the coolest of the four. In contrast to the two warmest years, 2018 began with weak La Niña conditions, typically associated with lower global temperatures. The 20 warmest years have all occurred in the past 22 years. (œWMO Provisional statement on the State of the Global Climate in 2018, *World Meteorological Organization*, 29 November 2018)

WMO Secretary-General Petteri Taalas, in an explanation of a few of the implications of The œWMO report on The Global Climate in 2015-2019 has spelt out some of the consequences of this warming trend [773]:

> "Climate change causes and impacts are increasing rather than slowing down," said WMO Secretary-General Petteri Taalas, who is co-chair of the Science Advisory Group of the UN Climate Summit.
>
> "Sea level rise has accelerated and we are concerned that an abrupt decline in the Antarctic and Greenland ice sheets, which will exacerbate future rise. As we have seen this year with tragic effect in the Bahamas and Mozambique, sea level rise and intense tropical storms led to humanitarian and economic catastrophes," he said.
>
> "The challenges are immense. Besides mitigation of climate change, there is a growing need to adapt. According to the recent Global Adaptation Commission report the most powerful way to adapt is to invest in early warning services, and pay special attention to impact-based forecasts," he said.
>
> "It is highly important that we reduce greenhouse gas emissions, notably from energy production, industry and transport. This is critical if we are to mitigate climate change and meet the targets set out in the Paris Agreement," he said.

> "To stop a global temperature increase of more than 2 degrees Celsius above pre-industrial levels, the level of ambition needs to be tripled. And to limit the increase to 1.5 degrees, it needs to be multiplied by five," he said.
> (œGlobal Climate in 2015-2019: Climate change accelerates, *World Meteorological Organization*, 22 September 2019)

We are living in a time when capitalism is being put on trial by nature.[774]

It's getting a little monotonous but, for a final time here (see Hansen *et al* œfor an ongoing commentary on this), once again: 'nor are those [~~five~~ ~~six~~ ~~seven~~] eight years an anomaly'.

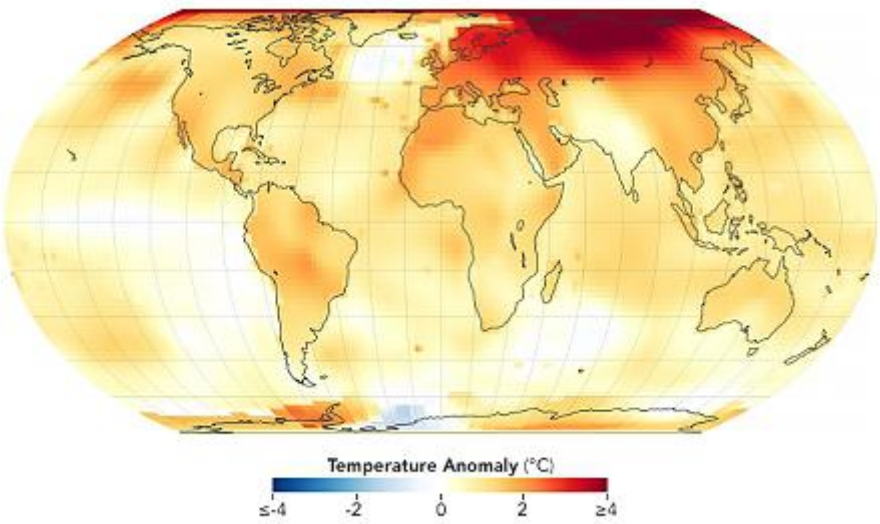
2021 has continued the trend:

> Although average global temperatures were temporarily cooled by the 2020-2022 La Niña events, 2021 was still one of the seven warmest years on record... The average global temperature in 2021 was about 1.11 (± 0.13) °C above the pre-industrial (1850-1900) levels. 2021 is the 7th consecutive year (2015-2021) where global temperature has been over 1°C above pre-industrial levels, according to all datasets compiled by WMO.
> (œ2021 one of the seven warmest years on record, *World Meteorological Organization*, 19 January, 2022)

NASA Earth Observatory provided an assessment of 2020 conditions:

> Earth's global average surface temperature in 2020 tied with 2016 for the warmest year on record, according to an analysis by NASA.
>
> Continuing the planet's long-term warming trend, the globally averaged temperature in 2020 was 1.02 degrees Celsius (1.84 degrees Fahrenheit) warmer than the baseline 1951-1980 mean, according to scientists at NASA's Goddard Institute for Space Studies (GISS). The year was slightly warmer than 2016 but within the margin of error of the analysis, making the years effectively tied.
>
> "The last seven years have been the warmest seven years on record, typifying the ongoing and dramatic warming trend," said GISS Director Gavin Schmidt. "Whether one year is a record or not is not really that important; the important things are long-term trends. With these trends, and as the human impact on the climate increases, we have to expect that records will continue to be broken."

Earth's average temperature has risen more than 1.2°C (2°F) since the late 19th century



(œ2020 Tied for Warmest Year on Record, *NASA Earth Observatory*, January 15, 2021)

Zeke Hausfather has elaborated on records set during 2020:

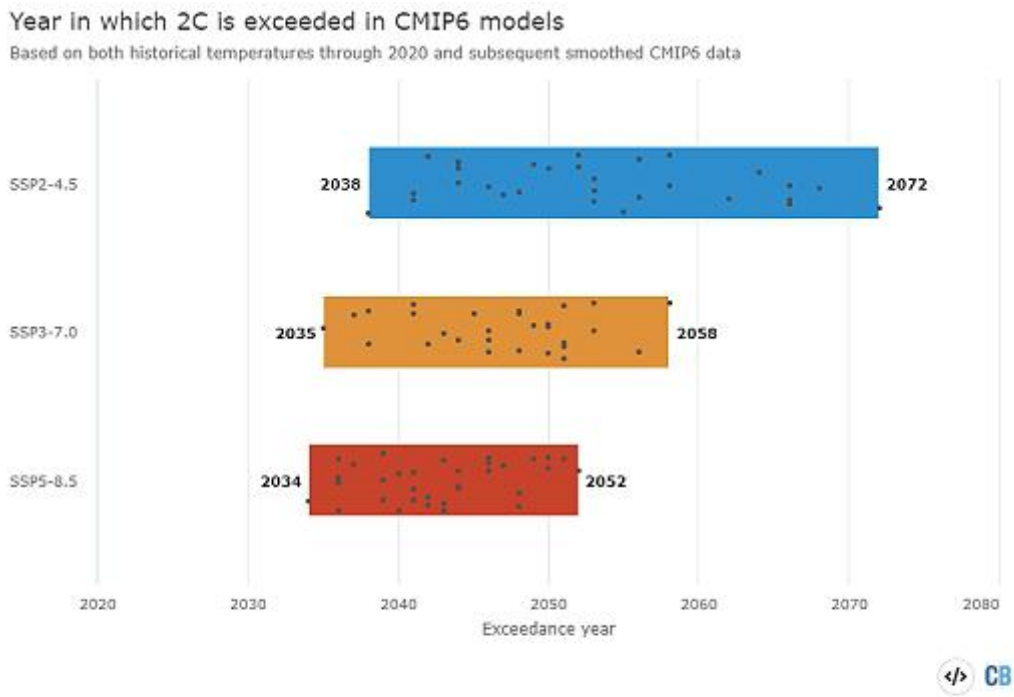
> Last year set a number of records for the Earth's climate:
>
> - œ**Record warm surface temperatures**: It was the warmest or second warmest year on record for surface temperature - depending on the dataset used - and effectively tied with 2016 within the range of measurement uncertainty in all the surface temperature records examined here. This is all the more remarkable because the latter half of 2020 has seen a natural cooling effect from a modest La Niña event.
> - œ**Record levels of ocean heat content**: It was the warmest year on record for ocean heat content, which increased markedly between 2019 and 2020.
> - œ**Record warmth in satellite records**: It was either the warmest or second warmest year in the Earth's troposphere - the lower part of the atmosphere - depending on the dataset examined.
> - œ**Arctic sea ice sees second lowest summer minimum**: It saw record lows in sea ice extent and volume in the Arctic for much of the period between July and November. The minimum Arctic sea ice extent reached in September was the second lowest on record.
> - œ**Sea levels continue to rise**: Global sea levels and atmospheric greenhouse gas concentrations reached new record highs in 2020, while the world's glaciers continued to melt rapidly.
> (Zeke Hausfather, œState of the climate: 2020 ties as warmest year on record, *Carbon Brief*, 14 January 2021)

In an earlier analysis he has provided an estimation of the time scale for the world exceeding 1.5°C and 2°C of global warming:

> Our analysis shows that:
>
> - The world will likely exceed 1.5C between 2026 and 2042 in scenarios where emissions are not rapidly reduced, with a central estimate of between 2030 and 2032.

- The 2C threshold will likely be exceeded between 2034 and 2052 in the highest emissions scenario, with a median year of 2043.
- In a scenario of modest mitigation - where emissions remain close to current levels - the 2C threshold would be exceeded between 2038 and 2072, with a median of 2052.

He provides a graphic of likely exceedance years for 2°C across all currently available CMIP6 [the latest (2021) generation of climate models] model runs for SSP2-4.5, SSP3-7.0 and SSP5-8.5 scenarios (SSP3-7.0 is based on a modest-mitigation of current pollution levels):



Exceedance year for 2C across all currently available CMIP6 model runs for SSP2-4.5, SSP3-7.0 and SSP5-8.5 scenarios. Chart by Carbon Brief using Highcharts.

> Temperatures are expected to pass 2C in the modest-mitigation SSP2-4.5 scenario – where emissions remain around current levels – between 2038 and 2072, with a median year of 2052.

(Zeke Hausfather, "Analysis: When might the world exceed 1.5C and 2C of global warming?, *Carbon Brief*, 4 December, 2020)

Greenhouse gas emissions continued to rise through 2020, despite that being a year of Covid-19 'lockdowns' and depressed economic activity. As the UK Met Office has explained:

> We forecast the annual average CO_2 concentration at Mauna Loa to be 2.74 ± 0.57 parts per million (ppm) higher in 2020 than in 2019 (Figure 1). This will continue the rising trend in CO_2 seen in the long-term record of measurements from the Mauna Loa observatory in Hawaii that date back to 1958 and are a good guide to global CO_2 levels. As a result, we forecast the 2020 annual average CO_2 concentration at Mauna Loa to be 414.2 ± 0.6 ppm. For the first time, monthly CO_2 levels will exceed 415 ppm (during spring and summer) and will remain above 410 ppm for the entire year...
>
> Long-term increases in observed CO_2 are entirely the result of human-caused emissions of carbon dioxide into the atmosphere - more than

> enough CO_2 has been emitted by fossil fuel burning, cement production and deforestation to account for the increase measured in the atmosphere. CO_2 concentrations have increased by about 30% since measurements began at Mauna Loa, but this increase would have been larger if some CO_2 had not been removed from the atmosphere by absorbed by plants and the oceans.
> (UK Met Office, œMauna Loa carbon dioxide forecast for 2020, accessed 23/04/20)

Paul Voosen summed up the 2020 scene:

> The subtropical Atlantic Ocean was particularly hot, fueling a record outbreak of hurricanes, says Lijing Cheng, a climate scientist at the Chinese Academy of Sciences's Institute of Atmospheric Physics....
>
> This heat, monitored down to 2000 meters by a fleet of 4000 robotic probes, is spreading deeper into the ocean while also migrating toward the poles. An extreme heat wave struck the northern Pacific, killing marine life. For the first time, warm Atlantic waters were seen penetrating into the Arctic Ocean, melting sea ice from below and reducing its extent nearly to a record low (Science, 28 August 2020, p. 1043). The warming ocean and melting ice sheets are raising sea levels by 4.8 millimeters per year, and the rate is accelerating (Science, 20 November 2020, p. 901).
>
> On land, 2020 was even more relentless, with temperatures rising 1.96°C above preindustrial levels, a clear record, Berkeley Earth reported. It was the warmest year ever in Asia and Europe and tied for the warmest in South America. Russia was particularly hot, breaking its previous record by 1.2°C, while swaths of Siberia were 7°C warmer than in preindustrial times, leading to largescale fires and thawing permafrost that caused buildings to founder and set off oil spills (Science, 7 August 2020, p. 612). "Siberia was crazy," says Zeke Hausfather, a climate scientist at the Breakthrough Institute and coauthor of the Berkeley Earth analysis. "That heat would effectively be impossible without the warming we've seen."
> (Paul Voosen, œGlobal temperatures in 2020 tied record highs: Defying cooling from La Niña, warming planet speeds toward breach of climate targets, *Science*, Vol. 371: Issue 6527, Pp. 334-5, January 22, 2021)

And, of course, there's always methane!

The world is entering a period during which the first signs of feedback loops in the production of gases which contribute to a warming planet are emerging. Not least among these is increases in microbial methane production as the atmosphere warms. Yizhu Zhu *et al* explained:

> Net emissions of the potent GHG methane from ecosystems represent the balance between microbial methane production (methanogenesis) and oxidation (methanotrophy), each with different sensitivities to temperature. How this balance will be altered by long-term global warming, especially in freshwaters that are major methane sources, remains unknown.
>
> ...[W]e show that the experimental warming of artificial ponds over 11 years drives a disproportionate increase in methanogenesis over methanotrophy that increases the warming potential of the gases they emit. The increased methane emissions far exceed temperature-based

> predictions, driven by shifts in the methanogen community under warming, while the methanotroph community was conserved.
>
> Our experimentally induced increase in methane emissions from artificial ponds is, in part, reflected globally as a disproportionate increase in the capacity of naturally warmer ecosystems to emit more methane. Our findings indicate that as Earth warms, natural ecosystems will emit disproportionately more methane in a positive feedback warming loop.
> (Yizhu Zhu *et al*, œDisproportionate increase in freshwater methane emissions induced by experimental warming, *Nature Climate Change*, 29 June 2020)

A *Queen Mary University of London* press release entitled 'œGlobal warming will cause ecosystems to produce more methane than first predicted' explains the significance of such methane increases:

> Methane is a powerful greenhouse gas with around 28 times the global warming potential of carbon dioxide over a 100 year period. Over 40 per cent of methane is released from freshwaters such as wetlands, lakes and rivers making them a major contributor to global methane emissions.

A year after the *World Meteorological Organization's* warning that "it is highly important that we reduce greenhouse gas emissions, notably from energy production, industry and transport", a 2020 research report into anthropogenic methane gas emissions œfrom the US Permian Basin provides a sobering assessment of methane emissions from the region (southeast New Mexico and west Texas, one of the world's most prolific oil-producing regions in recent years, producing 3.5 million barrels of crude and 11 billion cubic feet of natural gas per day (about 30% and 10% of the respective U.S. totals in 2018)).

A summary of the findings explained:

> Using new satellite observations and atmospheric inverse modeling, we report methane emissions from the Permian Basin, which is among the world's most prolific oil-producing regions and accounts for >30% of total U.S. oil production. Based on satellite measurements from May 2018 to March 2019, Permian methane emissions from oil and natural gas production are estimated to be 2.7 ± 0.5 Tg a-1, representing the largest methane flux ever reported from a U.S. oil/gas-producing region and are more than two times higher than bottom-up inventory-based estimates.
>
> This magnitude of emissions is 3.7% of the gross gas extracted in the Permian, i.e., ~60% higher than the national average leakage rate. The high methane leakage rate is likely contributed by extensive venting and flaring, resulting from insufficient infrastructure to process and transport natural gas. This work demonstrates a high-resolution satellite data-based atmospheric inversion framework, providing a robust top-down analytical tool for quantifying and evaluating subregional methane emissions.
> (Yuzhong Zhang *et al*, œQuantifying methane emissions from the largest oil-producing basin in the United States from space, *Science Advances*, Vol. 6, no. 17, 22 Apr 2020:)

Yet even this is not the full story! Barkley *et al* have explained:

> Ethane (C_2H_6), a gas that is co-emitted with thermogenic sources of CH_4, is emitted in the US predominantly by the O&G [oil and gas] sector. In this study, we perform an inverse analysis on 200 h[ours] of atmospheric boundary layer C_2H_6 measurements to estimate C_2H_6 emissions from the US O&G sector. Measurements were collected from 2017 to 2019 as part of the Atmospheric Carbon and Transport (ACT) America aircraft campaign and encompass much of the central and eastern United States.
>
> We find that for the fall, winter, and spring campaigns, C_2H_6 data consistently exceeds values that would be expected based on EPA O&G leak rate estimates by more than 50%....
>
> ..[W]e estimate that O&G CH_4 emissions are larger than EPA inventory values by 48% - 76%.
> (Z. R. Barkley *et al*, "Analysis of Oil and Gas Ethane and Methane Emissions in the Southcentral and Eastern United States Using Four Seasons of Continuous Aircraft Ethane Measurements, *JGR Atmospheres*, Vol.126, Iss.10, 27 May 2021)

All this demonstrates a cavalier attitude on the part of major oil and gas companies and of those supposedly monitoring their behavior in the US. The 2020 US President is obviously not alone in discounting the dangers of green-house gas emissions.

If, as the NOAA report says,

> Scientists have long recognized the possibility - small, but not zero - that global warming could ignite a "methane bomb" in the Arctic...

and, atmospheric CO_2 concentrations have already exceeded 415 ppm, a level last reached millions of years ago - long before humanity was a gleam in evolution's eye - then why is there no concerted, coordinated international endeavor to avert such extinction level conditions from ever emerging?

The 'methane bomb' requires warming oceans but, as we've already seen, 93% of the heat trapped in a warming earth has gone, not into the atmosphere around us, but into the deep oceans - into the very regions which, if sufficiently warmed, will release the trapped methane from the methane hydrates in which it is currently sequestered. We are, indeed, playing Russian roulette with the fate of humanity.

In 2022 the planet is undeniably warming and potentially catastrophic conditions are already emerging around the world. We are fast approaching uncharted territory. And, where analogs of current conditions can be found in geological records, there is cause for concern that unanticipated conditions might emerge which will fast forward our world into uncontrollable climatic conditions

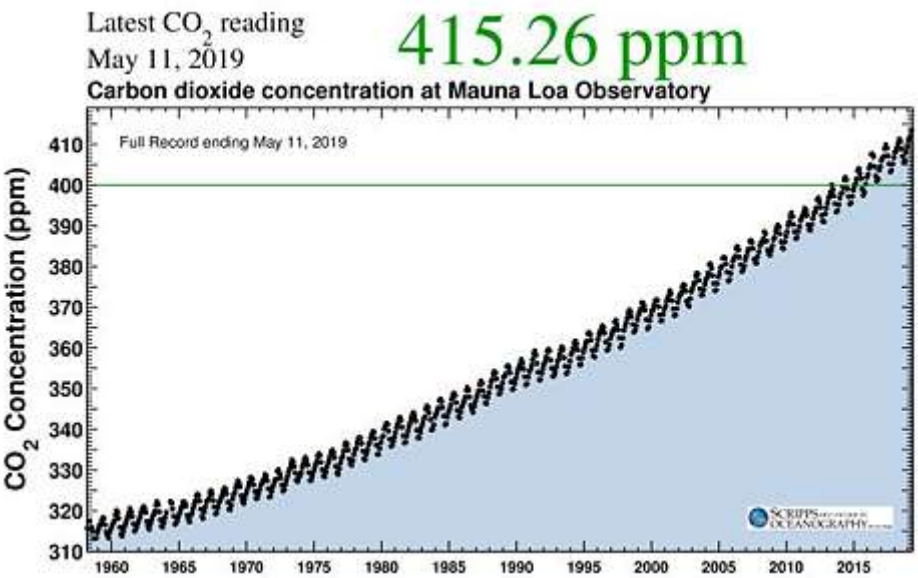
Syee Weldeab *et al* have provided evidence of the real possibility of methane hydrate instability as ocean temperatures rise:

> Our results identify an exceptionally large warming of the equatorial Atlantic intermediate waters and strong evidence of methane release and oxidation almost certainly due to massive methane hydrate destabilization during the early part of the penultimate warm episode (126,000 to 125,000 y ago). This major warming was caused by reduced advection of cold water from high latitudes and enhanced downward heat diffusion in response to a brief episode of meltwater-

> induced weakening of the Atlantic meridional overturning circulation [AMOC] and amplified by a warm mean climate. Our results highlight climatic feedback processes associated with the penultimate climate warming that can serve as a paleoanalog for modern ongoing warming....
>
> AMOC weakening significantly amplifies the warming of intermediate waters and, in turn, destabilizes shallow subsurface methane hydrate deposits. Current studies that are investigating the stability of shallow subsurface methane hydrates assume warming of intermediate waters of only 1 °C to 3 °C, and, as a result, conclude a limited impact on their stability. Robust indications of a steadily weakening AMOC and the amplifying effect of weak AMOC on the warming of intermediate waters, as documented here, require simulation scenarios that consider much greater warming of intermediate waters.
> (Syee Weldeab *et al*, œEvidence for massive methane hydrate destabilization during the penultimate interglacial warming, *PNAS*, August 22, 2022)

But, of course, 'great power rivalries' in 2022 are far more important than possible species extinction!

Peter Dockrill has given the CO_2 concentrations for May 2019 in an article entitled 'It's Official: Atmospheric CO_2 Just Exceeded 415 ppm For The First Time in Human History':



> Yet another alarming milestone of humanity's damaging effect on the environment has now officially been reached - crossing a barrier into a hot, polluted future like the planet hasn't witnessed in millions of years.
>
> This weekend, sensors in Hawaii recorded Earth's atmospheric concentration of carbon dioxide (CO_2) passing 415 parts per million (ppm) for the first time since before the ancient dawn of humanity.
>
> On Saturday, CO_2 concentration recorded at the Mauna Loa Observatory in Hawaii by researchers from the Scripps Institution of Oceanography hit 415.26 ppm - the latest in a dire series of climatic thresholds being breached by a human society that refuses to relinquish the conveniences afforded by fossil fuels.

> "This is the first time in human history our planet's atmosphere has had more than 415 ppm CO_2," meteorologist Eric Holthaus tweeted.
>
> "Not just in recorded history, not just since the invention of agriculture 10,000 years ago. Since before modern humans existed millions of years ago. We don't know a planet like this."
>
> It was only a few years ago that carbon pollution in the atmosphere soared past 400 ppm, and it didn't take long much longer to reach 410 ppm (in 2017).
>
> In fact, with this record-breaking surge in atmospheric carbon poisoning the skies and trapping Earth's heat, scientists knew hitting 415 ppm in 2019 was all but inevitable.
> (Peter Dockrill, œIt's Official: Atmospheric CO_2 Just Exceeded 415 ppm For The First Time in Human History, *Science Alert*, 13 MAY 2019)

Seizing life's opportunities for profit, 'wealth' and planetary 'power'
My name is Western Capitalist, King of Kings...

The escalation of CO_2 concentrations continues unabated providing new highs each year. In May 2022 a new global high was set: 418.43 ppm. Contrary to the expectations of some, the global concentration of Greenhouse Gasses in the atmosphere has continued on its 40+ year upward trajectory. Whatever we believe we're doing to change it is not working!!

But, US Secretary of State Mike Pompeo, in 2019, put it all into perspective for us. There is, indeed, no need for concern. In fact, there is every reason to welcome the planetary increase in CO_2. It presents amazing opportunities for profit. 'The Arctic is heating up far faster than the world average because of rising greenhouse gas emissions' but:

> "This is America's moment to stand up as an Arctic nation," Mr. Pompeo said. "The region has become an arena of global power and competition."...
>
> Describing the rapidly warming region as a land of "opportunity and abundance," Mr. Pompeo cited its untapped reserves of oil, gas, uranium, gold, fish, and rare earth minerals. Melting sea ice, he said, is opening up new shipping routes. "We're entering a new age of strategic engagement in the Arctic, complete with new threats to Arctic interests and its real estate,"....

And, of course, since he represents the United States of America,

> Mr. Pompeo said that Washington was "fortifying America's security and diplomatic presence" in the region, including with new military exercises and icebreakers.
> (Somini Sengupta, œUnited States Rattles Arctic Talks With a Sharp Warning to China and Russia, *New York Times*, May 6, 2019)

How fortunate the world is that, in these times, we have such prescient leaders - ready and willing to seize life's opportunities for profit, 'wealth' and planetary 'power' as they appear over the horizon! Let us be grateful to a United States of America which, at this critical juncture in humanity's future, has given us leaders who know how to "accentuate the positive; Eliminate the negative; And latch on to the affirmative" in life!

Robert English and Morgan Gardner have put the emphasis where it should have been put by Pompeo:

> Accurate threat assessment is vital to the formulation of foreign policy. Across centuries of political and technological change, the giants of strategy - from Sun-tzu and Thucydides to Carl von Clausewitz and George Kennan - warned against exaggerating threats and ignoring their geopolitical context. Still, ideologically driven threat inflation - from a phantom Vietnamese attack in the Gulf of Tonkin to nonexistent Iraqi nuclear and chemical weapons - has repeatedly led the United States into costly quagmires. Despite this history, the country is again on the brink of an ideologically driven blunder - this time in the Arctic.
>
> ...[T]he administration of U.S. President Donald Trump has recently embraced Arctic alarmism with a vengeance. It has stoked fears of Russian and Chinese "aggression," trashed the Arctic Council's delicate diplomacy, and adopted a new confrontational posture. In so doing, it joins the alarmists in three serious mistakes: the failure to assess specific threats accurately, the failure to consider an adversary's forces in relation to those of the United States and its allies, and the failure to evaluate the broader strategic landscape - the political, economic, and environmental factors beyond the battlefield. Violation of these three pillars of careful threat assessment is drawing the United States toward an unnecessary confrontation in a region where the real enemy isn't Cold War ghosts but looming environmental disaster.
> (Robert David English and Morgan Grant Gardner, œPhantom Peril in the Arctic: Russia Doesn't Threaten the United States in the Far North - But Climate Change Does, *Foreign Affairs*, September 29, 2020)

Continue on the road which has been set and humanity might survive but at a fearful cost.

Bill Henderson spells out the problem for those still looking for medium- to long-term solutions to the problems of green-house-gas accumulation and other forms of planetary pollution:

> ...[C]onsidering the emerging climate science and our diminished carbon budget after at least three decades of denial, and with carbon concentration in the atmosphere higher than it has been in 3 million years, it is too late to speed up the slow transition from fossil fuels to renewables with government facilitated renewable building; too late to build renewables under a Keynesian plan that employs all the workers in transition; too late for a transition that makes money and lets us keep living our present lifestyles.
>
> The GND challenged neoliberalism with a "Big Government Plan" for climate mitigation, but as presently envisioned, these policy actions remain completely within a market transition where renewables will only replace fossil fuels by out-competing coal, oil and natural gas.
>
> The GND could greatly speed up this slow transition, but it's still a plan to let fossil fuels compete for far too long; it still doesn't regulate production and distribution; it still envisions supplying 100 percent of today's energy, plus projected growth. The GND is ultimately predicated upon a growing GDP in a business-as-usual scenario where there is enough created wealth to redistribute to marginalized populations.
> (Bill Henderson, œIt's Too Late for a Green New Deal; Can Other Radical Plans Work? *Truthout*, May 26, 2019

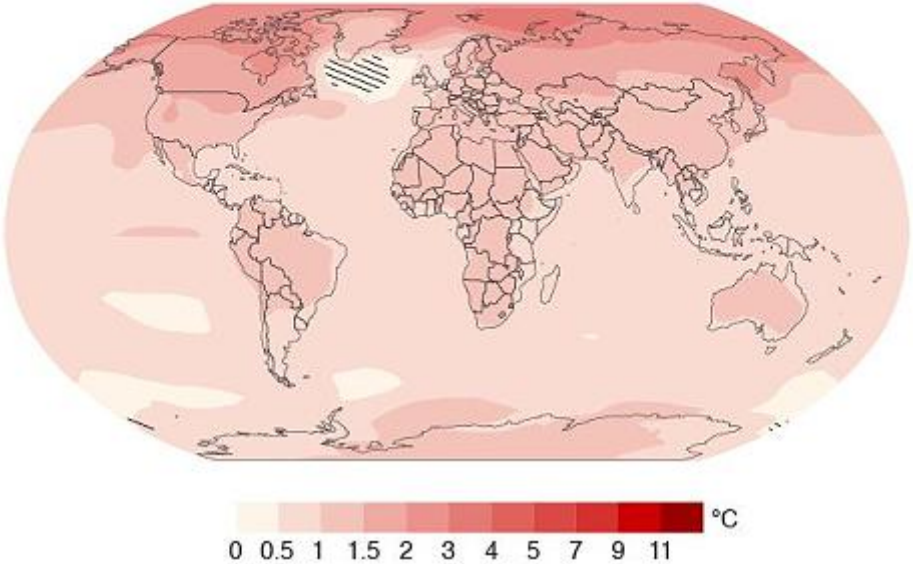
Summarizing the findings of a œstatistical study released in the journal *Nature* on Wednesday 6 December 2017 (œfree pdf (8.46 MB) here), Chris Mooney spelt out the looming danger of a warming planet:

> Under a high warming scenario in which large emissions continue throughout the century, the models as a whole give a mean warming of 4.3 degrees Celsius (or 7.74 degrees Fahrenheit), plus or minus 0.7 degrees Celsius, for the period between 2081 and 2100, the study noted. But the best models, according to this test, gave an answer of 4.8 degrees Celsius (8.64 degrees Fahrenheit), plus or minus 0.4 degrees Celsius.
> (Chris Mooney, œThe most accurate climate change models predict the most alarming consequences, study finds, *Washington Post*, December 6, 2017)

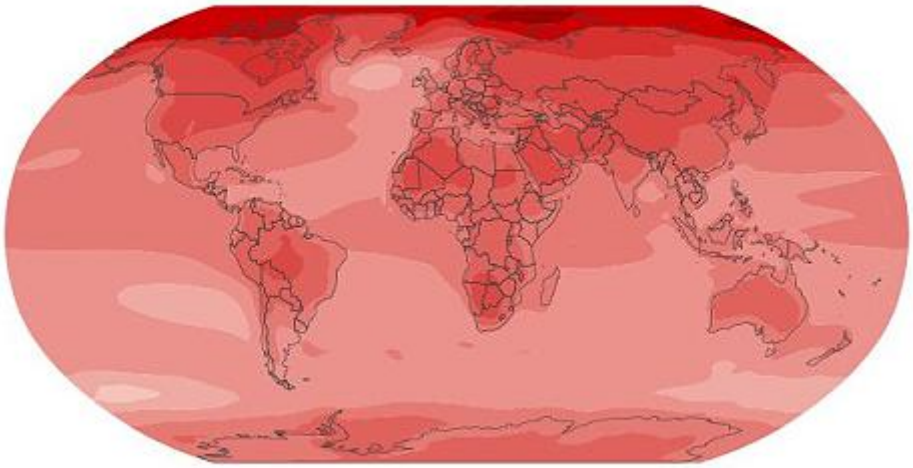
A BBC News summary, on 30 November 2016, provided a clear graphic illustrating the global warming consequences of 'business as usual' through the 21st century:

Projected temperature change (1986–2005 to 2081-2100)

If greenhouse gas emissions peak between 2010 to 2020 and then decline substantially (RCP2.6).



If greenhouse gas emissions continue to rise throughout the 21st century (RCP8.5)



Source: International Panel on Climate Change - Fifth Assessment Report (AR5)

(Mark Kinver, œEarth warming to climate tipping point, warns study, *BBC News*, Science & Environment, 30 November 2016)

The *National Oceanic and Atmospheric Administration (US)* œClimate site has described the impact of a global temperature rise of 4 or more degrees Celsius. A œUK Met Office interactive world map shows the catastrophic impact of a global temperature rise of 4 degrees Celsius on a variety of factors including agriculture, marine life, fires, weather patterns, and health.

A comprehensive assessment of both global and US focused climate trends, œClimate Science Special Report [CSSR]: Fourth National Climate Assessment, has been prepared by the US National Oceanic and Atmospheric Administration (NOAA) in collaboration with three other agencies (the National Aeronautics and Space Administration [NASA], and the Department of Energy [DOE]). As the Executive Summary explains:

> The climate of the United States is strongly connected to the changing global climate. The statements below highlight past, current, and projected climate changes for the United States and the globe.
>
> Global annually averaged surface air temperature has increased by about 1.8°F (1.0°C) over the last 115 years (1901-2016). This period is now the warmest in the history of modern civilization. The last few years have also seen record-breaking, climate-related weather extremes, and the last three years have been the warmest years on record for the globe. These trends are expected to continue over climate timescales....
>
> Global average sea levels are expected to continue to rise - by at least several inches in the next 15 years and by 1-4 feet by 2100. A rise of as much as 8 feet by 2100 cannot be ruled out. Sea level rise will be higher than the global average on the East and Gulf Coasts of the United States....
>
> The magnitude of climate change beyond the next few decades will depend primarily on the amount of greenhouse gases (especially carbon dioxide) emitted globally. Without major reductions in emissions, the increase in annual average global temperature relative to preindustrial times could reach 9°F (5°C) or more by the end of this century. With significant reductions in emissions, the increase in annual average global temperature could be limited to 3.6°F (2°C) or less.
>
> The global atmospheric carbon dioxide (CO_2) concentration has now passed 400 parts per million (ppm), a level that last occurred about 3 million years ago, when both global average temperature and sea level were significantly higher than today. Continued growth in CO_2 emissions over this century and beyond would lead to an atmospheric concentration not experienced in tens to hundreds of millions of years. There is broad consensus that the further and the faster the Earth system is pushed towards warming, the greater the risk of unanticipated changes and impacts, some of which are potentially large and irreversible.
> (USGCRP, 2017: Climate Science Special Report: Fourth National Climate Assessment, Volume I [Wuebbles, D.J., D.W. Fahey, K.A. Hibbard, D.J. Dokken, B.C. Stewart, and T.K. Maycock (eds.)]. U.S. Global Change Research Program, Washington, DC, USA, 470 pp, doi: œ10.7930/J0J964J6)

A World Bank assessment of the impact of 4°C warming through the 21st century gives a bleak description of a 'business-as-usual' future:

> *"A 4 degree warmer world can, and must be, avoided - we need to hold warming below 2 degrees,"* said **World Bank Group President Jim Yong Kim**. *"Lack of action on climate change threatens to make the world our children inherit a completely different world than we are living in today. Climate change is one of the single biggest challenges facing development, and we need to assume the moral responsibility to take action on behalf of future generations, especially the poorest."*
>
> The report says that the 4°C scenarios are potentially devastating: the inundation of coastal cities; increasing risks for food production potentially leading to higher under and malnutrition rates; many dry regions becoming dryer, wet regions wetter; unprecedented heat waves in many regions, especially in the tropics; substantially exacerbated water scarcity in many regions; increased intensity of

tropical cyclones; and irreversible loss of biodiversity, including coral reef systems.

"The Earth system's responses to climate change appear to be non-linear," points out PIK Director, John Schellnhuber. *"If we venture far beyond the 2 degrees guardrail, towards the 4 degrees line, the risk of crossing tipping points rises sharply. The only way to avoid this is to break the business-as-usual pattern of production and consumption."* (œNew Report Examines Risks of 4 Degree Hotter World by End of Century, World Bank, Press Release, November 18, 2012)

The consequences for the world in which we live are already being written into the environments we share. Substitute 'Western capitalist' for 'Ozymandias' and Shelley's poem says it well:

I met a traveller from an antique land,
Who said - "Two vast and trunkless legs of stone
Stand in the desert. . . . Near them, on the sand,
Half sunk a shattered visage lies, whose frown,
And wrinkled lip, and sneer of cold command,
Tell that its sculptor well those passions read
Which yet survive, stamped on these lifeless things,
The hand that mocked them, and the heart that fed;
And on the pedestal, these words appear:
My name is Western Capitalist, King of Kings;
Look on my Works, ye Mighty, and despair!
Nothing beside remains. Round the decay
Of that colossal Wreck, boundless and bare
The lone and level sands stretch far away."

Chapter 12:
Participatory Democracy:
It is time to Reconstitute The Commons

(14/03/24)

The Interdependent, Informed Will of The People

A Wordy Tendentious Prologue...

Participatory Democracy

The plutocratic alternative: Elitist Elective Government:
(The legacy of citizens engrossed in bread & circuses)

Democracy is *not* a Spectator Sport

The Creation and Circulation of Credit in a capitalist democracy

Threat of the Profit-Driven Privatization of Government

Government: 'Of The People, By The People'

The Interdependent, Informed Will of The People
Where there is no Vision, The People Perish

(03/01/17) (18/02/17) (30/04/17) (22/06/17) (17/07/17) (10/08/17) (08/03/17)(30/11/17) (24/06/17) (10/04/18) (16/07/18) (19/12/18) (30/12/18) (29/03/19) (21/05/19) (23/09/19) (07/06/20) (19/06/20) (15/04/17) (15/09/19) (31/05/20) (03/06/20) (01/11/20) (16/03/21) (17/03/21) (11/04/21) (16/02/22) (19/07/23) (23/09/23) (24/09/23) (25/09/23) (08/12/23)

All people are created equal, they are endowed by their Creator with certain unalienable Rights, among these are Life, Liberty and the pursuit of Happiness.

- To secure these rights, Governments are instituted among People, deriving their just powers from the consent of the governed,

- Whenever any Form of Government becomes destructive of these ends, it is the Right of the People to alter or to abolish it, and to institute new Government, laying its foundation on such principles and organizing its powers in such form, as to them shall seem most likely to effect their Safety and Happiness.

There is nothing mysterious about the foundations of a healthy and strong democracy. The basic things expected by our people of their political and economic systems are simple. They are:

- The right of a useful and remunerative job in the industries, or shops or farms or mines of the nation;
- The right to earn enough to provide adequate food and clothing and recreation;
- The right of every farmer to raise and sell his products at a return which will give him and his family a decent living;
- The right of every business man, large and small, to trade in an atmosphere of freedom from unfair competition and domination by monopolies at home or abroad;
- The right of every family to a decent home;

- The right to adequate medical care and the opportunity to achieve and enjoy good health;
- The right to adequate protection from the economic fears of old age, sickness, accident and unemployment;
- The right to a good education.

A Wordy Tendentious Prologue...

(07/12/23)

Before launching into this topic we need to understand and genuinely accept that whatever we say is only applicable within our own primary ideological communities. We cannot devise universally 'best', or even more equitable, models for governing life in other primary ideological communities.

The 'educational' institutions of 'developed' nations. almost without exception, believe in a universally held 'objective reality' world. That world is a phantasm!

Unfortunately, 'developed' community discussions on the topics of 'democracy' and 'capitalism' all-too-often presume the Western World's stress on individualism, independence, competition and ahistoricity.

This limits such discussions to current policies and practices as though they could be understood without reference to the inescapable, historically fashioned, primary and secondary ideologies which inevitably frame the understandings of participants.

Whether we like it or not, no forms of governance and no forms of 'morality' can exist outside of the ideological frames within which we exist. This, ultimately, is what makes 'multipolarity' inescapable and limits the applicability of societal constructs to communities which share the primary and secondary ideologies of those who construct them.

'Unity in diversity' and 'harmony without uniformity' presume a shared 'universe' within which all entities are united but the best we can possibly hope for - and the best we should always limit ourselves to in explaining our understandings to those living in variant ideological realities - is congruence!

Our hope must be that our explanations of what we consider, from our perspective, to be models to which we should aspire, are grasped and reinterpreted to fit their realities. But we have no right to compel change to fit our realities!!

The possible implementation of the presumptions and purposes of our understandings must be left to those who are able to adapt them to their own ideological understandings!

Any attempt to impose such constructs on communities which do not hold fundamentally similar historically developed ideological frames can only result in confusion and disruption of those communities. This is what lies at the heart of the turmoil and resentments of the 21st century.

Western peoples, not aware that they hold idiosyncratic understandings of reality, make and attempt to develop 'universally' applicable societal constructs. This is an exercise in futility.

We are not Gods. We cannot step outside the ideological frames bequeathed to us by our communities. And, of course, human beings bequeathed

ideological frames by their historically dissimilar communities cannot simply relinquish them and live by the ideological frames of so-called 'developed' societies.

What we discuss in this section can only be applicable in societies which share the ideological frames of reality held by us! And, it is highly possible that you and I do not share the same understandings of 'objective reality'. So, please, do not allow yourself to be uncritically swayed by anything I argue or suggest!

All I can say is 'Please, Think For Yourself!!!'

What has been bequeathed to us all and can be universally asserted is: God (or whatever you might or might not believe grants intelligent agency to human beings) made us intelligent for a reason!! I find it a source of constant amazement that, despite our very different ideological framings, we, nonetheless, can make sense of each other's ideas (though, some more than others!)

So, with that wordy, tendentious prologue:...

There is nothing more important in a capitalist democracy than the preparation of its people for their duties of government.[775]

Nobody is 'born to govern';

Nobody 'instinctively' understands the responsibilities of citizenship;

Nobody has an inherent 'right to rule' which supersedes the rights of others;

Nobody 'deserves' 'wealth'; and

Nobody deserves 'poverty'!

And all of this *needs to be taught* to ensure the health and wellbeing of all.

If the people are not taught their responsibilities they will become victims of the unscrupulous; their communities grotesquely distorted to benefit those 'who profit from profound inequality, injustice, oppression, exploitation, war and ecocide'.

Caitlin Johnstone has explained it:

> The official story is that we live in a free democracy where our teachers tell us the truth about our nation, our government and our world when we are children, and then the free press continue telling us the truth about our nation, government and world when we are grown, and then every few years we have free and fair elections in which we use this truthful information to make decisions about which politicians and policies to vote for, and it is only by pure coincidence that what we vote for just so happens to benefit the most wealthy and powerful people on the planet.
>
> In the official story, the democratic process consistently fails to let us progress beyond a status quo of profound inequality, injustice, oppression, exploitation, war and ecocide because that's simply how people are voting in their free and fair elections. The official story maintains that this occurs because the populations of all free democracies coincidentally happen to be organically divided into two ideologically opposed camps of equal size, creating a political deadlock which just so happens to benefit the people who profit from profound inequality, injustice, oppression, exploitation, war and ecocide.

> Per the official story, society is driven by the majority, and it is only by an immensely widespread and startlingly consistent series of coincidences that society remains perpetually shaped in a way that benefits a small minority of rich and powerful individuals....[776]

Beware those who insist that the responsibility of 'The People' is merely to 'vote' for a leader: they are subverting Democracy and a New Deal for disenfranchized citizens[777]. *It is the responsibility of 'The People' not merely to vote, but to ensure their fundamental rights.*

In 2021 US President Biden, in the foreword to his first explanation of his Administration's National Security Strategy entitled *Interim National Security Strategy Guidance*, provided an explanation of the importance of 'Democracy' in advancing 'United States Interests':

> ...[O]ne thing is certain: we will only succeed in advancing American interests and upholding our universal values by working in common cause with our closest allies and partners, and by renewing our own enduring sources of national strength.
>
> That begins with the revitalization of our most fundamental advantage: our democracy. I believe we are in the midst of an historic and fundamental debate about the future direction of our world. There are those who argue that, given all the challenges we face, autocracy is the best way forward. And there are those who understand that democracy is essential to meeting all the challenges of our changing world.
>
> I firmly believe that democracy holds the key to freedom, prosperity, peace, and dignity. We must now demonstrate - with a clarity that dispels any doubt - that democracy can still deliver for our people and for people around the world. We must prove that our model isn't a relic of history; it's the single best way to realize the promise of our future. And, if we work together with our democratic partners, with strength and confidence, we will meet every challenge and outpace every challenger.
> (President Joseph R. Biden, Jr, *œInterim National Security Strategy Guidance*, *US White House Briefing Room*, March 03, 2021)

But, of course, such a proclamation requires close scrutiny.

What is Biden referring to when he speaks of 'our democracy'?

Why does he simplistically presume that there are only two forms of government: 'Democracy' or 'Autocracy'?

And, what exactly will the promotion of his version of democracy do for all those communities and nations subjected to his 'democratic' impulses?

Given that Biden himself, in his 2019-2020 presidential campaign, had to raise some $1.3 billion from private sources to fund his campaign, to whom is the newly inaugurated US President beholden during the next four years?

Is he speaking of 'democracy' as government *of, by, and for The People* or is he speaking of that *faux democracy* - the plutocratic alternative of elitist elective government: the legacy of citizens engrossed in bread and circuses?

Jonathan Schlefer explained:

> Political elites turn out to make poor guardrails for democracy, not least because the top line in their job description is pursuing power.

> Only angels could be relied on to never abandon norms of toleration and restraint in that pursuit, and even politicians' most fervent admirers have never called them that.
>
> In the United States in recent decades, Republican leaders have abandoned democratic norms particularly egregiously, but Democrats have pitched right in.
>
> **What's to stop them?**
>
> "We the people," it turns out. *A citizenry with less interest in power than in preserving democracy is the safeguard of last resort*.
>
> Appearances to the contrary, the problem of polarization in the United States began not with voters but with political elites who drove their bases to extremes. The more directly responsive government can be made to the people, the safer democracy will be.
>
> Americans hear a lot about increasing ideological polarization as the source of the country's political troubles. They have their party elites to thank for this problem.
> (Jonathan Schlefer, œThe Real Guardrails of Democracy Are Its Citizens: Elites Are Driving Polarization That More and Better Representation Could Fix, *Foreign Affairs*, March 15, 2021 - [my emphases])

As President Franklin Roosevelt of the US explained of the *New Deal* objectives, *these **rights*** underpin and provide the fundamental rationale for a sovereign nation's infrastructural Commons. They *must be freely available* to all of its current and future citizens - who are, indeed, responsible for ensuring them into the future for all within the nation.

No democracy can survive long if its citizens succumb to self-indulgent hedonism and ignorant disengagement from the public responsibilities of citizenship. As Roman rulers learned more than two thousand years ago, to disenfranchize citizens, engross them in œbread and circuses.

Perhaps the greatest threat to truly participatory democracy over the last century has been wrapped within the infotainment/ pseudo-social complexes of the age.

I well remember social activists during the 1950s who mounted forlorn campaigns against the emergence of television entertainment during a period in which most of the entertainment supported by the developing television networks was, by 21st century standards, both morally and pornographically benign.

Their major prediction was that as the forms of entertainment matured they would become increasingly immoral and pornographic in the drive to attract and retain audiences. And, if one compares the inane programming of the 1950s with the programming of this century it is hard to dispute their predictions.

What they failed to predict however was that as entertainments became increasingly sophisticated they would absorb more and more of the time and energy of audiences; that whole populations would find themselves captivated, watching entertainments and engaging in 'interactions' which might or might not be 'informative' and/ or 'participatory', but are nonetheless similar to the 'circuses' of Rome.

The pseudo-social 'interactive' platforms of the 21st century effectively lull their participants into a false sense of social 'activism' which seldom leads

to participation in vibrant neighborhoods and communities engaged in that 'participatory democracy' which ensures government of the people by the people and for the people[778].

True democracy is a 'bottom-up' form of government. Government of the people, by the people, for the people presumes a 'people' who:

1. Understand what it means to live in democratic communities and a democratic society;
2. Have been educated to understand their responsibilities and the implications of their decisions/actions;
3. Take their responsibilities seriously.
   and, equally importantly,
4. Clearly understand both the nature and logic of credit creation and circulation in a democratic capitalist nation

In a democratic state, the preparation of citizens for their duties of government cannot be left to 'private enterprise' [779]. It must, by definition, be a central feature of 'The Commons'[780]- freely available to all of its current and future citizens, and centrally focused not on 'careers' within the private realm but on the civic responsibilities of citizenship - at all levels.

The problem for any system of government focused on 'the people' - whatever the economic organization opted for by those people - is that it assumes competent political leadership but does not, in fact, educate those who assume political office for their responsibilities. The consequence is that political office goes, not to those most qualified for it, but to those who are able to promote themselves most effectively. One gets a Clinton, a Bush, an Obama, a Trump or a Biden as one's president!

In order to ensure effective government one needs a cadre of people educated for the purpose. Alex Cox, in a comment on a short essay by Michael Hudson has described the British dilemma and suggested a few safeguards in addressing it:

> In England the aspirant ruling class move from Eton to Oxford to the Inns of Court to Parliament - in each instance, inhabiting an other-worldly, faux-gothic environment, full of wealthy people.
>
> There is absolutely no notion of public service at any stage. They are learning how to serve the oligarchy and massively enrich themselves.
>
> The idea of the Philosopher King is very interesting - not in terms of kings, which we don't need - but of Philosopher Parliamentarians.
>
> What if anyone standing for office had to renounce the accumulation of personal wealth? Aspirant MPs or Senators would agree simply to legislate (itself an incredible privilege) and then to retire on a modest pension and tend their allotments.
> (Alex Cox, Comment on œMichael Hudson Asks Our Readers: If Democracy Winds Up Creating Financial Dominance, What Do We Call China? *NakedCapitalism*, April 10, 2021)

If citizens in a democracy need to be educated to understand their responsibilities and the implications of their decisions/actions so should those who aspire to political office. As Cox put it, there is a real need in a bottom up democracy for 'Philosopher Parliamentarians' who do not promote themselves but are promoted by the processes of civic education

(with the necessary 'checks and balances' determined by its citizens) which sustain the democracy.

Failure to take civic education seriously will, inevitably, expose democratic societies to the exploitative manipulations of those whose myopic goals in life are self-promotion and the self-interested accumulation of 'wealth', whatever the cost to others.[781]

A comment on a blog posting entitled 'They Go Together: Freedom, Prosperity, and Big Government' on the blog site *Naked Capitalism* puts it in a nutshell:

> This article reminds me of that most ideal and wonderful of all statements about what our government should be: the Preamble to the Constitution:
>
> "We the People of the United States, in Order to form a more perfect Union, establish Justice, insure domestic Tranquility, provide for the common defence, promote the general Welfare, and secure the Blessings of Liberty to ourselves and our Posterity, do ordain and establish this Constitution for the United States of America."
>
> We the People... .that's a pretty big government!
>
> Do you see anything in the Preamble about the right to get filthy rich? Or perhaps protection of corporations at the expense of everything else? Or perhaps "Corporations are people too?"
>
> I think the truth has been staring us in the face in this country all along but most of us have had the blinders of greed and self interest strapped onto us from a very early age....
> (œjustanotherprogressive, April 28, 2017)

'Democracy', in the early 21st century, is in urgent need of root and branch reformation. The hollowed out shell of democratic government has been hijacked by the descendants of 19th and early 20th century free-marketeers.

New Deal democracy has, over the past sixty years and more (much of my adult lifetime) been quite consciously remodeled to serve the interests of those who believe themselves to be the 'wealthy elite'. Newton Finn, in a comment on an essay by Peter Dorman, put it well:

> There is much to be said for striving to understand the relatively recent history which has brought us to the current social/ economic/ environmental crisis, but there's also something to be said for a much longer view.
>
> Writing in the late 19th Century, delineating the pitfalls of capitalism and anticipating the global plutocracy looming in the distance, Edward Bellamy talked about "the rule of the rich," [782] which had been in place since the demise of the early agrarian village. Whether as slaves of ancient empires, serfs of feudalism, or wage-slaves of capitalism, the impoverished many had served the interests of the wealthy few throughout recorded history, and the pattern of submission to wealth and its associated power had accordingly become deeply ingrained into human consciousness, as the way things simply are and are meant to be.
>
> The only antidote to these millennia of social conditioning, Bellamy believed, was the idea of democracy, which had made a fitful appearance among the wealthy in ancient slave societies, but had

> really been born, albeit only partially and ideally, in the American Revolution.
>
> Read again the Preamble to the Declaration of Independence - give the words a liberal, living interpretation as opposed to a strict historical construction - and Bellamy's fundamental point becomes as self-evident as the sacred equality of all persons, the inherent rights which flow from this equality, and purpose of government as an instrument, created by the people, to secure that equality which both undergirds and expresses those inherent rights.
>
> In short, the polar opposite, the mortal enemy, of the consummate "rule of the rich" which we now call neoliberalism, is democracy - not the faux democracy we know today but full-blown democracy, which embraces not only the political arena but extends itself boldly into the crucial economic arena as well.
> (Newton Finn, Comment on an essay by Peter Dorman, œNeoliberalism as Structure and Ideology, posted on the *Naked Capitalism* site by Yves Smith, December 29, 2018)

Participatory Democracy

Preparation of citizens for their duties of government is a prime responsibility of the State and it cannot be allowed to be subverted to serve special interests [783]. As Franklin Roosevelt explained, echoing both Thomas Jefferson and Abraham Lincoln's Gettysburg Address,

> the liberty of a democracy is not safe if the people tolerate the growth of private power to a point where it becomes stronger than their democratic state itself. That, in its essence, is Fascism - ownership of Government by an individual, by a group, or by any other controlling private power.

Thomas Jefferson put it in a nutshell:

> I know no safe depository of the ultimate powers of the society but the people themselves; and if we think them not enlightened enough to exercise their control with a wholesome discretion, the remedy is not to take it from them but to inform their discretion by education. This is the true corrective of abuses of Constitutional power.
> (œThomas Jefferson to William Charles Jarvis, September 28, 1820)

The plutocratic alternative: Elitist Elective Government: (The legacy of citizens engrossed in bread & circuses)

Stephen Morris summed it up, "Democracy is *not about 'electing leaders'*. That is elitist 'elective' government". This misunderstanding and subversion of bottom-up democracy is "the essential flaw in Popper's philosophy of Platonic Paternalism, the belief system embraced by Elites throughout the developed world."

As Popper explained of his 'theory of democracy':

> Please note that this discounts the notion of rule by the people, and even of popular initiative. Both are replaced with the very different idea of *judgement by the people*.
> (Karl Popper, 2000, *The Lessons of This Century*. London: Routledge, p. 72).[784]

Bill Black put it well:

> Libertarians glorify von Hayek's bigoted glorification of elites as our moral superiors who have a right to rule and plunder our Nation. œTyler Cowen calls plutocracy and pervasive plunder a "hyper-meritocracy," but it is a rule by the most unethical for the most venal of purposes and it is the greatest enemy of merit and justice

Neil Gabler, summing up US President Trump's first year in the job, has illustrated Black's assertion[785]:

> Trump is certainly an authoritarian, but he is more of a tinhorn dictator, a tiny, negligible man who, rather than inflating himself with the nation's grandeur, has managed to deflate the nation with his own insipidness. Thanks to him, America is now a banana republic...
>
> Now she is hopelessly diminished - a wealthier version of the corrupt nations in the developing world that we used to ridicule. And we owe it all to Donald Trump for making America small again.
> (Neil Gabler, œAmerica the Banana Republic: Thanks to Trump the tinhorn dictator and those who elected him, this country is no longer a beacon of freedom, but a laughingstock, *Moyers & Company*, November 29, 2017)

Paul Krugman (long before President Trump loomed as an incredible presidential candidate in US politics) in a 2008 *New York Times* piece entitled 'OK, we are a banana republic' summed up the direction in which the nation was headed:

> ...[W]hat we now have is non-functional government in the face of a major crisis, because Congress includes a quorum of crazies and nobody trusts the White House an inch.
>
> As a friend said last night, we've become a banana republic with nukes.
> (Paul Krugman, œOK, we are a banana republic, *New York Times*, September 29, 2008)

In June 2020, after decades in which those who have seized the reins of wealth and power in the United States have highjacked its democracy and disenfranchised more than 70% of its population, to paraphrase Cornel West, a deep depravity exists within the neoliberal capitalist system of the 21st Century in the United States that dominates both major political parties.

Over that time there has been a failure of both political and intellectual understanding and leadership in the nation. Those who might have made a difference have been co-opted by mega-wealth to either actively promote its interests or mute and intellectualize their criticisms. Krugman concludes:

> I don't think it's an exaggeration to say that America as we know it is on the brink.
>
> How did we get here? The core story of U.S. politics over the past four decades is that wealthy elites weaponized white racism to gain political power, which they used to pursue policies that enriched the already wealthy at workers' expense.
>
> Until Trump's rise it was possible - barely - for people to deny this reality with a straight face. At this point, however, it requires willful blindness not to see what's going on....
>
> Now, I don't think Trump will actually succeed in provoking a race war in the near future, even though he's clearly itching for an excuse to

> use force. But the months ahead are still likely to be very, very ugly.
>
> After all, if Trump is encouraging violence and talking about military solutions to overwhelmingly peaceful protests, what will he and his supporters do if he looks likely to lose November's election? (Paul Krugman, œTrump Takes Us to the Brink: Will weaponized racism destroy America?, *New York Times*, June 1, 2020)

But, perhaps, the center of Western Capitalism is, in this century, heading toward a future, not of dictatorship or oligarchic rule but of dystopia, a society coming apart at its seams with an accelerating breakdown in social and governmental cohesion. As Yeats put it,

> Things fall apart; the centre cannot hold;
>
> Mere anarchy is loosed upon the world'.

Jon Queally has summarized what is happening well:

> Harvard University philosophy professor Dr. Cornell West appeared on CNN Friday night amid nationwide protests over the police killing of George Floyd in Minneapolis, Minnesota and offered a searing indictment not just of white supremacy, the neo-fascism of President Donald Trump, and a criminal justice system that repeatedly brutalizes the poor and people of color - but also of a deep depravity that exists within the neoliberal capitalist system of the 21st Century in the United States that dominates both major political parties.
>
> As protests raged in Minneapolis, outside Trump's White House, and U.S. cities nationwide - including Atlanta, Chicago, New York, Cleveland, and Oakland - West told CNN's Anderson Cooper in an interview, "I think we are witnessing America as a failed social experiment."
>
> "What I mean by that," explained West, "is that the history of black people for over 200 and some years in America has been looking at America's failure. Its capitalist economy could not generate and deliver in such a way that people could live lives of decency. The nation-state, it's criminal justice system, it's legal system could not generate protection of rights and liberties. And now our culture, of course is so market-driven - everything for sale, everybody for sale - it can't deliver the kind of nourishment for soul, for meaning, for purpose."

The prevailing ideologies have become more and more clearly defective; increasingly clearly eroding the democratic values of the 'New Deal'; transferring wealth and power to a small plutocratic group (let's not call them 'an elite') at the expense of more than 90% of the population.

> West explained the current anger over Floyd's murder by police - one of whom, officer Derek Chauvin, was arrested Friday and charged with 3rd-degree murder and manslaughter - adds to a "perfect storm" of multiple failures and inequities that pre-exist under an American imperial system that people like Martin Luther King, Jr. and others have been warning about since the middle of last century.
>
> "When I saw those pictures there of Atlanta," West said, "you could see Brother Martin right there in Atlanta, saying: 'I told you about militarism. I told you about poverty. I told you about materialism. I told you about racism in all of its forms. I told you about xenophobia.' And what you're seeing in America is those chickens coming home to roost. You are reaping what you sow. And in this instant, you have Brother George - it is so clear - it was a lynching at the highest level.

> Nobody can deny it."
> (Jon Queally, staff writer, œCornel West Says 'Neo-Fascist Gangster' Trump and Neoliberal Democrats Expose America as 'Failed Social Experiment', *Common Dreams*, May 30, 2020)

In the process, the fundamental infrastructures of a democratic capitalist society have been allowed to deteriorate and decay and the political and legal structures have been warped to serve mega-wealth which sees no other purpose in their preservation.

And on the last day of May, 2020, the œspontaneous, contagious civil unrest and destructive demonstrations across the nation in response to callous acts of police brutality suggest that anarchy looms in a nation primed to implode.

Sam Pizzigati has described what is happening:

> The United States is becoming, commentators have begun to contend, a "failed state." We don't, to be sure, have warlord gangs speeding through our neighborhoods, brandishing automatic weapons out of open-top jeeps. But we do have fanboys of our nation's top elected leader carrying long guns into legislative chambers and screaming red-faced at lawmakers they despise.
>
> "We are one trigger-pull away," laments veteran Mideast journalist Lucian Truscott IV, "from what happens every day in places like Kabul and Mogadishu and Tripoli."
>
> Our core institutions, adds Jacobin editor Seth Ackerman, betray "a deep lack of administrative capacity," be those institutions the bureaucracies that deal with safety-net benefits or the mail or even elections. State unemployment offices run on obsolete 1960s-era software that only "old retired former programmers" know how to fix.
>
> The corona pandemic has put a spotlight on that obsolete software - and so much more.
>
> "The crisis demanded a response that was swift, rational, and collective," notes George Packer in the Atlantic. "The United States reacted instead like Pakistan or Belarus - like a country with shoddy infrastructure and a dysfunctional government whose leaders were too corrupt or stupid to head off mass suffering."
>
> So who to blame? Donald Trump makes an obvious and deserving target. But the failures of our ruling order predate his troubled and reckless administration. Our "chronic ills" - everything from "a corrupt political class" to a "heartless economy" - have gone, Packer points out, "untreated for years."
>
> How can we halt our national descent into full-bore "failed state" status? Taking a moment to contemplate how a "successful state" operates might be a good place to start.
> (Sam Pizzigati, œ'Failed State' Status Here We Come? Societies that tolerate deep divides in income and wealth, new research suggests, invite pandemic disasters, *Inequality*: Blogging Our Great Divide, May 29, 2020)

(26/02/17)

Western states have lost the plot. Education has been subverted to preparing people, not for the duties of citizenship but for private purposes. In a democratic state, civic responsibilities must always take precedence

over private responsibilities. As Alexis de Tocqueville (1835) explained of the early 19th century US communities he observed:

> In no country in the world has the principle of association been more successfully used or applied to a greater multitude of objects than in America. Besides the permanent associations which are established by law under the names of townships, cities, and counties, a vast number of others are formed and maintained by the agency of private individuals...[786]

Democracy is *not* a Spectator Sport

(14/03/17) (18/05/18) (23/10/18)

The government of a 21st century democratic state is complex. None of us (including those venal 'hyper-meritocratic elites') is born with an ability to understand our responsibilities within that state.

It is the responsibility of the state itself to ensure that understanding.

It is the responsibility of every citizen to ensure that the way in which those state responsibilities are pursued is centrally focused on empowering all citizens and ensuring that they both understand and take their responsibilities seriously.[787]

As has been said,

> Democracy is not a spectator sport. If we don't participate in it, it ceases to be a democracy.

But, it does require all participants to understand the possibilities of/for involvement within their local, regional and national civic structures and their varied responsibilities within them if it is to be successful[788]. Thomas Jefferson, writing to George Wythe, put it clearly:

> Preach, my dear Sir, a crusade against ignorance; establish and improve the law for educating the common people. Let our countrymen know that the people alone can protect us against these evils, and that the tax which will be paid for this purpose is not more than the thousandth part of what will be paid to kings, priests and nobles who will rise up among us if we leave the people in ignorance... œ(Letter from Thomas Jefferson to George Wythe, 13 August 1786)

Franklin Roosevelt explained his understanding of the 'paramount functions of the schools in a democracy':

> Democracy cannot succeed unless those who express their choice are prepared to choose wisely. The real safeguard of democracy, therefore, is education. It has been well said that no system of government gives so much to the individual or exacts so much as a democracy.
>
> Upon our educational system must largely depend the perpetuity of those institutions upon which our freedom and our security rest. To prepare each citizen to choose wisely and to enable him to choose freely are paramount functions of the schools in a democracy. (Franklin D. Roosevelt: "œMessage for American Education Week," September 27, 1938. Online by Gerhard Peters and John T. Woolley, *The American Presidency Project*)

Their education and training should predispose them to democratic activism, or, perhaps, more appropriately, as Al Giordano (2009) argued, to democratic *organizing*.[789]

One of the important functions of government in democratically organized capitalist societies is administration, development and maintenance of what, under feudalism, was termed 'the commons'. In non-capitalist societies the commons, as Ganshof has suggested, were not *owned* by *anyone*. They were resources to which all 'free' persons were entitled, without any attempt to ascribe ownership.

This did not mean, as the simplistic 'tragedy of the commons' implies, that the commons were subjected to rampant competitive individualized exploitation. Rather, as explained elsewhere, long-term utilization of the commons presumes communities organized in terms of an 'interdependent self', not an 'independent self' [790].

Of course, it was this presumption of common, 'interdependent' responsibility - which did not need to be legislated - which made it possible for Western Europeans to plant their flags on 'unclaimed' and 'unowned' territory and pronounce ownership. It was this which allowed them to proclaim Australia - and many other more heavily populated regions of the world - *terra nullius* : unowned land (and, of course, resources).

The Creation and Circulation of Credit in a capitalist democracy

Stripped down to its bare essentials, the creation and circulation of credit in a capitalist democracy starts with the funding of all public commons needs through creation of credit by the central reserve authority [791]. That credit, inevitably, will flow through to the private sector which will be invigorated by the injection of the funds. And, as is the nature of private economic activity, that credit will eventually pool within the 'top end of town': in the coffers of major corporations and other private entities.

The only limitations on the funding of the credit requirements of public commons institutions, processes and activities are those of resource availability and the will of government to take responsibility for maintaining economic stability through well-crafted taxation policies which remove excess credit from the economy when it has fulfilled its varied purposes. Inevitably, this will require removing surplus credit from extreme accumulations of credit within the private realm.[792]

As was true during the 1950s to early 1970s within most capitalist democracies, extreme wealth must be subject to extreme levels of taxation (for an interactive graph demonstrating this in the US for the period 1936-1980, see: œU.S Individual Income Tax: Tax Rates for Regular Tax: Highest Bracket).

Failure to take taxation responsibilities seriously will, as the world has witnessed since the 1970s, result in absurd levels of wealth accumulation; the curtailing of public credit creation; and the destabilization of both economies and communities [793].

As has been observed elsewhere, with great power comes great responsibility. The citizens of a democratic capitalist nation need to fully understand the nature and purpose of such taxation.

It was the failure of nations to adequately educate their citizens that led to successful plutocratic challenges to progressive taxation regimes as 'unfair' and penalizing the 'wealth creators' of capitalism. Of course, those 'wealth creators' are actually capitalism's arch credit accumulators and hoarders.

They are the ultimate beneficiaries (through *condensation*) of the public credit creation and public funding in which democratic governments engage while ensuring the wellbeing of communities and of the commons institutions, processes and activities funded and supported by government.

And, as is the wont of private 'wealth creators', they strongly believe that government has no right to be funding and developing communal institutions and services. Those are potentially lucrative sources of wealth for private sector 'owners' and should be divested to private individuals within the 'economy', to be 'profitably' developed.

Threat of the Profit-Driven Privatization of Government

(31/07/16) (18/08/16) (13/09/16) (14/09/16) (15/09/16) (09/10/16) (28/03/17)

The division of the world into 'public' and 'private' spheres is uniquely a capitalist enterprise. Everything has an 'owner' with *exclusive* rights to access and use. If one cannot determine a 'private', that is, non-public, owner then, by default it 'belongs' to the 'state': to the 'government'. But, since this is the default, and essentially 'pre-capitalist' state, the government merely holds custodial title until public ownership can be transferred to private entities.

As capitalism has matured, more and more features of the physical, social and intellectual realms have become recognized as commodities and, therefore, available for divestment to private individuals within the 'economy', to be 'profitably' developed. It is this default capitalist need to convert anything and everything into money-making commodities - objects which can be exclusively exploited for profit by real or artificial individuals - which enfeebles both social and political life in Western democracies.

Once profit and loss reasoning is employed in the organization of communities or provision/ delivery of government services, "the natural tendency is to confiscate the budget for public goods and extort the captive population". The 'natural' focus of individualized, self-oriented capitalism is on meeting the independent, self-interested, accumulative 'needs and wants' of each interactant in social interactions. The 'natural' focus of interdependence is the other party in an interaction, rather than the independent needs and wants of the interactants.[794]

A focus on 'profit' drives, and justifies, the dismantling of both governmental responsibilities and the presumed obligation of people, as members of democratic communities, to accept ongoing responsibility for the organization and administration of community affairs through what de Tocqueville (1835) called the "principle of association".

True democracy springs from 'the people'. It is, as Lincoln phrased it: "government of the people, by the people, for the people". As Alexis de Tocqueville explained:

> In no country in the world has the principle of association been more successfully used or applied to a greater multitude of objects than in America. Besides the permanent associations which are established by law under the names of townships, cities, and counties, a vast number of others are formed and maintained by the agency of private individuals...
>
> The citizen of the United States is taught from infancy to rely upon his own exertions in order to resist the evils and the difficulties of life; he looks upon the social authority with an eye of mistrust and anxiety,

> and he claims its assistance only when he is unable to do without it. This habit may be traced even in the schools, where the children in their games are wont to submit to rules which they have themselves established, and to punish misdemeanors which they have themselves defined. The same spirit pervades every act of social life. If a stoppage occurs in a thoroughfare and the circulation of vehicles is hindered, the neighbors immediately form themselves into a deliberative body; and this extemporaneous assembly gives rise to an executive power which remedies the inconvenience before anybody has thought of recurring to a pre-existing authority superior to that of the persons immediately concerned.
> (Alexis de Tocqueville (1835), œ*Democracy in America* , Vol. 1, Ch. 12, 'Political Associations in the United States', quoted in Lambert Strether, œClinton, Sanders, the American Principle of Association (and Fascism), *Naked Capitalism*, July 27, 2016)

So long as capitalism is perceived as the unrestrained conversion of 'public assets' into *exclusive*, private, 'profitable', economic possessions, the *inclusive* social and political 'principle of association' will be diminished and Roosevelt's claim that "as society becomes more civilized, Government - national, State and local government - is called on to assume more obligations to its citizens" will not 'make sense'.

Government: 'Of The People, By The People'

(23/07/17) (29/12/17) (28/09/19) (27/10/23)

Over the past half century, the drive to corporatization[795] and privatization has diminished Western democracies everywhere, but especially in the Western Anglosphere.

Evan Jones (2015) vented his frustration at the myopic determination of Australian politicians to 'managerialise' and privatize the commonweal:

> **Trashing the public interest**
>
> The current crop of pollies would rather destroy or sell off a public school or a public park than build one. The public heritage is merely a treasure chest to be plundered.
>
> The dismantling of the vocational training system in Australia is representative of the parlous environment. The cynicism and myopia behind this dismantling - transparently strategic rather than accidental - is diabolical and a shocking indictment of the current political class.
>
> The new era began with Hawke-Keating federal labour. Did Prime Minister Bob Hawke and Treasurer Paul Keating know what they were doing?
>
> ... Managerialism? Codswallop. Although managing a sizeable public service is not easy, managerialism did not provide the answer. Politicising the senior executive service a mistake. Ditto contracting out. Contracting out involves not an economising of the public purse but rather the reverse - a legitimisation of carpetbaggers on the public teat. Ditto public-private partnerships. (Note the "commercial in confidence" secrecy that has followed contracting out and public-private partnerships.) Ditto the corporatisation of public enterprises. All these procedures were sold on a variety of lies.
>
> Then came uncritical privatisation. The public has never wanted it, but the public was not (and is not) asked its opinion nor its preferences.

(Evan Jones, œWhence the Commonweal: The Rise of the Dunces, *Independent Australia*, 9 September, 2015)

Both 'new-left' and 'conservative-right' Australian politicians have indulged in the game. Both have displayed a readiness to subject the nation to neoliberal 'managerialism' and privatization. As Jones put it:

> The majority of the current crop of people in political office know no history and have no concept of "the public interest". They are either in it for the personal privileges or are there as flunkeys for powerful selective interests....

There has to be a redefinition of 'government' as a 'bottom up' expression of the interdependent will of 'the people'[796]. As J. D. Alt has suggested:

> ... [T]he primary purpose of the state, the strategic mission of the federal government, is to empower the basic units of our social fabric: our households, communities, and local economies. Big businesses and corporations can take care of themselves, and have much to offer and contribute - but it is only by nurturing the health and vigor of the basic units of our society that we can, in fact, create a more perfect union. And this is not a task that big business, pursuing corporate profits, is disposed or interested in undertaking.
>
> Is this position anti-corporate? Am I anti-big business? Only a fool would think or say so. American corporations and businesses which are producing real goods and services - and more power to them - require for their success, above all else, customers with the means to buy those goods and services. And who are those customers? They cannot be any other than the basic units of the social fabric we've been talking about: our households, communities, and local economies.
>
> This is why we are fooling ourselves if we believe that we, as a sovereign nation, cannot or should not pay our households and communities to undertake the things they need to accomplish. And why should we severely limit that support because politicians and economic pundits tell us there isn't "enough money" - when, in fact, our Federal Reserve system creates, out of thin air, trillions of dollars every year to make good the profits of our capitalist system?
>
> Yes! It's true! Where do you think the dollars come from when, at the end of every business day, America's bank accounts are bigger than the day before? Why should we not use that same ability to create money for the "social profits" that will come if we pay our local communities to create the services and infrastructures they need? If we create dollars, at the bat of an eye, to pay for the profits of the car industry, why shouldn't we create dollars to pay towns and neighborhoods to provide their children with pre-school learning and day-care centers?
>
> If we create dollars to pay for the profits of a middle and upper-class house-building industry, why shouldn't we create dollars to pay local communities to build the affordable housing needed by families still trying to climb the economic ladder? All of these payments - profit-making AND not profit-making - accomplish the same thing: they pay people wages to produce particular goods and services that other people need. Why, then, do we say that one is good and the other bad? One is possible and the other is not? Why do we limit ourselves, as a sovereign democracy, to creating money ONLY for those goods and services that generate a profit?

(J. D. Alt, œThe Charade, *New Economic Perspectives*, September 12, 2016)

This will give both legitimacy and necessary support to continuing, grass-roots, *public* responsibility for the *commonweal* ; the 'development' of well defined 'public' responsibilities which *cannot*, by definition, be transferred to private entities.

Bill Mitchell, interviewed by Lynn Fries, put it well:

> ...There are so many things that can be done in a societal sense that don't have anything really to do with advancing the profit potential of corporations - that add value to our lives and our society - which can be undertaken. And so in my view, we have to broaden our concept of worth into social benefits and social costs and consider things not in... private terms but in... social terms.
>
> ...There's a whole range of activities then that immediately become productive and worthwhile, that will never be done as an outcome of the calculus of whether it's profitable for private companies or not, and are incredibly beneficial to society.
>
> So once you start thinking like that, a very broad concept, then the options that open up to policy makers and our response to those options in a political sense become quite different to the way we think now.
> (William Mitchell, œSeeking Full Employment Without Falling Prey to Neoliberal Traps, *Global Political Economy news & analysis GPEnewsdocs*, September 27, 2023)

In the blog posting below, he has elaborated similar themes (see also this discussion: œPerforming artists bear the brunt of austerity under neo-liberalism (January 4, 2017)).

I do, however, question his suggestion that such community development projects and activities should be funded 'at a minimum wage'. As he cogently argues, *these should not be seen* as 'make-work' jobs, to be displaced at the soonest possible time with 'real work'. Such activities are the stuff of healthy, active democratic communities which contribute primarily to the commonweal rather than profit-driven private enterprise.

I would also question the designation of such activity as 'work'. It seems important that democratic capitalist communities should learn to clearly distinguish between activity aimed at ensuring the commonweal and activity aimed at ensuring profitable private enterprise ('gainful employment')[797]:

> ... [D]uring the Great Depression, US President Roosevelt's New Deal was introduced as the private sector was in full-scale retreat from job creation. The Public Works Administration (PWA), which was part of the New Deal, created hundreds of thousands of jobs and the work helped restore ageing public infrastructure (such as, roads, dams and bridges).
>
> Many new buildings were constructed during this period (schools, recreational spaces, libraries, hospitals), which have delivered benefits to the generations that followed.
>
> Harry Kelber (2008) wrote that the WPA meant that:
>
>> Thousands of unemployed writers, actors, musicians and painters were given an opportunity to earn a modest livelihood from their artistic talents ... and to enrich the lives of countless culturally-

> deprived citizens. The productions of the WPA Theater Project, for example, entertained a phenomenal audience totaling 60 million people, a great many who had never before seen a play. (Kelber, H. (2008) 'œHow the New Deal Created Millions of Jobs To Lift the American People from Depression', *The Labor Educator*, May 9, 2008)

> The Tennessee Valley Authority was a huge hydro-electricity project introduced during this period and brought electricity and prosperity to some of the poorest rural areas of the US.
>
> At the time, Kelber (2008) notes that the private electricity providers stridently opposed the challenge to their monopoly control. The upshot was that the project forced them to reduce their power charges.
>
> In general, the dynamism of the public sector at that time caused huge outcries from the capitalists who didn't want challenges to their cosy profit making industries from public sector enterprise.
>
> But societal well-being was unambigously advanced.
>
> There are many other examples of public sector job creation outcomes that have left valuable legacies over the years across many countries. (Bill Mitchell, œWork is important for human well-being, *Billy Blog*, September 14, 2016)

It is through the development of vibrant, interdependently oriented communities that Hardin's (1968) simplistic 'œtragedy of the commons' must be neutered as a free-market capitalist argument for the privatization of 'the commons'.

Unless that happens, Western individuals, ideologically committed to living in a free-market capitalist world, will continue to argue for the transfer of government assets into the private realm and democratic capitalist societies will, inevitably, over time, devolve from democracy to plutocracy.

Chapter 13:
A 'Perfect' Solution: Hypersonic Warfare
(Is **this** the way our world ends?)

The all-American powers-that-be and the arms makers that go with them dream up, produce, and sell weaponry, domestically and internationally, in an unmatched fashion. You'll undoubtedly be shocked, shocked to learn that the top five arms makers on the planet - Lockheed Martin, Boeing, Northrop Grumman, Raytheon, and General Dynamics - are all located in the United States.

(Tom Engelhardt, œSlaughter Central: The United States as a Mass-Killing Machine, *TomDispatch*, April 13, 2021)

Introduction: US Discretionary Spending Foci

A new Evil Empire for the 21st Century

- Whatever form of Government ensures Vassal State control
- Follow The Money: US Military Expenditures Swamp All Others
- Casting around for justifications for expanding military budgets
- World-wide death and destruction: The Legacy of Western Exceptionalism

The US is heading into a 21st century Cold War (taking Australia with it!)

Short-circuiting Political Safeguards Against Impulsive War Making Prosecuted by Unaccountable 'War Heroes'

- When the threat of US military power no longer deters but strengthens the resolve to resist..
- The United States has always invaded other nations for their own good
- Supplying Weaponry to those fighting for 'Freedom': Ir's Win-Win: Do Well and Do Good!
- It's Not Regime Change! It's Freeing the Oppressed from Tyranny!
- 'Weeding out enemies' around the world: There will be nowhere to hide!
  - Because we're a shining city upon a hill; A model of freedom to the rest of the world
- Embroiling 'Coalitions of the Willing' in years of fruitless wars
- Is it really about defeating 'terrorism'; spreading 'democracy'; and protecting populations from 'ruthless dictators'?

Expediency as Morality: Means limited only by Ends

Nations Without Moral Compasses: Adrift in Dangerous Times

A Cold, Calculated Determination To Ensure Overwhelming Military Supremacy

From Vietnam Era Carpet Bombing to Targeted Killing: The Evolution of Forever War

The Potential for the Disastrous Rise of Misplaced Power Exists and Will Persist (Eisenhower 1961)

An Orwellian 'Newspeak' World

(25/02/18) (03/04/18) (06/04/18) (16/04/21) (16/04/21) (17/04/21)

- US military spending accounts for more than 50 percent of all federal discretionary spending.

- Responsibility for political oversight of military authorities and activities in the United States has, over the past half-century, been progressively 'streamlined', short-circuiting long-established political safeguards against the possibility of impulsive war making.
- In the councils of government, we must guard against the acquisition of unwarranted influence, whether sought or unsought, by the military-industrial complex. (Eisenhower (1961))
- The madness of the Cold War policy of 'mutually assured destruction' has, in this 21st century, mutated in the US into a cold, calculated determination to ensure overwhelming military supremacy.
- President Trump, elected US pitchman for Western armaments factories: A multi-billion-dollar arms deal...: "Tremendous investments in the United States."[798]
- Countries in the richest quintile of world population appear to have accounted for about 97% of world arms exports and about 65% of world arms imports.
- Countries in the most democratic quintile of world population appear to have accounted for 92% of world arms exports and about 54% of world arms imports. The most democratic quintile was **the only degree-of-democracy quintile with a positive arms trade balance**.
  (*US Department of State*, œWorld Military Expenditures and Arms Transfers 2017)
- In this brave new borderless world, Western forces, armed and funded as never before, are supported by a Western-based 'intelligence', 'surveillance' and military industrial complex which are unaudited; out of control; and justifying their burgeoning power through seeking out and dealing with presumptuously pronounced threats to 'freedom' and 'democracy' around the world.
- Some 1,271 government organizations and 1,931 private companies working on programs related to counterterrorism, homeland security and intelligence exist in about 10,000 locations across the United States.
- We live in an Orwellian 'Newspeak' world. US (and other Western) main stream media (MSM) continue to play their part in promoting and then air-brushing Western military activity, ambitions and consequences.

Introduction: US Discretionary Spending Foci

(18/02/18) (22/02/18) (10/03/18) (03/12/18) (15/12/18) (05/01/19) (03/12/19) (14/12/19) (16/02/20) (24/02/20) (13/05/20) (15/05/20) (04/06/20) (11/06/21) (13/03/22) (17/03/22) (15/08/22) (04/09/22) (02/12/22) (04/12/22) (14/12/22) (25/02/23) (26/02/23) (15/05/23) (17/02/24)

In this 21st Century, the United States of America is a militarist state. Not a 'democracy'; not even, however much it might insist that it is, a 'capitalist' state. And, as one might expect of a militarist state, it's budgetary foci demonstrate this undeniable reality. Michael Beckley described the 2021 reality clearly [799]:

> The United States has spent $19 trillion on its military since the end of the Cold War [1991]. That is $16 trillion more than China spent and nearly as much as the rest of the world combined spent during the same period.

And, of course, the bulk of the military expenditures in the rest of the world have been directed to weapons purchases from US and other Western Arms manufacturers and suppliers[800]

William Astore summed it up:

> In the decades since the draft ended in 1973, a strange new military has emerged in the United States. Think of it, if you will, as a post-democratic force that prides itself on its warrior ethos rather than the old-fashioned citizen-soldier ideal.
>
> As such, it's a military increasingly divorced from the people, with a way of life ever more foreign to most Americans (adulatory as they may feel toward its troops).
>
> Abroad, it's now regularly put to purposes foreign to any traditional idea of national defense.
>
> In Washington, it has become a force unto itself, following its own priorities, pursuing its own agendas, increasingly unaccountable to either the president or Congress.

The budgetary focus of a democratic capitalist nation reveals the true priorities and intentions of that nation. In the third decade of the 21st century, what are the budgetary priorities of Western capitalist nations?

The budgetary foci of the United States of America should concern all people who value government of the people, by the people, for the people. Its discretionary spending priorities, in dollar values, overwhelmingly focus on its military and 'defense' capabilities and activities. In the crony capitalist world of the 21st century, with 'defense' contractors hiring large numbers of former senior government officials, military officers, Members of Congress, and senior legislative staff as lobbyists, board members, or senior executives, it is inevitable that funding will follow.

It appears that, for those presenting justificatory military budgetary information to the US public, wisps of conscience (or perhaps embarrassment) remain. Andrew Cockburn explains:

> We all know that the U.S. spends obscene sums of money on defense. But the actual amount tends to be a moving target, one that is described by official Washington and its enablers in the media in the smallest terms possible.
>
> Thus in unveiling the Pentagon's 2024 budget request on March 6, DoD Comptroller Mike McCord demurely highlighted $842 billion as the "top line" a figure dutifully cited in relevant news reports. In his remarks, McCord took pains to remind us that, actually, we're spending much less than we used to: "When I was born [1959] we, the United States, were at nine percent of GDP on defense. Ronald Reagan was considered high at six percent. We're now at three. So it's a big number, but in other contexts, you know, you could look at it another way."
>
> So what do we actually spend on the defense of the United States? Unearthing the true figure demands tireless application combined with a sure grasp of the subterranean pathways along which our dollars travel to fuel the national security machine. [801]

Not only does the US spend more than 50 percent of its discretionary budget on its military, it has, additionally, committed itself to an upgrading

and refocusing of its nuclear capabilities at a cost of more than $40 billion a year for the next three decades.

President Trump, in a memorable year (2017) in US presidential politics, was handed a 'blank check' to wage war against a growing list of US' 'enemies'. That blank check remains available to future presidents!

In 2024, after three full years of his presidency, US President Biden presides over a nation still mired in 'forever war'. But that is not what he promised to the United States electorate in the presidential campaign of 2020. He was going to:

> ...inject strategic focus into U.S. foreign policy, ...to end the United States' forever wars and make the country's international engagements serve the needs of a disaffected public....

Things would be 'different' over the next four years. What Bernie Sanders was promising, Joe Biden would deliver!

Things would be different in 2021!

Just how different they became has been well described by Stephen Wertheim:

> The Biden administration took office intending to inject strategic focus into U.S. foreign policy. The president and his team promised to end the United States' forever wars and make the country's international engagements serve the needs of a disaffected public. In its first year, the administration terminated the two-decade-old war in Afghanistan, pledged to "right-size" the U.S. military presence in the Middle East, and even pursued a "stable and predictable" relationship with Russia. By placing less emphasis on certain regions, the logic went, Washington could concentrate on what most affects U.S. interests: managing competition with China and tackling transnational threats such as climate change and pandemics.
>
> Today that vision lies in tatters. The United States is now immersed in multiple wars in Europe and the Middle East, precisely where the administration sought to keep things quiet. Meanwhile, relations with China and Russia have deteriorated so strikingly as to raise the realistic prospect of the first major-power conflict since 1945....[802]

Yasmin Tadjdeh, writing in *National Defense*: the business and technology magazine of the National Defense Industrial Association (NDIA) explained why expanding US defense budgets were inescapable:

> A renewed sense of urgency spurred by rivals Russia and China has pushed the U.S. military to speed up the development of hypersonic technology.

The new 21st century military growth industry is Hypersonic Technology! In a hypersonic-weapons-based war, no country, no region, no city is secure. The 'theater of war' is the world!

Key Companies in the Global Hypersonic Technology Industry

The key market players in the global hypersonic technology market include

1. Aerojet Rocketdyne Holdings Inc. [US],
2. The Boeing Company [US],
3. Brahmos Aerospace Pvt. Ltd. [India],

4. Lockheed Martin Corporation [US],
5. Thales Group [US],
6. General Dynamics Corporation [US],
7. Northrop Grumman Corporation [US],
8. Raytheon Company [US],
9. Saab AB [Sweden],
10. Dynetics Inc. [US],
11. SpaceX [US], and
12. L3 Harris Technologies Inc [US].

(œ Hypersonic Technology Market - A Global and Country Analysis: Focus on Type, End User, Launch Mode, and Country - Analysis and Forecast, 2021-2031, *BIS Research*, April 15, 2021)

With the US Congress determined to ensure United States military superiority in the third decade of the new century, US military budget increases, justified using the tried and true formulas of the past eighty years, continue to grow.

Andrew Eversden described the interim 2022 appropriations (no doubt, with the 'Russian invasion of Ukraine' to justify it all, appropriations through the rest of the year will continue to expand):

> A bipartisan agreement among Congressional appropriators has the US finally on the verge of a fiscal 2022 budget, one featuring $782 billion for national defense and an additional $13.6 billion in aid for Ukraine.
>
> "I'm proud of this package we approved and responded to Putin's unprovoked war in Ukraine," Sen. Jon Tester, D-Mont., said at the McAleese Conference today.
>
> Included in that national defense total is $728.5 billion for the Defense Department, $13.5 billion more than the department asked for when its budget request rolled out in late May 2021. The appropriator's agreement comes nearly six months after the fiscal year began, meaning current programs are operating under last year's funding and new programs have been unable to begin.
>
> The new legislation largely increases the Pentagon's procurement and research and development accounts, allocating $119 billion in research, development, test and evaluation funding, up $7 billion from the department's request and $12 billion above the FY21 enacted.
>
> It also allocates about $145 billion for procurement, $12.4 billion above the budget request and $8.4 billion above the last year's appropriation. (Andrew Eversden, œCongress settles on $782.5B national defense budget, adds $13.6B in Ukraine aid: Congressional appropriators finally reached a deal after almost six months of continuing resolutions, *Breaking Defence*, March 09, 2022)

Leo Shane III and Joe Gould described the Congressional vote:

> The package passed both the House and Senate this week with significant bipartisan backing.
>
> Senate Armed Services Committee ranking member Jim Inhofe, R-Okla., said the military funding level - well above what the White House requested in its budget - will help maintain military investments and "keep us from falling even further behind China" and other adversaries.

> (Leo Shane III and Joe Gould, œCongress passes budget with defense boost, $13.6 billion in Ukraine aid, *Army Times*, March 12, 2022)

The Washington contrived 'War in Ukraine', is aimed at miring Russia in an unending quagmire to sap its military resources and destroy œcivilian support of Russian leadership. This is the first proxy conflict of a new 'Cold War' between 'The West' and newly emerging challengers to Western hegemony.

Given the apparent duplicity of Western European negotiators of the œMinsk Agreements of 2014 and 2015, Russian negotiators will assume that no future 'good faith' assurances can be relied upon. That leaves little room for negotiated settlement of the Ukraine conflict. Russia will have to find a means of ending the conflict without becoming mired in 'endless war'.[803]

The first direct conflict between 'The West' (comprising those nations and their offspring which have over the past five centuries been involved in colonizing the rest of the world) and newly emerging 'peer' powers with the economic and military strength to directly challenge Western hegemony has set the stage for an attempt by 'The Rest' to establish a new multipolar world.

In 2022, inevitably, given the stakes, propaganda swamped reality so that it is difficult to determine what was actually occurring in this first proxy war between The West and its first peer challenger.

A credible attempt to cut through the fog of misinformation to explain what happened in Ukraine over the first seven months of 2022 was provided by a blogger pseudonymed 'Big Serge':

> My overall prognosis is very simple: I believe that Russia has degraded Ukraine's military capabilities beyond repair, and is now doing the methodical work of grinding away the rest, while forcing the west to bear the unexpected burden of propping up the Ukrainian state and army.
>
> The actual intricacies of Russia's operational plan of course remain a secret, but I believe there is a good chance that most of Ukraine east of the Dnieper will be annexed, as well as the entire Black Sea littoral. (Big Serge, œThe Russo-Ukrainian War: A Six Month Retrospective, *Big Serge Thoughts*, September 01, 2022)

M. K. Bhadrakumar summed up the situation in February 2023:

> The Russian strategy all through has been to "grind" the Ukrainian military and force Kiev to negotiate but the US is only now realising that this was in reality a war of attrition.....
>
> To quote Jens Stoltenberg, NATO secretary-general, what is unfolding is "a war of attrition... a battle of logistics; as in how do you get enough stuff - materiel, spare parts, ammunition, fuel - to the front lines." But it can also mutate since the Western bloc is unable to define its end goal in Ukraine.
>
> Putin warned that western weapon supplies to Kiev will trigger consequences. "The longer the range of the Western systems being brought to Ukraine, the farther away from our borders we will be forced to push the threat," he said. Plainly put, Russian forces may create a buffer zone in the region west of Dnieper River. Putin called out the Western elite to realise that "it is impossible to defeat Russia on the battlefield."

> This is the nearest he came to speaking about the future trajectory of the special operations. To be sure, Russia is closely watching that the support for the war in the US is steadily on the wane and this can impact Biden's political calculus as a divisive election campaign takes over. Of course, the Biden Administration has secured substantial authorised appropriation enabling it to continue the high levels of support to Ukraine through the remaining 8 months of the financial year ending in October, and there is no question that the Western allies will also supplement.
> (M. K. Bhadrakumar, œRussia's Ukraine offensive in suspended animation, February 24, 2023)

Beyond doubt, for 'The West' war is good business and, in 2022, beating the drums of war was a highly profitable (if dangerous to the 'survival of organized human society') way of ensuring the 'viability' of US Military Contractors: œShort term pecuniary profit trumped intelligent foresight!

Noam Chomsky put it well:

> There have been many monsters in the past ... but it would be hard to find one who was dedicated to undermining the prospects for survival of organized human society, not in the distant future - in order to put a few more dollars in overstuffed pockets.

In 2022 the United States of America, as hegemon of the 'Western World', with little forethought and hubristic self-belief, brought the world to the brink of another 'cold war'. In doing so, it might well have fast-forwarded the eclipse of 500 years of Western aggressive domination of non-Western territories and communities. The sun might well be setting on Western Hegemonic control of 'The World'.

Robert Kaplan explained:

> ...[M]isbegotten wars, when serving as culmination points of more general national decline, can be fatal. This is particularly true for empires. The Habsburg empire, which ruled over central Europe for hundreds of years, might have lingered despite decades of decay were it not for its defeat in World War I. The same is true of the Ottoman Empire, which since the mid-nineteenth century was referred to as "the sick man of Europe." As it happened, the Ottoman Empire, like the Habsburg one, might have struggled on for decades, and even re-formed, were it not for also being on the losing side in World War I.
>
> But the aftershocks of such imperial comeuppance should never be underestimated or celebrated. Empires form out of chaos, and imperial collapse often leaves chaos in its wake...
> (Robert D. Kaplan, œThe Downside of Imperial Collapse: When Empires or Great Powers Fall, Chaos and War Rise, *Foreign Affairs*, October 4, 2022)

A new Evil Empire for the 21st Century

Update dates for this section

Pernicious financial, intelligence, surveillance, military and industrial leaches are feeding on the lifeblood of the United States of America. The consequences of their self-interested manipulation of governments and populations are the subject of both this and other chapters. As we explore the consequences, we need constantly to ask ourselves:

> In this 21st Century, what would the United States be like if the energy, ingenuity and resources siphoned into both financial 'bailouts' and foreign adventures and wars had been, instead, used to build and maintain the nation's social support systems and internal infrastructures?

Surely, then, it really would have been 'a shining city upon a hill, a model of freedom to the rest of the world'!

But, the reality, in this 21st Century, is that the fiscal and financial health and wellbeing of the United States is reliant on military Keynesianism [804]. As the *United States Department of Defense* explains of its 'Intergovernmental Affairs Program':

> National security requires a 'Whole of Government' approach. DoD's Federal agency partners, states, localities, non-profit groups, and the private sector play a critical role in mission readiness and economic security. Supporting and protecting our nation's defense activities and men and women in uniform goes far beyond the military fence line.
>
> To effectively and efficiently address the pressing and complex security challenges this nation faces, DoD must enlist the support of stakeholders at all levels of government and industry.

Financial, intelligence, surveillance, military and industrial organizations know that the successful neoliberal drive to deregulation since the 1960s has rendered Western nations impotent to regulate or censor their activities. Indeed, they have co-opted the neutered governments and political parties of those nations to their agendas:

> Washington has felt the need... to build new alliances in the Indian Ocean and Pacific in order to retain relevance, if no longer outright preeminence, in this region, without committing itself alone to a ruinous new arms race.
>
> Against a backdrop of deep public unawareness, the thinking of U.S. security planners in both political parties along these lines has converged and gathered momentum since then-President Barack Obama's notional pivot....
>
> As Elbridge A. Colby, a deputy assistant secretary of defense in the Trump administration, writes in a chilling new book, "The Strategy of Denial: American Defense in an Age of Great Power Conflict," that reflects this new consensus and foreshadowed the AUKUS deal,
>
>> The scale of China's power and the gravity of the stakes mean that the United States must be sure that it can allocate enough of its power and its willingness to bear risk and cost to denying China hegemony in Asia. All alliances and other defense commitments should be made, retained, deferred, or exited in light of this priority. (Howard French)

With privatization and corporatization of public infrastructures, resources and institutions around the world, they have gained unprecedented control over governments and people. In a demonstration of this power, over a six week period between February 24, 2022 and April 7, 2022, a new reality came into being in the Western World. The existing media and entertainment channels of the West were refocused to œpresent a 'new reality':

> "It doesn't have to be solid intelligence," one U.S. official said. "It's more important to get out ahead of them [the Russians], Putin specifically, before they do something."

All of the lies, half-truths and raw propaganda coming from 'Washington' justified as 'necessary deception' of US and other populations because:

> We are at war with the Monsters of Eurasia!

The bottom line: 'Don't believe anything we tell you - we're lying to fool the enemy'. From this time on, the world should assume that anything coming from US 'intelligence' sources is designed to deceive, not inform (an admission of something which has long been recognized by critics of US 'intelligence' information)!

Henry Giroux explained why this is so:

> The United States is now addicted to violence because the "war on terror" relies on an extreme fear and hatred of those considered enemies....
>
> The discourse of war, violence and fear now largely mold our conception of ourselves, our relations to others and the larger world. The defining vocabularies of American life undercut the possibility of challenging the assumption that violence is the most important tool for addressing social [or political] problems.

The United States of America, since the 2nd World War, has increasingly believed itself to be under imminent threat from malign external forces. But for constant vigilance and preparedness, the US would be attacked and invaded. [805]

In succeeding years, the œnear-panic of the early 1950s matured into an almost pathological hatred of those external powers which US citizens and politicians believed to be 'threatening' the peace and security of the United States. This has 'justified' preemptive action against those believed to be plotting against them.

As we have seen, unscrupulous US 'leaders' have, over the past seventy and more years, not hesitated to fan the flames of incipient paranoia in order to ensure support for their 'foreign policy' adventures. And, now, in 2022, the manipulation has gone even further.

All non-compliant media and entertainment channels and sites, not only in the United States but around the Western World, are being subjected to censorship, and all contrary voices silenced.

Had most Western people been told, a month earlier, that this would, or even could, happen they would have considered the teller to be a purveyor of 'conspiracy theories' and so, rightly, dismissed as deluded. But this is, indeed, the new reality.

The oft quoted assertion that 'You are entitled to your own opinion, but you are not entitled to your own facts' no longer holds. In 2022, the 'facts' are what we are told they are! 'Black' is 'white'; or 'grey'; or (whatever we decide is expedient in our determination to deceive/ embarrass/ confuse/ undermine or otherwise unsettle 'the enemy' - which is, of course, anyone these duplicitous 'leaders' decide is a 'threat' to the United States of America!)

The majority of people in Western nations seem to have accepted this reworking of reality as both necessary and legitimate to ensure that foreign

powers do not influence the internal affairs of Western nations. As Goebbels explained, 'If you tell a lie big enough and keep repeating it, people will eventually come to believe it'

The nature of United States 'Exceptionalism' which legitimizes the invention of a pseudo-reality to 'justify' expediently contrived control over its population was clearly explained in 2001:

> We're an empire now, and when we act, we create our own reality. And while you're studying that reality - judiciously, as you will - we'll act again, creating other new realities, which you can study too, and that's how things will sort out. We're history's actors .... and you, all of you, will be left to just study what we do.

In the third decade of the century, the United States is doing what aging empires have always done. It is ramping up tensions between itself and those who have long provided justification for its militarization; trying, increasingly desperately, to demonstrate (a fiction which was never real) that it is still in charge, still the hegemonic power-center of the world; still able to dictate terms and enforce compliance; still the world's quick-gun sheriff with a custodial mandate to ensure compliance with an international 'Rule of Law'.

But, in this 21st century, its focus is becoming blurred and its rhetoric decreasingly coherent, convincing or effective. It is hard to maintain focus in a world where too many alternative perceived 'centers of power' require its attention[806]. It is difficult to know which of the threats should be dealt with first and how to contain the rest.

With CO_2 levels rising; polar ice melting; nuclear armed nations at loggerheads; US manufactured 'cold war' censorship conditions dividing the world into opposing camps; and sovereign nations funding secret military-controlled biological weapons laboratories on the borders of opposed nations, we seem hellbent on damning ourselves as a species!![807]

Both Russia (what on earth is the US doing in the Black Sea?[808]) and China (what on earth is the US doing in the South China Sea?) are to be brought to heel. Both are, in the decreasingly coherent estimation of a less than competent US leadership, threatening 'invasions' which must, at all costs, be countered by those whose manifest destiny it is to protect the world from....

It is embarrassing and frustrating for a self-proclaimed 'indispensable nation' and its vassals when those they attempt to 'discipline' refuse to be bullied; when the intended victim demonstrates a maturity sadly lacking in their own behavior.

The *Rand Corporation*, in a 2019 'Research Brief' entitled 'Overextending and Unbalancing Russia: Assessing the Impact of Cost-Imposing Options', outlined US intentions toward Russia [809]:

> This brief summarizes a report that comprehensively examines nonviolent, cost-imposing options that the United States and its allies could pursue across economic, political, and military areas to stress - overextend and unbalance - Russia's economy and armed forces and the regime's political standing at home and abroad. Some of the options examined are clearly more promising than others, but any would need to be evaluated in terms of the overall U.S. strategy for

> dealing with Russia, which neither the report nor this brief has attempted to do.
>
> Today's Russia suffers from many vulnerabilities - oil and gas prices well below peak that have caused a drop in living standards, economic sanctions that have furthered that decline, an aging and soon-to-be-declining population, and increasing authoritarianism under Vladimir Putin's now-continued rule. Such vulnerabilities are coupled with deep-seated (if exaggerated) anxieties about the possibility of Western-inspired regime change, loss of great power status, and even military attack....
> (James Dobbins, Raphael S. Cohen *et al*, œOverextending and Unbalancing Russia Assessing the Impact of Cost-Imposing Options, *Rand Corporation*, April 24, 2019)

Western commentary and media 'reports' in late February, 2022, echoed very similar escalations in Western 'concern' over Iraqi 'development' of 'weapons of mass destruction' in February, 2003.

Jonathan Schwarz explained what happened then in a *Huffpost* blog posting entitled 'œLie After Lie After Lie: What Colin Powell Knew Ten Years Ago Today and What He Said' (February 05 2013):

> Clearly, Powell's loyalty to George Bush extended to being willing to deceive the world: the United Nations, Americans, and the coalition troops about to be sent to kill and die in Iraq. He's never been held accountable for his actions, and it's extremely unlikely he ever will be.

And, not only US Secretary of State, Colin Powell. From the US President down, Administration officials upheld the lies and distortions fabricated to 'justify' an invasion of another sovereign nation. And an apparently gullible Western commentariat provided the 'serious' 'explanations' and 'backgrounding' for what was being claimed.

The US Administration, under George W. Bush, orchestrated a campaign of disinformation, fed to all-too-cooperative Western media outlets and elaborated in apparently 'serious' Western commentaries. [810]

As in 2003, so in 2022: No in depth analysis of underlying causes or of other players in what has unfolded, just

> a strategy of containment that increases the cost to Russia and eventually forces internal political change that brings the brutal regime of Vladimir Putin to an end.

If Western populations want to know what is happening and why it is 'necessary', they will find all the confirmation they 'need' in a deluge of mainstream Western popular and 'serious' commentaries.

John Pilger has summed up the Western descent into propaganda:[811]

It is, at times, difficult to know whether 'Western Experts' are engaging in 'raw propaganda' or genuinely believe the distorted reality they present to their audiences. One is inclined toward the latter![812]

Russia clearly stated its concerns in 2022, insisting that security is a two sided coin and international policy should address the security concerns of both sides in any reasonable negotiations between Russia and the West. This was a lesson that US President John Kennedy learned the hard way in the Cuban Missile Crisis, October 1962.

Just as the 'Cuban Crisis' was not, in fact, primarily about Cuba in 1962, so, the 'Ukraine Crisis' of 2022 is not primarily about Ukraine.

Khrushchev wanted US missiles removed from Turkey - where they posed a clear and continuing danger to Soviet security - but could not get the United States to listen or respond to his entirely reasonable requests for appropriate security guarantees. Placing missiles in Cuba proved a very effective means of getting the United States to the negotiating table!

It is sad but clear that the United States is even less willing in 2022 to seriously consider and respond to the security concerns of its putative 'enemy'.

Nuclear missiles and other hair-trigger armaments would not, following the resolution of the 1962 crisis, be placed in close proximity to the borders of either nation. And, despite the 'Cold War' atmosphere of the time, both sides entered into long-term security agreements aimed at ensuring that such crises would not recur.[813]

It seems, from Washington's 2022 reaction to Russia's concerns, that The United States is no longer 'agreement capable'![814] And, sadly, either for 'raw propaganda' purposes or because they really don't understand Russia's security concerns, the United States and its 'expert commentators' are convinced that Russia's 'security concerns' are merely smokescreen for regime change ambitions!

In 2022, without question, if Western 'expert commentators' are to be believed, President Putin of Russia and his advisors are naive!

Not only have they relied on the dreaded 'novichok' to eliminate their 'opponents', but, in late February 2022, they are going to 'invade Ukraine' in an attempt at 'regime change'.

Russian explanations of the reasons for the crisis are clear. This is not primarily about Ukraine itself but about the all-too-reasonable security concerns of Russia in a world where The United States seems to be incapable of entering long-term agreements or understanding the need for the kinds of security guarantees which nuclear powers must, of necessity, provide.

Russia's Foreign Minister Sergey Lavrov, on 30 June 2022, in a joint news conference with the Foreign Minister of Belarus Vladimir Makei, explained Russia's concerns over the belligerent behavior and rhetoric of both the United States and NATO (North Atlantic Treaty Organization). This has been blatantly on display in their open attempts at escalating the conflict in Ukraine - reinforcing Russia's claims of a seriously provocative military buildup in Ukraine over the years both leading up to and following the 2014 coup:

> We are seriously concerned about NATO's activities in close vicinity to our borders, primarily in the Baltic states and Poland. We share the opinion that these activities are openly confrontational and tend to lead to more tensions, as well as the division of the European security and cooperation space, that is, they are producing the results which the establishment of the OSCE [Organization for Security and Co-operation in Europe] was supposed to help prevent. Now they are dismantling all this with their own hands, waiving, among other things, the principle of indivisible security, which was publicly declared at the highest level in the OSCE in the late 1990s and in 2010, when it was said that no

> country should enhance its security at the expense of others. The West's actions have buried this principle.
>
> In the light of the manifestly unfriendly steps taken by the United States and its satellites towards our countries, we reaffirmed that we are firmly determined to further preclude any attempts by the West to interfere in our domestic affairs. We agreed to continue to join efforts to oppose illegitimate unilateral actions by Washington, Brussels and their allies in the international arena.[815]

Alina Polyakova and Daniel Fried, without doubt 'Western Experts', told us that Putin, who had apparently been slow to learn how the experts do it, was going to do the 'regime change' thing that the US is so practiced at! Instead of employing sanctions to make the economies of regime change victims 'scream' he was going to invade Ukraine and commit Russia to a long and costly war, with 'The West' doing in Ukraine what it did in Afghanistan in the 1980s [816]

Both Western 'raw propaganda' and 'expert commentary' simply elided the central issue driving Russian action in 2022, suggesting either a serious lack of empathic understanding or deliberate intent.

If, the first, then Russian negotiators (and the rest of us!) are in serious trouble. How does one awaken empathy in those with whom one must negotiate the future of humanity?

If, the second, then The West is deliberately misconstruing Russian intent in order to avoid serious negotiation to address issues of central importance to the future of civilization and, instead, incompetently placing short-term political advantage before long-term international peace and security.

In either case, we are in serious trouble!

Whatever form of Government ensures Vassal State control...

(15/01/23) (26/01/23) (27/01/23) (28/01/23) (05/02/23)

It is the nature of hegemonic centers of political and military power that they subordinate and tie other states to themselves. The means of such manufactured dependence vary in accordance with the understandings of 'reality' which drive those dominant states.

In Western nations, this subordination is, inevitably, economic and/or military in nature. In this 21st Century, the United States is doing what it has long done: it is tying vassal states to itself through fostering economic/military dependence in those nations.[817]

On April 28, 2022, the United States Congress 'passed a bill allowing the Biden administration to lend or lease weapons to Ukraine and other eastern European countries'. When dealing with the preeminent world weapons manufacturing and supply nation, nothing comes 'free' and nothing comes cheap! As Trump explained of another such deal: "That was a tremendous day, Tremendous investments in the United States."[818]

From this time on, it's all about 'good business'[819]. Expect an escalating supply of weaponry not only to Ukraine but to all those European countries which the US and NATO have urged to support Ukraine in its 'just struggle against Russian tyranny'.[820]

The US is doing what it did throughout WW2 and the first Cold War: it is 'supporting' Ukraine and surrounding eastern European countries through

lend-lease programs of 'military aid'. As Kathryn Watson and Rebecca Kaplan explain to their audience 'The cost of this fight is not cheap'. What they are not explaining is that, win or lose, Ukraine and its eastern European neighbors will find themselves saddled with its cost. As *CBS News* reported[821]:

> "The cost of this fight is not cheap, but caving to aggression is going to be more costly if we allow it to happen," the president said in remarks from the White House Thursday morning. "We either back the Ukrainian people as they defend their country, or we stand by as the Russians continue their atrocities and aggression in Ukraine." (Kathryn Watson and Rebecca Kaplan, œCongress passes bill letting U.S. lend weapons systems to Ukraine, *CBS News*, April 29, 2022)

Vassal states should beware! Like Ukraine[822], they will find themselves expendable pawns in a planetary game of 'chicken' (with massive accumulated 'debts' incurred to the US in the course of fighting its wars of choice), with the United States prepared to gamble the future of those states in a macho supremacy contest with those it has defined as its enemies.

In August 2022, the United States broadened its arrogant belligerence. As though attempting to embroil Russia in a 'forever war' was not more than enough, it bumbled its way into a South China Sea confrontation[823].

Once again, we are witness to a 'super-power' reinterpreting past security agreements. Apparently past US recognition of the indivisible integration of Taiwan into China (strongly asserted by *both* the Taiwan and the Mainland Governments) was merely 'expedient', not a binding commitment based on good faith negotiations.

On August 2, 2022 the Democrat speaker of the United States House of Representatives, with implicit connivance of the US President, decided to abrogate those good faith agreements and œdeal with Taiwan as a US vassal state, ignoring the protestations of the Government of China.

If ever there was a policy aimed at sabotaging the long-term peaceful integration of Taiwan into the rest of China, this unprovoked assault on Chinese sovereignty is surely that. Given such provocation, the likelihood of China speeding up its process of integrating Taiwan into the rest of China is real.

This ham-fisted display of arrogance once again demonstrated US willingness to callously jeopardize the safety and security of a vassal state.[824]

Like it or not, The United States has, since 1949, never had any intention of 'allowing' China to 'annex' Taiwan.

From the outset, Taiwan was to be the US' 'frontline' in its determination to eradicate communism and remake China in its own image. If that proved impossible, then, to contain 'The China Threat', it always intended to make a militarized Taiwan the first line of 'defense' against 'communist expansion'.

In the 21st century, the 'œdomino effect' is as real as it ever was. Communism is a 'political virus' which continues to threaten the 'civilized', 'free' governments of 'The West' [825]

'The West' has long believed that 'Communism' intends to conquer the world and the United States, as the 'leader' of the 'Free World' has a God-

given responsibility to resolutely oppose it wherever, and in whatever form, it infects the 'body politic'.

(Russia might appear to be a 'capitalist' nation but it is, in reality, a nation infected by the political disease of its progenitor.)

That disease can only be eliminated through a complete displacement of all forms of 'communist', 'socialist' and 'authoritarian' government. Communist and socialist governments are always 'autocratic' and 'authoritarian' and the 'democracies' of the world will only be safe when all traces of such government are eradicated.

To paraphrase Henry Hyde's explanation of the 'threat of terrorism':

> Let us begin by accepting there is no single enemy to be defeated, no one network to be eliminated. China and Russia are but our most prominent opponents, but their outlook is shared by many others who are equally committed to our destruction... we know now that we have permanent, mortal enemies who will seize upon our vulnerabilities to bloody us, to murder our citizens, to commit horror for the purpose of forcing horror upon us...

Michael Brown described the US' responsibility for Taiwan:

> Any effective deterrence strategy against China must begin with Taiwan's own defenses. The United States needs to signal to Beijing that Taiwan will resist an invasion just as fiercely and creatively as Ukraine has. To be credible, Taiwan should double the proportion of its budget reserved for defense and double its current troop strength of 169,000. At present, Taipei spends about $19 billion on defense, a figure that pales in comparison with China's $293 billion. And although Taiwan will not be able to close the gap with China's People's Liberation Army (PLA), it can greatly increase deterrence with a stronger and more prepared military. The goal must be to deny easy access to the island and cause significant damage to attacking Chinese forces, buying time for the United States and allies to assist.
>
> But U.S. and Taiwanese officials must also recognize the lopsided threat Taiwan faces. Historically, Taiwan has spent its defense budget on equipping its military for a head-on conflict with China, including through the extensive purchase of U.S. tanks and fighter jets. But given the overwhelming numbers of tanks, ships, and airplanes that China can now field, this is not an effective use of procurement funds. For example, although Taiwan now has 400 fighter jets and 800 tanks, its forces are dwarfed by China's 1,600 fighters and 6,300 tanks. China also has 450 bombers, nine nuclear submarines, two aircraft carriers, and other equipment that Taiwan does not possess. And in terms of manpower, China has a standing army of more than two million soldiers - nearly 12 times as many as Taiwan.
>
> Faced with this dramatic force disparity, Taiwan would be better off developing asymmetric capabilities that can thwart superior firepower....
> (Michael Brown, œTaiwan's Urgent Task: A Radical New Strategy to Keep China Away, *Foreign Affairs*, January 25, 2023)

Not before time, Thomas Christensen *et al* in October 2022 injected a little much needed sanity into the US side of the confrontation:

> Avoiding war in the Taiwan Strait requires all sides to be deterred. At a minimum, Taiwan must be deterred from declaring formal

> independence, Washington must be deterred from recognizing Taiwan as an independent state or restoring a formal alliance with the island, and Beijing must be deterred from using military force against Taiwan to compel unification. All sides must not only be threatened with harm for crossing these redlines but also be assured that they will not suffer catastrophic losses to their interests if they refrain from these actions.[826]

Vassal states should take note!

World-wide death and destruction: The Legacy of Western Exceptionalism

(17/05/23)

In a confused and threatened empire vassal states will be called on to deal with ill-defined foes for decreasingly coherent reasons! They will find themselves on the frontline, quixotically opposing imaginary threats: four-armed giants waving their arms in defiance of those inspired by impossible dreams!

But, of course, there will be real world consequences! Charging at windmills can be disastrous!

Vassal states are being prepared, committed to accepting and paying for 'necessary' armaments and 'systems' and drawn into the web of 'willing partners' in another year of 'regime change' adventures! [827]

Despite a common US commentariat view of the 2017-2021 Trump presidency as being 'nationalist', and, therefore, 'isolationist' in its promotion of 'America First', this is more illusion than reality. Trump was not intent on isolating the US (though many of his foreign policy actions (let's not call them 'policies') achieved this) but driven by that belief in US exceptionalism which has dominated US foreign policy for many decades.

Biden's history is premised on a similar understanding of US exceptionalism.

Stephen Wertheim explained it well:

> Four years ago, as Joe Biden prepared to leave the vice-presidency, he told the World Economic Forum that the United States would continue to lead the 'liberal international order' and 'fulfill our historic responsibility as the indispensable nation.'[828]

The 'liberal international order' which Biden evoked is rapidly losing its appeal in a world which has, for far too long, been subjected to the presumptuous whims of its 'leaders'. Richard Haass and Charles Kupchan have cogently argued that:

> The international system is at a historical inflection point. As Asia continues its economic ascent, two centuries of Western domination of the world, first under Pax Britannica and then under Pax Americana, are coming to an end. The West is losing not only its material dominance but also its ideological sway.
> (Richard N. Haass and Charles A. Kupchan, œThe New Concert of Powers: How to Prevent Catastrophe and Promote Stability in a Multipolar World, *Foreign Affairs*, March 23, 2021)

They have provided a description of their version of a 'best vehicle for promoting stability in the twenty-first century' - 'a global concert of major powers' which involves evoking 19th century style 'major nations' cooperation and consultation.

But, as Stewart Patrick has argued, 'the world faces an array of daunting challenges, from climate change to nuclear proliferation to cybersecurity, that demand great-power cooperation regardless of regime type' and 'Over the past two centuries, the international system has grown to include 193 independent sovereign nations and developed a dense array of multilateral organizations and treaties that regulate everything from the use of force to the allocation of orbital slots in outer space. '[829].

If the United States is to participate in increasingly urgently required international cooperative policy and regulatory negotiations and not merely act as a wrecking-ball of such initiatives by others, then it will have to display a radically different approach to foreign relations and foreign policy to that which emerged in 2021!

On March 16th, 2021, the Office of the Director of National Intelligence 'released the declassified œIntelligence Community assessment of foreign threats to the 2020 U.S. federal elections.' Within a day, the US president invoked its 'œinformation' to justify refocusing from internal problems to external 'threats'.[830]

It did not take long for US President Biden to play the 'external threat' card - a tactic US presidents have long used to justify a refocusing from internal to external problems. In language reminiscent of the darkest days of the Cold-War, Biden explained to his voting base that Russia was being controlled by a 'Killer' who was going to be made to pay the 'price' of his crimes!

> US President Joe Biden said he believes Russian President Vladimir Putin is a "killer" when asked by ABC News host George Stephanopoulos.
>
> His question follows a federal investigation into Russian-linked cyber attacks and an intelligence report linking the Kremlin to election-related online interference that promoted Donald Trump and right-wing conspiracy theories in an attempt to discredit Mr Biden.
>
> Asked whether he believes Mr Putin is a "killer" in a pre-taped interview that aired on Wednesday, the president responded: "I do."
>
> "The price he's going to pay, you'll see shortly," he said.
> (Alex Woodward, œBiden believes Putin is a 'killer': 'The price he's going to pay, you'll see shortly', *The Independent*, March 18, 2021)

Russian President Putin's measured response to the interview suggests a maturity hard to find amongst Biden's 'team of immaculate professionals'. Evgeny Mikhaylov described the response:

> Vladimir Putin has addressed Joe Biden's controversial statement about alleged Russian meddling in the 2020 presidential elections, which took a personal turn against him.
>
> "As for the statement by my American counterpart, we really are, as he said, personally acquainted. What would I answer him? I would tell him: stay healthy! I wish him good health", the Russian president said, stressing he is not joking or being ironic.
>
> He also noted that people always project onto others what they think about themselves.
>
> "There have been many difficult, dramatic, and bloody events in the history of each nation. But when we assess other people, when we assess other states, other peoples, we are always looking in the mirror.

> We always see ourselves there", Putin said.
> (Evgeny Mikhaylov, œ'I Wish Him Well': Putin Responds to Biden's Comments About Him, *Sputnik International*, March 18, 2021)

It has taken a long time for the leaders of most Western capitalist nations to begin to realize that the US, as 'leader' of the 'Free World'[831], has been pursuing 'feckless and self-serving' policies.

In a post-Trump reality, increasing numbers of people in Western nations are beginning to see through the propagandizing rhetoric of the past seventy years. And, slowly but surely, their leaders are beginning to realize that subserviently following Washington's lead is unlikely to be in the long-term interest of either themselves or their nations.

Jonathan Kirshner summed up the post-Trump foreign policy future for the United States of America (most of Biden's 2021 'team of immaculate professionals' were, of course, in the pre-Trump US, complicit in forging the current foreign policy reality):

> the world cannot unsee the Trump presidency. (Nor, for that matter, can it unsee the way members of the U.S. Congress behaved in the final weeks of the Trump administration, voting opportunistically to overturn an election and helping incite violence at the Capitol.) From this point forward, countries around the globe will have to calculate their interests and expectations with the understanding that the Trump administration is the sort of thing that the U.S. political system can plausibly produce.
>
> Such reassessments will not be to the United States' advantage. For 75 years, the general presumption that the United States was committed to the relationships and institutions it forged and the norms it articulated shaped the world in ways that privileged U.S. interests. If it is increasingly perceived to be feckless and self-serving, the United States will find the world a more hazardous and less welcoming place....
>
> For U.S. partners in Asia, Europe, and the Middle East, however, Washington's priorities on the world stage must now be interrogated, and any conclusions reached must be held with qualifications rather than confidence. And there is nothing that President Joe Biden and his team of immaculate professionals can do to stop that. From now on, all countries, everywhere, must hedge their bets about the United States - something that will unnerve allies more than adversaries.
> (Jonathan Kirshner, œGone But Not Forgotten: Trump's Long Shadow and the End of American Credibility, *Foreign Affairs*, March/April 2021)

Follow The Money: US Military Expenditures Swamp All Others

(14/07/23)

To understand the true foci and determinations of a sovereign capitalist nation such as the United States of America, one needs to 'follow the money'.

US military expenditures swamp all others. The US is, first and foremost, a militarist state with, as Wertheim put it, 'Delusions of Dominance'.

Not only is it a state which, increasingly, uses either explicit or implicit threat of military intervention as a major element of international diplomacy, it has also, through the past fifty years 'offshored' its non-

military industrial base (primarily to China, but also to other south- and east-Asian nations), refocusing its industrial base to military purposes.

Through the past half century, the United States has become the world's preeminent weapons manufacturing base and its politicians and diplomats have become its premier armaments sales force, aggressively promoting 'Made in the United States' military hardware and services to the rest of the world.

The proxy war in Ukraine, since 2014, provides an excellent case study of United States' military/ industrial tactics in ensuring its preeminence and its profits. The procedures followed are not subtle: they are based on a pragmatic need to ensure an ongoing, long-term demand for new military equipment from United States suppliers.

The numerous 'regime change' adventures in which the United States has engaged have all included the promotion of 'made in the United States' military equipment and services.[832]

When it comes to business, self-interest overrides all other considerations. It will brook no competitors and, as it demonstrated in the Saudi-Arabia - Yemen conflict, the armaments business is not about support of its allies or 'morality', it is about market-share and profits! In 2021 France became another US ally to be taught this lesson! Howard French explained[833]:

> In the space of a single news cycle last week, the substance behind the news that the United States and Britain had joined forces to sell nuclear submarine technology to Australia came to be overshadowed by the emotions aroused by this development - namely, France's theatrically indignant response to having its preexisting deal to sell submarines to Canberra canceled without notice.
>
> Paris has invoked "treason" and spoken of being stabbed in the back, comparing U.S. President Joe Biden unfavorably to his predecessor, Donald Trump, all while taking the extraordinary step of recalling its ambassadors from the United States and Australia, something seldom done even with hostile powers. Remarkably, not even Beijing, the putative target of this new security partnership, has been remotely as vocal.

An *RT* assessment of the AUKUS deal gives a much needed explanation of possible consequences:

> A new geopolitical deal that will see the US and UK team up with Australia to station nuclear submarines deep down in the Pacific Ocean is a hostile step aimed not only at Beijing, but at Moscow too, a top Russian official claims. Nikolay Patrushev, the secretary of Russia's Security Council, told the Argumenty i Fakty newspaper on Tuesday that the pact between the three nations, known as AUKUS, will inevitably be yet another military bloc aimed at containing and confronting the two strongest non-Western powers.
>
> According to the interview, Patrushev compared the pact to QUAD, a strategic dialogue format between the US, India, Japan, and Australia, designed to strengthen Washington's position across Asia. According to him, the group is *"a military-political bloc with a pronounced pro-American character."*
>
> *"Just the other day, another military bloc was formed in the region - the American-British-Australian AUKUS, which pursues the same goals,"* the top official went on. According to him, the new deal, which

> will see London and Washington hand over the technical know-how for Canberra to develop and deploy nuclear-powered submarines, is a threat to *"the entire security architecture in Asia."* (œNew AUKUS nuclear bloc won't just battle China, it will take West into confrontation with Russia too, Moscow's security chief says, *RT*, September 21, 2021)

Even a pseudo-democratic militarist state needs to justify its continuing militarization to its population and the US, in both justifying its militarization and in legitimizing its military expansionism, has employed the rhetoric of 'great-power competition'.

John Mearsheimer (2019), a visiting US political analyst, (in a light-hearted debate) put US attitudes toward its 'friends and allies' into perspective for Australians:

> ...If you go with China you want to understand you are our enemy. You are then deciding to become an enemy of the United States... You are either with us or against us... If you're trading extensively with China and you're friendly with China you're undermining the United States... You're feeding the beast from our perspective and that is not going to make us happy and when we are not happy you do not want to underestimate how nasty we can be! (https://youtu.be/IER2SGbjCWo)

As Shakespeare put an old and well-worn aphorism: 'Many a true word hath been spoken in jest.'

Daniel Nexon has described the ways in which both the Trump and, in 2021, the Biden administrations have engaged in 'great-power competition', 'wasting limited resources on illusory threats'[834]: As he cogently explains, in the post-Trump world, 'in the long run, a fixation on great-power competition is likely to undermine, rather than enhance, U.S. power and influence' [835]

To justify its overwhelming military funding, the US has always needed a credible 'external threat' which requires it. For forty years, the Soviet Union provided that justification, but, since 1991, it has had to cast around for other 'justifications'.

For three decades, it contrived to convince itself, the US population and the rest of the 'Free World' that an amorphous international threat of 'terrorism' required constantly expanding military budgets and concomitant 'wars'. Stephanie Savell, in 2019, summarized the consequences:

> Less than a month after the September 11 [2001] terrorist attacks on the United States, U.S. troops - with support from British, Canadian, French, German and Australian forces - invaded Afghanistan to fight Al Qaeda and the Taliban. More than 17 years later, the Global War on Terrorism initiated by President George W. Bush is truly global, with Americans actively engaged in countering terrorism in 80 nations on six continents.

Stephanie Savell (2021) has provided an updated description of US 'counterterrorism' activities (if one included the activities of all those members of the 'coalition of the willing' the number of countries and communities affected would be even greater):[836]

Savell, in a 2023 study, describes the cost, in human lives, of 'the most violent conflicts in which the U.S. government has been engaged in the

name of counterterrorism since September 11, 2001'. Yet, we need to remember that, depressing as this report is, it tells but a small part of the devastating story of warmongering and sanctioning around the world in which the United States and its 'coalitions of the willing' have engaged over the past thirty years:

> The total death toll in the post-9/11 war zones of Afghanistan, Pakistan, Iraq, Syria, and Yemen could be at least 4.5-4.6 million and counting, though the precise mortality figure remains unknown. Some of these people were killed in the fighting, but far more, especially children, have been killed by the reverberating effects of war, such as the spread of disease. These latter indirect deaths - estimated at 3.6-3.7 million - and related health problems have resulted from the post-9/11 wars' destruction of economies, public services, and the environment. Indirect deaths grow in scale over time.
>
> Though in 2021 the United States withdrew military forces from Afghanistan, officially ending a war that began with its invasion 20 years prior, today Afghans are suffering and dying from war-related causes at higher rates than ever....
>
> Rather than teasing apart who, what, or when is to blame, this report will show that the post-9/11 wars are implicated in many kinds of deaths. In a place like Afghanistan, the pressing question is whether any death can today be considered unrelated to war. Ultimately, the impacts of the ongoing violence are so vast and complex that they are unquantifiable.
> (Stephanie Savell *et al*, œHow Death Outlives War: The Reverberating Impact of the Post-9/11 Wars on Human Health', *Watson Institute, Brown University*, 2023)

It has been a commonplace experience of over-extended empires throughout history that, as they become mired in prolonged military campaigns and unending insurgencies, they increasingly replace their 'regular' armed forces with mercenaries. And, in the 21st century, the US is also engaging in this long-established practice.

Casting around for justifications for expanding military budgets

As its military adventures drag on with no apparent end in sight, one way of lessening civilian concern on the 'home-front' is to replace its regular forces with, to use that delightfully Western capitalist euphemism, 'contractors'. Lawrence described the 2021 process in Afghanistan:[837]

But that cannot be indefinitely sustained. So, it has cast around for other convincing justifications for its constantly expanding military budget:

In a surreal address to the Munich Security Conference (Feb. 15, 2020) US Secretary of Defense Mark Esper spelt out the Trump era vision of a 21st century future provided in its œ*National Defense Strategy* (NDS):

As a prelude to that strategy: China has, for more than 20 years, found itself increasingly hemmed in by US air bases and military ports. John Reed (2013), for *Foreign Policy* explained:

> The Pentagon's big, new strategy for the 21st century is something called Air-Sea Battle, a concept that's nominally about combining air and naval forces to punch through the increasingly-formidable

> defenses of nations like China or Iran. It may sound like an amorphous strategy - and truth be told, a lot of Air-Sea Battle is still in the conceptual phase. But a very concrete part of this concept is being put into place in the Pacific. An important but oft-overlooked part of Air-Sea Battle calls for the military to operate from small, bare bones bases in the Pacific that its forces can disperse to in case their main bases are targeted by Chinese ballistic missiles.
> (John Reed, œSurrounded: How the U.S. Is Encircling China with Military Bases, *Foreign Policy*, August 20, 2013)

In 2022, Michael Klare summed it all up: 'None Dare Call It "Encirclement": Washington Tightens the Noose around China'[838]

As the 2020 US Secretary of Defense spelt out, over the past two decades that strategy has 'matured' into a new, potentially devastating threat to international peace and security[839]

The United States is inventing a new super-villain; a new Evil Empire for the 21st century.

Fareed Zakaria has described how it is happening:

> In February 1947, U.S. President Harry Truman huddled with his most senior foreign policy advisers, George Marshall and Dean Acheson, and a handful of congressional leaders. The topic was the administration's plan to aid the Greek government in its fight against a communist insurgency. Marshall and Acheson presented their case for the plan. Arthur Vandenberg, chair of the Senate Committee on Foreign Relations, listened closely and then offered his support with a caveat. "The only way you are going to get what you want," he reportedly told the president, "is to make a speech and scare the hell out of the country."
>
> Over the next few months, Truman did just that. He turned the civil war in Greece into a test of the United States' ability to confront international communism. Reflecting on Truman's expansive rhetoric about aiding democracies anywhere, anytime, Acheson confessed in his memoirs that the administration had made an argument "clearer than truth."
>
> Something similar is happening today in the American debate about China. A new consensus, encompassing both parties, the military establishment, and key elements of the media, holds that China is now a vital threat to the United States both economically and strategically, that U.S. policy toward China has failed, and that Washington needs a new, much tougher strategy to contain it. This consensus has shifted the public's stance toward an almost instinctive hostility...
> (Fareed Zakaria, œThe New China Scare: Why America Shouldn't Panic About Its Latest Challenger, *Foreign Affairs*, January/February 2020)

US political and foreign policy toward China, which, as Christopher Hill argues (below), 'ascribes malicious motives to a country that is more likely trying to protect what it has', demonstrates a growing US political and administrative apprehension. There is an uneasy and growing feeling that they are losing control of a world they have long-believed was theirs to oversee[840]. A world in which they, in the words of the US Secretary of Defense in 2020,

> keep the peace, promote prosperity, ensure security, and protect the sovereignty of all freedom-loving countries.

Branko Milanovic has explained the mismatch which has become increasingly apparent in the 2020 responses of the two nations to the Covid-19 crisis (again, one needs to be aware of the commonplace Western-centric nature of such explanations): [841]

Keith Johnson and Robbie Gramer, in a *Foreign Policy* feature article entitled

> The Great Decoupling: Washington is pressing for a post-pandemic decoupling from China. But the last big economic split brought on two world wars and a depression. What's in store this time?

have drawn parallels between the Trump Administration's 2017 to 2020 dealings with China and the Roosevelt Administration's dealings with Japan during the 1930s [842].

The Roosevelt administration's tone-deaf response to Japan's 1930s problems, 'ramping up economic pressure on Japan, culminating in a trade and oil embargo', is more than matched by 21st century US attitudes toward China (echoed in some US acolyte nation attitudes).

Singaporean Prime Minister Lee Hsien Loong, in 2020, explained why forcing Asian countries to take sides in another, Asian centered, Cold War between the US and China might well backfire for the United States:

> Asian countries do not want to be forced to choose between the two. And if either attempts to force such a choice - if Washington tries to contain China's rise or Beijing seeks to build an exclusive sphere of influence in Asia - they will begin a course of confrontation that will last decades and put the long-heralded Asian century in jeopardy[843].

Western nations would do well to learn from ASEAN attitudes and policies.[844]

Henry Farrell and Abraham Newman have explained why the folly of decoupling from China isn't just perilous - it's impossible:

> ...[F]or all the official enthusiasm for decoupling, there is little agreement on what it would actually entail. Does decoupling mean
>
> - [R]educing U.S. economic vulnerabilities?
> - Making the United States less dependent on China?
> - Exploiting China's dependence on U.S. technology?
> - Withdrawing wholesale from the World Trade Organization?
>
> Turning any of these proposals into effective policies would require a level of technical knowledge that neither the U.S. government nor the private sector has right now.

As with so many of the 2020 US Administration's declarations and maneuverings, off-the-cuff rhetoric has displaced clear understanding, analysis and planning. But this is not merely an infection of the Trump Administration, it has resonated within the US Congress. As the authors explain:

> On May 14, U.S. President Donald Trump threatened to break the United States' economic relationship with China. "There are many things we could do," he told Fox Business host Maria Bartiromo. "We could cut off the whole relationship. Now if you did, what would happen? You'd save $500 billion." It was Trump's most extreme anti-China rhetoric to date, but it wasn't out of step with the mood in

> Washington. Both Republicans and Democrats agree that China has transformed from a competitor into an adversary, and perhaps even an enemy.
> (Henry Farrell and Abraham Newman, œThe Folly of Decoupling From China It Isn't Just Perilous - It's Impossible, *Foreign Affairs*, June 3, 2020)

Christopher Hill has commented on the US political maneuvering, spelt out by its Secretary of Defense in 2020, to brand China as Public Enemy No. 1, intent on 'more internal repression, more predatory economic practices, more heavy-handedness, and... a more aggressive military posture'. Which, inevitably, makes 'the Pentagon's top concern: the People's Republic of China'.

> ...Fear and loathing of China is no substitute for self-confidence and unity of purpose in dealing with it. U.S. foreign policy under Trump and his dyspeptic secretary of state, Mike Pompeo, aims less to broaden coalitions and forge effective policy than simply to marshal fear by ascribing malicious motives to a country that is more likely trying to protect what it has. The administration has made little effort to chart a way forward with a China that will neither disappear nor give in to diktats from the United States....
>
> ...Does the United States really seek lasting enmity with China? Is that in the American interest? Anyone who has visited the Great Wall might ask, do we really want to get into a fight with a people who built a thing like that?...
> (Christopher R. Hill, œWhat Does Washington Want From China?: Pique Is Not a Policy, *Foreign Affairs*, May 11, 2020)

Ken Moak, in an article entitled

> The futility of being 'tough' on China: Not only can China push back against its foes militarily and economically, its leaders see no reason to mess with success

has explained why US attempts at 'disciplining' China for what it has defined as its 'malicious motives' over the past several decades are based on deep misunderstanding of what China is all about[845]:

> ...[T]here is a limit to what the US can do to stop China's rise, particularly when the reasons for stifling the country's progress are based on subjective and questionable information. While accusing China of spying, the US could not or would not provide credible evidence. On China engaging in currency manipulation, even the United States' own Treasury Department disagreed.
>
> Indeed, the only "sin" China has committed is that its development model is too successful, elevating the economy to No 2 in nominal GDP terms and the biggest in purchasing power parity terms within a generation.
> (Ken Moak, œThe futility of being 'tough' on China, *Asia Times*, October 27, 2020)[846]

Entirely predictably, the major 'news' channels of the United States have swung into action in support of the official refocusing of US foreign policy and rhetoric.

Damien Cave, Motoko Rich and Jack Ewing show how it is done in a *New York Times* (June 15, 2020) essay entitled 'œBreak the China Habit? Lobsters, Lights and Toilets Show How Hard It Is' and sub-titled:

> The risks of relying economically on the Asian superpower have never seemed clearer. But as the world tries to get moving again, it needs China more than ever,

There is little need for coherence or presentation of information when the aim is propaganda. So, they have linked China's early alleged mishandling of the coronavirus and consequent disruption of the country's ability to make and buy the world's products with, of course, 'the faults of its authoritarian system' which led it 'to ratchet up its propaganda war'.[847]

As the propaganda offensive against China grows, so does US paranoia. A nation which, by 2010, had developed a 'Homeland Security' industry which, to paraphrase Priest and Arkin,

> ...included some 1,271 government organizations and 1,931 private companies working on programs related to counterterrorism, homeland security and intelligence in about 10,000 locations across the United States with an estimated 854,000 people... holding top-secret security clearances in Washington and the surrounding area and had 33 building complexes for top-secret intelligence work which were either under construction or had been built since September 2001 and which occupied the equivalent of almost three Pentagons or 22 U.S. Capitol buildings - about 17 million square feet of space.

has decided that the real threat to the security and wellbeing of US citizens comes, not from its own poorly regulated and monitored intelligence and surveillance industries, but from Chinese firms like *TikTok* [848]

And, in the twilight of 2023, the now 'tried and true' United States' resort to hunting down 'terrorists' has pivoted to 'Asia'.

> The United States has hosted the first meeting of the new working group on terrorism in the Quad format in Honolulu, Hawaii, on December 19-21. The QUAD working group on terrorism was constituted in March at the foreign minister level meeting in New Delhi hosted by External Affairs Minister S. Jaishankar.
>
> The joint statement issued after the March meeting had noted "with deep concern that terrorism has become increasingly diffuse, aided by terrorists' adaptation to, and the use of emerging and evolving technologies such as unmanned aerial systems and the internet, including social media platforms for recruitment and incitement to commit terrorist acts, as well as for the financing, planning, and preparation of terrorist activities."
> (M. K. Bhadrakumar, œUS' war on terror against Houthis is smoke and mirrors, *Indian Punchline*, December 24, 2023)

The experiences of the 20th Century, as George Orwell alerted us, should make us acutely aware that the most serious threats to 'freedom and democracy' come, not from external sources, but from the intelligence and surveillance organizations designed to gather information on citizens - powerful but secretive and barely under the control of their own governments. Priest and Arkin described such developments within the United States of America:

> Underscoring the seriousness of these issues are the conclusions of retired Army Lt. Gen. John R. Vines, who was asked last year to review the method for tracking the Defense Department's most sensitive programs. Vines, who once commanded 145,000 troops in Iraq and is familiar with complex problems, was stunned by what he discovered.

> "I'm not aware of any agency with the authority, responsibility or a process in place to coordinate all these interagency and commercial activities," he said in an interview. "The complexity of this system defies description.".

President Donald Trump, in his 2020 œresort to 'federal officers' to control US citizens in Portland, demonstrated the very real power held by both the US Administration and Congress to mobilize federal 'law enforcement agencies' against their own civilian populations. And, in doing so, he, in a truly Orwellian manner, 'justified' his behavior by accusing 'foreign powers' of being behind civil unrest. [849]

Not only was there very little effective congressional protest against such behavior, President Trump managed to garner support for his condemnation of 'Chinese interference' in the US from loyal international 'allies' and supporters.

Once again, it's down the rabbit-hole with the USA.

To paraphrase Lewis Carroll (1872):

> O frabjous day! Callooh! Callay!
>
> - A new Coalition of the Willing;
> - New Space Surveillance and policing powers[850];
> - Investing in cutting-edge technologies and accelerating the modernization of our force;
> - Divesting from legacy systems and re-investing those savings into hypersonic missiles, artificial intelligence, autonomous systems, and other game-changing technologies[851];
> - Using these advanced capabilities to help keep the peace, promote prosperity, ensure security, and protect the sovereignty of all freedom-loving countries;
> - Establishing well-regarded principles for the lawful and ethical use of AI;
> - Protecting these high-tech breakthroughs from theft and exploitation by strengthening our foreign investment laws, supply chains, export controls, university-based research, and cyber defenses;
> - Encouraging our allies and partners to begin to take similar actions, as they thoroughly assess the long-term threats and challenges posed by China;
> - Making the hard economic and commercial choices needed to prioritize our shared security; and by working together to maintain a ready and capable alliance network.
>
> "The contrast between China's malevolent actions and United States' leadership couldn't be more obvious".
>
> The US and 'its allies' can and will ensure the peace and security of the world even if it has to destroy it in the process
>
> And Congress has supplied all the funding and powers we need to do so Trump chortled in his joy.

The US is heading into a 21st century Cold War (taking Australia with it!)

(29/07/16) (06/08/16) (28/03/16) (26/07/16) (10/09/16) (03/11/17) (20/06/20) (02/07/20) (01/12/20) (18/06/21) (24/06/21) (26/06/21) (30/06/21) (31/08/21) (30/09/21) (07/05/22) (08/05/22) (05/06/22) (06/06/22) (26/06/22)

In this 21st Century the United States has replaced the often evoked but largely mythical 'International Rule of Law' with an increasingly irrational expediency 'justified' by a 'rules based order' in which the 'rules' of yesterday morph into those required to support the concerns of today.

In the process the true nature of the US driven 'rule of law' is exposed: a chameleon-like entity changing as required to 'justify' a kaleidoscopic 'reality' driven by US expediency.

Whatever the US decides to do will always be found to be 'justified' by appeal to that 'rules based order'. Both domestic and foreign policy morph in sympathy with that shifting 'reality' and the rest of the world is left to deal with an unpredictable 'world power' which insists on its 'indispensability'.

Russian Foreign Minister Sergey Lavrov, commenting on ongoing negotiations between Russia and Iran, succinctly summed up the problem with the United States version of a 'rules based order':

> We discussed international issues in depth. We stand together in rejecting the concept of the rules-based order that is pushed forward by the United States and its satellites. This concept is designed for use as a substitute for international law and the UN Charter's basic principles, primarily the principle of sovereign equality of states. Everything that the United States and its allies are doing in the international arena flat-out undermines this fundamental UN principle. Iran and Russia condemn the untenable practice of unilateral illegal sanctions that are imposed contrary to the UN Charter and need to be opposed by all independent members of the international community.
>
> To this end, the Group of Friends in Defence of the Charter of the United Nations was established which, among others, includes Iran and Russia and has more than 20 members. I'm sure the group will expand.[852]

In the third decade of the 21st century we are, indeed, living in a rapidly changing reality. With the world descending into climate crises and with neoliberalism weakening polities, syphoning wealth to the few, degrading infrastructures and disenfranchising most of humanity, what will this world be like ten years from now?

> The unprecedented global challenges that the United States faces today - climate change, pandemics, nuclear proliferation, massive economic inequality, terrorism, corruption, authoritarianism - are shared global challenges. They cannot be solved by any one country acting alone. They require increased international cooperation - including with China, the most populous country on earth.
>
> It is distressing and dangerous, therefore, that a fast-growing consensus is emerging in Washington that views the U.S.-Chinese relationship as a zero-sum economic and military struggle. The prevalence of this view will create a political environment in which the cooperation that the world desperately needs will be increasingly difficult to achieve...

> Developing a mutually beneficial relationship with China will not be easy. But we can do better than a new Cold War. (Bernie Sanders) [853]

How refreshing it is, in this third decade of the 21st century, to hear a sane assessment of the world scene coming out of Washington! How much both the United States and the rest of the world has lost[854] in the US election of their current president.

While the political situation in 2020 made it difficult to promote radical 'New Deal' policies, one should ask, as so many in the United States and around the world have asked,

> If not in 2020, then when will it ever be propitious to vigorously oppose Democrat selection of a corporatist presidential candidate?

There has, in the post-Cold War (Mark I) United States of America, been an important change in political focus and foreign policy approach to the rest of the world. Richard Haass explained:

> The old foreign policy paradigm grew out of World War II and the Cold War, founded on the recognition that U.S. national security depended on more than just looking out for the country's own narrowly defined concerns. Protecting and advancing U.S. interests, both domestic and international, required helping shepherd into existence and then sustaining an international system that, however imperfect, would buttress U.S. security and prosperity over the long term.
>
> Despite missteps (above all, the misguided attempt to reunify the Korean Peninsula by force and the war in Vietnam), the results largely validated these assumptions. The United States avoided a great-power war with the Soviet Union but still ended the Cold War on immensely favorable terms; U.S. GDP has increased eightfold in real terms and more than 90-fold in nominal terms since the end of World War II.
>
> The new paradigm dismisses the core tenet of that approach: that the United States has a vital stake in a broader global system, one that at times demands undertaking difficult military interventions or putting aside immediate national preferences in favor of principles and arrangements that bring long-term benefits.
>
> The new consensus reflects not an across-the-board isolationism - after all, a hawkish approach to China is hardly isolationist - but rather the rejection of that internationalism. Today, notwithstanding Biden's pledge "to help lead the world toward a more peaceful, prosperous future for all people," the reality is that Americans want the benefits of international order without doing the hard work of building and maintaining it.
> (Richard Haass, œThe Age of America First: Washington's Flawed New Foreign Policy Consensus, *Foreign Affairs*,November/December 2021)

Through the first four decades of the post-Cold War world, the US has pursued its interests with an essentially irrationalist expediency. It is, as the neo-conservative drivers of its Middle East adventures claimed, creating its own reality - a reality which it is increasingly determined to impose on the rest of the world. A Bush White House aide put it in a nutshell:

> We're an empire now, and when we act, we create our own reality. And while you're studying that reality - judiciously, as you will - we'll act again, creating other new realities, which you can study too, and that's how things will sort out. We're history's actors .... and you, all of you, will be left to just study what we do.

Paul Roberts explained:

> The neocons used September 11, 2001, as a "new Pearl Harbor" to give power precedence over law domestically and internationally. The executive branch no longer had to obey federal statutes, such as the Foreign Intelligence Surveillance Act or honor international treaties, such as the Geneva Conventions. An asserted "terrorist threat" to national security became the cloak which hid US imperial interests as the Bush Regime set about dismantling US civil liberties and the existing order of international law constructed by previous governments during the post-war era.
> (Paul Craig Roberts, œThe New Neo-Con Reality, *CounterPunch* October 28, 2008)

The 'democratic' processes of the United States have been captured by 'big-money'. 'Democratically elected' politicians who rely on plutocratic support for both election and, all-too-often, for 'guidance' in the ongoing political administration of the nation, are indeed the very definition of what Roosevelt, in the 1930s, claimed were fascist politicians.

As he argued "Fascism - ownership of Government by an individual, by a group, or by any other controlling private power" is the deepest and most insidious threat to the democratic organization and functioning of a Western Democracy.

With politicians and key administrators beholden to their plutocratic backers, decision-making in the United States of America has been fractured into a multitude of poorly connected focuses driven by short-term self-interest.

Any attempt at 'understanding' the increasingly chimeric politics of the nation and its regions is constantly thwarted by this ongoing process of satisfying the demands of disparate power-holders whose self-focused drive to power is not conducive to cooperative planning at any level of government [855].

The plutocratic hollowing out of Western democracies is indeed a threat to the wellbeing and rights of populations in such nations. However, the larger, and more serious threat to the rest of the world has lain, and still lies, in an even more fundamental weakness implied in the definition of 'independent individualism' at the root of 'Western democracy and Civilization'.

Overt insistence on the preeminent right to 'individual independence' and freedom to behave as self-interested individuals at the expense of all forms of social cohesion and consequent social and political organization has led to the absurd insistence that all who live in 'non-democratic' societies are living in 'autocratic' and 'authoritarian' societies.

The claim by the United States, as the hegemonic center of Western Capitalism, that all those living in non-democratic societies and polities need to be 'freed' becomes a declaration of 'war' against all nations and communities which place the wellbeing of the community before the self-interest of individuals.

They must be 'liberated' so that, having cast off the chains of 'society', their populations can freely develop their own unique individualities in a new 'democratic' reality consisting of independent individuals living in a 'globalized free world'.

For the independent individual, self-interest trumps any and all forms of 'social' responsibility. State, community, family, friendship, all forms of social, economic and political grouping and all forms of responsibility legitimized and required through involvement in them are subordinate to self-interest. As Thatcher insisted 'There is no such thing as society'!

Hal Brands has described Biden's version of all this:

> **THE BIDEN DOCTRINE**
>
> This three-fold challenge suggests a three-fold response - elements of which can be seen in the Biden administration's early moves.
>
> First, the United States must strengthen the cohesion and resilience of the democratic community against its autocratic rivals and make such democratic solidarity truly global, since so many aspects of the threat require a global response.
>
> Second, it must lead the world's democracies in addressing transnational problems that no nation can solve on its own.
>
> And it must build a "position of strength" for global rivalry by reinvesting in its own competitiveness and demonstrating that democracies can still deliver for their citizens.
>
> The Biden foreign policy has been centered on putting this sweeping concept of American strategy - rooted in the inescapable fact that the supremacy of democracy is more imperiled than at any time in generations - into operation.
> (Hal Brands, œThe Emerging Biden Doctrine: Democracy, Autocracy, and the Defining Clash of Our Time, *Foreign Affairs*, June 29, 2021)

There is a deep need in this century to understand that variations in governing systems around the world stem from the primary ideological differences which shape their understanding of reality and their consequent societal organization.

We cannot afford that simplistic understanding which leads to designation of all systems different to those of the West as 'autocratic or 'authoritarian' or 'totalitarian' and so to binary division of the world between 'The West' and 'The Rest'[856]. A *World Politics Review* email entitled 'Insight' (25 June, 2021) demonstrated this naive Western 'understanding' of 'reality':

> Popular protests are on the rise, and they are increasingly going global.
>
> Over the past two years, popular movements demonstrating against fiscal austerity and corruption have **brought down governments-in democracies and authoritarian regimes alike**-from Europe and Latin America to Africa and Asia. (my emphasis).

When all forms of government other than those from 'The West' are perceived as 'authoritarian', and one's predisposition is to 'free' the oppressed of the world, then any form of government not identified as a 'Western Democracy' becomes a legitimate target of hostility. And so...

The US is heading into a 21st century Cold War[857], quite consciously and deliberately focused on creating conditions which will enable the United States of America to hold the rest of the world to ransom through threat of unstoppable hypersonic nuclear missile attack backed by overwhelming military superiority. Such weaponry is, by its nature, extremely hazardous. Noam Chomsky has explained:

> [These] extremely hazardous weapons, ...have only a few minutes flight-time to Moscow, posing a decapitation threat, a sudden attack that would destroy any possibility of response. That, of course, sharply increases the danger of a nuclear response to warnings given by automated systems that have often failed in the past, thus ending all of us...
>
> Anyone familiar with the record knows that it's a virtual miracle that we have so far avoided terminal nuclear war. The threat, which was already grave, was heightened by the Trump nuclear posture review that authorized new destabilizing weapons and lowered the threshold for nuclear attack.

Jade Gailberger has described Australia's willing commitment to cooperating with the United states in developing and testing hypersonic weaponry:

> Hypersonic missiles that can travel at five times the speed of sound - or between Sydney and Melbourne in just seven minutes - will be built by Australia and the United States under a milestone agreement.
>
> It will be Australia's entry to the global arms race to develop the technology for the fastest missiles ever made, although research has been underway for 15 years.
>
> Australia's defence industry, including small and medium businesses, will play a key role in building the weapons.[858]

Nigel Pittaway has explained the nature of the cooperative œSCIFiRE relationship between Australia and the United States of America:

> From the U.S. perspective, the effort falls under the Allied Prototyping Initiative, which is managed by the Directorate of Advanced Capabilities within the Office of the Under Secretary of Defense for Research and Engineering.
>
> The program will be executed by the U.S. Air Force under the auspices of the weapons program executive officer, and it will leverage more than 15 years of collaboration on research into scramjets, rocket motors, sensors and advanced manufacturing materials between the two countries.
>
> The agreement follows discussions between former U.S. Defense Secretary Mark Esper and Australian Defence Minister Linda Reynolds during the bilateral Australia-US Ministerial Consultation talks held in Washington in July.
>
> "SCIFiRE is a true testament to the enduring friendship and strong partnership between the United States and Australia," Michael Kratsios, acting undersecretary of defense for research and engineering, said in a statement. "This initiative will be essential to the future of hypersonic research and development, ensuring the US and our allies lead the world in the advancement of this transformational warfighting capability. We thank the Australian Department of Defence for their shared commitment to this game-changing effort."
> (Nigel Pittaway, œAustralia, US partner on air-launched hypersonic missile, *Defense News*, December 01, 2020)

There is madness in the air!

At the same time as œAustralia defied international pressure to set Greenhouse Gas emissions targets, it willingly committed to escalating

nuclear tensions around the world by cooperating in developing devastating first-strike nuclear weaponry.

With hypersonic weaponry at its disposal, that US-led 'first-strike' threat becomes insuperable[859].

If the 20th century Cold War threatened humanity with nuclear destruction, this kind of escalation all-but-guarantees it!

The US administration's (and, as 2020 drew to a close, Australia's) vision for the 21st century is of a world engulfed in nuclear apocalypse.

As 2019 drew to a close, the inevitable happened: Congress approved a massive increase in US military spending with little or no constriction of the president's war powers[860].

> The House on Wednesday passed a $738 billion military policy bill that would authorize the creation of the Space Force championed by President Trump as the sixth branch of the military...
>
> The 377-to-48 vote reflected broad bipartisan support for the compromise package, one of the nation's most expensive military policy bills to date. It passed over the opposition of a bloc of progressive Democrats and libertarian-minded Republicans who objected to its steep price tag and its omission of provisions they had proposed to limit the president's power on an array of military matters....
>
> "This is exactly what the American people have been demanding of government, that we can actually move forward on legislating, on governing, to show that we are adults that are able to get things done on issues of national security," said Representative Andy Kim, a freshman Democrat who represents a New Jersey district that voted for Mr. Trump in 2016. "Even in a time of divided government."
>
> The Senate is expected to take up the compromise bill and send it to the president's desk as early as next week.
> (Catie Edmondson, œHouse Passes $738 Billion Military Bill With Space Force and Parental Leave: A bipartisan group of lawmakers agreed to give troops a pay raise and the president his Space Force, while jettisoning a slew of measures that would have reined in the president's war powers, *New York Times*, December 11, 2019)

William Astore has explained: War is the new normal for the 21st century United States of America:

> War, in other words, is [the] new normal, America's default position on global affairs; and peace, some ancient, long-faded dream. And when your default position is war, whether against the Taliban, ISIS, "terror" more generally, or possibly even Iran or Russia or China, is it any surprise that war is what you get?
>
> - When you garrison the world with an unprecedented 800 or so military bases[861],
> - When you configure your armed forces for what's called power projection,
> - When you divide the globe -- the total planet -- into areas of dominance (with acronyms like CENTCOM, AFRICOM, and SOUTHCOM) commanded by four-star generals and admirals,

- When you spend more on your military than the next seven countries combined,
- When you insist on modernizing a nuclear arsenal (to the tune of perhaps $1.7 trillion) already quite capable of ending all life on this and several other planets,

> What can you expect but a reality of endless war?
>
> Think of this as the new American exceptionalism. In Washington, war is now the predictable (and even desirable) way of life, while peace is the unpredictable (and unwise) path to follow.
>
> In this context, the U.S. must continue to be the most powerful nation in the world by a country mile in all death-dealing realms and its wars must be fought, generation after generation, even when victory is never in sight. And if that isn't an "exceptional" belief system, what is? (William J. Astore, œAmerican Exceptionalism Is Killing the Planet The Many Abuses of Endless War, *TomDispatch*, December 1, 2019.)

The US Department of Energy's National Nuclear Security Administration (NNSA) provided a justificatory explanation of its priorities and plans over the next thirty years. In its œFiscal Year 2018 Stockpile Stewardship and Management Plan (SSMP), it describes its plans to "ensure the safety, security, and effectiveness of the U.S. nuclear stockpile and to maintain the scientific and engineering tools, capabilities, and infrastructure that underpin the nuclear security enterprise". [862]

William Broad and David Sangerjan, in a 2016 *New York Times* article, summed up the proposed developments:

> ...[W]hile the North Koreans have been thinking big - claiming to have built a hydrogen bomb, a boast that experts dismiss as wildly exaggerated - the Energy Department and the Pentagon have been readying a line of weapons that head in the opposite direction.
>
> The build-it-smaller approach has set off a philosophical clash among those in Washington who think about the unthinkable.
>
> ...The explosive innards of the revitalized weapons may not be entirely new, they argue, but the smaller yields and better targeting can make the arms more tempting to use - even to use first, rather than in retaliation.
>
> Gen. James E. Cartwright, a retired vice chairman of the Joint Chiefs of Staff who was among Mr. Obama's most influential nuclear strategists, said he backed the upgrades because precise targeting allowed the United States to hold fewer weapons. But "what going smaller does," he acknowledged, "is to make the weapon more thinkable."
>
> ...The B61 Model 12, the bomb flight-tested last year in Nevada, is the first of five new warhead types planned as part of an atomic revitalization estimated to cost up to $1 trillion over three decades. As a family, the weapons and their delivery systems move toward the small, the stealthy and the precise.
> (William J. Broad and David E. Sangerjan, œAs U.S. Modernizes Nuclear Weapons, 'Smaller' Leaves Some Uneasy, *New York Times*, January 11, 2016)

A strange new military has emerged in the United States. Think of it, if you will, as a post-democratic force that prides itself on its warrior ethos rather than the old-fashioned citizen-soldier ideal. As such, it's a military

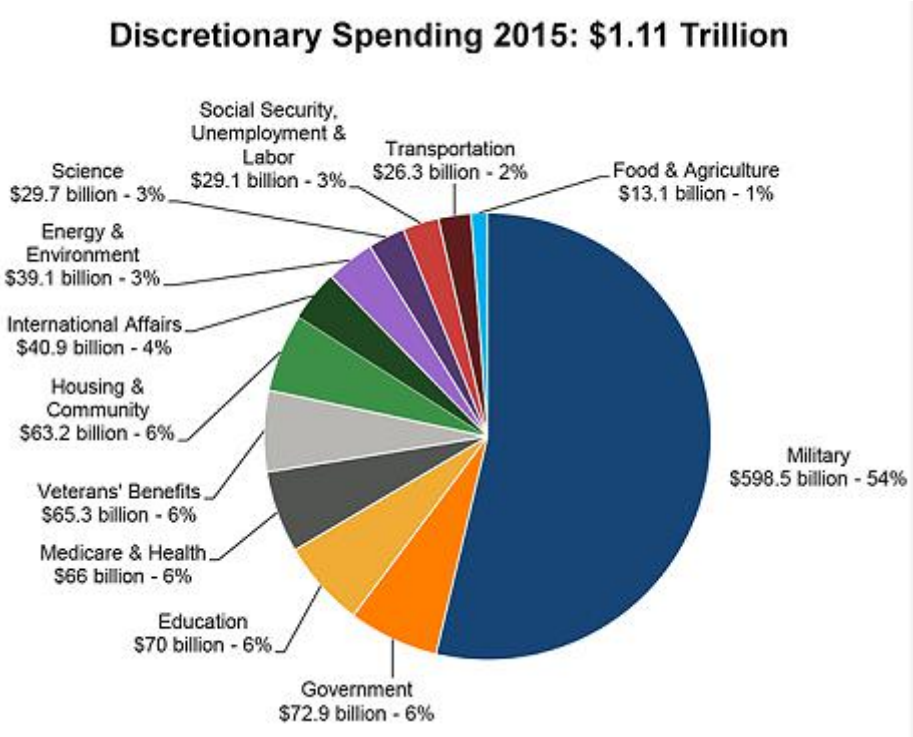
increasingly divorced from the people, with a way of life ever more foreign to most Americans (adulatory as they may feel toward its troops). Abroad, it's now regularly put to purposes foreign to any traditional idea of national defense' (William Astore, March 22, 2016).

As Eisenhower explained in 1960: "The total influence [of that Military-Industrial Complex] - economic, political, even spiritual - is felt in every city, every State house, every office of the Federal government"[863].

(07/08/16)

The website œNational Priorities Project has illustrated the degree to which, to the present, 'defense' dominates and justifies federal budgetary spending in the United States - which, in its own mind, has, for more than half a century, been 'a nation under foreign threat':

> In fiscal year 2015, military spending is projected to account for 54 percent of all federal discretionary spending, a total of $598.5 billion.



(09/09/16) (16/05/17) (19/05/17)

Now, the US Military-Industrial Complex is being funded as no other military has been funded in Western history (eclipsing the combined funding of the next nine nations in the world)

Neta Crawford has spelt out US 'war on terror' costs over the past 18 years in a report subtitled 'A Summary of the $5.6 Trillion in Costs for the US Wars in Iraq, Syria, Afghanistan and Pakistan, and Post-9/11 Veterans Care and Homeland Security':

> As of late September 2017, the United States wars in Iraq, Afghanistan, Pakistan and Syria and the additional spending on Homeland Security, and the Departments of Defense and Veterans Affairs since the 9/11 attacks totaled more than $4.3 trillion in current dollars through FY2017. Adding likely costs for FY2018 and estimated future spending on veterans, the costs of war total more than $5.6 trillion....
> (Neta C. Crawford, œCosts of War, Watson Institute, Brown University, November 2017)

Lest it be imagined that the US Military Industrial Complex is a careful steward of such astronomical sums, Idrees Ali and Mike Stone, in a *Reuters* report, put that delusion to rest [864]:

> The Pentagon has failed what is being called its first-ever comprehensive audit, a senior official said on Thursday, finding U.S. Defense Department accounting discrepancies that could take years to resolve.
>
> Results of the inspection - conducted by some 1,200 auditors and examining financial accounting on a wide range of spending including on weapons systems, military personnel and property - were expected to be completed later in the day.
>
> "We failed the audit, but we never expected to pass it," Deputy Secretary of Defense Patrick Shanahan told reporters, adding that the findings showed the need for greater discipline in financial matters within the Pentagon.
> (Idrees Ali and Mike Stone, œPentagon fails its first-ever audit, official says, *Reuters*, November 16, 2018)

And, in December, 2023, Lindsay Koshgarian again describes the continuing US Pentagon's financial hall of mirrors:

> The Pentagon just failed its audit - again. For the sixth time in a row, the agency that accounts for half the money Congress approves each year can't figure out what it did with all that money.
>
> For a brief recap, the Pentagon has never passed an audit. Until 2018, it had never even completed one.
>
> Since then, the Pentagon has done an audit every year and given itself a participation prize each time. Yet despite this year's triumphant press release - titled "DOD Makes Incremental Progress Towards Clean Audit" - it has failed every time.
> (Lindsay Koshgarian, œThe Pentagon Fails Its Audit Again - and Again and Again and Again and Again and Again: No other federal agency could get away with this. There would be congressional hearings. There would rightly by public outrage, *Common Dreams*, December 01, 2023)

For more on all this see:

> David DeGraw, œHow $21 Trillion in U.S. Tax Money Disappeared. "Full Scope Audit" of the Pentagon, *Global Research*, October 27, 2018;
>
> Winslow T. Wheeler (ed), œThe Pentagon Labyrinth: 10 Short Essays to Help You Through It, Center for Defense Information, *World Security Institute* February 2011.

Short-circuiting Political Safeguards Against Impulsive War Making Prosecuted by Unaccountable 'War Heroes'

List of Update Dates:

The history of capitalism is, without doubt, a history of nations committed to militarism: to invasion, subjugation and rapine, justified as a 'civilising mission' by those whose moral superiority has driven them to accept responsibility for 'civilising' and 'developing' the rest of the world. As Hirst (1900) explained:

> Our colonies... owe their vitality and strength, and most of the finer characteristics which make them almost unique in the history of colonization... to the policy of non-interference, to the studied avoidance of aggression, to toleration and generous amity between conflicting creeds and diverse races, to Liberal principles and Liberal ideas.

And, despite the unravelling of Western European empires in the post-WW2 period, the colonial enterprise, now called 'neo-colonialism', has continued unabated. The future of the world is to be 'capitalist'. As œFukuyama argued

> ...[L]iberal democracy may constitute the 'end point of mankind's ideological evolution' and the 'final form of human government,' and as such constitute[s] the 'end of history.' That is, while earlier forms of government were characterised by grave defects and irrationalities that led to their eventual collapse, liberal democracy was arguably free from such fundamental internal contradictions.[865]

Hammond (1900) explained the mindset of Western 'democratic' capitalists intent on 'civilizing' the world: 'It is the major premiss of the Imperialist argument that British [and, by extension, US] civilization is the best in the world'

In the 21st Century, the United States, the current center of Western Hegemony, remains confident of its superiority and 'right' (indeed, 'duty') to direct the world (because it is, always and inevitably, 'at the center of whatever is good, just, stable, and orderly').

Zachary Karabell explained why United States politicians, of both major varieties, have long-shared 'a worldview that puts the United States at the center of whatever is good, just, stable, and orderly and that any who depart from the wishes of the United States are opposed to whatever is good, just, stable, and orderly':

> The U.S. midterm elections demonstrated that domestically, Americans are sharply divided, with the balance of power nationally almost exactly split between Democrats and Republicans and each believing that the other party is too extreme and a threat to democracy. Yet when it comes to foreign policy, Americans and their political parties are much more aligned. In theory, that should be a good thing. In reality, it is not.
>
> That's because alignment is based on a continued fantasy of American preeminence globally that may have been true in the middle of the 20th century but has long since passed its expiration date. This la-la-land syndrome has sharp consequences. In not grasping the changing balance of power globally, U.S. foreign policy undermines what remains of U.S. power, not just internationally but domestically...
> (Zachary Karabell , œDemocrats and Republicans Agree That America Is Always Right: Washington can no longer afford its self-defeating "with us or against us" attitude. *Foreign Policy*, November 10, 2022)

This has been the fable upon which Western Capitalists have all agreed. But, as Joe Brunoli has argued, the reality for the center of world capitalism in this 21st century is rather different:[866]

> ...If we are to be honest, having a government that is run by and for the corporations; a government in which the line between public service and private enterprise is increasingly blurred; a government that represents the perfect 'marriage' between the powers of the State

> and those of corporations, means, by historical definition, that we have a 'fascist' system of government....

The collapse of the Soviet Union in the late 20th century was widely trumpeted within the US and among US allies as a victory of 'democracy' over 'totalitarianism' brought about by an aggressive buildup in military power within the US under President Reagan.

This ostensibly validated the burgeoning growth of US military budgets and justified a growing belief that US authority around the world required an unchallengeable military.

The US was becoming a militant nation whose 'economy' underpinned and relied upon its military power. US Capitalism was fast morphing into US Militarism. Future US 'diplomacy' would increasingly become prelude to invasion rather than being the means for avoiding conflict.[867]

The late 20th century profit-motivated off-shoring of manufacturing facilities by Western corporations presumed a neocolonial relationship between those corporations and the territories to which they moved. Most of the needed infrastructural costs of the transfer were borne by the 'grateful' neocolonial territories which were encouraged to compete with each other to attract what IMF and World Bank officials told them would be highly beneficial 'foreign direct investment'.

The corporations involved did not for a moment believe that any of those territories would have the ability to turn the tables on their 'benefactors'.

The inevitable cost to those neocolonial administrations of funding the necessary infrastructures required by transnational companies massively increased their foreign debt burdens. So, it seemed, in the neoliberal climate of the times, absurd to believe that they could become independent of Western corporate control, no longer competing for corporate favor but able to develop independently and profit from the relocated facilities and/or technologies.[868]

Those that attempted to do so, soon found themselves being regarded not as cooperative clients of Western powers but as 'competitors' and possible future foes.

Evan Medeiros and Ashley Tellis described the 21st century expression of all this:

> Beginning in 2020, U.S. Secretary of State Mike Pompeo and Deputy National Security Adviser Matt Pottinger, among others, started speaking about putting pressure on the Chinese Communist Party in ways that many interpreted as calls for regime change. Pompeo, slamming Beijing's "new tyranny," memorably declared: "If the free world doesn't change, communist China will surely change us." Distinguishing between the Chinese people and their regime, Pottinger urged the former "to achieve citizen-centric government in China" as an antidote to the CCP.
>
> This rhetoric is rooted in a strain of thought that contends that the characteristics of a regime - rather than the country's national interests or its position within the international system - determine state behavior....
> (Evan S. Medeiros and Ashley J. Tellis, œRegime Change Is Not an Option in China, *Foreign Affairs*, July 8, 2021)

So, what happens when a nation like China, whose strength is firmly founded on Western corporate transfer of non-military US (and other Western) industrial activity to it[869], becomes a perceived threat to US hegemony?

A *Global Times* editorial described the US move to reduce its reliance on China and realign its supply chains:

> As the US and India appear to move toward closer trade ties, it is essential for China to be vigilant as to Washington's plan to accelerate a global realignment of supply chains.
>
> India and the US have established a new working group to build sustainable supply chains and boost bilateral trade, the governments said in a joint statement on Thursday after the conclusion of the 13th India-US Trade Policy Forum in Washington, Reuters reported.
>
> Also, Indian Union Commerce and Industry Minister Piyush Goyal said on Wednesday that US Commerce Secretary Gina Raimondo will visit India in March this year, accompanied by a high-powered delegation of global CEOs of large multinational companies, according to Indian media outlet ANI.
>
> While there is no shortage of topics about trade frictions between India and the US, such as the US removal of India from its generalized system of preferences and India's digital competition law, it has to be admitted that the US-India economic and trade relationship is in a period of rapid development....
> (Editorial, œGT Voice: Rising signs of US supply chain shift require vigilance, *Gobal Times*, January 12, 2023)

The problem for the United States in 'Washington's plan to accelerate a global realignment of supply chains' is that in future years India might well become the next 'China'.[870]

India might be willing to court Western favor to its own advantage but, as the US found in its dealings with China, there is no way of ensuring this into the future.[871]

India's Prime Minister Narendra Modi, in early 2023, seemed to be experiencing a Western determination to weaken his position in India. By insisting on India's right to maintain an independent political position in the world (based on its long-term leadership of the non-aligned movement) Modi was apparently being seen as an 'obstacle' to the realignment of US supply chains from China to India.

Hans India described what seemed to be happening:[872]

Qian Feng spelled out the dilemma:

> ...[M]any Indians have increasingly become aware that Washington is, most of the time, the biggest culprit of the chaos and crises all over the world. They have also started to sense Washington's actual intentions behind its wooing of New Delhi: The US is making India serve its strategic interests.
>
> India's mistrust in the US is real. It mainly comes from the fact that what Washington has promised to New Delhi has turned out to be lip service. The US claims that it attaches great importance to India on matters in which India has a tremendous air of expectancy, such as market access issues. Yet, Washington has been reluctant to grant what India hopes for.

> Washington will not terminate its efforts to rope in New Delhi in various fields such as strategy, diplomacy, and security. Against the backdrop that the US has already regarded China as its top rival, the US wants to further sow discord between China and India by provoking friction between them. In this way, India can support the US' strategy, playing a more significant role in containing China. That is to say, as long as Washington sees Beijing as its top opponent, it will not stop attempts to woo India.
> (Qian Feng, œIndians rating US as a 'security risk' indicates India will not be a loyal supporter, *Global Times*, January 18, 2023)

A 2022 *Global Times* editorial summed up the consequences for China:[873]

It appeared, in April 2023, that, if Bhadrakumar is correct, India was willing to pursue diplomatic policies driven by pragmatic, self-interested opportunism (reminiscent of Türkiye's foreign policy orientation) which seemed at odds with its long-declared policy of 'nonalignment'.[874]

In its attempt to 'remain neutral', India, under Modi's leadership, is suffering increasing regional intolerance and violence. Sushant Singh described the scene:

> ...This August, [Modi] asserted that India's [G-20] presidency would help make the world into "one family" through "historic efforts aimed at inclusive and holistic growth." The government's message was clear: India is becoming a great power under Modi and will usher in an era of global peace and prosperity.
>
> But 1,000 miles away from New Delhi, in the northeastern state of Manipur, India is caught in a conflict that suggests it is in no position to serve as an international leader. Over the last four months, ethnic violence between Manipur's largest community, the Meiteis, and its second-largest minority, the Kukis, has killed hundreds of people and rendered 60,000 people homeless. Mobs have set fire to over 350 churches and vandalized over a dozen temples. They have burned more than 200 villages.
>
> At first glance, it may seem as if the violence in Manipur will not hinder Modi's foreign policy ambitions. After all, the prime minister has traveled the world over the last four months without having to talk about the conflict. It did not come up (at least publicly) in June, when U.S. President Joe Biden rolled out the red carpet for Modi in Washington, D.C. It was not mentioned when Modi landed in Paris three weeks later and met French President Emmanuel Macron. And the issue has not arisen during his visits this year to Australia, Egypt, Greece, Japan, Papua New Guinea, South Africa, and the United Arab Emirates.
> (Sushant Singh, œWhy Modi Can't Make India a Great Power: Government-Backed Intolerance Is Tearing the Country Apart, *Foreign Affairs*, September 4, 2023)

It is not hard to understand why 'The West' and its entourage have ignored India's ongoing ethnic and religious troubles. After all, such conflict has been 'stock-in-trade' for the US and its Western allies over the past half century and more and, in September 2023, India is being courted by Western powers eager to recruit it as a trojan horse in attempts to derail the embryonic 'New World Order'.

Of course, though 'The Pentagon must be feeling elated', the apparently 'wild swing in Indian policy' is what one might expect of policies driven by

pragmatic, self-interested opportunism. The pendulum might, just as dramatically, swing in another, perhaps unrelated, direction when/if significant advantages are to be gained by such a change.

While, in 2023, œIndia clearly wants an improved trading relationship with the world's largest importer of finished manufactures, it has, through the post-WW2 period, shown itself to be disconcertingly independent in its international relations with Western states.

As China's *Global Times* observed following apparently effusive support of each other by US and Indian leaders in a Modi state visit to the US,

> This seems perfect, but we all know that many plans concocted in imagination often fall apart in reality, just like the Chinese idiom "discussing warefare on paper." The more strategically independent a country is, such as India, the less likely it is to strictly follow the script written by Washington, especially when Washington demands actions that go against its own national interests. We believe that New Delhi will make calm and sober choices, as history has proven.
> (œUS will lose its 'huge bets' on China's neighboring region: Global Times editorial, *Global Times*, June 24, 2023)

India can but hope that the myopic self-interest which has driven Western corporate 'offshoring' will enable them to reap the benefits without incurring the costs of expediency-driven 'Washington alignment'.

Such weathercock policies will, however, make India a fair weather companion in serious attempts at creating and sustaining a 'new world order'.

Bhadrakumar, in a post (July 6, 2023) focusing on India's performance in hosting a teleconference between Shanghai Cooperation Organization (SCO) leaders, described India's ambivalent approach to the central aims of the organization:[875]

He summed up India's ambivalent attitude to involvement in 'a new world order' in a *Russia Today* contribution:[876]

It seems that Washington considers India (perhaps correctly!) to be its *Trojan Horse*, subverting the ambitions of those organizations. Nations whose foreign policies are focused on pragmatic self-interested opportunism make disconcerting and potentially unpredictable partners in any determination to reform the 'world order'.

The presumption that those corporations and financiers responsible for moving Western industrial facilities and activaties 'offshore' will, with the rising 'threat of China', relocate their operations to Western nations is, of course, delusional.

That will only happen when deregulation has stripped Western populations of all of the 'New Deal' protections which made them 'high cost' 'welfare states', intent on ensuring the quality of life of their populations rather than ensuring the profits of the super-rich.

A *Global Times* editorial described the consequences of China's emergence as a threatening competitor to Western hegemony:[877]

In a typically myopic foreign policy initiative, the 2023 United States' Administration decided to attempt to weave India into its solution to the 2023 exclusionary realignment of Middle Eastern nations. This Eurasian initiative had been brought to a head by the Chinese in brokering a

resolution to the long-standing, US fomented, Saudi-Iran antagonisms. As Bhadrakumar explains,

> The Biden Administration is in a persuasive mood, won't take no for an answer. National Security Advisor Jake Sullivan disclosed at a think tank conference in Washington on Thursday that he proposed to travel to Saudi Arabia on Saturday for talks with Saudi leaders.
>
> The Saudi establishment daily Asharq al-Awsat, quoting from Bloomberg, reported that Sullivan will be followed by Secretary of State Antony Blinken "in a new sign of the US administration's determination to cement ties with the Kingdom."
>
> Meanwhile, Sullivan revealed that also going to Saudi Arabia will be representatives from India and the United Arab Emirates to discuss "new areas of cooperation between New Delhi and the Gulf as well as the United States and the rest of the region." In essence, he claimed he is spearheading a White House initiative to reset Washington's Gulf strategy.
>
> Sullivan has a way of creating misconceptions, and there are no signs that New Delhi is even aware of this White House initiative to integrate India into the Biden Administration's Gulf strategy.
> (M. K. Bhadrakumar, œUS needs a junior partner in the Gulf, May 06, 2023)

Milan Vaishnav provides a perceptive corrective to the dominant 2023 narrative of an India fast becoming another Western-style 'economic miracle', meekly falling into line behind half-baked US' foreign policy initiatives:

> ...Western interlocutors are convinced that the combination of Russia's Ukraine quagmire and China's flagrant aggression on the Sino-Indian border makes the time ripe to wean India off its addiction to Russian arms and consolidate its anti-China posture. This year, India will simultaneously hold the presidencies of the G-20 and the Shanghai Cooperation Organization, a Eurasian political and security group historically dominated by China and Russia - a symbolic victory for its efforts to be seen as a leading, rather than a balancing, power on the global stage.
>
> On closer inspection, the narrative hyping India's inexorable rise appears less assured. Reckoning with India's contradictions is an exercise in cognitive dissonance....
>
> India may be touted as the "next big thing," but as with any marketing campaign, one would be well advised to read the fine print.
> (Milan Vaishnav, œIs India's Rise Inevitable?: The Roots of New Delhi's Dysfunction, *Foreign Affairs*, April 14, 2023)

Shekhar Gupta, in an endorsement of a Western-focused future for India, sub-titled 'Nostalgia for the non-aligned years is back in India, multilateralism is in fashion, and only places where we seek refuge are the organisations China founded or dominates', warns of the dangers of involvement in such a 'multipolar' alternative:[878]

It would seem that Indian 'non-alignment' poses a problem for its whole-hearted alignment with any non-India-based multilateral initiatives. With India a less than reliable corporate 'partner', hyperglobalization is going to be alive and well in this third decade of the 21st century!

When the threat of US military power no longer deters but strengthens the resolve to resist...

When the threat of US military power no longer deters but strengthens the resolve and internal political cohesion of a targeted nation then a militarist state which has voluntarily transferred its industrial base 'overseas' is left with only two options: attempt to belatedly rebuild its voluntarily gutted industrial economy; and/ or double-down on military supremacy and use diplomacy as a prelude to conflict.

In this 21st century, nations which will not accept unconditional US hegemonic dominance find themselves being confronted by an industrially weakened but militarily strengthened center of Western Capitalism. They are left with a choice of one of two roads leading to subjection: defeat or surrender.

Those nations which find themselves targets of US belligerence (harnessing both its financial and military advantages in attempting to bring its perceived foes to their knees) must, inevitably, if they are to successfully counter US moves, insulate their economies from US predatory attacks.

China has, over the past several years, been doing just this.

It has a peculiar advantage in its attempts to insulate its internal economy from US aggression.

Its potentially internally self-sufficient economy provides increasingly secure protection from US attacks.

It has, in this 21st century, increasingly insulated itself from dependence on the US dollar and so positioned itself to avoid reliance on 'SWIFT, the financial messaging system, which is under de facto U.S. control and a major source of American geopolitical leverage'. In these efforts it has employed a fiat credit system to fund its internal credit requirements.

Using such funding, it has planned and executed increasingly sophisticated internal infrastructural and industrial development[879]. And it has, simultaneously, underwritten its internal economy, developing strong internal demand both through the inevitable growth in employment possibilities resulting from its infrastructural programs and through its increasingly sophisticated 'poverty alleviation'[880] and 'œsocial security' programs.

At the same time, the dependence of the West on global supply chains (deliberately created by short-sighted Western corporate off-shoring) protects China's export-oriented economic activity from Western 'protectionist' policies. When most of a state's remaining industrial capacity and increasingly poorly paid labor force has become dependent on that offshored industrial base, talk of 'protectionism' and tariff imposition is delusional (as US President Trump found in his misbegotten 'trade war' with China).

Chinese description of all this is summed up in its "dual circulation" strategy. Yan Xuetong has summarized: [881]

The US itself has, over past decades, been able to both enjoy the advantages of international trade and, simultaneously, insulate its internal economy from external shocks. Since the mid-1970s it has, however, forfeited that advantage through corporate driven 'off shoring' of its industrial base.

The United States of America has, indeed, become, militarily, the most powerful sovereign nation in the world. Its armed forces and supporting institutions eclipse those of all other nations and it has, historically, been all too ready to impose its will on others through either explicit or implicit military threat. The United States is inexorably morphing into what Arthur Nwankwo described as a 'cimilicy'. Risa Brooks *et al* explained:

> ...[O]ver the past three decades, civilian control has quietly but steadily degraded. Senior military officers may still follow orders and avoid overt insubordination, but their influence has grown, while oversight and accountability mechanisms have faltered.
>
> Today, presidents worry about military opposition to their policies and must reckon with an institution that selectively implements executive guidance. Too often, unelected military leaders limit or engineer civilians' options so that generals can run wars as they see fit.

The United States has always invaded other nations for their own good

As it has become addicted to imposing its will on other nations, responsibility for political oversight of military authorities and activities in the United States has, over the past half-century, been progressively 'streamlined', short-circuiting long-established political safeguards against the possibility of impulsive war making.

Barbara Torreon and Sofia Plagakis, in a 2019 updating of a *Congressional Research Service* report entitled *Instances of Use of United States Armed Forces Abroad, 1798-2019*, have provided a list of them. Despite being a depressingly long list (grown exponentially since the advent of the post-Second-World-War 'Cold War' rivalries), however, it fails to include the much longer list of 'special forces' and CIA-fomented involvements in coup and counter-coup activity around the world. And, as the authors say,

> The following list reviews hundreds of instances in which the United States has used military forces abroad in situations of military conflict or potential conflict to protect U.S. citizens or promote U.S. interests. The list does not include covert actions or numerous occurrences in which U.S. forces have been stationed abroad since World War II in occupation forces or for participation in mutual security organizations, base agreements, or routine military assistance or training operations. (Barbara Salazar Torreon and Sofia Plagakis, œ*Instances of Use of United States Armed Forces Abroad, 1798-2019*, Congressional Research Service, 7-5700, R42738, Updated July 17, 2019)

But, of course, the United States has always invaded other nations for their own good! Jacqueline Hazelton has explained:

> After two decades, the United States is finally leaving Afghanistan, and only 2,500 U.S. troops remain in Iraq. In both countries, the insurgencies continue. It wasn't supposed to end this way. In both wars, Washington hoped that imposing democratic reforms could protect the population, win hearts and minds, and defeat the insurgency.
>
> That, after all, was the narrative spelled out in the vaunted œU.S. Army/Marine Corps Counterinsurgency Field Manual, published in 2006, which was intended to guide both campaigns. Drawing from Western practitioners' accounts of successful counterinsurgency

> campaigns over 60 years, the document argued that good governance - including democratic reforms - defeats insurgencies. "Soldiers and Marines are expected to be nation builders as well as warriors," two generals, David Petraeus and James Amos, wrote in the manual's foreword. "They must be able to facilitate establishing local governance and the rule of law." A 2005 article in the journal Military Review by another pair of officers - Peter Chiarelli and Patrick Michaelis - made the same case: "A gun on every street corner, although visually appealing, provides only a short-term solution and does not equate to long-term security grounded in a democratic process." Governments must limit civilian casualties, they noted, because harming the population only bolsters support for the insurgency.
>
> Civilian policymakers have made similar points. In 2009, the Center for a New American Security, the liberal-leaning U.S. think tank, recommended that a top priority for the United States should be to "promote democracy, the rule of law, and human rights in Afghanistan and the region."
> (Jacqueline L. Hazelton, œThe Hearts-and-Minds Myth: How America Gets Counterinsurgency Wrong, *Foreign Affairs*, July 15, 2021)

Rory Stewart summed up the US 'intervention' in Afghanistan - though of course 'The age of intervention' began long before Bosnia in 1995:

> The extravagant lurches of the U.S. intervention in Afghanistan - from a $1 trillion surge to total withdrawal, culminating in the reestablishment of a Taliban government 20 years after the 9/11 attacks - must rank among the most surreal and disturbing episodes in modern foreign policy.
>
> At the heart of the tragedy was an obsession with universal plans and extensive resources, which stymied the modest but meaningful progress that could have been achieved with far fewer troops and at a lower cost. Yet this failure to chart a middle path between ruinous overinvestment and complete neglect says less about what was possible in Afghanistan than it does about the fantasies of those who intervened there.
>
> The age of intervention began in Bosnia in 1995 and accelerated with the missions in Kosovo, Afghanistan, and Iraq. Over this period, the United States and its allies developed a vision of themselves as turnaround CEOs: they had the strategy and resources to fix things, collect their bonuses, and get out as soon as possible. The symbol of the age was the American general up at 4 am to run eight miles before mending the failed state.
> (Rory Stewart, œThe Last Days of Intervention: Afghanistan and the Delusions of Maximalism, *Foreign Affairs*, November/December 2021)

Supplying Weaponry to those fighting for 'Freedom': Ir's Win-Win: Do Well and Do Good!

Not only has the United States engaged in military adventures around the world, it has been just as active in supplying weaponry to buyers around the world. And, of course, this is not a recent phenomenon. In 2016, an attempt was made in the US Senate to rein in arms sales to Saudi Arabia in the hope that this would limit its destructive attacks on Yemen but this was thwarted by President Trump [882].

The US State Department's summation of œWorld Military Expenditures and Arms Transfers (2019 edition) has provided a synopsis of Arms Transfers around the world in 2019:

> *Arms transfers*
>
> During the eleven-year period [2007-2017], about 79% of the world arms trade, by value, appears to have been supplied by the United States, about 10% by the European Union, about 5% by Russia, and less than 2% by China. There was no clear trend in either the U.S., the Russian, or the Chinese market share during the period.
> (œWorld Military Expenditures and Arms Transfers:2019 edition, *U.S. Department of State* Bureau of Arms Control, Verification and Compliance)

Presumptuous hubris has, over the past half century and more, become the hallmark of US presidential foreign policy. None demonstrate this more clearly than Donald Trump. But, he is not unique in his impetuous presumption of the right to extend his powers beyond those ceded to past Presidents[883] by the US Congress under the 'authorizations for use of military force (AUMF)'.

It seems to have become inevitable that each US president (including Eisenhower at the end of his 2nd term) will look for a sovereign country against which to exercise his prerogative of 'regime change'. And, of course, this is not a recent phenomenon. As Martin Luther King put it in the 1960s 'Vietnam era':

> A nation that continues year after year to spend more money on military defense than on programs of social uplift is approaching spiritual death.....
>
> I knew that I could never again raise my voice against the violence of the oppressed in the ghettos without having first spoken clearly to the greatest purveyor of violence in the world today -- my own government. ...
> (Martin Luther King, Jr., œBeyond Vietnam -- A Time to Break Silence, Delivered 4 April 1967, Riverside Church, New York City)

As President Biden awaited his turn in the US White House following his 2020 presidential election victory, among the questions asked was: What will the US president's attitude be toward those 'socialist', 'authoritarian' Central and South American states which have been on the receiving end of US 'concern' through the Trump presidency? How would Bolivia and Venezuela fare under President Joe Biden?

Biden, as US Vice President, served as the United States' principal emissary to Latin America and the Caribbean between 2008 and 2017. The experiences of Venezuela and other 'left-leaning' states over those years were less than inspiring, but perhaps Biden, as President, would be less hell-bent on 'reforming' socialist states than his predecessors. As Michael Camilleri wrote,

> President-elect Biden will bring to the Oval Office a greater knowledge of hemispheric relations than any of his recent predecessors. But he will also confront a Latin America buffeted by political, economic, and health crises - and by the legacy of the Trump administration's sporadic and politically driven engagement....
>
> Many Latin Americans welcomed Biden's election as a reprieve from the Trump administration's insults, bullying, and propensity to view the

> region through the lens of electoral politics. Biden has criticized Trump for abdicating U.S leadership in the region and called for a return to shared responsibility, respect, and partnership.
>
> The president-elect's repudiation of Trump's 'America first' philosophy and his pledge to revitalize the multilateral system will resonate powerfully in the region. Biden's strong track record in Latin America and the Caribbean - and the simple fact that he is not Donald Trump - will serve him well in the endeavor to restore U.S. leadership in the hemisphere
> (Michael J. Camilleri, œBiden's Latin American Opportunity: Why the Western Hemisphere Is More Important Than Ever, *Foreign Affairs*, December 28, 2020)

President Biden had an opportunity to radically change US attitudes toward those states which determine to govern for the 99% and use their resources and talents to benefit the disadvantaged and disenfranchised members of their nations.

It seems to have been a forlorn hope that this would eventuate.

He had a long history of US 'interventionism' to alter - but he has chosen instead to perpetuate the hubristic US policies of the past.

The Trump Administration's outright belligerence toward China has, if anything, been amplified in the first months of the Biden presidency. Rachel Cheung and Benjamin Wilhelm described the tone of the first top-level meeting between China and the US:[884]

> Even the most optimistic observers had expected little to come out of last week's U.S.-China summit in Alaska, where high-level officials from both sides met in person for the first time since President Joe Biden took office. But as the heated on-camera exchange that preceded the private discussions confirmed, not only will this rivalry remain, but relations that were strained under former President Donald Trump may further deteriorate in the years to come.

Yang Jiechi, as reported by Patrick Lawrence, summed up China's attitude to the Biden team's foreign policy style:

> Yang Jiechi, who once served as Beijing's ambassador to Washington.... "I think we thought too well of the United States," he said to Blinken across long, linen-draped tables in Anchorage. "We require the U.S. to treat China and Sino - U.S. relations in an objective and rational manner, discard the Cold War and zero-sum thinking, and respect China's sovereignty, security, and development interests."
> (Patrick Lawrence, œThe Blundering Biden Team, *Consortium News*, March 23, 2021)

Antony Blinken, Biden's secretary of state, signaling the continuation of US foreign policy attitudes and actions in the Americas, explained: Biden would seek to "more effectively target" sanctions on Venezuela, which aim to oust President Nicolas Maduro.

Apparently, in 2021, very little has changed on the US foreign policy front: Any presumption around the world that a change of leadership in Washington would signal a change in foreign policy style and substance can now be put aside. Trump has coarsened the US diplomatic style in its dealings with other nations and Biden and his team see no reason to alter it!

> U.S. Secretary of State Antony Blinken said on Tuesday "the path to diplomacy is open right now" with Iran over its 2015 nuclear deal but would not address whether the Biden administration has had any direct engagement with Iranian officials.
>
> "The path to diplomacy is open right now. Iran is still a ways away from being in compliance (with the deal). So we'll have to see what it does," Blinken told National Public Radio according to a transcript provided by the broadcaster.
>
> Asked if there was any move under way to resume direct diplomacy, Blinken pointed to U.S. President Joe Biden's public stance that if Iran resumes compliance with the 2015 nuclear deal the United States would do so too.
>
> "The president's been very clear publicly, repeatedly, about where we stand. And we'll see what, if any, reaction Iran has to that," he said.
>
> The interviewer noted Blinken had not directly answered the question and asked: "but you're not ruling out that direct diplomacy might be somewhere in the future here?"
>
> Blinken responded: "Well, at some point, presumably, if there's going to be any engagement on this, that would have to require diplomacy. That's what we're in the business of."
> (œU.S.'s Blinken: 'The path to diplomacy is open right now' with Iran, *Reuters*, February 17, 2021)

Medea Benjamin and Nicolas Davies summed up the problem with this 'new' 2021 US Iran policy:

> While it was the United States under Trump that withdrew from the nuclear agreement, Biden is taking the position that the U.S. will not rejoin the agreement or drop its unilateral sanctions until Iran first comes back into compliance. After withdrawing from the agreement, the United States is in no position to make such demands, and Foreign Minister Zarif has clearly and eloquently rejected them, reiterating Iran's firm commitment that it will return to full compliance as soon as the United States does so.
>
> Biden should have announced U.S. re-entry as one of his first executive orders. It did not require renegotiation or debate....
> (Medea Benjamin and Nicolas J. S. Davies, œIs Biden Committing Diplomatic Suicide Over the Iran Nuclear Agreement?, *CounterPunch*, February 16, 2021)

Jessica Mathews has summed up the 2021 international reality within which the US has apparently decided to 'restore' its pre-Trump foreign policy approach to the rest of the world:

> For years, Joe Biden has portrayed the presidency of Donald Trump as an aberration from which the United States can quickly recover.
>
> Throughout the 2020 U.S. presidential campaign, Biden asserted that under his leadership, the United States would be "back at the head of the table." But a return to the pre-Trump status quo is not possible. The world - and the United States - have changed far too much. And although hailing the return of American hegemony might seem comforting to Americans, it reveals a degree of tone-deafness to how it sounds to the rest of the world.

> When people elsewhere look at Washington's track record over the past two decades, they don't see confident leadership. What they see, instead, are a series of disasters authored by Washington, chief among them the 2003 invasion of Iraq and the subsequent destabilization of much of the Middle East and the 2008 global financial crisis. During those decades, Washington also pursued an ineffectual war in Afghanistan, an incoherent policy in Syria, and ill-judged humanitarian interventions, most notably in Libya.
>
> The failures have also been domestic. To date, the United States has handled the COVID-19 pandemic worse than any other major country. Americans make up only four percent of the world's population but account for a staggering 25 percent of global COVID-19 cases and 19 percent of deaths from the disease. The failure has come at all levels: a stunning lack of national leadership, an alienated population unwilling to make modest sacrifices in the common interest, and a health-care system that is deeply inequitable and administratively fractured. (Jessica T. Mathews, "Present at the Re-creation? U.S. Foreign Policy Must Be Remade, Not Restored, *Foreign Affairs*, March/April 2021)

It's Not Regime Change! It's Freeing the Oppressed from Tyranny!

(01/01/23) (10/02/23) (12/02/23)

The first 2019 victim of US hubris was Venezuela. It has, for 15 and more years, been targeted by US 'sanctions'; economic and diplomatic undermining[885]; distortions of the truth; blatant lies; sponsorship of 'dissidents'; and maneuverings to gain control of the nation's vast oil reserves through 'privatization'.[886]

And, in 2020, Nicolas Maduro - the *duly elected president of Venezuela* - finally, moved to accommodate US demands for privatization of the oil reserves in order to keep the Venezuelan economy afloat. Sadly, of course, accommodating US demands is accommodating the demands of a schoolyard bully. Such capitulation signals only weakness to bullies. As Bolivia found, accommodating the demands for US regime change does not lessen US determination to eradicate 'left-wing', 'socialist' sympathies (equated with and signaled in such phrases as 'Venezuela's "authoritarian leader"' and 'years of gross mismanagement and corruption') in target nations [887].

In 2020 the United States administration, through its surrogate, the International Monetary Fund (IMF), demonstrated the depths to which it will sink in pursuing its regime change agendas around the world[888]. In a time of deep crisis, with the Covid-19 pandemic impacting Venezuela, the US not only maintained its crippling sanctions against the nation but was also complicit in refusing IMF funding to the nation in its fight against the pandemic[889].

Marjorie Cohn, in 2019, summed it up:

> Trump and the real troika of tyranny - Bolton, Secretary of State Mike Pompeo and U.S. envoy for Venezuela Elliott Abrams - have failed in their coup attempt against the democratically elected Venezuelan President Nicolas Maduro. Trump's troika, egged on by Sen. Marco Rubio (R-Florida), are seeking to substitute U.S. puppet Juan Guaidó for Maduro as president of Venezuela....
>
> Why is Trump's troika so intent on regime change in Venezuela and sanctions in Cuba, Venezuela and Nicaragua?

> Last month, Bolton addressed the Bay of Pigs Veterans Association on the 58th anniversary of the Bay of Pigs invasion, in which the U.S. aided and abetted a failed attempt to overthrow Cuba's Fidel Castro. "Together, we can finish what began on those beaches," Bolton said, adding, "We must reject the forces of communism and socialism in this hemisphere."
>
> It's not simply anti-communism that animates the Trump administration's fixation on sanctions and regime change in these Latin American countries. "With at least a half-million voters who were born in Cuba, Venezuela, Colombia or Nicaragua - and more with ancestral roots in those countries - it's a constituency that could prove pivotal in November 2020 in a state that's essential to Trump's reelection fortunes," Marc Caputo wrote at Politico.
>
> U.S. strategies on Cuba and Venezuela intertwine in an insidious way, and Senator Rubio is pivotal in both. "Venezuela is really an extension of the position on Cuba," according to Ricardo Herrera, director of the Cuba Study Group. The Wall Street Journal reports that both countries are part of a plan to reassert U.S. dominance in Latin America and finally destroy the Cuban Revolution.
>
> Moreover, corporate America wants to get its hands on Venezuela's oil. Bolton said in January, "We're in conversation with major American companies now.... It will make a big difference to the United States economically if we could have American oil companies really invest in and produce the oil capabilities in Venezuela."
> (Marjorie Cohn, œTrump's "Troika of Tyranny" Meddles in Venezuela, Cuba, Nicaragua, *Truthout*, May 3, 2019)

In 2019, Venezuela's elected government was declared 'illegitimate' and a US groomed alternative set up to usurp the sovereignty of the nation.

Rebecca Koenig, in a U.S. News article on the ubiquitous nature of bullying in US workplaces has summed up the nature of US style bullying:

> **Signs of Bullying**
>
> Workplace bullying behavior is more serious and enduring than the mere incivility of an occasional rude remark from a co-worker. Types of bullying include:
>
> - Verbal abuse
> - Threats
> - Humiliation
> - œGaslighting
> - Ostracism or isolation
> - Withholding resources or information
> - Intimidation
> - Sabotage
> - Reputation damage due to rumors
> - Unfairly negative evaluation of work
>
> ...Some personality traits are linked to aggressive behavior. People who are emotionally unstable, easily angered or irritated, unconscientious

> about following rules or uncaring about others' feelings are more likely to become bullies, Bowling says.
>
> Although they are not at fault, targets of bullying may share some traits, too. There are different schools of thought about what makes someone a target. They tend to be ethical and honest, technically competent in a way that makes bullies feel threatened and lacking in political intelligence, says Gary Namie, psychologist and director of the Workplace Bullying Institute. They may look like easy targets unlikely to resist abuse or may have habits or personality traits that bullies find provocative, Bowling says.
> (Rebecca Koenig, œBattling Bullying in the Workplace, *U.S. News*, Dec. 13, 2017)

It seems that bullying has become an ingrained US personality trait, commonplace among those who rise to positions of authority and power in the nation. Inevitably, US foreign policy and practice are driven by and reflect those traits.

One need look no further than the 2019 experiences of the elected Venezuelan government at the hands of the US' 'Main Stream Media', its politicians and their support staffs for examples of such behavior.

In 2021, US 'exceptionalism' was once again on show: The Biden administration decided that the Trump administration's tactless belligerence and sanctions diplomacy was a foreign policy style to be emulated! David Goldman described Biden's descent into Trump style 'sanctioning':

> The Biden Administration last week set a new historical record by threatening sanctions against Germany, India, Russia and China in the space of 72 hours. Germany and India are, or at least were, American allies.[890]

In this topsy-turvy 21st century the moral high-ground is occupied by Russia and China and the presumptuously bullying, sanctioning and 'regime change' low-ground is occupied by the United States and its acolytes. [891] As Bouthaina Shaaban described of Syria:

> ...[T]he Western calls for democracy and freedom... caused the entry of ... hundreds of thousands of terrorists into our country, ...caused the destruction of our schools, of our infrastructure [and] moved our country a hundred years backwards.

Aaron Maté concisely spelt out the truly horrific reality. Western determination to 'free' populations trapped in what they self-servingly describe as 'brutal dictatorships' has, time-and-again, produced consequences such as these:[892]

> The Syrian government, backed by Russia, Iran, and the Lebanese resistance group Hezbollah, was ultimately able to defeat the US-backed sectarian contras and regain control of about 70% of the country. But the damage was incalculable: hundreds of thousands of dead, millions displaced, industrial and agricultural capacity decimated. A state that once enjoyed some of the highest medical, educational, and food production levels in the Middle East was left divided, hungry, and impoverished.

The œUS invasion of Syria and occupation of Syrian territory in defiance of the elected Syrian Government (which, of course, it has proclaimed an 'authoritarian' and 'totalitarian' government, 'justifying' its occupation) without Congressional approval and in defiance of the United Nations and

the international 'Rule of Law', is, by all standards of both United States and international law, illegal.

Brian Finucane has explained:

> Both domestic and international laws restrict war making, and thus, in principle, the president is restrained from unilaterally using military force whenever he or she desires.
>
> U.S. law makes exceptions for cases of self-defense and conflicts that are approved by Congress, and international law similarly allows for self-defense and force approved by the UN Security Council. But with both Congress and the UN Security Council reluctant to approve conflicts for both policy and political reasons, the U.S. government has figured out creative ways to circumvent these bodies.
>
> Nowhere is that clearer than in Syria, where successive U.S. administrations have engaged in clever legal maneuvering to fit a wide range of U.S. operations within the scope of domestic laws.
>
> The original rationale for going to war in Syria in 2014 was to fight ISIS and al Qaeda. Although Congress did not authorize the campaign against ISIS in advance, it subsequently appropriated funding for U.S. counter-ISIS operations. Yet since 2016, U.S. forces in Syria have also battled a handful of other foes with no congressional authorization or even debate....
> (Brian Finucane, œAn Unauthorized War: The Shaky Legal Ground for the U.S. Operation in Syria, *Foreign Affairs*, January 11, 2022)

'On 6 February 2023, a series of violent earthquakes struck southern and central Turkey and northern and western Syria.... They occurred 34 km (21 mi) west of the city of Gaziantep at 04:17 a.m. TRT (01:17 UTC),... causing widespread damage and tens of thousands of fatalities in the region. With a maximum Mercalli intensity of IX (Violent) and a magnitude of at least Mww 7.8, the main earthquake is tied with the 1939 Erzincan earthquake as the strongest recorded earthquake to hit Turkey in modern times... and is one of the strongest earthquakes ever recorded in the Levant.' (cf œWikipedia accessed Febrary 9, 2023).

A day later, appeals were still being made for all those nations which have imposed sanctions on Syria[893] to lift them without restriction so that desperately needed assistance could flow unhindered to the millions in need. The response:

> Though several countries including the United States and its allies have extended their support to Turkey in its relief and rescue work, they have refused to extend similar assistance to Syria. The U.S. State Department made it clear on Monday that it was only willing to support some work carried out in Syria by NGOs, but that it would have no dealings with the Bashar al-Assad government. "It would be quite ironic - if not even counterproductive - for us to reach out to a government that has brutalized its people over the course of a dozen years now," œState Department spokesperson Ned Price said, as quoted by Al Jazeera.
> (œSanctions imposed by US and allies hamper relief and rescue work in earthquake-devastated Syria, *Peoples Dispatch*, February 07, 2023)

And three days later, with thousands dead and millions without shelter, food or medical aid:

> "We, the three patriarchs with the heads of churches in Syria, demand from the United Nations and the countries imposing sanctions on Syria to lift the embargo and the unjust sanctions imposed on the Syrian people, and to take exceptional measures and immediate initiatives to secure the delivery of the much-needed relief and humanitarian aid," the church leaders said in a statement.
>
> We appeal to governments, international organizations, NGOs, charities, and peace advocates everywhere to expedite the support of relief and rescue efforts, irrespective of any political consideration," the prelates said.
>
> The three patriarchs based in Syria are Melkite Catholic Patriarch Joseph Absi; Syriac Orthodox Patriarch Ignatius Aphrem II and Greek Orthodox Patriarch John X.
>
> "We also appeal to the conscience of all the people of goodwill to advocate on behalf of the Syrians in order to put an end to their misery and enable them to live in dignity as envisioned by the Universal Declaration of Human Rights," the prelates said.
>
> "This natural disaster adds to the ordeal of the Syrian people," the Syrian church leaders stressed, adding that the people continue to suffer "from the tragedies of war, crises, disasters, epidemics, and the harsh economic hardships.":
> (Doreen Abi Raad, œPatriarchs, Heads of Churches Call for Lifted Sanctions, Aid for Syria After Earthquake Kills Thousands, *The Tablet*, February 9, 2023)

As 2022 drew to a close the world had been conditioned to forget about the ongoing United States' occupation and looting of Syrian farmlands and oil fields.

Surely, with this display of callous disregard for others in February 2023, the world will refocus on the plight of a nation and people who have been subjected to unrelenting persecution.

Liu Xin, Hu Yuwei and Chen Qingqing summed it up:

> The UN Refugee Agency told the Global Times that they echo the sentiments expressed by UN Secretary General Antonio Guterres, who said on Thursday, "This is a moment in which everybody must make very clear that no sanctions of any kind should interfere with relief to the population of Syria in the present moment."
>
> Mick Wallace, a member of the European Parliament, tweeted on Tuesday that if the EU really cares about these people, "could they show it by ending their illegal sanctions on Syria which have killed so many innocent people?"
>
> Blinken, the US' top diplomat, boasted in a tweet that the US was the "leading humanitarian donor" and the aid will "go to Syrian people, not the regime," to which Chinese Foreign Ministry spokesperson Hua Chunying commented: "Then why are they struggling? You've been bombing, sanctioning, and stealing from them, and now you praise yourself for your charity?"
>
> The US' hypocrisy has been fully exposed in Syria. On the one hand, it imposes unilateral sanctions to isolate the country and strangle its development opportunities, leaving helpless Syrians digging their loved ones buried in rubble with their bare hands; and on the other, the US continues to exploit Syrian resources, especially its oil, by either

> directly stealing it through smuggling tankers or "buying" at unreasonably low prices, Ding said.
>
> The US' apathy toward the Syrian peoples' misery shows how hollow its touting of human rights or democracy is, said the expert.
> (Liu Xin, Hu Yuwei and Chen Qingqing, œCalls mount urging US to lift sanctions on Syria to facilitate humanitarian aid, *Global Times*, February 10, 2023)

Until this disaster, the Russian invasion and occupation of the Donbass Region of Ukraine had absorbed our attention. How easy it is for malign aggressors to deflect attention from their own misdeeds by propagandizing the world to the 'horror' of the 'misdeeds' of others.

As *Islam Times* explained in 2021:

> US occupation forces continue to steal Syrian resources and agricultural crops from the areas they have occupied in the Syrian al-Jazeera, as the occupation forces took out a convoy of vehicles loaded with stolen barley from Syrian lands to northern Iraq via the illegitimate al-Walid crossing in al-Yaroubia countryside.
>
> Local sources told SANA reporter that the convoy includes 50 trucks and a number of refrigerated containers that left the city of al-Malikiyah to the illegitimate al-Walid crossing, heading to Iraqi lands."
>
> The sources pointed out that the American occupation has carried out systematic theft of grains produced from the Syrian fields, as it looted the wheat stored in al-Tawiba silo and in the warehouses of Nama Company.
> (œUS Occupation Continues to Loot Syrian Grain, Story Code: 909506, *Islam Times*, 11 January 2021)

One had hoped that on the first day of 2023 'the curtain would come down on the brutal 11-year old Syrian conflict'. Could it really be possible that the United States had given up on its regime change ambitions in Syria? As Bhadrakumar explained:

> The curtain is coming down on the brutal 11-year old Syrian conflict, which former US President and Nobel Laureate Barack Obama initiated, as the Arab Spring swept through West Asia two decades ago. The United States has suffered yet another big setback in West Asia as the year 2022 draws to a close. The unfolding Turkish-Syrian reconciliation process under Russian mediation is to be seen as a saga of betrayal and vengeance.
>
> Ankara came under immense pressure from the Obama Administration in 2011 to spearhead the regime change project in Syria. Obama blithely assumed that Turkiye would gleefully serve as the charioteer of "moderate" Islamism for the transformation in West Asia. But Ankara took its time to calibrate its foreign policies to adapt to the Arab Spring before responding to the shifting landscape in Syria....
>
> The US State Department stated recently, "The US will not upgrade its diplomatic relations with the Assad regime and does not support other countries upgrading their relations. The US urges states in the region to consider carefully the atrocities inflicted by the Assad regime on the Syrian people over the last decade. The US believes that stability in Syria and the greater region can be achieved through a political process that represents the will of all Syrians."

> (M. K. Bhadrakumar, œRussia consolidates in East Mediterranean, December 31, 2022)

They say that hope springs eternal but any realistic hope of a change of heart by The United States following their contemptible response to the Syrian earthquake tragedy of 6 February 2023 has been dispelled.

The US has yet again waded into a Middle Eastern propaganda driven quagmire. It will take more than the past decade of mindless support of 'moderate rebels' spearheading and justifying its regime change ambitions and looting of Syrian resources for it to find a face-saving way out of the brutal debacle it has created and sustained since 2012!

The US military, in 2022, employing the fig-leaf of 'presidential approval', engaged in clandestine military operations around the world and invaded and occupied sovereign nations, confident that 'Congress, which... has grown accustomed as a body to dodging its responsibility for matters of war and peace', would not attempt to rein it in. It no longer accepts that it is subject to US Congressional oversight and control and it no longer accepts the constraints of United Nations rulings and long-established international law.

In the first half of the 21st century the world needs to know who controls the US military juggernaut. Without that insight, foreign policy 'negotiations' with the US become extremely difficult - what we see seems not to be what is!

US priorities in dealing with other sovereign nations in 2020 were well demonstrated in its dealings with Indonesia[894].

From the 1950s attacks on Vietnam and surrounding territories, US presidents have not only engaged in unauthorized presumptuous warmongering, they have presumed the prerogative of 'regime change' in other sovereign nations.

As 2019 drew to a close, the latest victim of US hubris, artfully presented as 'concern' for the 'rights' of citizens and the wellbeing of the planet, was Bolivia. Another 'socialist' South American nation was in the throes of learning that 'socialism' leads to 'dictatorship'; to 'authoritarian rule'; to social turmoil; and so, with the help of those who are practiced in the art of making the economies of other sovereign nations 'scream', to regime change.[895]

Less than a year later[896], in a new election, the Bolivian Movement for Socialism (MAS) was resoundingly returned to power. The US backed coup had 'failed' and those who engineered it were seeking asylum in the United States.

But, of course, this would not be the conclusion to Bolivia's political troubles! It is one thing for a South American 'socialist' party to win elections, it is quite another for the US to allow them to exercise their responsibilities. The coup leaders, their concerns ignored by the Trump administration in its refocusing on the 2020 US presidential contest, were not granted asylum and faced the inevitable and entirely justifiable reckoning for the crimes committed during their short reign. Bradley Blankenship summed it up[897]:

> The arrest of Bolivia's former interim president Jeanine Áñez and her coup co-conspirators is being painted by pro-Western organizations as political persecution, but it's far from that.

> Bolivian authorities arrested ex-interim president Jeanine Áñez on March 14 for sedition, terrorism and conspiracy for her role in the 2019 coup that ousted former president Evo Morales and ushered in a dark age of violence and repression in the country. Justice Minister Ivan Lima said days after the arrest that he would seek a 30-year sentence for Áñez if found guilty, a sign that the victims of the coup regime's repression will get the justice they deserve.
>
> There have been many more arrests, including several ministers under the Áñez government and right-wing paramilitary leaders involved, and more are expected to follow. In many of these cases, it's social movements leading the pressure for charges to be brought against co-conspirators in the coup.
> (Bradley Blankenship, œBolivia has every right to prosecute coup perpetrators for their crimes, *RT*, 17 March, 2021)

One can but hope that (the acting head of the US State Department's Western Hemisphere bureau) Julie Chung's (March 14, 2021) response to the arrests signals that the US is changing course on past repression of South American 'socialist' governments:

> Americans and many across the Americas know from hard experience the need to safeguard and constantly renew democratic rule of, by, and for the people.

Should we view such statements as sympathetic recognition of past US interference or as veiled threats of 'constantly renewed' interventions? Perhaps if we all believe hard enough, it will turn out that leopards can change their spots!

Venezuela's ongoing troubles provide clear illustration of what the future is likely to hold for the elected Bolivian 'socialist' government.[898]

Yet another demonstration of the way in which the US can sociopathically make the economies of other sovereign nations 'scream'. [899]

US President Trump, if that were possible, embarked on the process of regime change with even less aforethought than his predecessors. As a *Guardian* headline declared: œTrump has hitched his wagon to regime change in Venezuela - so now what? The problem for Juan Guaidó and his foreign backers is how to convert assets abroad to real power inside Venezuela.

Trump finally decided against military action in pursuing his 'prerogative'. Of course, his track record includes such belligerence. Apparently all Trump needed to justify his actions in 2018 (and, again in 2019) were 'media reports' in the Main Stream Media [900]. No need for Congressional approval or 'scientific evidence', he heard it in the media! Carol Morello, Anne Gearan and Missy Ryan explain the results well:

> President Trump declared victory Saturday in the largest application of military force he has ordered, as the U.S. ambassador to the United Nations vowed that the United States is ready to launch another strike if the Syrian government uses chemical weapons in the future.
>
> "Mission Accomplished!" Trump tweeted a day after the allied assault on Syrian facilities that the United States, Britain and France say are part of a large chemical weapons program. The phrase was the same one the last Republican president, George W. Bush, employed to his regret in 2003, when the Iraq War was far from over.

> "I spoke to the president this morning, and he said, 'If the Syrian regime uses this poisonous gas again, the United States is locked and loaded,' " U.N. Ambassador Nikki Haley said at an emergency Security Council meeting called by Russia, the Syrian government's most powerful ally.
>
> "When our president draws a red line, our president enforces the red line," she added.
> (Carol Morello, Anne Gearan and Missy Ryan, œPresident Trump declares victory as Pentagon details U.S.-led strikes in Syria, *The Washington Post*, April 14, 2018)

Responsibility for political oversight of military authorities and activities in the United States has, over the past half-century, been progressively 'streamlined', short-circuiting long-established political safeguards against the possibility of impulsive war making. Rebecca Gordon has described the process:

> During the second half of the 20th century, Congress repeatedly ceded its constitutional power to declare war to successive executive administrations....

In any examination of US 'regime change' activity in sovereign nations around the world, the obvious starting region is what US politicians have always seen as their own backyard[901] - Central and South America. Marjorie Cohn has summarized it well:

> As Venezuela's second president, Simon Bolivar, noted in the 19th century, the US government continues to "plague Latin America with misery in the name of liberty."
>
> From engineering coups in Chile and Guatemala, to choreographing a troop landing at the Bay of Pigs intended to establish an exile government in Cuba, to training Latin American strongmen at the School of the Americas in torture techniques to control their people, the United States has meddled, interfered, intervened and undermined the democracies it claims to protect.
> (Marjorie Cohn, œThe US Is Orchestrating a Coup in Venezuela, *Truthout*, February 2, 2019)

From Vietnam, Laos and Cambodia[902]; to Indonesia; to œnation after nation in Central and South America[903]; to Kosovo; Afghanistan[904]; Iraq[905]; œSyria; [906] Yemen[907]; Somalia[908]; Libya; Kenya; Cameroon; Uganda; South Sudan; Democratic Republic of Congo[909]; Central African Republic; Djibouti; Niger; Venezuela; Brazil; Bolivia , Ukraine..., the Western world has found itself drawn into ill-considered, poorly justified, and increasingly impetuous war-making.

Perhaps John Newton's description of both his own and British involvement in the slave trade best sums up the mindset which allows such atrocities to be committed without revulsion on the part of the perpetrators:

> Perhaps what I have said of myself may be applicable to the nation at large. The Slave Trade was always unjustifiable; but inattention and interest prevented, for a time, the evil from being perceived. It is otherwise at present; the mischiefs and evils, connected with it, have been, of late years, represented with such undeniable evidence, and are now so generally known, that I suppose there is hardly an objection can be made, to the wish of thousands, perhaps of millions,

> for the suppression of this Trade, but upon the ground of political expedience,
>
> Tho' I were even sure, that a principal branch of the public revenue depended upon the African Trade (which, I apprehend, is far from being the case), if I had access and influence, I should think myself bound to say to Government, to Parliament, and to the Nation, "It is not lawful to put it into the Treasury, because it is the price of blood [œMatthew Ch. 27 V. 6]."
> (John Newton, œThoughts Upon The African Slave Trade, London : Printed for J. Buckland, in Pater-Noster Row; and J. Johnson, in St. Paul's Church-yard, 1788)

'Weeding out enemies' around the world: There will be nowhere to hide!

As the 21st Century has unfolded, the United States has developed more 'precise' means of 'weeding out enemies' around the world. Why invade and occupy countries when one can simply kill those who are deemed a 'threat' to ... (whatever provides the immediate justification for such killing)?

Nick Turse, in 2021, described US 'special forces' activities and consequences around the world:

> Members of the U.S. special operations forces deployed to 154 countries, or roughly 80 percent of the world's nations, last year, but information about exactly where elite forces conduct missions, under what authorities they operate, who they've killed, and whether they're adhering to the laws of armed conflict is closely guarded, buried in obscure legal provisions, shrouded in secrecy, or allegedly unknown even to Special Operations Command.

Paul Lushenko, Sarah Kreps, and Shyam Raman, in a study disquietingly subtitled "A More Just Drone War Is Within Reach", have described the development of drone killing, part of the 2022 US assassination program:

> According to the nonprofit Bureau of Investigative Journalism, which collects data from news reports, official statements, press releases, and other documents, œU.S. drone strikes in Afghanistan, Pakistan, Somalia, and Yemen from 2002 to 2020 killed between 10,000 and 17,000 people. Between 800 and 1,750 of the dead are thought to have been civilians, the highest percentage of them in Pakistan. But these aggregated data mask differences in the rate of killing over time - and in the criteria that different U.S. administrations used to balance the need to target suspected terrorists with the requirement to protect civilians.
>
> The last year of President George W. Bush's administration saw a tenfold increase in strikes from the previous three years combined. The Obama administration accelerated this trend, conducting three times as many strikes in its first two years as the Bush administration conducted in its entire second term. The accompanying surge in civilian casualties, which amounted to three civilian deaths per strike in 2009, drew criticism from the United Nations and from watchdog groups such as Amnesty International. It was against this backdrop that Obama adopted a set of more stringent requirements for U.S. strikes in undeclared theaters, including Pakistan.
>
> Critics have suggested that the policy achieved little. The legal expert Jameel Jaffer argued in his 2016 book, The Drone Memos, that

> Obama's 'stricter limitations on drone strikes seems to have had an effect only at the margins.' Such analysis is based on overall civilian casualty figures, however, rather than the rate of change in civilian deaths over time. It also does not look at the mechanisms through which Obama's near certainty standard may have affected results on the ground. By 2017, moreover, the question of the effectiveness of Obama's policy appeared moot, since President Donald Trump returned to the more permissive reasonable certainty standard.
> (Paul Lushenko, Sarah Kreps, and Shyam Raman, œA More Just Drone War Is Within Reach, *Foreign Affairs*, January 12, 2022)

In the 2021 aftermath of the withdrawal from Afghanistan, President Biden assured the world that they were not leaving the Afghanistan region, that 'We have what's called over-the-horizon capabilities'!

The United States seems incapable of ending embarrassing foreign adventures. Its Afghanistan debacle has not deterred it from mindless interference in its affairs. Bhadrakumar, in a posting on his blogsite *Indian Punchline*, has described the US' ongoing interference in Afghanistan:

> ...Iran and Russia have common concerns over Afghanistan. They are concerned over the western attempts to (re)fuel the civil war in Afghanistan.
>
> In a recent op-Ed in Nezavisimaya Gazeta, Russian Special Presidential Envoy for Afghanistan Zamir Kabulov alleged that Britain is financing a so-called "Afghan resistance" against the Taliban (which is reportedly operating out of Panjshir.) Kabulov wrote that the US is baiting two Central Asian states by offering them helicopters and aircraft in lieu of cooperation in covert activities against the Taliban.
>
> Kabulov made a sensational disclosure that the US is blackmailing the Taliban leaders by threatening them with a drone attack unless they broke off contacts with Russia and China. He said, specifically, that the US and Britain are demanding that Kabul should refrain from restricting the activities of Afghanistan-based Uyghur terrorists.
>
> Interestingly, Moscow is exploring the creation of a compact group of five regional states who are stakeholders in Afghanistan's stabilisation and could work together. Kabulov mentioned Iran, Pakistan, India and China as Russia's partners.
> (M. K. Bhadrakumar, œRussia strategises with Iran for the long haul in Ukraine, *Indian Punchline*, November 14, 2022)

It's time that the United States learned how to develop more constructive involvement with other nations and peoples. The constant emphasis on destabilizing communities and nations around the world is not merely destructive for those it targets, it is destructive for its own peoples and its own peace and security. As Pete Seeger asked long ago: "œWhen Will They Ever Learn?"

In an intriguing display of US hubris and historical amnesia, the US Vice President, Kamala Harris, on 25th August, 2021, visited Vietnam! (A short 10 days after the US mismanaged withdrawal from another 'regime change' debacle - Afghanistan):

Fifty years before, the US and its allies were engaged in the longest and heaviest aerial bombardment in history over Vietnam, Laos and Cambodia; killing millions, maiming many more and reducing significant parts of those nations' infrastructures to rubble.

Now, that was, apparently, a barely remembered, historical irrelevance. Harris' mission to South East Asia was to enlist their support in opposing the 'bully of Asia'. As she explained to the Vietnamese President Ngyuen Xuan Phuc,

> We need to find ways to pressure and raise the pressure, frankly, on Beijing to abide by the United Nations Convention on the Law of the Sea, and to challenge its bullying and excessive maritime claims," she said, adding that the US would "maintain a strong presence in the South China Sea" to challenge China.

With impressive restraint the Vietnamese Government issued a response:

> "Vietnam does not align itself with one country against another," it said. "Territorial disputes in the South China Sea should be settled according to international law and "high-level common sense"... (œUS vice president pledges Vietnam COVID jabs; says China bullies, *Al Jazeera*, 25 August, 2021)

Kwame Nkrumah spelt out a common understanding of the real intent of Western interference in other sovereign nations (still viewed as regrettably 'post-colonial' territories):

> ... [T]he methods of neo-colonialists are subtle and varied. They operate not only in the economic field, but also in the political, religious, ideological and cultural spheres.
>
> Faced with the militant peoples of the ex-colonial territories in Asia, Africa, the Caribbean and Latin America, imperialism simply switches tactics. Without a qualm it dispenses with its flags, and even with certain of its more hated expatriate officials. This means, so it claims, that it is 'giving' independence to its former subjects, to be followed by 'aid' for their development.
>
> Under cover of such phrases, however, it devises innumerable ways to accomplish objectives formerly achieved by naked colonialism. It is this sum total of these modern attempts to perpetuate colonialism while at the same time talking about 'freedom', which has come to be known as neo-colonialism.
>
> Foremost among the neo-colonialists is the United States, which has long exercised its power in Latin America.
>
> Fumblingly at first she turned towards Europe, and then with more certainty after world war two when most countries of that continent were indebted to her. Since then, with methodical thoroughness and touching attention to detail, the Pentagon set about consolidating its ascendancy, evidence of which can be seen all around the world.

Because We're a shining city upon a hill; A model of freedom to the rest of the world

(14/03/23) (01/06/23) (29/09/23)

The United States has long believed itself to have, quite literally, a God-given responsibility. œIt is the light of the world. A city on a hill that cannot be hidden.

Patrick Reardon explained:

> The United States is an exceptional country, and it stands as a shining city upon a hill as a model of freedom to the rest of the world.

> That's the message that American politicians from John F. Kennedy to Newt Gingrich to Hillary Clinton have preached over the past six decades, using, as illustration and proof, what they and scholars have called one of the founding documents of the nation.
>
> The document, "A Model of Christian Charity," was written, the story goes, as a lay sermon delivered by John Winthrop, the elected governor of a community of Puritans, to his followers in 1630 on a small wooden ship in the mid-Atlantic as they headed into the unknown of the New World. Its key sentences come near the end:
>
> "For we must consider that we shall be as a city upon a hill; the eyes of all people are upon us. So that if we shall deal falsely with our God in this work we have undertaken and so cause him to withdraw his present help from us, we shall be made a story and a byword through the world."
> (Patrick T. Reardon, 'As a City on a Hill': œExcavating the cultural history behind a defining American phrase, *Chicago Tribune*, Jan 15, 2019)

Their belief in a manifest destiny was exemplified in the Reagan mobilized 'œmoral majority' (the 'heartland' of America) against that 'evil empire' threatening 'the world': the Soviet Union.

They have been divinely commissioned to 'free' enslaved people (dominated by rapacious 'dictators' and authoritarian/ totalitarian governments) to unfettered, individualized, 'self-development', enjoying 'the blessings and choices opened up by the march of compound interest' in a capitalist reality. Doing 'what is necessary' for 'freedom's' sake!

Their justification for the mission they have accepted to 'free the world' was well expressed in the *Battle Hymn of the Republic*:

In the beauty of the lilies
Christ was born across the sea,
With a glory in His bosom
That transfigures you and me;
As He died to make men holy,
Let us die to make men free;

Without a clear understanding of what they meant by 'freedom', they set out to 'free' the world. They had, they believed, done all that was necessary to 'free' their own slaves; now they would do the same for the rest of the world.

There was no apparent realization of what 'freeing' enslaved people inevitably entailed. It was enough that those who had been forcibly removed from their own communities; herded together with other captured individuals without regard to their disparate origins; transported in shackles across thousands of kilometers of ocean to an unknown land; sold at auction to the highest bidders; and forced to work in atrocious conditions for years were now 'free'.

There was (and is) little evidence that they understood that real 'freedom' requires much more than 'opening the gates' and telling the enslaved that they are now 'free'!

There has certainly been no introspection on their part in pursuing their mission to 'free the world' from 'authoritarian', 'totalitarian', 'socialist' governments everywhere. Enough to demolish those repressive

governments; remove the oppressors and proclaim the 'freedom' of the populace.

And, when the early 21st Century center of Western capitalism finds itself unable to 'remove the oppressors', this is what it does:[910]

> When the Taleban captured Kabul, it ruptured Afghanistan's relationship with the international community. The problems now facing its aid-dependent economy and new Taleban rulers are rapidly piling up. Adding to the damage already wrought by conflict, pandemic and drought, foreign aid is now suspended and in doubt, the treasury is empty and foreign reserves held overseas are frozen, meaning the banking system is paralysed, and many of the country's skilled workforce have fled the country. Economic catastrophe looms for a population, half of whom were already living in poverty.

In 2022 one could, but perhaps forlornly, have hoped that the United States and its allies would, at last, forgo their regime change agenda in the region and not resurrect the mujahideen in Afghanistan. But, that hope was always forlorn!

It is one thing to proclaim the 'withdrawal' of US forces from Afghanistan (or any other of the many nations within which it has interfered over the past many years). It is quite another to actually cease belligerent interference in the affairs of such nations!

The United States, in 2021, withdrew its troops from Afghanistan, but it did not cease its, often lethal, meddling in the nation and surrounding regions - After all, with constantly expanding military budgets and armaments and a declared mission to 'free the world from terror', there remains a constant need to 'weed out enemies'.

In 2023 United States' meddling in a nation it could not control has not ceased. If it cannot be in control then it will, with every means at its disposal, ensure that no-one else will either! [911]

Neha Khan, in *The Siasat Daily*, described US' continued funding of the Islamic State (IS, formerly ISIS) both in Afghanistan and in the other Central Asian states:

> The US has been reaching out to armed groups that oppose the Taliban and secretly giving money to Islamic State (IS, formerly ISIS), as per Russia's Presidential envoy for Afghanistan, Zamir Kabulov, media reports said.
>
> Asked if the US is in contact with the Afghan opposition, Kabulov, in an interview with Russia 24 TV on Friday, said: "Yes, there is such data", RT reported.
>
> The Americans have been acting this way "because they really want to avenge their shameful military-political defeat in Afghanistan, and in retaliation they do everything so that peace isn't established in this troubled land".
>
> "But worst of all is that, in addition to contacts with the armed opposition in Afghanistan, the Anglo-Saxons are covertly sponsoring Islamic State, who are aimed at undermining not only the stability of our Central Asian partners... but also the security of Russia," Kabulov added.
> (Neha Khan, œUS covertly sponsoring IS, says Russia, *The Siasat Daily*, January 20, 2023)

Of course, in line with its behavior in many other regions, the US does not limit its funding to a single organization or movement: It will fund any group, however radical, which is prepared to act as a proxy in destabilizing target nations[912].

The œ*National Resistance Front of Afghanistan* is the most prominent and well-funded of the organizations fighting for 'the liberation of Afghanistan' in 2023 but it is not alone. In a 'œDaily Evacuation Brief', March 12, 2023, the *The Afghan Digest* (TAD) summarized the situation:

> TALIBAN REJECT NOTION THAT OVER 20 ARMED GROUPS ARE OPERATING IN AFGHANISTAN
>
> The Taliban roundly rejected a recent UN report that claimed 23 armed groups are operating in Afghanistan. They suggested the UN had fallen for several online propaganda campaigns led by anti-Taliban groups to give the appearance of significant opposition to their rule. At the same time, they accepted elements of the report which praised their counter-terrorism and drug enforcement efforts. A survey of the many groups who have announced their existence on Twitter, Facebook, and other social media sites tends to support the Taliban's position. Of the many groups, TAD has only been able to confirm that three main Resistance Groups have engaged the Taliban consistently and appear to be organized:
>
> 1. National Resistance Front
> 2. Afghanistan Freedom Front
> 3. Afghanistan Liberation Movement

Masood Farivar, in a *Voice of America* ('committed to providing comprehensive coverage of the news and telling audiences the truth') article entitled œAfghan 'Fighting Season' Ushers in New Anti-Taliban Groups (April 28, 2022), has provided a description of these organizations:

> The new groups have names such as the Afghanistan Freedom Front and the Afghanistan Islamic National & Liberation Movement. But beyond claims made on social media, little is known about their kinetic power.
>
> Researchers who have studied the groups say while they all share the goal of toppling the Taliban's eight-month-old government, they are hobbled by a lack of unity and coordination.
>
> "It will take some coordination and unity to be able to have a more decisive effect in terms of contesting Taliban governance," said Peter Mills, Afghanistan researcher at the œInstitute for the Study of War, who recently published a study of anti-Taliban groups.

Displaying a bloody-minded determination to ensure that the Taliban do not succeed where they failed over more than four decades, The United States is doing what it does best! it is fomenting insurrection and chaos in Afghanistan.

Let's remind ourselves of how they left the country in 2021!

Audrey Cronin described the true nature of US 'withdrawal' from Afghanistan:

> American soldiers may now be out of Afghanistan, but the U.S. military and intelligence services are not.

> As President Joe Biden has made clear, the United States will continue conducting drone strikes in Afghanistan to weed out enemies. "We will maintain the fight against terrorism in Afghanistan and other countries," Biden declared at the end of August, explaining his decision to withdraw forces. "We have what's called over-the-horizon capabilities" - including drones - "which means we can strike terrorists and targets without American boots on the ground."
>
> The president's plan might seem logical, or even necessary. A number of anti-American terrorist groups continue to operate in Afghanistan, and without troops on the ground, American officials may rely on armed, unmanned aerial vehicles to kill potential opponents.
>
> This represents a tragic irony: by increasing its reliance on drone strikes, Washington will be embracing a tactic that played a major role in the United States' strategic defeat in Afghanistan.
>
> Throughout the two decades of war there, U.S. policymakers used short-term operations such as drone strikes to put off thinking about and confronting the weaknesses of the Afghan National Army, the foibles of President Ashraf Ghani's government, and the absence of a workable endgame. Drones also killed hundreds of innocent civilians, most recently Zemari Ahmadi, a longtime worker for a U.S. aid group, and nine members of his family. Errant strikes, especially those that hit children, can inflame local populations and help extremists recruit new members.
>
> Despite years of withering "decapitation strikes" against terrorist leaders, one estimate found that there are more than four times as many Islamist extremists worldwide now as there were on September 11.
> (Audrey Kurth Cronin, œThe Future of America's Drone Campaign: Time for a Clean Break With a Failed Approach, *Foreign Affairs*, October 14, 2021)

For those around the world who have fallen out of favor with the United States or who have favored 'totalitarianism', 'socialism', 'social democracy', or - God forbid - 'communism', there was and will be nowhere to hide. The US and its Western 'allies' would and will, with God's help, seek them out and 'neutralize' them - US citizens who dream of such things should beware!

Branko Marcetic:

> As explained in a 1976 report by Harry W. Shlaudeman, Richard Nixon's assistant secretary of state for inter-American affairs, South American officials like Uruguay's foreign minister Juan Carlos Blanco Estradé ("one of the brighter and normally steadier members of the group") saw themselves as fighting a "Third World War," with "the countries of the southern cone as the last bastion of Christian civilization." Having come to power "in battle against the extreme left," he noted, these repressive governments had "their ego, their salaries, and their equipment-budgets" inextricably wrapped up in this concept.
>
> The result was [and still is] a stream of often stomach-churning crimes...

Embroiling 'Coalitions of the Willing' in years of fruitless wars

US executive administrations continue to use their ceded constitutional powers to embroil 'Coalitions of the Willing' in 'years of fruitless wars, most now "generational" conflicts with no end in sight', which have encouraged the creation and spread of terror groups and the disintegration of order across significant parts of the planet.

In 2021, with an increasingly common view that US power and, therefore hegemony, is waning, the question is 'Who Will Intervene in the World's Hot Spots?':

> As conflicts and crises persist around the world, there is growing uncertainty about how - or if - they will be resolved. The international order is fraying, generating uncertainty about who will intervene and how these interventions might be funded.
>
> There are interminable conflicts, like the situations in Syria, Yemen and Afghanistan, which have produced years of violence, countless thousands of deaths and even more refugees. Then there are the emerging hot spots, including northern Mozambique and the China-India frontier, and any number of potential flashpoints, like the Eastern Mediterranean. Even in situations where there is some tenuous hope of reconciliation, there is also uncertainty - such as South Sudan, where a 2018 peace deal that put an end to years of civil war is for now holding, even as widespread violence continues to plague the country.
>
> At the same time, the nature of terrorism is also changing....
>
> After several high-profile failures of its peacekeeping missions in the 1990s, the U.N. set out to rethink and improve blue-helmet operations at the turn of the millennium. But they continue to be dogged by a number of critical problems, including the intransigence of local leaders and missions that are simultaneously bloated and underfunded. ... (Editorial, "Who Will Intervene in the World's Hot Spots?, *World Politics Review*, April 28, 2021)

China's President Xi Jinping, in a keynote speech via video at the opening ceremony of the Boao Forum for Asia Annual Conference 2021, put it all well:

> ...Instability and uncertainty are clearly on the rise. Humanity is facing growing governance deficit, trust deficit, development deficit, and peace deficit. Much remains to be done to achieve universal security and common development.
>
> That said, there is no fundamental change in the trend toward a multi-polar world; economic globalization is showing renewed resilience; and the call for upholding multilateralism and enhancing communication and coordination has grown stronger.
>
> While we live in an age rife with challenges, it is also an age full of hope.
>
> Where should humanity go from here? What kind of future should we create for future generations? As we try to answer these important questions, it is crucial that we bear in mind the shared interests of mankind and make responsible and wise choices.
>
> China calls on all countries in Asia and beyond to answer the call of our times, defeat the pandemic through solidarity, strengthen global

> governance, and keep pursuing a community with a shared future for mankind.
>
> - **We need consultation on an equal footing to create a future of shared benefits**. Global governance should reflect the evolving political and economic landscape in the world, conform to the historical trend of peace, development and win-win cooperation, and meet the practical needs in addressing global challenges.
>
> We need to follow the principles of extensive consultation, joint contribution and shared benefits, uphold true multilateralism, and make the global governance system more fair and equitable.
>
> We need to safeguard the UN-centered international system, preserve the international order underpinned by international law, and uphold the multilateral trading system with the World Trade Organization at its core.
>
> World affairs should be handled through extensive consultation, and the future of the world should be decided by all countries working together.
>
> We must not let the rules set by one or a few countries be imposed on others, or allow unilateralism pursued by certain countries to set the pace for the whole world.
>
> What we need in today's world is justice, not hegemony. Big countries should behave in a manner befitting their status and with a greater sense of responsibility.
> (President Xi Jinping, œFull Text: Keynote speech by Chinese President Xi Jinping at the opening ceremony of the Boao Forum for Asia Annual Conference 2021, *China Daily*, April 20, 2021 [their emphasis])

Houènou, in 1924, accurately summed up European involvement in other nations and territories over the past 500 and more years, a summation which can, with little amendment, be applied to all those nations and territories subjected to US impulsive war making over the past half century and more:

> Europe has inaugurated in the Colonies an area of veritable savagery and real barbarism which is carried out with science and premeditation - with all the art and all the refinement of civilization. The unfortunate natives have mingled their destinies with yours.

The next step in the empowerment of that Western military industrial complex was taken in 2017. The US moved another step closer to abdication of the principle of political responsibility for military activity[913]. President Trump:

> ...outsourced the decision on how to proceed militarily in Afghanistan to the Pentagon, a startling break with how former President Barack Obama and many of his predecessors handled the anguished task of sending Americans into foreign conflicts.

Risa Brooks, Jim Golby, and Heidi Urben have summarized the 2021 continuation of the slow-motion erosion of civilian control over the US military:

> When U.S. President Donald Trump left office on January 20, many of those concerned about the state of civil-military relations in the United States breathed a deep sigh of relief. They shouldn't have. Yes, Trump used the military as a political prop, referred to some of its leaders as

> "my generals," and faced a Pentagon that slow-rolled his attempts to withdraw troops from battlefields around the world. But problems in the relationship between military officers and elected officials did not begin with Trump, and they did not end when Joe Biden took office.
>
> Civilian control over the military is deeply embedded in the U.S. Constitution; the armed forces answer to the president and legislature. Starting in 1947, Congress built robust institutions designed to maintain this relationship. But over the past three decades, civilian control has quietly but steadily degraded. Senior military officers may still follow orders and avoid overt insubordination, but their influence has grown, while oversight and accountability mechanisms have faltered. Today, presidents worry about military opposition to their policies and must reckon with an institution that selectively implements executive guidance. Too often, unelected military leaders limit or engineer civilians' options so that generals can run wars as they see fit.
>
> Civilian control is therefore about more than whether military leaders openly defy orders or want to overthrow the government. It's about the extent to which political leaders can realize the goals the American people elected them to accomplish. Here, civilian control is not binary; it is measured in degrees. Because the military filters information that civilians need and implements the orders that civilians give, it can wield great influence over civilian decision-making. Even if elected officials still get the final say, they may have little practical control if generals dictate all the options or slow their implementation - as they often do now.
>
> Resetting this broken relationship is a tall order. It demands that Congress doggedly pursue its oversight role and hold the military accountable, regardless of who occupies the White House. It requires that defense secretaries hire skilled civilian staffs composed of political appointees and civil servants. But most important, it requires an attentive public that is willing to hold both civilian leaders and the military to account.
> (Risa Brooks, Jim Golby, and Heidi Urben, œCrisis of Command: America's Broken Civil-Military Relationship Imperils National Security, *Foreign Affairs*, May/June 2021)

Melvin Goodman, in an article entitled 'Biden's Pentagon Pick: a Five-Sided Blunder', addressed Biden's apparent willingness to perpetuate Trump's blurring of military and civilian roles with his first choice for US secretary of defense, retired Army General Lloyd J. Austin III, and explained why this is problematic:

> The nomination of retired Army General Lloyd J. Austin III will lead to an unnecessary battle over his required waiver as well as his confirmation. The opposition should not be dismissed as the usual progressive voices against a leading member of the military-industrial community, which Austin represents, but the need to maintain civilian control of the military as the Founding Fathers wished.
>
> First of all, civilian control of the military has been under attack since the unfortunate passage of the Goldwater-Nichols Act in 1986 that enhanced the political influence of the regional commanders-in-chief, such as General Anthony Zinni and David Petraeus, and marginalized the civilian leaders of the Department of Defense. These regional commanders became more influential than U.S. ambassadors and assistant secretaries of state.

> The Act created a more powerful chairman of the Joint Chiefs of Staff, allowing the chairman to bypass the secretary of defense and personally brief the president on war plans. Nevertheless, the Act passed the Senate with little discussion and without one vote of opposition.
>
> President Ronald Reagan's strengthening of the uniformed military was at the expense of the Department of State. President Bill Clinton further weakened the State Department by abolishing the Arms Control and Disarmament Agency and the United States Information Service. Clinton ignored the strong opposition of our diplomats when he pursued the expansion of the North Atlantic Treaty Organization, which continues to complicate U.S. relations with Russia. President Barack Obama demonstrated too much deference to the military, particularly in his first term, which then Vice President Biden tried to prevent.
>
> Second, General Austin has an excellent background in operational and tactical issues, but he has never had to deal with serious strategic issues. The best secretaries of defense, Harold Brown and William Perry, have been serious strategic thinkers, and have made contributions to the development of strategic weapons as well as the conduct of arms control and disarmament.
> (Melvin Goodman, œBiden's Pentagon Pick: a Five-Sided Blunder, *CounterPunch*, December 11, 2020)

Marjorie Cohn described the 2017 maneuverings of President Trump's appointees to further expand presidential power to wage war:

> Defense Secretary James Mattis and Secretary of State Rex Tillerson told the Senate Foreign Relations Committee on October 30 that the Trump administration has all the legal authority it needs to kill people anywhere in the world. But just in case Congress wishes to update its old Authorization for the Use of Military Force (AUMF), Mattis and Tillerson told them how to do it: Write a blank check to the president.
> (Marjorie Cohn, œMattis, Tillerson Want Blank Check to Wage Illegal War,*Truthout*, November 04, 2017)

In 2018, the US president, Donald Trump, acted on presumption of that 'blank check'.

Marjorie Cohn, in a closely reasoned essay entitled 'œTrump Sets Deadly Precedent by Hiding Rationale for Bombing Syria' (*Truth-Out*, Wednesday, February 21, 2018) outlined Trump's presumption of the right to extend his powers beyond those ceded to past Presidents by the US Congress under the 'authorizations for use of military force (AUMF)' to include unauthorized presumptuous bombing raids on targets in other sovereign nations.

With little apparent objection from Congress, Trump assumed the right to attack other nations without any other authorization than 'the president's authority as Commander in Chief and Chief Executive under Article II of the Constitution "to defend important U.S. national interests."' In 2018, President Trump and his administration had already invoked that 'blank check' which Mattis and Tillerson requested from Congress.

Danny Sjursen has explained it well:

> **The Dangerous Evolution of Article II of the Constitution**
>
> When you get right down to it, all the debate over AUMFs is little more than a charade. It hardly matters whether Congress ever updates that post-9/11 document. When, for instance, President Trump recently

> sent missiles soaring against the Assad regime in response to an alleged chemical attack on a suburb of Damascus, neither he nor his advisers even bothered to suggest that the strike fell under that AUMF. Instead, they simply claimed that Trump was exercising his presidential prerogative under œArticle II, Section 2, of the Constitution, which makes him commander-in-chief.
> (Danny Sjursen, œWar and the Imperial Presidency: Congress Offers a Bipartisan Blank Check to Donald Trump, *Tom Dispatch*, May 3, 2018)

And, in 2021, in the first aggressive act against a foreign nation of his presidency, President Biden invoked that same Article as providing all the authorization he needed.

> Thursday's strikes mark the first military action by the Biden administration.
>
> The attack in Syria was meant to send "an unambiguous clear message" to "all adversaries in the region ... that are operating in ways that are inimical to security stability of the region and to our interests into those of our partners that we will defend ourselves. That we will protect our interests," Kirby told reporters.
>
> He also said the attack aimed to hurt the militias' ability to conduct future attacks, adding, "These targets were chosen carefully [and] very deliberately."
>
> Kirby said two F-15 fighter jets dropped seven bombs Thursday on buildings used by pro-Iran militants, decimating nine structures and partially destroying two in Abu Kamal, near the Iraqi border.
>
> The location is known as a hub for the Iraqi Shiite militias backed by Iran, Kirby acknowledged.
>
> Noting that there was no congressional authorization for the U.S. to carry out the strikes in Syria, a reporter asked the Pentagon spokesman to address the move's legality.
>
> Kirby responded:
>
>> There are two frameworks here [that] clearly define the legality of this strike. One is Article II [of the U.S. Constitution]. The commander-in-chief [President Biden], under Article II, has not only the authority but the obligation to protect American forces in combat theaters and in military operations. ... Then, second, under Article 51 of the United Nations International Law, it gives nations involved in operations the right of self-defense.
>
> Kirby did not mention the two Authorization of Use of Military Force (AUMF) approved by the U.S. Congress in 2001 in response to the 9/11 attacks and the other AUMF approved in 2002 to authorize the 2003 Iraq war.
> (Edwin Mora and Kristina Wong, œBiden's Pentagon: Syria Bombing Legal Under International Law, *Breitbart*, February 27, 2021)

Nick Turse summarized US war-making over the past half century:

> ...[T]he United States has not won a major conflict since 1945; has a trillion-dollar national security budget; has had 17 military commanders in the last 17 years in Afghanistan, a country plagued by 23,744 "security incidents" (the most ever recorded) in 2017 alone; has spent around $3 trillion, primarily on that war and the rest of the war on terror, including the ongoing conflict in Iraq, which then-

defense secretary Donald Rumsfeld swore, in 2002, would be over in only "five days or five weeks or five months," but where approximately 5,000 U.S. troops remain today; and yet 74% of the American people still express high confidence in the U.S. military.

Let the math and the implications wash over you for a moment. Such a calculus definitively disproves the notion that "the conventional army loses if it does not win." It also helps answer the question of victory in the war on terror. It turns out that the U.S. military, whose budget and influence in Washington have only grown in these years, now wins simply by not losing - a multi-trillion-dollar conventional army held to the standards of success once applied only to under-armed, under-funded guerilla groups.

Unlike in the Vietnam War years, three presidents and the Pentagon, unbothered by fiscal constraints, substantive congressional opposition, or a significant antiwar movement, have been effectively pursuing this strategy, which requires nothing more than a steady supply of troops, contractors, and other assorted camp followers; an endless parade of Senate-sanctioned commanders; and an annual outlay of hundreds of billions of dollars. By these standards, Donald Trump's open-ended, timetable-free "Strategy in Afghanistan and South Asia" may prove to be the winningest war plan ever. As he described it:

> "From now on, victory will have a clear definition: attacking our enemies, obliterating ISIS, crushing al-Qaeda, preventing the Taliban from taking over Afghanistan, and stopping mass terror attacks against America before they emerge."

Think about that for a moment. Victory's definition begins with "attacking our enemies" and ends with the prevention of possible terror attacks. Let me reiterate: "victory" is defined as "attacking our enemies." Under President Trump's strategy, it seems, every time the U.S. bombs or shells or shoots at a member of one of those 20-plus terror groups in Afghanistan, the U.S. is winning or, perhaps, has won. And this strategy is not specifically Afghan-centric. It can easily be applied to American warzones in the Middle East and Africa - anywhere, really.

Decades after the end of the Vietnam War, the U.S. military has finally solved the conundrum of how to "out-guerrilla the guerrilla." And it couldn't have been simpler. You just adopt the same definition of victory. As a result, a conventional army - at least the U.S. military - now loses only if it stops fighting. So long as unaccountable commanders wage benchmark-free wars without congressional constraint, the United States simply cannot lose...
(Nick Turse, "The U.S. Military is Winning. No, Really, It Is! A Simple Equation Proves That the U.S. Armed Forces Have Triumphed in the War on Terror, *TomDispatch*, September 4, 2018)

'Is it really about defeating 'terrorism'; spreading 'democracy'; and protecting populations from 'ruthless dictators'?

(17/02/23)

So, what motivates US aggression toward other nations? Is it really about defeating 'terrorism'; spreading 'democracy'; and protecting populations from 'ruthless dictators'?

If it ever was, it no longer is!

President Trump, in 2019, ripped away the mask of selfless concern.

The US has, finally, been exposed, not as a state dedicated to fighting 'evil' around the world - summed up in the absurd G. W. Bush promoted 'War on Terrorism' - but as just another kleptocratic capitalist nation intent on appropriating the resources of other peoples and nations, whatever the collateral cost to those on the receiving end of their predations.

Ben Norton, in an article subtitled

> *Hundreds of American soldiers are remaining in Syria to occupy its oil reserves and block the Syrian government from revenue needed for reconstruction. Trump said openly, "We want to keep the oil."*

explained:

> US President Donald Trump has reassured supporters that he is "bringing soldiers home" from the "endless" war in Syria. But that is simply not the case.
>
> While Trump has ordered a partial withdrawal of the approximately 1,000 American troops on Syrian territory - who have been enforcing an illegal military occupation under international law - US officials and the president himself have admitted that some will be staying. And they will remain on Syrian soil not to ensure the safety of any group of people, but rather to maintain control over oil and gas fields.
>
> The US military has already killed hundreds of Syrians, and possibly even some Russians, precisely in order to hold on to these Syrian fossil fuel reserves.
>
> Washington's obsession with toppling the Syrian government refuses to die. The United States remains committed to preventing Damascus from retaking its own oil, as well as its wheat-producing breadbasket region, in order to starve the government of revenue and prevent it from funding reconstruction efforts.
>
> The Washington Post noted in 2018 that the US and its Kurdish allies were militarily occupying a massive "30 percent slice of Syria, which is probably where 90 percent of the pre-war oil production took place."
>
> Now, for the first time, Trump has openly confirmed the imperialist ulterior motives behind maintaining a US military presence in Syria. "We want to keep the oil," Trump confessed in a cabinet meeting on October 21. "Maybe we'll have one of our big oil companies to go in and do it properly."
> (Ben Norton, œUS troops are staying in Syria to 'keep the oil' - and have already killed hundreds over it, *The GrayZone*, October 23, 2019)

Trump's pronouncement merely made explicit what has long been a major implicit driving motivation in US war-making. As the capitalist West has, since the early years of Western European expansion into the rest of the world, so the US, as leader of that capitalist West, has (ignoring all international laws, regulations and treaty obligations which do not suit its purposes) once again, 'set out to discover the "riches" of another sovereign nation and appropriate them'.

Michael Crowley has explained:

> Mr. Trump first spoke approvingly about the United States seizing foreign oil in April 2011, when he complained about President Barack Obama's troop withdrawal from Iraq. "I would take the oil," Mr. Trump

> told The Wall Street Journal. "I would not leave Iraq and let Iran take the oil."
>
> He elaborated in an interview with ABC News a few days later. "In the old days, you know, when you had a war, to the victor belong the spoils." he said. "You go in. You win the war and you take it."...
>
> Last week, Mr. Trump offered a variation on that idea, saying that "we'll work something out with the Kurds so that they have some money, they have some cash flow." He added that he might "get one of our big oil companies to go in and do it properly."
> (Michael Crowley, œ'Keep the Oil': Trump Revives Charged Slogan for New Syria Troop Mission, *New York Times*, Oct. 27, 2019)

In 2021 the US presidency changed. So, did anything really alter or is it a matter of smoke and mirrors (or self-delusion)?

David Miliband (British Prime Minister Tony Blair's Head of Policy in the run-up to his election in 1997; Foreign Secretary from 2007 to 2010 and president and chief executive officer of the *International Rescue Committee*), in an essay entitled 'The Age of Impunity And How to Fight It', demonstrates the real problem with US and British foreign policy.

The 'impunity' - which one might have thought would be referring to their unaccountable belligerent interference through the Middle East over the past four decades - is all about 'them'. All about those 'regimes' and 'emboldened autocrats'.

President Biden, in his first White House press conference, explained the 'battle' which confronts the United States in the 21st century: It will be a battle between democracy and autocracy (which, of course, includes a wide range of governmental types from fascism to communism which the US believes to have been threatening 'democracy' through the past 70 and more years):

> I predict to you, your children or grandchildren are going to be doing their doctoral theses on the issue of Who succeeded - autocracy or democracy? Because that is what is at stake.... We're in the midst of a fourth industrial revolution, of enormous consequence. Will there be a middle class? How will people adjust to these significant changes in science and technology and the environment? How will they do that? Our democracy is equipped, because all of the people get to speak, to compete.... This is a battle between the utility of democracies in the twenty-first century and autocracies.... We've got to prove democracy works.
> (Brian Karem, Biden: œWe've Got to Prove Democracy Works, *The Bulwark*, March 25, 2021)

Of course, the 'fourth industrial revolution' to which Biden alludes is not a consequence of new technologies but of Corporate offshoring of production. Those 'autocracies' with which the US must now do 'battle' did not 'take' US jobs, they were relocated to them through 'the slicing up of the value-added chain as individual production stages were located where the costs of production are lowest'

The ongoing devolution of wages and conditions in Western nations is a result of deliberate Western government and corporate policy (coinciding with Biden's period in the United States Senate and US administration from 1973 to 2017 - though he does not seem to have connected the dots!).

But, we digress!

Miliband, in that strangely myopic understanding of reality one has come to expect from the Western commentariat, explains the 'new' 'trans-Atlantic' foreign policy foci:

> Values are back, and not only on the domestic front. Biden's administration will place greater emphasis on defending human rights around the world, including in China and Russia. He wants humanitarian need to figure in military strategy and has withdrawn U.S. support for offensive measures by the Saudi-led coalition fighting against the Houthi rebels in Yemen, which is now home to the world's largest humanitarian crisis [though, of course, they will continue to employ US munitions because those are provided by 'private companies']. He wants the United States to live up to its legal and moral commitments and has restored some rights to asylum seekers.
>
> For all this, there are good reasons to be grateful. Former President Donald Trump's commitment to deals rather than values emboldened autocrats around the world. Civilians killed in war were not Trump's concern. Nor were refugees driven from their homes or journalists imprisoned in authoritarian countries. However, the experience of his two immediate predecessors makes clear that simply declaring support for values does not make them spread.
>
> President George W. Bush proclaimed in his second inaugural address that "the survival of liberty in our land increasingly depends on the success of liberty in other lands," and his administration set out to support the expansion of electoral democracy around the world. Yet according to Freedom House, which tracks global democratic trends, 2005 was the year that political freedom began a multiyear retreat.
>
> For his part, President Barack Obama set up an Atrocities Prevention Board to make halting genocide and mass atrocities a "core national security interest and core moral responsibility." But the belligerents in Syria and South Sudan, among other places, would not be disciplined by a committee of officials in Washington.
> (David Miliband, œThe Age of Impunity: And How to Fight It, *Foreign Affairs*, May 13, 2021)

And another of those true believers protecting and promoting 'Western Values' around the world has expanded on David Miliband's rhetoric.

Samantha Power (U.S. Ambassador to the United Nations 2013-2017 and Administrator of the U.S. Agency for International Development (USAID) at the time of writing this piece) explained to us all 'How Democracy Can Win' and 'The Right Way to Counter Autocracy'.

With no attempt to define her terms, she explained:

> ...Between mid-2020 and the end of 2022, populist leaders saw an average decline of 10 percentage points in their approval ratings in 27 countries analyzed by researchers at Cambridge University. In the same time frame, prominent leaders with autocratic tendencies lost power at the ballot box. And American democracy has proved resilient; the U.S. Congress passed meaningful electoral reforms and held powerful public investigations into the events leading up to January 6.
>
> Autocrats are now on the back foot. Under Biden's leadership, the United States and countries around the world have joined forces to protect and strengthen democracy at home and abroad and to work together on challenges such as climate change and corruption. After a

> year of faltering authoritarianism and stubborn democratic resilience, the United States and other democracies have a chance to regain their momentum - but only if we learn from the past and adapt our strategies. For the last three decades, advocates of democracy have focused too narrowly on defending rights and freedoms, neglecting the pain and dangers of economic hardship and inequality. We have also failed to contend with the risks associated with new digital technologies, including surveillance technologies, that autocratic governments have learned to exploit to their advantage. It is time to coalesce around a new agenda for aiding the cause of global freedom, one that addresses the economic grievances that populists have so effectively exploited, that defangs so-called digital authoritarianism, and that reorients traditional democracy assistance to grapple with modern challenges.
> (Samantha Power, œHow Democracy Can Win: The Right Way to Counter Autocracy, *Foreign Affairs*, February 16, 2023)

The 'Trans-Atlantic Alliance' remains determined to 'free' the world from:

- 'Populist parties with xenophobic and antidemocratic tendencies';
- The world's 'Autocracies' and 'autocratic rulers';

  and
- Nations which 'bear the hallmarks of authoritarianism'.

Short-hand for 'nations and leaders who will not fall in line and do as they are told'!

Let us all be 'grateful' that during Biden's presidency the US has returned to its 'core values'. It has renewed its determination to develop its own peculiar brand of 'democracy' in all those 'autocratic', 'populist' and 'authoritarian' countries around the world which resist change.

The world can be assured that, if institutions such as USAID are successful, their governments will be transformed through 'the cultivation of democracy abroad'.

Samantha Power, Administrator of the U.S. Agency for International Development in 2023, explained what she sees as the task motivating her and her organization:

> ...[T]he cultivation of democracy abroad has largely meant the provision of what we call democracy assistance: funding to support independent media, the rule of law, human rights, good governance, civil society, pluralistic political parties, and free and fair elections....
>
> ...[I]n September, U.S. Secretary of State Antony Blinken and I gathered the heads of state of many of these rising democracies, together with corporate executives and private philanthropies, to encourage new partnerships...

Expediency as Morality: Means limited only by Ends
Nations Without Moral Compasses: Adrift in Dangerous Times

(07/01/19) (11/01/19) (19/05/19) (09/09/19) (26/11/19) (11/03/20)

Not only does the US now have 'unaccountable commanders', it has insisted that members of the US military and CIA personnel are beyond the reach of

international prosecutors.[914]

President Trump (September 10, 2018) threatened to ban ICC judges and prosecutors from entering the United States, sanction their funds in the United States financial system, and, prosecute them in the United States criminal system if they formally open an investigation into US war crimes[915].

Bolton, Trump's national security advisor, claimed that

> The ICC [International Criminal Court] constitutes a direct assault on the concept of national sovereignty, especially that of constitutional, representative governments like the United States.

As former Secretary of State Condoleezza Rice and President Barack Obama (amongst others) have explained, America and all that it does in the world is a reflection of the fact that the US is "on the right side of history".

Geoffrey Aronson has explained the mindset well:

> America observes the world from the relative safety of its faraway shores and sees conflicts shaded in black or white. The complex and nuanced ambiguities that define all conflicts are avoided, if not denied outright. Far easier to man the battlements, when, as US President Barack Obama is fond of saying, America and all that it does in the world is a reflection of the fact that the US is "on the right side of history".
>
> Moral clarity is the rule - for the American public and policymakers alike - an easy and clean divide between good guys and bad guys. In my youth it was a backyard game of cowboys versus Indians, or the real battles pitting nasty Communists, whether in Cuba, Moscow, or Vietnam, against true-blue Americans and their trustworthy allies.
>
> Who then are today's outliers, those who have lost history's coin toss?...
>
> What happens... when the moral clarity that Americans crave is itself a mirage?
>
> Dividing the world into good guys and bad guys makes it easier to pick a winner and mobilise popular and military support for its victory - Syria being the most recent case in point.
>
> But is this the best way to understand how the world really works, let alone to make it the lodestar for your policies?
> (Geoffrey Aronson, œIs America on the right side of history? America sees conflicts shaded in black or white and avoids all complex and nuanced ambiguities., *Aljazeera*, 15 Oct 2016)

Sam Raphael, Crofton Black and Ruth Blakeley, in an examination of US CIA involvement in secretive programs, run by the Central Intelligence Agency outside the Pentagon's chain of command, in the post-September 11, 2001 21st century, have documented the descent of United States' agencies into œexpediency-justified torture programs. Clive Stafford Smith, in the preface, describes the scene:

> When I first visited Guantánamo Bay in 2004, the nearly 800 prisoners held there were mostly nameless. It took years for the government to release a list of its captives - a prerequisite to establishing whether or not they should be held at all. Many, it turned out, were there on the basis of malicious, false or inaccurate information, had been handed

> over by bounty hunters, or had been imprisoned because they wore a certain type of Casio watch. These were the people the Bush administration called 'the worst of the worst'.
>
> Information about its prisoners had to be prised out of the US military's unwilling bureaucracy. But already at that time there were rumours of an even more secretive programme, run in parallel by the Central Intelligence Agency outside the Pentagon's chain of command. Occasional press stories spoke of people abducted in the middle of the night, manhandled onto planes and never heard of again. Leaks from US government officials began to tell a tale of secret detention locations, in Asia or Europe or elsewhere...
> (Clive Stafford Smith, in: Sam Raphael, Crofton Black and Ruth Blakeley, œ*CIA Torture Unredacted: An Investigation Into the Cia Torture Programme*, The Bureau of Investigative Journalism, July 2019)

Mujib Mashal, writing in the *New York Times* (Dec. 31, 2018) described the consequences of a belief that morality can, finally, be reduced to expediency, that, in clandestine extra-military operations, the ends justify the means:

> At a time when the conventional Afghan military and police forces are being killed in record numbers across the country, the regional forces overseen by the C.I.A. have managed to hold the line against the most brutal militant groups, including the Haqqani wing of the Taliban and also Islamic State loyalists.
>
> But the units have also operated unconstrained by battlefield rules designed to protect civilians, conducting night raids, torture and killings with near impunity, in a covert campaign that some Afghan and American officials say is undermining the wider American effort to strengthen Afghan institutions....
>
> ...[S]enior Afghan and international officials say that the two most effective and ruthless forces, in Khost and Nangarhar Provinces, are still sponsored mainly by the C.I.A....
>
> In nearly every case examined by The Times, the victims' families said they were at a loss for where to seek justice, or an explanation of why they had been raided. And nearly every government official in those areas expressed helplessness about the strike forces' operations.
> (Mujib Mashal, œC.I.A.'s Afghan Forces Leave a Trail of Abuse and Anger: The fighters hold the line in the war's toughest spots, but officials say their brutal tactics are terrorizing the public and undermining the U.S. mission, *New York Times*; December 31, 2018)

The truly sad postscript to all this is that, back in 2001, the US justified its invasion of a sovereign nation not only because it gave sanctuary to 'terrorists', but, also, because of the outrageous abuses which it claimed were being perpetrated by the Taliban government of Afghanistan against the population[916].

These, of course, were outrages to which it had, in fact, as William Blum has described, turned a blind eye during its support of those same 'terrorists' in the 1980s. Now, it being expedient to do so, those morally outraged Western crusaders and their 'coalition of the Willing' have adopted the tactics of the mujahideen. Condemnation of similar 'terror' tactics by the Taliban and claimed determination to eliminate the perpetrators has 'justified' the Coalition's 17 year-long, ongoing, occupation of the country.

Marjorie Cohn has summed it up:

> Once again, the United States is blackmailing countries that would send Americans to face justice in the International Criminal Court. Trump's National Security Adviser John Bolton is leading the charge to shield US and Israeli war criminals from legal accountability.
>
> On September 10, Bolton told the right-wing Federalist Society that the United States would punish the ICC if it mounts a full investigation of Americans for war crimes committed in Afghanistan or of Israelis for human rights violations committed in the Occupied Palestinian Territories....
>
> On September 10, the same day Bolton vilified the ICC before the Federalist Society, Donald Trump issued a statement saying that if the ICC formally opens an investigation, his administration would consider negotiating "even more binding, bilateral agreements to prohibit nations from surrendering United States persons to the ICC." He threatened to ban "ICC judges and prosecutors from entering the United States, sanction their funds in the United States financial system, and, prosecute them in the United States criminal system," as well as "taking steps in the United Nations Security Council to constrain the Court's sweeping powers."
> (Marjorie Cohn, œJohn Bolton Escalates Blackmail to Shield US War Criminals, *Truthout*, September 14, 2018
> see also: Marjorie Cohn, œAs Trump Orders US Out of Afghanistan, Notorious CIA-Backed Units Will Remain, *TruthOut*, January 6, 2019)

A Cold, Calculated Determination To Ensure Overwhelming Military Supremacy

(05/03/18)(08/03/18) (27/03/18) (05/11/18) (23/11/18) (03/03/19) (30/03/19) (16/06/19) (29/10/19) (25/02/20) (24/06/20) (18/07/20) (12/08/20) (16/09/20) (09/10/20) (16/12/20) (20/12/20) (28/05/21) (27/12/21) (21/01/22) (11/03/22)

As with global warming, so with military power and weapons controls: Western capitalists have myopically reshaped the world to their 'needs', driven, not by a clear understanding of the environmental or geopolitical implications of their behavior, but by the economic 'bottom line'.

US president Trump, commenting on a Saudi Arabian deal guaranteeing long-term, increasing flows of armaments from Western armaments factories (responsible for 92+% of world arms exports) to one of the most unstable regions of the world: "That was a tremendous day, Tremendous investments in the United States."

Western societies, in this 21st century, are being confronted by seemingly insurmountable problems, most, but not all, of our own making. And, in the face of these challenges, we have demonstrated, once again, the limits of our abilities as societies to deal with them.

In global warming, as in nuclear weapons stockpiling and in many other challenges, we have demonstrated an ability to foresee future problems, research their likely impacts, and devise plans and schemes for tackling them. But, we have also displayed an inability to follow through on those plans and deal with future threats before it is too late. It is not that we cannot foresee threats or that we cannot devise solutions. It is that we cannot follow through on the solutions we devise.[917]

Noam Chomsky has illustrated this well:

> Humanity faces two imminent existential threats: environmental catastrophe and nuclear war....These are the most critical and urgent questions that have arisen in all of human history...
>
> There have been many monsters in the past ... but it would be hard to find one who was dedicated to undermining the prospects for survival of organized human society, not in the distant future - in order to put a few more dollars in overstuffed pockets.
>
> It's hard to find words to describe what is happening before our eyes.
>
> The same is true of the second truly existential threat: nuclear war. A few weeks before the election, Trump announced that the US is withdrawing from the INF treaty, which eliminated short-range missiles deployed in Western Europe and Russia - extremely hazardous weapons, which have only a few minutes flight-time to Moscow, posing a decapitation threat, a sudden attack that would destroy any possibility of response. That, of course, sharply increases the danger of a nuclear response to warnings given by automated systems that have often failed in the past, thus ending all of us.
>
> Anyone familiar with the record knows that it's a virtual miracle that we have so far avoided terminal nuclear war. The threat, which was already grave, was heightened by the Trump œnuclear posture review that authorized new destabilizing weapons and lowered the threshold for nuclear attack.
> (C.J. Polychroniou, œNoam Chomsky: Moral Depravity Defines US Politics, *Truthout*, November 21, 2018)

Given the disingenuous justificatory language of the *US Nuclear Posture Review* (2018), it would be prudent to consider carefully the implications of the outlined intentions and ambitions of US nuclear aims, plans and justifications.[918]

The US, in this 21st century, is displaying a short-sighted and potentially extremely dangerous willingness to extrapolate its nuclear arsenal to include forms of weaponry previously subject to international treaties, commitments and verification.

It has also displayed a dangerous willingness to abrogate those commitments and associated verifications, simultaneously escalating threats and confrontations.

Daniel Larison has outlined the emerging US reality:

> The United States is no good at making lasting diplomatic commitments anymore. Other states have no difficulty believing in U.S. threats to use force and impose broad sanctions, but it is much harder to convince them that the U.S. can be trusted to honor its promises in negotiated agreements.
>
> Our government has a real credibility problem in that our government's promises to lift sanctions and make other concessions are not believable. This greatly complicates the ability of our negotiators to strike bargains with other governments to resolve outstanding disputes, because the U.S. has an increasing tendency to go back on its word or to tear up agreements in a fit of pique.
>
> Even when certain other governments reach an agreement with the U.S. and abide by its terms, that is no guarantee that the U.S. won't turn around in a few years and seek to attack or depose them.

> The Libyan government ended its international pariah status in exchange for ending its unconventional weapons programs and halting its support for terrorism in 2003, but the U.S. intervened to support regime change in Libya in 2011 and helped to destroy the government.
>
> Iran was fully complying with the nuclear deal for years only to be rewarded with severe U.S. economic warfare after Trump reneged on the agreement.
>
> Iran has been under sanctions for a longer period since it agreed to the nuclear deal than it was able to enjoy sanctions relief because of the deal. Republican hawks are already promising that any agreement that Iran makes with the Biden administration and the other major powers will be torn up by the next administration. Even allowing for demagogic posturing and hyperbole, the Iranian government has to assume that will happen and plan accordingly.
>
> U.S. diplomacy also suffers from an overreliance on threats of military action. There has been a flurry of articles and letters in the last few months urging the Biden administration to make threats of military action against Iran more "credible," as if our government's willingness to resort to force were somehow seriously in doubt.
>
> For example, just last week the Washington Institute of Near East Policy (WINEP) released a letter signed by several high-profile former officials, including Leon Panetta, Michele Flournoy, and David Petraeus, urging Biden to "restore Iran's fear" of military attack. The idea that the U.S. needs to instill fear to make progress in the talks gets everything backwards....
> (Daniel Larison, œWashington's real credibility problem, *Responsible Statecraft*, December 24, 2021)

William Perry and Tom Collina have posed a life-and-death question for the US (and, of course, for all of us wherever we might live) in this pre-apocalyptic century:

Who Can We Trust With the Nuclear Button?

And, then, given the US track-record in fomenting and prosecuting invasions of other nations and territories, provided the obvious answer:

No One.

As they explain:

> Unsettling as it may be, Mr. Trump has the absolute authority to start a nuclear war. Within minutes, the president could unleash the equivalent of more than 10,000 Hiroshima bombs. He does not need a second opinion. The defense secretary has no say. Congress has no role. Yet it would mean the end of civilization as we know it.
>
> "There is nothing stopping a nuclear war except for Donald Trump's brain," Ben Rhodes, who served as deputy national security adviser to President Barack Obama, says... "That should be concerning to people."
>
> Mr. Trump is not the first, and is unlikely to be the last, president to raise these concerns. Giving any president such unchecked authority entails significant risk. There is always some chance that a president, at the moment it matters, may be uninformed and impulsive (like Mr. Trump), drinks to excess (Richard Nixon), or is engaged in some other

> activity that could cloud his or her judgment. Presidents, like all of us, make mistakes. They are only human.
>
> So, why do we give so much power to one fallible human? It started 75 years ago, when President Harry Truman was shown the devastation of Hiroshima and Nagasaki and determined not to use the atomic bomb again. To him, that meant keeping it out of military hands. So Truman declared that no more atomic bombs could be dropped unless he personally authorized it - and the bomb has not been used since.
>
> But in addition to laudable civilian control, Truman set the dangerous precedent of one-person control. Atomic bombs became "the president's weapons" and sole authority was reinforced as both the United States and the Soviet Union deployed ballistic missiles that could span the globe in 30 minutes or less.
>
> And the awesome ability to launch hundreds of thermonuclear weapons in mere minutes came with grave dangers. Would any president be able to make a wise decision under such crushing time pressures? What if it was a false alarm? How would the president know?... (William J. Perry and Tom Z. Collina, œWho Can We Trust With the Nuclear Button? No One: The Cold War is over and all presidents make mistakes. Yet they still have sole control over whether to start a nuclear war, *New York Times*, June 22, 2020)

Why, indeed, does the US give so much power to one fallible human being. The trail of indiscriminate bullying, invasion, destruction, mayhem, torture and death over the past half-century and more forces us to ask: Why? Why? Why?

William Astore, in a *TomDispath* post entitled 'Only Fools Replay Doomsday: The Cold War, Reborn and Resurgent', provides a sobering description of what the first 'Cold War' entailed and then describes what is being planned for the next.

I'm less than convinced that the United States 'won' the first 'Cold War' - perhaps the best that can be said is that the US outlasted a Soviet Union riddled with internal contradictions and tensions which would finally result in the unravelling of the Union (the US is not so different!). But that is something to be discussed on cold winter evenings when we've nothing better to do! It should certainly not be allowed to detract from the importance of the questions Astore asks:

> Why would any sane nation want to refight a war that it had already won at enormous cost? Who in their right mind would want to hit the 'replay' button on such a costly, potentially cataclysmic strategic paradigm as deterrence through MAD, or mutually assured destruction?
>
> Meet the New Cold War - Same as the Old One
>
> Quite honestly, the who, the how, and the why depress me.
>
> **The 'who'** is simple enough: the military-industrial-congressional complex, which finds genocidal nuclear weapons to be profitable, even laudable.
>
> Leading the charge of the latest death brigade is my old service, the Air Force. Its leaders want new ICBMs, several hundred of them in fact, with a potential price tag of $264 billion, to replace the Minutemen that still sit on alert, waiting to inaugurate death on an unimaginable scale,

> not to speak of a global nuclear winter, if they're ever launched en masse.
>
> Not content with such new missiles, the Air Force also desires new strategic bombers, B-21 Raiders to be precise (the '21' for our century, the 'Raider' in honor of General Jimmy Doolittle's morale-boosting World War II attack on Tokyo a few months after Pearl Harbor). The potential price tag: somewhere to the north of $200 billion through the year 2050....
>
> **The 'how'** is also simple enough. The vast military machine I was once part of justifies such new weaponry via the tried-and-true (even if manifestly false) tactics of the Cold War. Start with threat inflation. In the old days, politicians and generals touted false bomber and missile 'gaps.' Nowadays, we hear about China building missile silos, as if these would pose a new sort of dire threat to us. (They wouldn't, assuming that China is dumb enough to build them.) A recent New Yorker article on Iran's ballistic missile program is typical of the breed. Citing a Pentagon estimate, the author suggests 'that China could have at least a thousand [nuclear] bombs by 2030.' Egad! Be afraid!...
>
> **The 'why'** is also simple enough, and it disgusts me. Weapons makers, though driven by profit, pose as job-creators. They talk about 'investing' in new nukes; they mention the need to 'modernize' the arsenal, as if nuclear weapons have an admirable return on investment as well as an expiration date. What they don't talk about (and never will) is how destabilizing, redundant, unnecessary, immoral, and unimaginably ghastly such weapons are.
> (William Astore, œOnly Fools Replay Doomsday: The Cold War, Reborn and Resurgent, *TomDispatch*, January 18, 2022)

Tom Engelhardt, in a foreword to the post, puts it in a nutshell:

> We - all of us on this planet - now live in one world and only one. Somehow, this remains hard for so many of us to grasp. Yet it's been true since at least August 6, 1945, when a single atomic bomb obliterated the city of Hiroshima and, lest there were any doubts, three days later, a second one did the same thing to Nagasaki. From that moment on, no one should have doubted that we were, or would at least soon be, capable of obliterating not just two cities, but the whole planet. In the years since, as nuclear arsenals have been built to gigantic proportions and such weaponry has spread to nine countries, we've learned more about just how devastating such a conflict between great (or even regional) powers could be. After all, a significant regional nuclear exchange would create not just staggering global death and destruction but a nuclear winter of almost unimaginable proportions for all of us.
>
> More recently, of course, it's become apparent in a second way that all of us exist on one all-too-destructible orb in space. As 2022 begins and the news arrives that the last seven years have been the seven hottest in recorded history; as the planet's oceans continue to absorb the equivalent in heat terms of 'seven Hiroshima atomic bombs detonating each second, 24 hours a day, 365 days a year'; as U.S. greenhouse gas emissions are once again rising, not falling; as the damage from flooding, heat, fire, and drought only increases, both immeasurably and measurably, it shouldn't be that hard to grasp that the climate emergency we face is the potential equivalent of the wholesale nuclear destruction of the planet, just on a vastly different time scale.

Sarah Burns provided a brief explanation of the 75 year-long process which resulted in the US Congress ceding its authority to declare war to the US presidency.

> Trump's agenda strayed from the norm, but his use of executive power did not. Presidents have dominated U.S. foreign policy decision-making since well before Trump. In fact, structural changes began to warp the separation of powers, allowing presidents tremendous leeway, more than 75 years ago.
>
> At first, those changes were difficult to enact: all three branches had to deny Congress the coequal status that the Constitution clearly confers on it. Congress made many efforts to guard the power it enjoyed during the first 150 years of the republic, but the altered relationship eventually became routine. By the twenty-first century, the branches had firmly established a new relationship: executives prosecute wars unilaterally,
>
> Congress provides little more than a fig-leaf of authorization (if any at all), and the courts rarely interfere.
>
> An accountable presidency attuned to the interests of the American people requires a legislature capable of restricting executive independence - and voters who insist on it.
> (Sarah Burns, œPresidents Were Never Meant to Have Unilateral War Powers: Congress and the Public Should Reassert Their Roles, *Foreign Affairs*, November 11, 2020)

Michael Beckley, in an essay entitled 'Rogue Superpower: Why This Could Be an Illiberal American Century', has questioned the post-Trumpian future of the United States of America. What roles will the US play through the rest of the 21st Century?

> President Donald Trump came into office promising to overhaul U.S. foreign policy. Since then, he has scorned allies, withdrawn the United States from international agreements, and slapped tariffs on friends and foes alike. Many experts bemoan the damage Trump's "America first" policy has done to the so-called liberal international order - the set of institutions and norms that have governed world politics since the end of World War II. They hope that once Trump has left the Oval Office, the United States will resume its role as leader of a liberalizing world.
>
> Don't count on it. The era of liberal U.S. hegemony is an artifact of the Cold War's immediate afterglow. Trump's transactional approach to foreign policy, by contrast, has been the norm for most of U.S. history. As a result, Trump's imprint could endure long after Trump himself is gone....

As he concludes, in a subsection headed:

> **A ROGUE SUPERPOWER**
>
> Faced with flailing allies and a divided and apathetic public, the United States might start acting less like the head of a grand coalition and more like a rogue superpower - an economic and military colossus lacking moral commitments, neither isolationist nor internationalist, but aggressive, heavily armed, and entirely out for itself. In fact, under Trump, it already seems to be headed in that direction. During Trump's time in office, some U.S. security guarantees have started to look like

> protection rackets, with the president musing that allies should pay the costs of hosting U.S. troops plus a 50 percent premium.
>
> The Trump administration has taken to enforcing trade deals with unilateral tariffs rather than working through the World Trade Organization. Trump has largely abandoned the goal of democracy promotion and has downgraded diplomacy, gutting the State Department and handing ever more responsibility to the Pentagon. The U.S. military is changing, too. Increasingly, it is a force geared for punishment rather than protection. The Trump administration has downsized permanent U.S. deployments on allied territory, replacing them with roving expeditionary units that can steam overseas, smash targets, and then slink back over the horizon.
>
> Many of Trump's critics decry these changes as not just unwise but also somehow un-American. But Trump's approach appeals to many Americans today and aligns with their preferences regarding the United States' role in the world. If these conditions persist, the best-case scenario for American leadership may involve Washington adopting a more nationalist version of liberal internationalism.
>
> The United States could retain allies but make them pay more for protection. It could sign trade agreements, but only with countries that adopt U.S. regulatory standards; participate in international institutions but threaten to leave them when they act against U.S. interests; and promote democracy and human rights, but mainly to destabilize geopolitical rivals.
> (Michael Beckley, "Rogue Superpower: Why This Could Be an Illiberal American Century, *Foreign Affairs*, November/December 2020)

Chomsky has examined one of the many 21st century consequences of the expanding powers of the US administration and pentagon: "the US missile systems have been improved by such a huge factor that they are now capable of instantly wiping out" any perceived nuclear challenge to its vaunted supremacy (how fortunate the world is that the US has a sane, intelligent, empathic leadership and government).

Chomsky's description, on April 24, 2017, of the goads which ensured what has followed, sets the scene:

> ...the US missile systems have been improved by such a huge factor that they are now capable of instantly wiping out the Russian deterrent.
>
> [and] This is massive overkill and nuclear stability is gone, and of course, the Russians know this. What that implies is that if they ever feel a threat, they're just going to be compelled to launch a preemptive strike because otherwise they're dead, you know? And that means we're all dead.

As Hans Kristensen, Matthew McKinzie and Theodore Postol explained:

> The US nuclear forces modernization program has been portrayed to the public as an effort to ensure the reliability and safety of warheads in the US nuclear arsenal, rather than to enhance their military capabilities. In reality, however, that program has implemented revolutionary new technologies that will vastly increase the targeting capability of the US ballistic missile arsenal.
>
> This increase in capability is astonishing - boosting the overall killing power of existing US ballistic missile forces by a factor of roughly three

> - and it creates exactly what one would expect to see, if a nuclear-armed state were planning to have the capacity to fight and win a nuclear war by disarming enemies with a surprise first strike.

US Democratic Senator Mark Warner used a US foreign-policy think tank forum (March 2, 2018) to spell out the prevailing Washington 'Consensus' on the need for this absurd nuclear weapons enhancement program. The forum discussion was framed by a report on "œThe Return of Global Russia" (Paul Stronski and Richard Sokolsky, *Carnegie Endowment for International Peace*, December 2017) 'a reassessment of the Kremlin's international agenda, which focuses on Russia's new activist foreign and military policies':

> "Again, this is not a newsflash," Warner said about the reemergence of Russia. "Too often, those of us who are caught up in the day-to-day, who's up, who's down in Washington, we're all caught up in the latest news cycle. And I'm concerned that we can miss, by this failure to step back, how all these events actually form a context, and are basically presenting themselves in what I believe is an alarming picture of the -- in a sense, the new Russia, and how it's emerging as a threat to both the United States and our allies."
>
> "If we just think about, for a moment, even the terminology," he observed. "Let me go down some of the litany -- bots, paid trolls, click farms, little green men, distributed denial of service. In the last couple of years, national security leaders have been forced to learn a whole new language, in terms of dealing with 21st-century threats. Our long-standing rival Russia has clearly reimagined in the world, and with a new playbook to exploit our very openness in our society, to divide us from within, and it's cut us off from our allies."
>
> "Some commentaries -- commentators have tried to define this as a new phase of the Cold War. But what we're experiencing now, to me, doesn't resemble the Cold War that I recall growing up with. Back then, we had a clear sense of who our adversary was... Today's conflict, I believe, is much more amorphous. The traditional tools of the Cold War, Mr. Putin has his -- at his disposal a wide array of nonconventional weapons and tools; tools like cyber attacks, energy deals, hacking, selective leaking, and a bot army to sow and spread his disinformation."
>
> "Many of these tools are actually deployed by nonstate surrogates, thereby giving Russia the ability to claim deniability when their hand or their agents are caught taking some of these actions."
>
> Warner also said: "The bottom line: I believe -- rather than a framework of an old Cold War, I believe we're now engaged in a fight in the shadows, and I'm not sure that's a fight that we're currently winning."
> (Tim Hains, œSen. Mark Warner Speech At Carnegie Endowment On "Return Of Global Russia", *RealClear Politics*, March 2, 2018)

At the start of 2021, with a new administration in Washington, the drive to 'modernize and enhance' US nuclear strike capabilities was, if anything, stronger. The US Congressional Budget Office report on œProjected Costs of U.S. Nuclear Forces, 2021 to 2030 (May 2021) described the increase in funding for the next ten years:

> ..[T]he plans for nuclear forces delineated in the Department of Defense's (DoD's) and the Department of Energy's (DOE's) fiscal year

> 2021 budget requests, submitted in February 2020, would cost a total of $634 billion over the 2021-2030 period, for an average of just over $60 billion a year, CBO estimates.
>
> Almost two-thirds of those costs would be incurred by DoD; its largest costs would be for ballistic missile submarines and intercontinental ballistic missiles. DOE's costs would be primarily for nuclear weapons laboratories and supporting activities.
>
> The current 10-year total is 28 percent higher than CBO's most recent previous estimate of the 10-year costs of nuclear forces, $494 billion over the 2019-2028 period.

Mikhail Gorbachev, in an October 25, 2018 essay entitled 'A New Nuclear Arms Race Has Begun', explained the direction in which US administrations are taking the world in the 21st century:

> A new arms race has been announced. The I.N.F. [Intermediate-Range Nuclear Forces] Treaty is not the first victim of the militarization of world affairs. In 2002, the United States withdrew from the Antiballistic Missile Treaty; this year, from the Iran nuclear deal. Military expenditures have soared to astronomical levels and keep rising.
>
> As a pretext for the withdrawal from the I.N.F. Treaty, the United States invoked Russia's alleged violations of some of the treaty's provisions. Russia has raised similar concerns regarding American compliance, at the same time proposing to discuss the issues at the negotiating table to find a mutually acceptable solution. But over the past few years, the United States has been avoiding such discussion. I think it is now clear why.
>
> With enough political will, any problems of compliance with the existing treaties could be resolved. But as we have seen during the past two years, the president of the United States has a very different purpose in mind. It is to release the United States from any obligations, any constraints, and not just regarding nuclear missiles.
>
> The United States has in effect taken the initiative in destroying the entire system of international treaties and accords that served as the underlying foundation for peace and security following World War II....
>
> Faced with this dire threat to peace, we are not helpless. We must not resign, we must not surrender.
> (Mikhail Gorbachev, œA New Nuclear Arms Race Has Begun: President Trump says he plans to withdraw from a nonproliferation treaty that I signed with Ronald Reagan. It's just the latest victim in the militarization of world affairs., *New York Times*, October 25, 2018)

Since the start of the 21st Century, as Gorbachev explained, the United States has displayed a willingness to abrogate international treaties. A senior official in the 2nd George Bush administration explained the rationale:

> You can't count on the international community to establish a new democratic or political order.
>
> ...the reigning power [will] distribute power and businesses, and which people it chooses to deal with are automatically made into kings. Do we want to be the kingmaker, or do we want to default that over to the U.N.?

Scott Anderson and Christopher Fonzone describe the 2020 scene:

> ...[I]nstead of embracing international cooperation, the administration of U.S. President Donald Trump has leaned into its "America first" foreign policy, turning its back on U.S. allies and exiting some of the United States' longest-standing treaty relationships.
>
> On May 21, Secretary of State Mike Pompeo announced that the United States would begin the six-month process of withdrawing from the Open Skies Treaty, a Cold War legacy that promotes military transparency by facilitating mutual surveillance overflights among NATO members and former Warsaw Pact countries. Then on July 6, the Trump administration announced that the United States was terminating its relationship with the World Health Organization by withdrawing from the organization's foundational agreement, the WHO Constitution.
>
> These are not the first treaty relationships Trump has jettisoned. Over the last three and a half years, he has exited or threatened to exit a long list of international treaties, ranging from the Intermediate-Range Nuclear Forces Treaty (from which the United States withdrew in August 2019) to the North Atlantic Treaty that created NATO (from which Trump has repeatedly suggested he would like to withdraw). But the Open Skies Treaty and the WHO Constitution are the first two treaties that the president has sought to exit on terms that appear to be in tension with the wishes of Congress.
> (Scott R. Anderson and Christopher C. Fonzone, œCongress Must Protect America's Treaties: It Is Not Too Late to Stop Trump From Abandoning Vital International Agreements, *Foreign Affairs*, July 17, 2020)

With the US displaying a willingness to abandon long-established treaties and international commitments and obligations, those whom it is defining as its current and future foes are left with few reliable treaty arrangements upon which they can depend[919].

The preemptive nature of the US nuclear arms 'modernization' and 'enhancement' program, apparently aimed at a 'capacity to fight and win a nuclear war by disarming enemies with a surprise first strike', leaves Russia (and now, of course, China) with little or no option other than to respond in like manner[920].

The emergence of a hypersonic missile arms race should concern (panic?) all who believe that humanity (and, perhaps, Capitalism) deserves a future on this planet. A hypersonic missile whose speed exceeds Mach 20 can cover the distance between Moscow and Washington in less than 20 minutes!

At 20 °C (68 °F), the speed of sound in air (Mach 1) is about 343 meters per second (1,235 km/h). So, Mach 8 is 9880 km/h, the distance from international waters to the center of mainland USA is ~2960km or less than 15 minutes at Mach 8; Mach 20 would be 24,720 km/h; The distance from Washington to Moscow is ~8,400 km - or less than 20 minutes at Mach 20. O, what a tangled web we weave...!

A 2018 CBS News report described Russia's reaction to the announced US nuclear weapons program :

> Russia has tested an array of new strategic nuclear weapons that can't be intercepted, President Vladimir Putin announced Thursday, marking a technological breakthrough that would dramatically increase Russia's military capability and boost the Kremlin's global position. Speaking in

> a state-of-the-nation speech, Putin said the weapons include a nuclear-powered cruise missile, a nuclear-powered underwater drone and new hypersonic missile.
>
> He said the creation of the new weapons has made NATO's U.S.-led missile defense "useless," and means an effective end to what he described as Western efforts to stymie Russia's development.
> (œPutin touts new weapons in Russia's nuclear arsenal, CBS/AP, 01 March, 2018)

Patrick O'Neill, member of a group convicted of vandalism in a symbolic protest against nuclear weapons at the US Kings Bay Naval Base on April 4, 2018, described the apathy of the jury (in this case representative of the attitudes of many, if not most, US citizens):

> "When Judge Lisa Wood asked the entire jury pool: 'Do any of you have a strong opinion about nuclear weapons - pro or con, would you raise your hand?' Of 73 people, not one raised a hand," O'Neill told Truthout. "That is an indication that people living in the throes of the nuclear age, at 2 minutes to midnight on the Doomsday Clock, have come to see [weapons of mass destruction] as inconsequential - nuclear weapons on hair-trigger alert 24/7 is now a 'normal' part of people's lives."
> (Marjorie Cohn, œConvicted Anti-Nuclear Activists Speak Out: "Pentagon Has Brainwashed People", *Truthout*, October 28, 2019

The military/ industrial/ surveillance complexes of the US have, over more than fifty years, and increasingly through the early 21st century, relied on a citizenry rendered apathetic through long exposure to and familiarity with the Cold War WMD 'deterrent'. The 'if they have it we must get it' logic of that era still holds sway and can be used to justify any and all of a range of escalations by those complexes.

This is Military-Industrial Complex Budgetary Justification 101:

- Determine what budgetary increases are wanted;
- Create the conditions which will ensure the emergence of a 'credible threat' to justify those increases;
- Define that 'credible threat' and garner 'political' support in promoting its reality among 'the public';
- Goad the, now defined and alerted, external 'threat' into some kind of public affirmation of its consequent intentions;
- Declare that, in the light of that affirmation, 'There Is No Alternative' to a massive build up in preemptive nuclear and conventional strike power.

NASA has explained it to 'younger students':

> Sir Isaac Newton first presented his three laws of motion in the "Principia Mathematica Philosophiae Naturalis" in 1686. His third law states that for every action (force) in nature there is an equal and opposite reaction. In other words, if object A exerts a force on object B, then object B also exerts an equal and opposite force on object A.
> (Glenn Research Center, œNewton's Third Law, NASA, [accessed 05 March, 2018])

One can only assume that the Russian reaction is precisely what was planned for by an administration and intelligence/ surveillance/ military

industrial complex which has committed itself to spending $40 billion a year for the next thirty years to 'upgrade' and 'enhance' its nuclear capabilities and a further $110 billion over the next two years (2018-19), added to its already grossly over-inflated $600+ billion non-nuclear military budget.

(04/04/19) Welcome to 'Cold War Mark II'[921]: A new hypersonically delivered nuclear arms race justified by a reinvented external nuclear threat - 'The Russians' (and, in the light of the 2020 Secretary of Defense pronouncements to the world, China) will nuke us if they think they can get away with it!![922]

From Vietnam Era Carpet Bombing to Targeted Killing: The Evolution of Forever War

(26/05/20) (22/03/21)

The influence of the Western intelligence/surveillance/military industrial complex ('a hidden world, growing beyond control' - responsible for more than 92% of world arms exports) is being felt in every community, every country and by every ally and every potential or pronounced foe in all those 150 countries (and counting) which have been subjected to the, all-too-often lethal, extra-legal ministrations of that increasingly powerful, secretive, independent governing complex.[923].

Tom Engelhardt has summed it all up well:

> Osama bin Laden managed to involve the United States in 16 years of fruitless wars, most now "generational" conflicts with no end in sight, which would only encourage the creation and spread of terror groups, the disintegration of order across significant parts of the planet, and the displacement of whole populations in staggering numbers.
>
> At the same time, he helped turn 21st-century Washington into a war machine of the first order that ate the rest of the government for lunch. He gave the national security state the means - the excuse, if you will - to rise to a kind of power, prominence and funding that might otherwise have been inconceivable. In the process - undoubtedly fulfilling his wildest dreams - he helped speed up the decline of the very country that, since the Cold War ended, had been plugging itself as the greatest ever.
>
> In other words, he may truly be the (malign) genius of our age. He created a terrorist version of call-and-response that still rules Donald Trump's Washington in which the rubblized generals of America's rubblized wars on an increasingly rubblized planet now reign supreme. (Tom Engelhardt, "Osama Bin Laden's America: The apocalyptic humiliation of 9/11 has shown us just what the al-Qaida leader could goad a triumphalist Washington into. *Moyers & Company*, November 2, 2017)

And,

> It's clear that, while there is no way to adequately count all civilian casualties from America's twenty-first-century air wars, "towers" of dead noncombatants have been piled atop one another in Iraq, Afghanistan, and elsewhere. This next-to-eternal version of war, with all its destructiveness and "collateral damage" (which a few organizations have tried their best to document under difficult circumstances), should be the definition of state barbarism and terror in a world without mercy. That none of this has proven effective in the

> very terms that the bombers themselves set seems to matter little indeed.
>
> Put in more graphic fashion, does anyone doubt that the Kurdish wedding slaughter (assumedly by an Islamic State suicide bomber) was a barbaric act? If not, then what are we to make of the eight documented cases - largely ignored in this country - in which U.S. air power eviscerated similar wedding parties in three countries (Afghanistan, Iraq, and Yemen) between December 2001 and December 2013, killing almost 300 celebrants?
>
> Of course, you already know the answer to that question. In our world, there is only one type of barbarism: theirs.
> (Tom Engelhardt, "A 9/11 Retrospective: Washington's 15-Year Air War, *TomDispatch*, September 8, 2016)

Through the first decades of the 21st century, from 2001, the United States has maintained and expanded its military drone 'targeted killing' activities in nations around the world. In 2020, President Trump stripped away almost all of the cautionary regulations put into place by President Obama (who nonetheless maintained, expanded and routinized the military drone killing program) to limit the international range and number of such strikes and ensure at least some scrutiny of the reasons for them.

Kelsey Atherton explained the 2020 situation well:

> ...[T]he United States' targeted killing program persists to this day, another legacy of the forever war that has now lasted for three presidential administrations and shows no signs of stopping in the next one. Under U.S. President Donald Trump, however, an already opaque and murderous set of rules has become even more widely applied, and ever less accountable.
>
> The elastic nature of the September 2001 Authorization for Use of Military Force (AUMF) has stretched so far as to cover strikes in Yemen, Libya, and Somalia. The first modern drone attack, a Hellfire missile fired from a CIA-piloted Predator drone in October 2001, was covered by the AUMF, as was the airstrike in Janaale, conducted by U.S. Africa Command (Africom), itself born in the dying years of President George W. Bush 's administration as part of the "war on terror."
>
> In a press release also published March 10, Africom claimed that its attack in Jaanale killed five terrorists. Shortly after, images of the wrecked vehicle began to circulate online, some linked to al-Shabab, the terror group actively targeted by the strike, claiming that instead it had left only civilians dead. Subsequent investigations by journalists found relatives of the deceased, who attested to the innocence of their family members.
>
> As of April 27, Africom records the incident as still open and under investigation. The investigations are a voluntary move towards transparency, though one that reflects the limitations of self-reported accountability. Of the 20 possible civilian casualty incidents investigated and closed by March 31, Africom found only one claim substantiated.
>
> The Janaale airstrike is the drone war in microcosm. To the extent that there is transparency, it is voluntary, not mandated. Tracking civilian harm is done - at least at first - by people outside government. And, as with all news save the most dramatic or scandalous in the Trump administration, it is largely absent from public awareness, a boring

> holdover of past consensus politics that leaves a trail of corpses and mangled limbs behind it worldwide.
>
> As of May 18, the Trump administration had launched 40 airstrikes in Somalia in 2020 alone. That figure is made all the more staggering by the fact that, from 2007 through 2016, the administrations of George W. Bush and Barack Obama conducted 41 airstrikes in Somalia total, according to reporting from Airwars.
> (Kelsey D. Atherton, "Trump Inherited the Drone War but Ditched Accountability: Only a single formal check remains on U.S. killings worldwide, *Foreign Policy*, May 22, 2020)

(11/09/16)

In this brave new borderless world, Western forces, armed and funded as never before, are supported by Western-based 'intelligence', 'surveillance' and military industrial complexes which are unaudited; out of control; and justifying their burgeoning power through seeking out and dealing with presumptuously pronounced threats to 'freedom' and 'democracy' around the world[924].

Frank Bruni, in a clearly written *New York Times* Op-Ed entitled 'Donald Trump's Phony America: As Michael Cohen made clear, this is the land of the fraud and the home of the knave', summed up the contribution made by the 2019 incumbent of the US White House to the character of the 21st century United States of America. But, cast your mind back to earlier incumbents of that 'house for rent' which bequeaths that burgeoning power to its tenants and you'll realize that Trump is not alone.

The flaws of a Trump - who has little apparent ability to hide them from public gaze - can be found in abundance in many of the post-2nd-World-War presidents of the United States (not least, in the 2nd George Bush and his coterie of thugs and duplicitous knaves):

> ...I sometimes think that when Trump came down that escalator at Trump Tower, he didn't just begin a presidential campaign. He pinched the edge of a scab on our body politic and began to tug, revealing all the racism, resentments and partisan fury beneath it. He gave us a fresh, jolting glimpse of just how much depravity and even criminality exist among the powerful (and the power-mad). Look at his own collaborators: Paul Manafort, Roger Stone, David Pecker and lesser reprobates who either still serve in his administration (Alex Acosta, Jared Kushner) or did until they went too far (Tom Price, Scott Pruitt).
>
> They're favor traders, corner cutters, rule breakers, perk hoarders. They're notorious examples of types that many of us see all the time. How many people owe their success to exaggerating their talents, grabbing credit when it doesn't belong to them and projecting a potency that's really smoke and mirrors? How many depend on the continued support of people who bought the performance in the beginning and don't want to admit that they were duped? Trump and Holmes are such achievers in extremis.
>
> They also have a competitive advantage: They're without shame. There's a whole lot you can do once you've slipped that tether. To the unscrupulous go the spoils.
>
> Trump's amorality play contradicts our paeans to the Puritan work ethic. It's not the script that we teach our children. But with Trump in the White House, validated by tens of millions of votes, it may well be what some of them are learning.

(Frank Bruni, œDonald Trump's Phony America, *New York Times*, March 2, 2019)

The Potential for the Disastrous Rise of Misplaced Power Exists and Will Persist (Eisenhower 1961)

(19/07/18) (01/04/16) (23/07/18) (30/03/16) (12/04/16)(09/08/16) (03/06/21) (25/06/21) (30/06/23)

Dana Priest and William Arkin, in a 2010 *Washington Post* investigation into 'Top Secret America' entitled, 'œA hidden world, growing beyond control', outlined the top-secret world the United States' government created in response to the terrorist attacks of Sept. 11, 2001.

The 21st century has witnessed an unprecedented, and largely undocumented, growth in the 'intelligence' and 'surveillance' capabilities of US agencies; of 'what amounts to an alternative geography of the United States, a Top Secret America hidden from public view and lacking in thorough oversight'[925].

As the authors explain:

> "There has been so much growth since 9/11 that getting your arms around that - not just for the CIA, for the secretary of defense - is a challenge," Defense Secretary Robert M. Gates said in an interview with The Post last week.
>
> In the Department of Defense, where more than two-thirds of the intelligence programs reside, only a handful of senior officials - called Super Users - have the ability to even know about all the department's activities. But as two of the Super Users indicated in interviews, there is simply no way they can keep up with the nation's most sensitive work.
>
> "I'm not going to live long enough to be briefed on everything" was how one Super User put it. The other recounted that for his initial briefing, he was escorted into a tiny, dark room, seated at a small table and told he couldn't take notes. Program after program began flashing on a screen, he said, until he yelled ''Stop!" in frustration.
>
> "I wasn't remembering any of it," he said.
>
> Underscoring the seriousness of these issues are the conclusions of retired Army Lt. Gen. John R. Vines, who was asked last year to review the method for tracking the Defense Department's most sensitive programs. Vines, who once commanded 145,000 troops in Iraq and is familiar with complex problems, was stunned by what he discovered.
>
> "I'm not aware of any agency with the authority, responsibility or a process in place to coordinate all these interagency and commercial activities," he said in an interview. "The complexity of this system defies description.".

An editorial comment on an essay by Lu Chuanying summarized United States' 21st century domination and manipulation of cyberspace by its 'intelligence', surveillance and 'cybersecurity' agencies:

> It has been a decade since the œPRISM scandal which enraged the world was exposed by Edward Snowden. Under the guise of so-called national interests, the US government and its related intelligence agencies utilize their technological and first-mover advantages to conduct cyber surveillance on and attack the rest of the world.

> Relying on its hegemony in cyberspace, the US has used its cyber capabilities as one of its tools in hybrid warfare. Just like other tools such as economic sanctions, terrorist activities, and military intervention, the US has used cyberwarfare to interfere in other countries' internal affairs for political gain. To maintain its hegemony, the US has conducted "digital colonization" over other countries and committed various covert crimes, marking itself as a "surveillance empire," an "attacking empire," and a "bullying empire."
> (Lu Chuanying, œBullying Empire: US promotes 'digital colonialism' to maintain hegemony, exposes American democracy hypocrisy, *Global Times*, June 29, 2023)

This is, of course, not a post-Sept. 11, 2001 development. Since Eisenhower's presidency, this 'secret government' has grown more entrenched and dominant within the United States, able to veil its activities behind a smoke screen of 'visible government'.

David Wise and Thomas Ross had spelt out this already well-established US problem in 1964:

> There are two governments in the United States today. One is visible. The other is invisible.
>
> The first is the government that citizens read about in their newspapers and children study about in their civics books. The second is the interlocking, hidden machinery that carries out the policies of the United States in the Cold War.
>
> This second, invisible government gathers intelligence, conducts espionage, and plans and executes secret operations all over the globe.
>
> The Invisible Government is not a formal body. It is a loose, amorphous grouping of individuals and agencies drawn from many parts of the visible government. It is not limited to the Central Intelligence Agency, although the CIA is at its heart. Nor is it confined to the nine other agencies which comprise what is known as the intelligence community: the National Security Council, the Defense Intelligence Agency, the National Security Agency, Army Intelligence, Navy Intelligence, Air Force Intelligence, the State Department's Bureau of Intelligence and Research, the Atomic Energy Commission and the Federal Bureau of Investigation.
>
> The Invisible Government includes, also, many other units and agencies, as well as individuals, that appear outwardly to be a normal part of the conventional government. It even encompasses business firms and institutions that are seemingly private.
>
> To an extent that is only beginning to be perceived, this shadow government is shaping the lives of 190,000,000 Americans. Major decisions involving peace or war are taking place out of public view. **An informed citizen might come to suspect that the foreign policy of the United States often works publicly in one direction and secretly through the Invisible Government in just the opposite direction.**
> (David Wise and Thomas B. Ross, œ*The Invisible Government*, *Random House*, New York, 1964.) (my emphasis)

Nkrumah summed it up well:

> Here, from the very citadel of neo-colonialism, is a description of the apparatus which now directs all other Western intelligence set-ups either by persuasion or by force.
> (The mechanisms of neo-colonialism)

It is not only 'foreign policy of the United States that often works publicly in one direction and secretly through the Invisible Government in just the opposite direction'.

Just as one finds within political parties involved in the 'visible' government, so one will find in those 'invisible' networks: coalitions of interests setting policy and manipulating the reins of power. Networks of key players; power-brokers who are directly connected with the visible 'political authorities' and whose 'opinions' will powerfully influence the policies and activities of 'visible' politicians and parties.

It's not just about 'money'! 'What you see' is *not* what you get! Politicians might set out their 'visions' for the nation, but they will be subject to revision and all-too-often to apparently 'insurmountable roadblocks' to implementation of those 'visions'[926].

Through June of 2021, Biden and his team worked assiduously to obtain a 'bipartisan consensus' for their trillion dollar infrastructure plan. What a relief that, by late June, they could finally announce 'success': they had achieved both bipartisanship and an agreed "$579 billion in new spending to repair the nation's roads, rails and bridges".

Sadly, despite their best efforts, they had not managed to include those announced plans for addressing looming climate change problems; it was no longer a $trillion plan; but half a trillion is surely better than nothing - and it got bipartisan support!

It's tough, in Washington, to get everything you 'really' want.

Those who unrealistically claim that it was not enough are sadly 'making the ideal the enemy of the real'!

> "We have a deal," Mr. Biden told reporters outside the White House after a meeting with the 11 senators who had negotiated the package. "We made serious compromises on both ends."
>
> Mr. Biden, who spent nearly 40 years in the Senate before becoming vice president, has positioned himself as a dealmaker who is able to work with both sides of the aisle. But this proposal may have a rocky path to passage, since several progressive Democrats in the House and the Senate are unhappy about the exclusion of provisions related to climate change, child care, health care and education.
> (Grace Segers, œ"We have a deal": Biden announces bipartisan compromise on infrastructure, *CBSNews*, June 24, 2021)

It takes a strong, determined 'visible' politician to do what FDR did in the 1930s. As he explained:

> For nearly four years you have had an Administration which instead of twirling its thumbs has rolled up its sleeves. We will keep our sleeves rolled up.
>
> We had to struggle with the old enemies of peace - business and financial monopoly, speculation, reckless banking, class antagonism, sectionalism, war profiteering.

> They had begun to consider the Government of the United States as a mere appendage to their own affairs. We know now that Government by organized money is just as dangerous as Government by organized mob.
>
> Never before in all our history have these forces been so united against one candidate as they stand today. They are unanimous in their hate for me - and I welcome their hatred.
>
> I should like to have it said of my first Administration that in it the forces of selfishness and of lust for power met their match. I should like to have it said of my second Administration that in it these forces met their master.
>
> The American people know from a four-year record that today there is only one entrance to the White House - by the front door. Since March 4, 1933, there has been only one pass-key to the White House. I have carried that key in my pocket. It is there tonight. So long as I am President, it will remain in my pocket.
> (October 31, 1936: œSpeech at Madison Square Garden)

The United States of America is in desperate need of such a 'visible' politician in this 21st century! One who is capable of resetting the government of the nation and guaranteeing that government of, by and for the people which Lincoln envisaged and Roosevelt delivered.

Without it, 'the old enemies of peace - business and financial monopoly, speculation, reckless banking, class antagonism, sectionalism, war profiteering' will continue to govern in their own interests and the world will continue to suffer from their self-interested predations.

Nick Turse, in a report on that 'strange new military', America's elite forces, describes some of its features:

> They're some of the best soldiers in the world: highly trained, well equipped, and experts in weapons, intelligence gathering, and battlefield medicine. They study foreign cultures and learn local languages. They're smart, skillful, wear some very iconic headgear, and their 12-member teams are "capable of conducting the full spectrum of special operations, from building indigenous security forces to identifying and targeting threats to U.S. national interests."
>
> They're also quite successful. At least they think so.
>
> "In the last decade, Green Berets have deployed into 135 of the 195 recognized countries in the world. Successes in Afghanistan, Iraq, Trans-Sahel Africa, the Philippines, the Andean Ridge, the Caribbean, and Central America have resulted in an increasing demand for [Special Forces] around the globe," reads a statement on the website of U.S. Army Special Forces Command.
>
> The Army's Green Berets are among the best known of America's elite forces, but they're hardly alone. Navy SEALs, Air Force Air Commandos, Army Rangers, Marine Corps Raiders, as well as civil affairs personnel, logisticians, administrators, analysts, and planners, among others, make up U.S. Special Operations forces (SOF). They are the men and women who carry out America's most difficult and secret military missions. Since 9/11, U.S. Special Operations Command (SOCOM) has grown in every conceivable way from funding and personnel to global reach and deployments. In 2015, according to Special Operations Command spokesman Ken McGraw, U.S. Special

> Operations forces deployed to a record-shattering 147 countries - 75% of the nations on the planet, which represents a jump of 145% since the waning days of the Bush administration. On any day of the year, in fact, America's most elite troops can be found in 70 to 90 nations. (Nick Turse, œIraq, Afghanistan, and Other Special Ops "Successes": America's Elite Forces Deploy to a Record-Shattering 147 Countries in 2015, *TomDispatch*, October 25, 2015)

For an annually updated picture of World Military Expenditures and Arms Transfers, see this U.S Department of State site: œWorld Military Expenditures and Arms Transfers. As the site introduction says,

> The "World Military Expenditures and Arms Transfers" (WMEAT) series of reports is designed to be a convenient reference on annual military expenditures, arms transfers, armed forces, selected economic data, and relative indicators consisting of pertinent military-economic ratios. The aim is to provide the arms control and international security community with useful, comprehensive, and accurate data, accompanied by analyses and highlights.

Unfortunately, 'WMEAT 2021, which the Department of State published in December 2021, is the final edition of World Military Expenditures and Arms Transfers (WMEAT)'

> **WMEAT Will No Longer be Published**
>
> WMEAT 2021, which the Department of State published in December 2021, is the final edition of World Military Expenditures and Arms Transfers (WMEAT). Section 5114(b)(4) of the National Defense Authorization Act for Fiscal Year 2022 repealed the 1994 statutory provision that required the Department of State to publish an edition of WMEAT every year. Consistent with this repeal, the Department of State will cease to produce and publish WMEAT.

The 2015 edition of the report summarizes:

> During the period, about 78% of the world arms trade, by value, appears to have been supplied by the United States, about 11% by the European Union, about 5% by Russia, less than 2% by China. The U.S. share of the world arms market appears to have grown, while the E.U. share appears to have diminished, with no clear trend in the Russian and Chinese shares.
>
> Countries in the richest quintile of world population appear to have accounted for about 96-97% of world arms exports and about 70% of world arms imports, regardless of whether quintiles are based on national GDP per capita at a real market exchange rate or at purchasing power parity. By either standard, the richest quintile was the only GDP-per-capita quintile with a positive arms trade balance.
>
> Countries in the most democratic quintile of world population appear to have accounted for 92% of world arms exports and about 58% of world arms imports. The most democratic quintile was the only degree-of-democracy quintile with a positive arms trade balance. (World Military Expenditures and Arms Transfers, 2015 edition, pp. 4,5 (for the 2018 version see: œWorld Military Expenditures and Arms Transfers 2018))

As Eisenhower warned, Western nations and peoples should be very cautious: alert to the dangers of becoming enmeshed in perpetual preparation for, and involvement in, dubious military interventions around

the world, provoked and promoted by that US-based 'military-industrial complex' which is increasingly shaping foreign and domestic policy in Western democracies.

It is all-too-easy to create and foment conditions which can later be used to justify military interventions aimed at quelling 'terrorist' threats to the security of Western democracies. And, cynical though this might seem, motivated much less by noble concern for the well-being or safety of human beings than by a cold, calculating, sociopathic concern for profit and power, whatever the cost in human lives; 'collateral' destruction; and violation of sovereign and human rights[927].

In a depressingly clear explanation of the ongoing evolution of United States' 'special forces' (and of course of similar forces elsewhere in the Western World), Nick Turse has summed up their impact in countries around the world:

> ...[O]n any given day, more than 8,000 exceptionally well-equipped and well-funded special operators from a command numbering roughly 70,000 active-duty personnel, reservists, and National Guardsmen as well as civilians are deployed in approximately 90 countries. Most of those troops are Green Berets, Rangers, or other Army Special Operations personnel. According to Lieutenant General Kenneth Tovo, head of the U.S. Army Special Operations Command until his retirement last month, that branch provides more than 51% of all Special Operations forces and accounts for more than 60% of their overseas deployments. On any given day, just the Army's elite soldiers are operating in around 70 countries...
>
> For years, U.S. Special Operations forces have been in a state of seemingly unrestrained expansion. Nowhere has that been more evident than in Africa. In 2006, just 1% of all American commandos deployed overseas were operating on that continent. By 2016, that number had jumped above 17%. By then, there were more special operations personnel devoted to Africa -- 1,700 special operators spread out across 20 countries -- than anywhere else except the Middle East...
>
> Last year, in fact, Secretary of Defense Mattis noted that the lines between U.S. Special Operations forces and conventional troops were blurring and that the latter would likely be taking on missions previously shouldered by the commandos, particularly in Africa. "So the general purpose forces can do a lot of the kind of work that you see going on and, in fact, are now," he said.
> (Nick Turse, œCommandos Sans Frontieres: The Global Growth of U.S. Special Operations Forces,*TomDispatch*, July 17, 2018)

The œUnited States Special Operations Command (USSOCOM), in a glossy promotional publication entitled:œ*The 2016 Fact Book* , lists and provides general information on a few of the organizations under its umbrella (many others, like **SEAL Team 6** (whose nefarious activities are detailed below), are 'classified' units and so not included in information supplied by USSOCOM):

> **Special Forces**
> Special Forces (Green Berets) units perform seven missions - unconventional warfare, foreign internal defense, special reconnaissance, direct action, combatting terrorism, counter-proliferation, and information operations. These missions make Special

Forces unique because they are employed in peacetime, conflict and war. The Special Forces motto is "De Oppress Liber - to Free the Oppressed."

Rangers
The 75th Ranger Regiment is a unique Special Operations Force comprised of the specially selected and well trained Soldiers constantly tested for the privilege of serving in the Regiment. Rangers conduct large-scale Joint Forcible Entry operations while simultaneously executing surgical Special Operations raids across the globe. The 75th Ranger Regiment's motto is "Rangers Lead The Way."

Army Special Operations Aviators
Army Special Operations Aviators are highly trained and ready to accomplish the very toughest missions in all environments, anywhere in the world, day or night, with unparalleled precision. The professionalism and capabilities of Army Special Operations Aviation are developed through a "train as you fight" mentality.

Civil Affairs Soldiers
Civil Affairs units support military commanders by working with civil authorities and civilian populations in the commander's area of operations during peacetime, contingency operations and war. Civil Affairs specialists identify critical requirements needed by local citizens in war or disaster situations.

Military Information Support Operators
MISO cover a broad range of U.S. political, military, economic and ideological activities used by the U.S. government to secure national objectives. MISO units develop, produce and disseminate truthful information to foreign audiences in support of U.S. policies.

Training Cadre
The U.S. Army John F. Kennedy Special Warfare Center and School assesses, trains, educates and manages Army Special Operations Force Operators for Special Forces, Military Information Support Operations and Civil Affairs.

Sustainment Soldiers
Sustainers are responsible for providing logistical, medical and signal support for Army Special Operations Forces worldwide in support of contingency missions and warfighting commanders.

It summarizes its mission:

> What USSOCOM Does:
>
> - Civil Affairs - Counterinsurgency - Counterterrorism - Countering Weapons of Mass Destruction - Direct Action - Foreign Humanitarian Assistance - Foreign Internal Defense - Hostage Rescue and Recovery - Military Information Support Operations - Security Force Assistance - Special Reconnaissance - Unconventional Warfare

Admiral Eric T. Olson, U.S. Navy Commander, United States Special Operations Command, summed up USSOCOM's mission before the Senate Armed Services Committee On The Posture Of Special Operations Forces (March 4, 2008):

> America's Special Operations Forces (SOF) are organized, equipped and trained, and then deployed by USSOCOM to meet the high demands of Geographic Combatant Commanders (GCCs) around the world. The range of special operations is wide, the geographic

> dispersion is great, the quality is exceptional and the results are impressive.
>
> Although most special operation forces deployed from the United States since the attacks of 9/11 have served in and around Iraq and Afghanistan, we clearly understand the enduring value of a global presence. We are proud to be serving in about 60 countries today [expanded to more than 135 countries by 2016].
> (œStatement Of Admiral Eric T. Olson, U.S. Navy Commander United States Special Operations Command Before The Senate Armed Services Committee On The Posture Of Special Operations Forces March 4, 2008; See also the website œSpecial Operations Command (SOCOM) for up-to-date information on its operations and activities)

Nick Turse has provided a 2021 updating of SOCOM activities:

> Members of the U.S. special operations forces deployed to 154 countries, or roughly 80 percent of the world's nations, last year, but information about exactly where elite forces conduct missions, under what authorities they operate, who they've killed, and whether they're adhering to the laws of armed conflict is closely guarded, buried in obscure legal provisions, shrouded in secrecy, or allegedly unknown even to Special Operations Command.
>
> The command, known as SOCOM, will only name half the countries where its forces were active in 2020. It claims that its personnel - Navy SEALs, Army Green Berets, and Marine Corps Raiders among them - have captured or killed "thousands of terrorists" under one obscure program but also that it doesn't track such data. SOCOM refuses to provide even basic information about publicly acknowledged operations....
>
> Some of the least-known special operations missions are authorized under a provision known as "Section 1202 Authority," which first appeared in the 2018 National Defense Authorization Act, or NDAA, and is "used to provide support to foreign forces, irregular forces, groups, or individuals" taking part in irregular warfare. Neither the Defense Department, SOCOM, nor any media outlet has ever revealed detailed information about 1202 missions, but based on what little is known about them, they are explicitly focused on so-called near-peer competitors such as China and Russia or, as former Secretary of Defense Mark Esper put it, "non-terrorist threats, including malign state actors."
>
> China, Russia, and Iran are "practitioners of campaigns of disinformation, deception, sabotage, and economic coercion, as well as proxy, guerrilla, and covert operations," according to an unclassified summary of the Irregular Warfare Annex to the 2018 National Defense Strategy released last October. The document called for the U.S. military to fight fire with fire through "proactive, dynamic, and unorthodox approaches to [irregular warfare] that can shape, prevent, and prevail against our nation's adversaries." Gen. Mark Milley, chair of the Joint Chiefs of Staff, praised Section 1202 Authority as a "highly useful tool for enabling irregular warfare operations" aimed at countering "coercion and aggression by revisionist powers and rogue regimes."
> (Nick Turse, œWill The Biden Administration Shine Light On Shadowy Special Ops Programs?, *The Intercept*, March 20, 2021)

Eisenhower (belatedly - and, perhaps, remorsefully) explained to the American people their deep responsibility for maintaining control of, and regulating, the activities and ambitions of that military-industrial complex which he bequeathed them:

> In the councils of government, we must guard against the acquisition of unwarranted influence, whether sought or unsought, by the military-industrial complex. The potential for the disastrous rise of misplaced power exists and will persist.
>
> We must never let the weight of this combination endanger our liberties or democratic processes. We should take nothing for granted. Only an alert and knowledgeable citizenry can compel the proper meshing of the huge industrial and military machinery of defense with our peaceful methods and goals, so that security and liberty may prosper together.

The rest of the world is left to wonder if, and perhaps vainly hope that, they will take their responsibilities seriously.

An Orwellian 'Newspeak' World

(20/11/16) (04/05/18) (16/05/19) (17/05/19) (14/06/19) (22/06/19) (24/06/19) (07/07/19) (25/02/20) (21/01/23) (24/02/23)

"I have said it thrice: What I tell you three times is true"

œDon't Fear Putin's Demise, Victory for Ukraine, Democracy for Russia.

> The regime of Russian President Vladimir Putin is living on borrowed time. The tide of history is turning, and everything from Ukraine's advances on the battlefield to the West's enduring unity and resolve in the face of Putin's aggression points to 2023 being a decisive year. If the West holds firm, Putin's regime will likely collapse in the near future....
>
> Putin's effort to restore Russia's lost empire is destined to fail. The moment is therefore ripe for a transition to democracy and a devolution of power to the regional levels....

Reality is perception and perception is the actualization of propaganda[928].

Sadly, we live in an Orwellian 'Newspeak' world. US (and other Western) main stream media continue to play their part in promoting and then air-brushing Western military activity, ambitions and consequences. This is, of course, not unique to the air-brushing of military activity and consequences.

As nations descend into self-created and perpetuating Orwellian realities, they increasingly come to believe their own, often phantasmic, reworkings of reality. This results, inevitably, in a subliminal reworking of information and commentary to fit that illusory world to which they have committed themselves and gives 'rise to a "thicket of unreality that stands between us and the facts of life."'.

As Suzanne Maloney explained of the JCPOA negotiated between Iran and the US, China, France, Germany, Russia, and the United Kingdom, President Biden, prior to entering the White House

> ...was determined to resuscitate the 2015 nuclear deal with Iran, known as the Joint Comprehensive Plan of Action (JCPOA), from which his predecessor, Donald Trump, had unilaterally withdrawn the United States in 2018....

And, upon entering Office

> Biden quickly appointed a special envoy to begin negotiations with Tehran and the five great powers that remain party to the agreement: China, France, Germany, Russia, and the United Kingdom....In his first speech before the United Nations, he declared that his administration was "prepared to return to full compliance" and was engaged in diplomacy to persuade Iran to do the same.

At this point, the renewal of the Joint Comprehensive Plan of Action seemed inevitable. Biden was prepared to renew and Iran declared that, provided it was the same deal as first negotiated and included the removal of the sanctions agreed as a condition of the first deal, Iran was prepared to restore all the conditions required by the agreement.

What could go wrong?

Suzanne Maloney continued:

> ...Senior Biden administration officials and many outside experts hoped for a "longer and stronger" deal. But Tehran had advanced its nuclear program since the Trump administration's withdrawal and demanded a stiff price to roll that progress back. Biden nonetheless hoped his team could create a new understanding that would lower the risk of nuclear proliferation.
>
> Despite the challenges, trying to salvage the deal made tremendous sense for Biden. The president was eager to shake off the United States' post-9/11 entanglements in the Middle East, and he wanted to show the world that after the tumultuous Trump era, Washington was again committed to diplomacy. Resurrecting the deal was central to Biden's plan for restoring U.S. leadership in the world - a tangible step toward undoing the reputational damage incurred by Trump's abandonment of the agreement.
>
> But as the boxer Mike Tyson once said, "Everyone has a plan until you get punched in the face." And Biden's Iran aspirations have suffered from multiple blows....

Sadly, in the face of changing world affairs, Iran required the deal to remain unchanged. But, of course, Biden had been forced by changing circumstances around the world to modify the deal. It wasn't his fault, each of those jolts of change 'was enough to keep JCPOA on the ropes. Together, they constituted a knockout'.

Despite Biden's goodwill gesture in returning to the agreement, Iran had proved intransigent, unwilling to agree to necessary alterations:

> ...As Iranian Supreme Leader Ayatollah Ali Khamenei himself said in 2015, "The reason why we entered into negotiations and made some concessions was to lift sanctions." But today, the regime no longer sees the West as a necessary - or even viable - conduit for economic benefits. "Today, the U.S. is not the world's dominant power," Khamenei proclaimed in a speech last November commemorating the embassy seizure. "Many of the world's political analysts believe that the U.S. is declining," he continued. "It is gradually melting away." He and other Iranian leaders instead see the new global locus of power shifting eastward. "Asia will become the center of knowledge, the center of economics, as well as the center of political power, and the center of military power," Khamenei exulted. He added: "We are in Asia."

According to Suzanne, the US 'really tried' to develop amicable relations with Iran...

> ...but the regime has now forsaken access to the West and staked Iran's future on relationships with other authoritarian states. Meanwhile, the ordinary Iranians who have confronted the regime in street protests for months despite incalculable risks are paving the way for a different future for their country.
> (Suzanne Maloney, œAfter the Iran Deal: A Plan B to Contain the Islamic Republic, *Foreign Affairs*, February 28, 2023)

Andrew Bacevich has explained it well:

> ...Just about anything that happens at the White House, for example, is deemed historic. Watch the cable news networks and you'll hear the term employed regularly to describe everything from Oval Office addresses to Rose Garden pronouncements to press conferences in which foreign dignitaries listen passively while their presidential host pontificates about subjects that have nothing to do with them and everything to do with him.
>
> Of course, almost all of these are carefully scripted performances that are devoid of authenticity. In short, they're fraudulent. The politicians who participate in such performances know that it's all a sham. So, too, do the reporters and commentators paid to "interpret" the news. So, too, does any semi-attentive, semi-informed citizen.
>
> Yet on it goes, day in, day out, as politicians, journalists, and ordinary folk collaborate in manufacturing, propagating, and consuming a vast panoply of staged incidents, which together comprise what Americans choose to treat as the very stuff of contemporary history. "Pseudo-events" was the term that historian Daniel Boorstin coined to describe them in his classic 1961 book œ*The Image: A Guide to Pseudo-Events in America*. The accumulation of such incidents creates a make-believe world. As Boorstin put it, they give rise to a "thicket of unreality that stands between us and the facts of life."
>
> As substitutes for reality, pseudo-events, he claimed, breed "extravagant expectations" that can never be met, with disappointment, confusion, and anger among the inevitable results. Writing decades before the advent of CNN, Fox News, Google, Facebook, and Twitter, Boorstin observed that "we are deceived and obstructed by the very machines we make to enlarge our vision." So it was back then during the presidency of John F. Kennedy, a master of pseudo-events in the still relatively early days of television. And so our world remains today during the presidency of Donald Trump who achieved high office by unmasking the extravagant post-Cold War/sole superpower/indispensable nation/œend of history expectations of the political class, only to weave his own in their place.
> (Andrew Bacevich, œTomgram: Andrew Bacevich, When Reality Sneaks Through, *TomDispatch.com*, 23 February, 2020)

Max Fisher, of the *New York Times*, in a truly myopic Newspeak 'explanation' of the 2016 Middle East chaos, explains who those responsible for the mayhem are:

> Saudi Arabia and Iran are waging a struggle for dominance that has turned much of the Middle East into their battlefield. Rather than fighting directly, they wield and in that way worsen the region's direst problems: dictatorship, militia violence and religious extremism.

> (Max Fisher, œHow the Iranian-Saudi Proxy Struggle Tore Apart the Middle East, *New York Times*, The Interpreter, November 19, 2016)

It's all a matter of internal Middle East rivalries. No apparent recognition of the US promotion and arming of Middle East conflict through the period; of their manipulation of the 'region's direst problems: dictatorship, militia violence and religious extremism'. It was and apparently still is a matter of Middle East rivalries. No recognition of US military meddling and ambitions; of their direct, self-interested, military aggression in the region; of the massive flows of armaments to all involved parties; of the sociopathic fomenting and fueling of Middle Eastern tensions by US provocateurs in the mold of Rumsfeld and others like him: just Middle East hatreds and minor US involvement to maintain their 'interests' in the Middle East.

In a strange inversion (perversion?) of reality, the US appears as victim of scheming Middle Eastern intrigue which has seen 'a pattern of Iranian-Saudi struggle through proxies, and of sucking in the United States'. Through a newspeak rewriting of reality, their involvement becomes more a consequence of naivety than aggression.

And, in 2019, the US is at it again. From the œGulf of Tonkin incidents in the 1960s, to the œ'weapons of mass destruction' claims of 2002-3, to dubious pronouncements justifying US aggression in Afghanistan, Syria, Libya, Yemen, Venezuela, Iran... US 'intelligence' seems to have been (and continues to be) a highly manipulable foreign policy weapon in the hands of belligerent US warmongers for the past sixty and more years.

Such distortions of the truth and outright lies have been readily taken up by the US mainstream media in support of sociopathic warmongering. A comment on a *New York Times* report puts it well:

> This is all so predictable, and so incredibly sad. Trump needs a war, Bolton has wanted to bomb Iran for years, you put the two together and what do you get? "Significant identifiable threats," a phrase that will live in infamy alongside Bush's "WMDs."
>
> Starting a war under false pretenses is probably the worst thing a president can do. Given that Trump is our worst president, and given his need for a war to prop up his re-election campaign, we should expect nothing less.
> (Joe M., comment on: Edward Wong, œU.S. Orders Partial Evacuation of Embassy in Baghdad, *New York Times,*, May 15, 2019)

Vivian Yee has described the accompanying 'justificatory incidents' designed to give credence to such pronouncements:

> Charges that four oil vessels were attacked at the mouth of the Persian Gulf over the weekend have amplified fears across the region about the escalating tensions between Iran and the West.
>
> The unconfirmed reports come as the United States has tightened sanctions against Iran and mobilized an aircraft carrier, bombers and an antimissile battery to the gulf to deter what the Trump administration has said is a heightened risk of Iranian aggression.
>
> Saudi Arabia said Monday that two of its oil tankers had been sabotaged, and a Norwegian company reported that one of its tankers was damaged in the same area, near the Strait of Hormuz. The fourth ship belonged to the United Arab Emirates, which, like Saudi Arabia, is an avowed enemy of Iran.

> (Vivian Yee, œClaim of Attacks on 4 Oil Vessels Raises Tensions in Middle East, *New York Times*, May 13, 2019)

The world (perhaps they are remembering past US 'intelligence' reports) apparently did not believe that the Iranians were responsible for the attack on those tankers. So, what now? Goebbels provided the answer:

> If you tell a lie big enough and keep repeating it, people will eventually come to believe it.

Perhaps they will this time!

> Secretary of State Mike Pompeo said Thursday that intelligence reviewed by American officials showed that Iran was responsible for attacks earlier in the day on two tankers in the Gulf of Oman, a critical waterway for the transit of much of the world's oil.
>
> Mr. Pompeo did not present any evidence to back up the assessment of Iran's involvement. The assertion is certain to further fuel tensions between the Trump administration and Iranian leaders, which have been at heightened levels since early May, when the White House announced military movements in response to what American officials have said is an increased threat from Iran.
> (Edward Wong, œPompeo Says Intelligence Points to Iran in Tanker Attack in Gulf of Oman, *New York Times*, June 13, 2019)

(26/06/19)

The escalation of 'incidents' reported and promoted by belligerent US Administration officials and their media echo-chamber continues in predictable fashion: A process scripted from a schoolyard bully's playbook.

> Trump said the US was prepared to hit "3 different sites" Thursday night but that he scrapped the strikes "10 minutes" before they were to have been launched. "I asked, how many will die. 150 people, sir, was the answer from a General."

One grows weary and exasperated at the blatancy of it all, but such nonsense must be called out for what it is! As the BBC has reported:

> A US military surveillance drone has been shot down by Iranian forces while flying over the Strait of Hormuz.
>
> ... [T]he US military insisted the drone had been over international waters at the time, and condemned what it called an "unprovoked attack" by the IRGC.
>
> President Donald Trump tweeted: "Iran made a very big mistake!"
>
> The incident comes at a time of escalating tension between the two countries.
>
> On Monday, the US defence department said it was deploying 1,000 extra troops to the region in response to "hostile behaviour" by Iranian forces. It has already sent an aircraft carrier strike group and B-52 bombers.
> (œStrait of Hormuz: US confirms drone shot down by Iran, *BBC News*, 20 June, 2019)

A last set of comments on the belligerent rhetoric directed toward Iran by US President Trump (there seems little point in commenting further on his intemperate, immature outbursts!):

A report by Australian SBS News (26 June, 2019) entitled '"Trump threatens Iran with 'obliteration' as tensions escalate'" commented on Iranian President Hassan Rouhani's measured reaction to the unseemly nature of Trump's 'tweets':

> Amid rising tensions between Washington and Tehran, Mr Trump tweeted: "Any attack by Iran on anything American will be met with great and overwhelming force. In some areas, overwhelming will mean obliteration."...
>
> Rouhani, a pragmatist who won two elections on promises to open Iran up to the world, described the US moves as desperate and called the White House "mentally retarded" - an insult Iranian officials have used in the past about Trump but a departure from Rouhani's own comparatively measured tone....
>
> "The White House actions mean it is mentally retarded," Rouhani said. "Tehran's strategic patience does not mean we have fear." (*SBS News*, œTrump threatens Iran with 'obliteration' as tensions escalate, June 26, 2019)

Leaked secret cables from Sir Kim Darroch, the British Ambassador to the United States, over the years 2017 to 2019, seem to corroborate Rouhani's assessment of Trump's abilities: Michelle Kosinski, Schams Elwazer and Stephen Collinson of CNN have summarized it all:

> Diplomatic cables sent from the United Kingdom's ambassador to the United States back to London describe President Donald Trump as "inept," "insecure" and "incompetent," a UK government official confirmed Saturday to CNN.
>
> The leak could cause serious diplomatic damage between the two "special relationship" allies.
>
> While foreign envoys of all nations are often candid in classified dispatches back home, there are periodic episodes when such assessments leak, causing great political embarrassment. Months of efforts by the ambassador, Kim Darroch and his diplomats to build ties and trust with Trump and his political acolytes will be undermined.
>
> The cables were leaked to and first published by the Daily Mail. Darroch used secret cables and briefing notes to warn the UK government that Trump's "career could end in disgrace," and described conflicts within the White House as "knife fights," according to the Daily Mail.
>
> A UK government source told CNN the memos described in the Daily Mail story are genuine.
>
> The Daily Mail says the memos span the period between 2017 to present day, covering everything from Trump's foreign policy to his 2020 reelection plans.
>
> In one memo dated June 22, according to the Daily Mail, Darroch questioned Trump's claim that he pulled back from retaliating against Iran last month after the downing of a US drone because the President was told at the last minute that US air strikes could kill 150 Iranians. (Michelle Kosinski, Schams Elwazer and Stephen Collinson, œCables from UK's ambassador to the US blast Trump as 'inept,' 'incompetent', *CNN*, July 7, 2019)

(22/07/19)

It seems that, in 2019, the world has become engrossed in inept US Administration attempts to emulate George W. Bush's deceitful 'justification' of Middle-East war after September 11, 2001. Roger Cohen has explained:

> President Trump has been all over the place on Iran, which is what happens when you take a serious subject, treat it with farcical superficiality, believe braggadocio will sway a proud and ancient civilization, approach foreign policy like a real estate deal, defer to advisers with Iran Derangement Syndrome, refuse to read any briefing papers and confuse the American national interest with the Saudi or Israeli.
>
> This American slouching toward another Middle East war has been a disgrace, shot through with the twisting of truth or outright lies. Now Trump has approved, only to reverse, a retaliatory strike for the Iranian downing of an American drone, an aptly chaotic culmination to the drift the president has allowed.
>
> ... Dazzled by Saudi blandishments, Israeli veneration, the opportunity to trash Barack Obama's diplomacy and the lure of evangelicals' votes, Trump determined from Day 1 that the Islamic Republic was the enemy from Central Casting. His view was unburdened by any serious assessment of how to balance toughness and engagement in the long-traumatized American-Iranian relationship.
>
> The United States does not need the war with Iran that John Bolton, the national security adviser, and Secretary of State Mike Pompeo seem determined to deliver. It would be a war of choice, illusion and irresponsibility. It would place Americans at risk across the Middle East, with no benefit to the United States or its allies.
> (Roger Cohen, œTrump's Slouching Toward War With Iran Is a Disgrace. *New York Times*, 21 June, 2019)

Michael Hudson has described the emerging chaos of this 21st century, being created by US administrations fast losing control of a world they once believed belonged to themselves. As Francis Fukuyama had absurdly claimed, they had brought about 'The End of History': the triumph of liberal democracy and the arrival of a post-ideological world.

Now, in 2019, their uneasy and increasingly insecure sense that they are losing control of that world has resulted in an 'economic belligerence [which] is driving countries to withdraw from the global financial and trade order that has been turned into a New Cold War vehicle to impose unilateral U.S. hegemony'. Their behavior is hastening the dissolution of a self-proclaimed 'Pax Americana' world:

> ...The rules of international law and order put in place toward the end of World War II are being broken by U.S. foreign policy escalating its confrontation with countries that refrain from giving its companies control of their economic surpluses. Countries that do not give the United States control [of] their oil and financial sectors or privatize their key sectors are being isolated by the United States imposing trade sanctions and unilateral tariffs giving special advantages to U.S. producers in violation of free trade agreements with European, Asian and other countries.
>
> This global fracture has an increasingly military cast. U.S. officials justify tariffs and import quotas illegal under WTO rules on "national security" grounds, claiming that the United States can do whatever it wants as the world's "exceptional" nation. U.S. officials explain that

> this means that their nation is not obliged to adhere to international agreements or even to its own treaties and promises. This allegedly sovereign right to ignore... its international agreements was made explicit after Bill Clinton and his Secretary of State Madeline Albright broke the promise by President George Bush and Secretary of State James Baker that NATO would not expand eastward after 1991. ("You didn't get it in writing," was the U.S. response to the verbal agreements that were made.)
>
> Likewise, the Trump administration repudiated the multilateral Iranian nuclear agreement signed by the Obama administration, and is escalating warfare with its proxy armies in the Near East. U.S. politicians are waging a New Cold War against Russia, China, Iran, and oil-exporting countries that the United States is seeking to isolate if [it] cannot control their governments, central bank and foreign diplomacy...
> (Michael Hudson, œU.S. Economic Warfare and Likely Foreign Defenses, Keynote paper delivered at the 14th Forum of the World Association for Political Economy, Posted on *NakedCapitalism*, by Yves Smith, July 21, 2019)

When will Western populations finally rebel against the blatant manipulation of public opinion to favor warmongering - or are they so terminally confused that they can no longer distinguish reality from theater?

> The drums of war are sounding across the Middle East, driven by the Trump administration as well as by disputed attacks on Saudi Arabian tankers and an oil pipeline. But Rohile Gharaibeh, a prominent Jordanian politician and newspaper columnist, has watched it all with a mixture of disdain and weary exasperation.
>
> "A circus," Mr. Gharaibeh said in a phone interview, describing recent events as little more than a spectacle with multiple foreign actors on the stage. "It's no more than shenanigans to apply more pressure on Iran."
>
> As the Trump administration squares up against Iran, with what many see as alarming echoes of the buildup to the Iraq war in 2003, people across the Arab world are trying to figure out how worried they should be. In interviews, writers, businessmen and exiles expressed fear of a potentially dire war between the United States and Iran that for many has been brewing since the 1979 embassy siege in Tehran.
> (Declan Walsh, œIran Crisis or 'Circus'? A Weary Middle East Wonders, *New York Times*, May 16, 2019)

An article (sub-titled "The unit best known for killing Osama bin Laden has been converted into a global manhunting machine with limited outside oversight") outlined the nature and scope of clandestine operations pursued by SEAL Team 6 and other covert Western military organizations in countries around the world since the 1970s:

> They have plotted deadly missions from secret bases in the badlands of Somalia. In Afghanistan, they have engaged in combat so intimate that they have emerged soaked in blood that was not their own. On clandestine raids in the dead of the night, their weapons of choice have ranged from customized carbines to primeval tomahawks.
>
> Around the world, they have run spying stations disguised as commercial boats, posed as civilian employees of front companies and

> operated undercover at embassies as male-female pairs, tracking those the United States wants to kill or capture.
>
> Those operations are part of the hidden history of the Navy's SEAL Team 6, one of the nation's most mythologized, most secretive and least scrutinized military organizations. Once a small group reserved for specialized but rare missions, the unit best known for killing Osama bin Laden has been transformed by more than a decade of combat into a global manhunting machine.
>
> That role reflects America's new way of war, in which conflict is distinguished not by battlefield wins and losses, but by the relentless killing of suspected militants.
>
> Almost everything about SEAL Team 6, a classified Special Operations unit, is shrouded in secrecy - the Pentagon does not even publicly acknowledge that name - though some of its exploits have emerged in largely admiring accounts in recent years. But an examination of Team 6's evolution, drawn from dozens of interviews with current and former team members, other military officials and reviews of government documents, reveals a far more complex, provocative tale.
>
> While fighting grinding wars of attrition in Afghanistan and Iraq, Team 6 performed missions elsewhere that blurred the traditional lines between soldier and spy. The team's sniper unit was remade to carry out clandestine intelligence operations, and the SEALs joined Central Intelligence Agency operatives in an initiative called the Omega Program, which offered greater latitude in hunting adversaries.
>
> Team 6 has successfully carried out thousands of dangerous raids that military leaders credit with weakening militant networks, but its activities have also spurred recurring concerns about excessive killing and civilian deaths.
>
> Afghan villagers and a British commander accused SEALs of indiscriminately killing men in one hamlet; in 2009, team members joined C.I.A. and Afghan paramilitary forces in a raid that left a group of youths dead and inflamed tensions between Afghan and NATO officials. Even an American hostage freed in a dramatic rescue has questioned why the SEALs killed all his captors.
> (Mark Mazzetti, Nicholas Kulish, Christopher Drew, Serge F. Kovaleski, Sean D. Naylor and John Ismay, œSEAL Team 6: A Secret History of Quiet Killings and Blurred Lines, *New York Times*, June 6, 2015)

A *New York Times* report (May 3 2018) has described a clandestine Green Beret operation which illustrates the kinds of 'special forces' activities involved in the 'continuing escalation of America's secret wars' around the world:

> For years, the American military has sought to distance itself from a brutal civil war in Yemen, where Saudi-led forces are battling rebels who pose no direct threat to the United States.
>
> But late last year, a team of about a dozen Green Berets arrived on Saudi Arabia's border with Yemen, in a continuing escalation of America's secret wars.
>
> With virtually no public discussion or debate, the Army commandos are helping locate and destroy caches of ballistic missiles and launch sites that Houthi rebels in Yemen are using to attack Riyadh and other Saudi cities.

> Details of the Green Beret operation, which has not been previously disclosed, were provided to The New York Times by United States officials and European diplomats.
>
> They appear to contradict Pentagon statements that American military assistance to the Saudi-led campaign in Yemen is limited to aircraft refueling, logistics and general intelligence sharing.
> (Helene Cooper, Thomas Gibbons-Neff And Eric Schmitt, œArmy Special Forces Secretly Help Saudis Combat Threat From Yemen Rebels, *New York Times*, May 3, 2018)

A *New York Times* editorial has elaborated:

> In at least 14 countries, American troops are fighting extremist groups that are professed enemies of the United States or are connected, sometimes quite tenuously, to such militants...
>
> Such significant military decisions require public debate to force presidents and their generals to justify their decisions and be held accountable for the consequences. But checks and balances have eroded since Sept. 11, 2001, as ordinary Americans became indifferent to the country's endless wars against terrorists and Congress largely abdicated its constitutional role to share responsibility with the president for sending troops into battle.
> (Editorial, œWhy Are American Troops in the Yemen War?, *New York Times*, May 3, 2018)

A Guardian report entitled 'Massive US airstrike in Yemen kills 'dozens' of people, Pentagon says' described the nature of 'American military assistance' in Yemen:

> A massive US airstrike in Yemen has killed what the Pentagon estimates is "dozens" of people, the second such mass-casualty strike the US military has undertaken this month.
>
> The two strikes, killing more than 200 people at what the Pentagon described as terrorist training camps, diverged so sharply from the previous years' worth of relatively low-casualty strikes that observers speculated US policy may have quietly changed.
>
> Peter Cook, the Pentagon spokesman, announced late Tuesday that the US had bombed a mountain redoubt in Yemen used by al-Qaida's local affiliate, al-Qaida in the Arabian Peninsula (AQAP). He said it was a "training camp" used by "more than 70 AQAP terrorists".
>
> An independent assessment of the actual impact of the strike, to include a full casualty total and civilian impact, was not immediately available. The Pentagon did not provide further detail of where in Yemen the alleged camp was located.
>
> "We continue to assess the results of the operation, but our initial assessment is that dozens of AQAP fighters have been removed from the battlefield," Cook said in a statement.
>
> The US airstrike happened hours after multiple attacks killed over 30 people and wounded more than 200 in Brussels, although it is unclear if any connection exists between the two events. Islamic State has claimed credit for the Brussels attacks. ...
> (Spencer Ackerman, œMassive US airstrike in Yemen kills 'dozens' of people, Pentagon says, *The Guardian*, Wednesday 23 March 2016)

Adam Johnson, in an analysis of US military action subtitled, 'What began two years ago as "limited" air strikes in Iraq now includes Syria, Afghanistan, and Libya - all with little public debate':

> Meanwhile, an anti-ISIS bombing campaign that began as "limited," "targeted" air strikes in Iraq two years ago expanded to Syria six weeks later, to Afghanistan in January of this year, and to Libya this week. Combat troops and special forces have also crept into play, with US military personnel first appearing in Iraq and Syria in 2014, 2015, or 2016, depending on how one defines "boots" and "ground." (Adam H. Johnson, œObama Expands the ISIS Bombing Campaign to a 4th Country, the Media Barely Notice, *The Nation*, August 5, 2016)

Chapter 14:
The nature and limitations of our most vaunted capability 'Human Intelligence',

(11/08/23) (12/08/23) (14/08/23) (17/08/23) (30/08/23) (15/09/23)

We are living in a time when the nature and limitations of our most vaunted capability, 'Human Intelligence', are, sadly, being exposed.

It has been this capability which has made humanity the most successful mammalian species, able to adapt to and exploit almost any environment within which we have found ourselves.

And the limitations of that capability have resulted in the looming 21st century nightmares which will haunt us through future centuries and possibly lead to our extinction.

Ian Bremmer and Mustafa Suleyman explain how 'We' are likely to exploit advances in artificial intelligence in coming decades:

> It's 2035, and artificial intelligence is everywhere. AI systems run hospitals, operate airlines, and battle each other in the courtroom. Productivity has spiked to unprecedented levels, and countless previously unimaginable businesses have scaled at blistering speed, generating immense advances in well-being. New products, cures, and innovations hit the market daily, as science and technology kick into overdrive. And yet the world is growing both more unpredictable and more fragile, as terrorists find new ways to menace societies with intelligent, evolving cyberweapons and white-collar workers lose their jobs en masse.
>
> Just a year ago, that scenario would have seemed purely fictional; today, it seems nearly inevitable. Generative AI systems can already write more clearly and persuasively than most humans and can produce original images, art, and even computer code based on simple language prompts. And generative AI is only the tip of the iceberg. Its arrival marks a Big Bang moment, the beginning of a world-changing technological revolution that will remake politics, economies, and societies.
> (Ian Bremmer and Mustafa Suleyman, œThe AI Power Paradox: Can States Learn to Govern Artificial Intelligence - Before It's Too Late? *Foreign Affairs*, August 16, 2023)

We have explored the history and nature of 'capitalism', but, of course, 'capitalism' is merely shorthand for the primary and secondary ideological presumptions and structures historically forged by 'Western' communities.

Driven by 'capitalist' imperatives, the almost inevitable outcome of successful 'artificial intelligence' development is that more and more features of the physical, social and intellectual realms will become recognized as commodities and, therefore, available for divestment to private individuals to be 'profitably' developed.

In the process, communities will unravel and governmental responsibilities will be further weakened and warped to individualized, self-interested ends.

Western nations have increasingly emphasized individual rights and responsibilities at the expense of those of the community. In the process, the community becomes weakened until it no longer provides its members with a strong, immediate sense of shared responsibility and identity.

We will find ourselves in a truly Thatcherian reality in which there is no such thing as society, there are only individual men and women - and 'the devil will take the hindermost'!.

A world where '*homo economicus*' reigns supreme!

As suggested at the outset, capitalism, in its various guises, is the means by which those communities have defined themselves, adapted to and exploited their perceived 'environments'.

Most non-Western forms of resource utilization are closed, with a built in upper limit to demand, but capitalist utilization of the material environment is open-ended, with no upper limit to its use and a built in inflation of demand for natural resources.

For possibly the first time in human history, those 'capitalist' communities have defined themselves as the legitimate *optimizing* exploiters of perceived 'resources' wherever in the world they might be found.

They have, sociopathically, ignored the human communities which have built utilization of those resources into their primary and secondary ideologies, presuming that, always, the needs and wants of Western communities override those of any other communities. Indeed, those communities should be reorganized to contribute to Western 'needs'.

Driven by 'profit', they have become predatory societies, believing themselves entitled to access and appropriate the resources of other communities, demonstrating to them the 'true potential' of their 'underutilized' resources. They have 'justified' all this as a 'civilizing' mission, ushering invaded regions into the modern world as 'developed' communities and 'nations'.

J. S. Mill explained:

> Nobody can suppose that it is not more beneficial to a Breton, or a Basque of French Navarre, to be brought into the current of the ideas and feelings of a highly civilized and cultivated people - to be a member of the French nationality, admitted on equal terms to all the privileges of French citizenship, sharing the advantages of French protection, and the dignity and prestige of French power - than to sulk on his own rocks, the half-savage relic of past times, revolving in his own little mental orbit, without participation or interest in the general movement of the world. The same remark applies to the Welshman or the Scottish Highlander as members of the British nation.

But, of course, those 'highly civilized and cultivated people' are recognized by Mill as both 'civilized' and 'cultured' because he, like them, lived in a world imbued with 'meaning' by primary and secondary ideologies which require such behavior.

The 'gardens' of the Western World are required by their primary and secondary ideologies. They are built using products obtained through 'legitimate' appropriation of the resources of communities whose understanding of their world and utilization of the 'resources' of their environments are very different and required by their quite different primary and secondary ideologies.

The tragedies of colonialism, neocolonialism and the rampant exploitation and pollution of our world have been the inevitable consequence of the human belief that the primary and secondary ideologies which shape our activities are objectively existing, universally shared 'realities'.

Western peoples have been more 'successful' in exploiting the resources of the world than non-Western societies because they are no longer ruled by past 'superstitions' and 'traditions' but have 'discovered' the laws which make such exploitation possible. Non-Western peoples, however, in the minds of well enculturated Westerners, remain mired in superstition and tradition, shackled by their pasts.

Western peoples have long realized that, having learned to free themselves from past limitations and focus on the future, they have a duty to the rest of the world to 'bring it into the light of civilization', to 'educate' it!

John Wilmot explained:

> Obedience is one of the capital benefits arising from a public education, ... for to break the natural ferocity of human nature, to subdue the passions and to impress the principles of religion and morality, and give habits of obedience and subordination to paternal as well as political authority, is the first object to be attended to by all schoolmasters who know their duty and do it.

And, unfortunately, in the 21st century, post-colonial nations, eager to show themselves 'developed', have uncritically accepted that 'truly developed' societies legitimately access and exploit resources beyond their own territorial borders.

We cannot look to 'Western' societies for the way out of the quagmire into which the Western world has led humanity. Their primary and secondary ideologies will, inevitably, lead them to believe that the way out requires 'more of the same'.

Nidhi Verma and Mohi Narayan, in a *Reuters* report, have demonstrated the sad reality:

> Global oil major BP (BP.L) said the world must invest in the production of oil and gas to avoid sharp price spikes while accelerating the energy transition to combat greenhouse gas emissions.
>
> Global gas prices surged seven-fold last year as 3% of global gas supplies were hit following Russia's invasion of Ukraine, forcing countries to boost energy spending and shift to coal, BP CEO Bernard Looney said in New Delhi.
>
> "We need to do both. We need to invest in today's energy system responsibly and, at the same time, we must invest in accelerating the energy transition," Looney told the B20 conference.
>
> Energy transition has to be orderly to maintain its pace as emission levels have risen since the Paris conference on climate change in 2015, despite global efforts, he said.
>
> The Paris-based energy watchdog International Energy Agency (IEA) expects global oil demand to climb by 2.2 million barrels per day (bpd) in 2023 to reach a record high of 102.2 million bpd.
>
> Looney said his company would invest 40% of its capital on energy transition projects by the middle of this decade and 50% by the end of the decade. "We will invest between $55 and $65 billion as BP this decade in energy transition growth engines," he said.
>
> BP, investing in energy projects in India along with its partner Reliance Industries Ltd (RELI.NS), has set up about 3,000 electric vehicle

> charging points to date, up from 750 in January. The two have set up 300 battery swapping stations.
>
> BP has invested in India's gas sector, and its venture arm has bought a stake in electric ride-hailing startup BluSmart.
>
> "I have every expectation that we will do more in India in years to come," Looney said.
> (Nidhi Verma and Mohi Narayan, œBP urges more oil, gas investment while speeding energy transition, *Reuters*, August 28, 2023)

As Alphonse Karr (1849) put it "plus ça change, plus c'est la mème chose" (The more it changes, the more it is the same).

Mark Mills, in a *YouTube* video (46.49 minutes) entitled œThe energy transition delusion: inescapable mineral realities, explains the impossibility of realizing the 21st century ambition of achieving 'carbon neutrality' through transitioning to 'sustainable energy' technologies. As he says, it's simply not going to happen!

Western societies will find that technological fixes are not going to save us from the disasters looming on humanity's horizon.

If we are to escape the consequences of the Western 'development' of the world, we will need to attempt the seemingly impossible: We will have to rapidly adopt and adapt to the lifestyles and understandings of societies whose primary and secondary ideologies 'naturally' lead to what Western thinkers have termed 'radical conservation'[929].

Chapter 15:
Epilogue - What Drives Western People to Commoditize their World?

Introduction

Value creation

The nature of value

The nature of Money

Nature of production

Consumer society and Commoditization

Investment Growth Packages: the Commoditization of Investment

Conclusion

- The nature of 'marginal utility'

Introduction

Perhaps the greatest strength and weakness of capitalism lies in the definition of 'the economy' as an independent environment within Western thought [930]. This has made economic activity and organization asocial in character. Those involved in economic activity are concerned with 'the economy'. 'Non-economic' concerns are issues to be addressed in other social forums.

Organizations (artificial individuals) and individuals involved in 'the economy' will always assume that 'demands' made from other areas of social life are intrusive, aimed at limiting economic 'freedom' and 'enterprise'. And, as economic concerns have become central in the lives of Western people, they, in daily life, resist attempts to harness economic activity to 'non-economic' ends. The result is the reorganization of reality to the requirements of 'economic activity'. The result is Capitalism - the commoditization of life.

We, in Western communities, live in a commoditized world. In a manner never before seen in human society, Western peoples convert anything and everything into money-making commodities - objects which can be exploited for profit. Vast financial and promotional industries have grown over the past three hundred years, driven by and dedicated to the commoditization of the world.

The Western need to accumulate money inevitably results in more and more of the forms of activity, interaction and organization which people perceive as important to themselves, being exploited for profit. The consequence is the *commoditization of society*.

To understand the nature and consequences of this burgeoning commoditization of everything around us, we need to ask why we feel such a deep need to accumulate material wealth; to make everything around us a source of material profit.

Karl Marx [931], in the second half of the 19th century, put it bluntly:

> The capitalist knows that all commodities, however scurvy they may look, or however badly they may smell, are in faith and in truth money, inwardly circumcised Jews [932], and what is more, a wonderful means whereby out of money to make more money.
> (1887 Vol. 1 Pt 2 Ch. 4)

By the time Adam Smith, the acknowledged founder of modern economics, published his most famous book œ*An Inquiry Into the Nature and Causes of the Wealth of Nations* in 1776, the concept of a "commodity" was already well-established in Western European discussions on economic issues. Smith's achievement was to tease out the understandings which people in the mid-18th century already intuitively held.

He started his examination of what was happening in 18th century Europe with an attempt to define the terms 'value' and 'commodity'. It was this ability to clearly understand and explain the peculiar nature of these terms in Western European thinking which was Smith's genius.

There are, he claimed, two different *kinds* of value: "value in use" (soon abbreviated to *use value*), and "value in exchange" (now known as *exchange value*). He also made a further definitional distinction between *objects* and *commodities*. An object is any item which can be either used or exchanged. It is the superset of all items used in human living and interacting.

The value of an object *which is not a commodity* is the "usefulness" of the object to the person who uses it. A commodity, on the other hand, is the subset of items which are *exchanged*. And the "value" of a commodity is the "price" of that commodity *in an exchange*.

So, on the one hand, commodities are directly linked to "exchange values"; on the other, objects which are not acting as commodities are directly linked to "use values", that is, to their *utility:*

> The word value, it is to be observed, has two different meanings, and sometimes expresses the utility of some particular object, and sometimes the power of purchasing other goods which the possession of that object conveys. The one may be called "value in use"; the other, "value in exchange."
>
> The things which have the greatest value in use have frequently little or no value in exchange; and, on the contrary, those which have the greatest value in exchange have frequently little or no value in use.
>
> Nothing is more useful than water: but it will purchase scarce anything; scarce anything can be had in exchange for it. A diamond, on the contrary, has scarce any value in use; but a very great quantity of other goods may frequently be had in exchange for it.
>
> In order to investigate the principles which regulate the exchangeable value of commodities, I shall endeavor to show:
>
> - First, what is the real measure of this exchangeable value; or, wherein consists the real price of all commodities.
> - Secondly, what are the different parts of which this real price is composed or made up.
> - And, lastly, what are the different circumstances which sometimes raise some or all of these different parts of price above, and sometimes sink them below their natural or ordinary rate; or, what

> are the causes which sometimes hinder the market price, that is, the actual price of commodities, from coinciding exactly with what may be called their natural price.

(Adam Smith, 1776, Chapter 4)

The questions Smith raised and endeavored to answer have been central to economic, and, increasingly, to everyday Western concern over the past two hundred years [933].

- First, what is the "real measure" which gives commodities their exchange values?
- Secondly, what are the constituent elements of this "real price"?
- Thirdly, what causes fluctuations in price in the marketplace?

In answering these questions Smith drew on the work of earlier thinkers in Western Europe [934]. The "wealth" of a community is determined by:

- the raw labor available to the community;
- the level of skill built into that labor;
- and the ratio of laborers to non-laborers in the society.

The "price" of a commodity is determined by the labor input into that commodity, which will contribute both a wage to the worker and a value which is surplus to the worker's needs which forms the profit of the organizer and controller of production.

This definition was so central to Smith's thesis that it forms the subject of the first paragraph of his book:

> The annual labor of every nation is the fund which originally supplies it with all the necessaries and conveniences of life which it annually consumes, and which consist always either in the immediate produce of that labor, or in what is purchased with that produce from other nations.
>
> According therefore as this produce, or what is purchased with it, bears a greater or smaller proportion to the number of those who are to consume it, the nation will be better or worse supplied with all the necessaries and conveniences for which it has occasion.
> (Smith 1776, Chapter 1)

Given the intellectual climate within which Smith was writing, this emphasis was inevitable.

Those who were industrious would, as John Locke (1690 Ch. 5 Sect. 35) had explained, accumulate possessions [935]. However, precisely because they were industrious and intent on the accumulation of possessions, they would not dissipate their acquired assets. Rather, they would reinvest them so as to make more money. In doing so they would create jobs, which would provide others with paid employment. So, although wealth ultimately derives from labor, it can only continue to grow when invested in further production [936].

Value creation

Smith, in his writing, presumed that all human beings are intent on accumulating material 'wealth' and on conserving their assets. Their "natural" behavior would stem from this acquisitive and conservative drive. His explanations strongly reinforced the increasingly entrenched 18th century belief among Western Europeans that if life could be reorganized so that individuals could follow these natural urges then:

- accumulated wealth would be reinvested, producing further wealth;
- jobs would be created and, as workers found themselves also able to accumulate;
- the society would become increasingly wealthy and everyone would have a higher standard of living [937].

The greater the investment in productive enterprise; the greater the labor input; the greater the wealth produced in the society.

Wealth was created by the productive labor of the community and the value of any commodity was determined by the labor input into its production. The *surplus value* of a commodity, that which gave the seller his or her profit, was that part of the labor input into production which was not returned to the worker in wages.

Smith claimed that such profit was essential to ensure that employers would organize production, so creating employment for workers. This became known as the *labor theory of value* [938], the belief that material wealth creation is directly tied to the quantity and quality of the labor input into production and to the organization of production by employers; whose profits are made from the surplus value created by workers in addition to their own wages.

So, a profit could only be made if the organizer of production could ensure that workers labored for longer than was necessary to provide for their own subsistence. It was in the accumulation of that surplus value that wealth was assumed to be created [939] .

A major problem through much of the history of western European capitalism has been how 'The Poor' could be motivated to consistent, prolonged labor. Those who supplied most of the labor for capitalist enterprise, seemed unable to understand that they had a duty not only to generate a subsistence wage for themselves, but also to contribute to the profit of the organizers and controllers of production [940] .

Of course, as Smith realized, *exchange value* requires goods to be *exchanged*. If everyone produced only what they needed *for their own subsistence*, only exchanged items for those they needed for subsistence, and did not consider possessions to also be stores of another kind of value (exchange value), then the only value which goods would possess would be their use value to those who needed or wanted them.

Exchange value becomes important when people focus not on *production for use*, but on *production for exchange value - for 'profit'*. If one only produces for use, then, once the required needs have been met, production will stop.

Communities do not become involved in open-ended production of the kind that was already entrenched in Western Europe at the time when Smith

wrote his book unless people are, as Smith presumed, focused on obtaining objects for the value they might acquire if the objects were exchanged.

People, Smith claimed, have an innate, always less-than-satisfied urge to accumulate possessions. They have a deep need to express their own social and self worth through the accumulation of a particular form of value believed to be contained within possessions. That value requires conspicuous ownership and/or consumption. One's social and self-worth are best expressed and asserted through the accumulation and consumption of 'valuable' goods and services.

All this, of course, says a lot more about Smith and capitalism than it does about 'human nature'!

The nature of value

It is this second reason for production that Smith was really interested in,

> the power of purchasing other goods which the possession of [an] object conveys.

That is, in Smith's estimation, there can be two very different, but concurrent reasons for acquiring an object: the usefulness of the object as an object; and the possession of the object as a store of exchange value, which can be realized through selling it in order to acquire other objects or in order to acquire money. Both these forms of value can be aimed at in acquiring a possession.

In fact, however, there are three, not two forms of value contained within commoditized objects:

- their use value,
- their exchange (or *investment*) value and
- their value in *status, prestige* and *self-image* enhancement - their *status value.*

We can acquire a possession for its practical usefulness, for the exchange value which we perceive as stored in it (i.e. it is an 'investment'), and for its contribution to our status and enhancement of our self-definition.

This is perhaps most obviously exemplified in the common Western understanding that if one buys a house one can: live in it; consider it an investment; and also gain social and personal definitional enhancement from its quality and location. Every object held can be, at the same time, a *use value object*, an *investment*, and a *status enhancing possession*.

When we speak of a commodity we are speaking of an object which incorporates either or both of the latter two forms of value for the holder. And, I would suggest, the last form of value is the most potent in Western communities. Investment which does not lead to the acquisition of possessions which primarily convey status and prestige or enhanced self-image is of little value.

We all know stories of eccentric people who died leaving large fortunes yet lived the lives of "ordinary" people. These stories are newsworthy precisely because of the oddity of such behavior. Why would anyone, owning a fortune, not spend some part of it to enhance their "quality of life"? That is,

why haven't these people realized the status enhancing value of their assets?

An important consequence of Smith's emphasis on exchange values over the succeeding 200 years has been that Western writers have presumed that there is only one definition of "exchange", that which pertains to market transactions as a consequence of the "human drive" to accumulate and conserve possessions.

Of course, this is not so. In fact, there is a range of forms of exchange which occur in any society, most of which cannot be understood in terms of market exchange and do not result in any perception of "exchange value" being inherent in the acquired possession [941].

In non-Western communities, most forms of exchange focus on the use value of the exchange object to the exchangers; and/or the ways in which the exchange *affects/expresses the relationship between the parties* involved, not on the relative exchange values of *the objects* of exchange. Many Western people find it difficult to comprehend that human beings can engage in an exchange without "automatically" assessing the exchange values involved and without calculating the investment potential of acquisitions [942].

In the form of exchange to which Smith was referring, however, exchangers focus on the presumed *exchange value of the objects* of exchange, and only secondarily on each other.

If I give an item, I feel the need to express myself and my regard for the receiver through the 'price' of the gift - the investment or exchange value. If I receive a gift, I can readily assess the giver's regard for me through assessing the exchange value of the item given. What did it 'cost' the giver?

As a seller, I give the buyer an item, not to further a relationship, or because I perceive that he/she needs the item, but to obtain the cash in their pocket. The reason why I sell the object is not because anyone needs the item, but because I want to accumulate the medium of exchange - money - and production and sale of the item seem a good avenue to this end [943].

As a buyer, I not only buy the item because it might have an intrinsic use value to me, I also buy it because I perceive that it has another kind of value inhering in it (investment value), a value which can be added to the similar values of all my other possessions, giving me a sense of accumulating this kind of value in the objects I possess.

Yet, of course, I also perceive another kind of value in the object, one which might, in fact prove more important to me than its adding to the value of my accumulated possessions. I perceive that through owning and/or consuming the object I can enhance my status and self-definition. I can *release the status value* inherent in its possession through consuming it [944].

In the end, the real reason for emphasizing accumulation is so that I will have a stock of possessions which can be used in this status and self-image building way.

Nature of Money

(21/07/16)

It is important, in 21st century capitalist societies, to clearly differentiate between:

- *public* credit creation and official currency creation (printing money);

and

- *private* credit creation, and creation of various forms of unsecured tokenized credit.

It is equally important to clearly distinguish between 'credit' and 'money'; whether one is speaking of the public creation of credit and official currency or the private creation of unsecured credit and tokenized credit. The, unfortunately common, conflation of pre-tokenized or un-tokenized credit with tokenized credit through use of the term 'money' leads to mental and terminological confusion.

As observed elsewhere: the creation of unsecured credit by private financial institutions is not the same as credit creation by sovereign central banks. One is based on an assumption of 'credit-worthiness' backed by presumed access to sovereign credit; the other is the issuer of unencumbered sovereign credit[945].

Having said that, in the private realm, as Smith recognized, money performs three separate functions.

- It is the *medium of exchange*, that is, *relative exchange value* is expressed in terms of it.
- It is the *unit of accounting*, that is, it provides a way of determining the *quantity of exchange value* summed up in objects, and so provides a means for assessing the relative "worth" of different accumulations of objects.
- And, finally, it is, itself, a *store of value*.

(16/07/16)

In capitalist societies, money is the purest form of a commodity. It provides a simple, single measure of the exchange value of all commodities. In doing so, in the minds of those who use it to establish commodity values, it becomes the embodiment of the values it expresses. It becomes a universal symbolic expression of any and all commodities - stripped of their use values.[946]

Marx was to explain this some 100 years after Smith:

> commodities have a value-form common to them all, and presenting a marked contrast with the varied bodily forms of their use-values. I mean their money-form.
> (1887 Vol. 1 Ch. 1 Pt 3)

Money, according to both Smith and Marx, provides the means for expressing the common value-form which exists within all commodities - the labor contained within a commodity.

The reason why Smith and others decided that money represented the value of "labor" was that middle ranking Western Europeans believed that it was virtuous to diligently apply oneself to labor [947]. Those who increased their possessions and their consumption through diligent commitment to "habits of industry" (whether that involved labor or the creation of opportunities for others to labor) gained increasing status and respect. As

Locke (1690) had argued, "Labor makes the far greatest part of the value of things".

Inevitably, when people enmeshed in Western communities thought of "value" they thought of "labor". So, money must represent stored labor. In Western communities, the acquisition of money and other objects representing exchange value provides an indicator to the community of one's commitment to and successful performance of socially approved forms of activity and behavior.

Whereas use values take a multitude of forms, exchange value has only *one* form. That is why it can be expressed through a single medium of exchange: a univalent valuing system, through which the value of every commoditized object can be compared with any or all others. To understand why Western people see it as important to know the monetary worth of everything and calculate 'total worth', one has to understand the peculiar nature of Western understandings of the world.

Of course, if money stores a particular *kind of value*, such a storing of value can only be symbolic in nature - there is no "real" labor or any other form of activity, nor any quality of any other kind physically stored in money. Rather, Western peoples have organized their communities in such a way that a particular kind of value which the community perceives as being of central importance to life in that community can be expressed in money terms.

The key to understanding the nature of money value in the community is not to look for some objective substance which creates value - whether it be presumed to be labor inputs into production or the *marginal utility* of goods and services to consumers, as modern neo-classical economics suggests. Rather, to understand the nature of money value, one should examine how and why increasing numbers of objects in the community are drawn into this evaluative system, that is, are *commoditized*.

Marx very persuasively argued that in capitalist societies there is a driving need to commoditize more and more of the objects, forms of organization and activities of people. And, the reason why this is not only accepted but applauded, is that people gain power and authority, prestige and status from the demonstrated accumulation of the value that inheres within both money and commodities.

Value is *not* generated by some substance or other in the society. It is the tangible expression of the successful commitment of people to those forms of activity, attitude and interaction which are required of statused individuals and groups within the community[948].

In western communities, status and prestige are closely linked to the accumulation of money; to the accumulation of objects whose money worth can readily be calculated; and to the consumption of items which are "expensive", that is, can only be consumed by those who have accumulated money.

And, since an increasing range of goods and services in the community is being drawn into this common evaluative system, we can, with constantly increasing precision, determine the relative standing or "success" of individuals in the community.

If one accumulates money and other possessions in ways which are considered "legitimate" in the community then one earns status and

respect. One is socially rewarded for doing what the community has determined is relevant to increased status and respect.

Not only can others assess my placement through my possessions and through my forms of consumption, I, myself, as a well-enculturated Western person, am oriented to evaluating my own "self-worth" in similar ways. Whether others were around or not, I would still feel it necessary to express myself through my patterns of consumption and accumulation.

Accumulation is *assumed* to be a consequence of one's successful commitment to those socially approved forms of behavior [949]. That is why it is accepted in Western communities that people who have "made money" deserve to be able to spend it as they see fit. The latent status and prestige value of money is fully realized not in hoarding it but in its use in acquiring those possessions which either through ownership and/or consumption confer status and prestige. Equally, it is why so many argue that people who have not accumulated money and/or possessions should suffer the consequences.

Nature of production

(20/01/17)

When people are driven to expressing their relative "success" through accumulating possessions and through expanding particular forms of consumption, then the production of goods and services in the community becomes open-ended [950].

Open-ended production, where people produce more than they need and attempt to convince others to buy their surplus production, is of a fundamentally different nature to production for use. It is in production for exchange that exchange value becomes important. A fundamental shift in the *reason for production* occurs when people move from production for use to production for exchange value.

Subsistence production focuses on supplying people with needed or wanted products. Production for exchange value is not focused directly on supplying people with goods, that is just a means to a very different end. The reason for production is now *the accumulation of exchange value*. That is, one is producing, accumulating and consuming goods and services so as to *appropriate the exchange value* contained in those products [951].

When one is producing, accumulating and consuming goods and services, not primarily for the use value they represent but in order to appropriate the *social definitional value* (or *status value*) they provide, then production, accumulation and consumption have no upper limits[952]. The accumulation and consumption of goods and services becomes the avenue to status and prestige. This contrasts with non-Western communities where accumulation and consumption activity and behavior are defined and limited by the status and prestige position held in the community [953].

The more emphasis placed on production, accumulation and consumption as a means of status attainment and self-definition within a community, the more those forms of activity and behavior are stimulated; and the more preoccupied people become with commoditized forms of behavior and interaction.

Consumer society and Commoditization

Advertising has become a ubiquitous industry in the Western world, driven by the snowballing focus on and preoccupation with commoditization in Western communities. The successful accumulation of money depends on others buying the goods and services you are offering. In order to persuade them to do so, you must make them feel that what you are offering will benefit them in some relatively important way, and enhancement of one's social/personal definition is a powerful attractant.

Since everyone is trying to convince the consumer that he or she should buy the wares on offer, the *focus of money making shifts* from productive enterprise to the *marketing of consumables*. The successful competitor in the marketplace will be the one who is able to read the changing whims and fancies of those with money to spend and alter production to cater to those changing fancies.

This leads, inevitably, to the involvement of advertising professionals in shaping the commodities they are going to promote. So, over time, the persuaders begin to shape commodities. In this way, the process folds in on itself. Those who are persuading consumers to consume, fashion the products to be consumed. The entire process of production, accumulation and consumption becomes driven by the persuaders' perceptions of what will lead people to consume and accumulate.

Their perceptions of consumer wants are, of course, fashioned by various forms of social inquiry geared not to improving the use value of the commodities being promoted, but to improving their "appeal" - primarily their social definitional value as perceived by consumers. So, production becomes driven by persuaders' perceptions of consumers' perceptions of what constitutes social definitional value and a *consumer society* emerges.

Since the driving force behind this proliferation of consumer goods is the accumulation of exchange value (money making), sellers are constantly on the lookout for new resources which can be transformed into commodities. What can I exploit that has not already been over-exploited by others in order to make money? As Marx put it,

> The capitalist knows that all commodities, however scurvy they may look, or however badly they may smell, are in faith and in truth money, ...a wonderful means whereby out of money to make more money. (1887 Vol. 1 Pt 2 Ch. 4).

This driving ambition for the accumulation of money inevitably results in more and more of those forms of activity, interaction and organization in the community, which people perceive as important to themselves, being exploited for profit.

More and more of the activities and interactions of community members are reorganized by those intent on making money from them. And those who become involved in the newly commoditized forms perceive their involvement as another means of enhancing social definition. They consume them as commodities rather than as 'useful' objects.

Whenever an object, whether tangible, intangible or a form of organization of one kind or another, which previously existed within the community without being linked to exchange value, is used in order to make money, it becomes *commoditized*. Commoditization is the process of taking items which previously could not legitimately be used to make money, and

reorganizing, modifying and marketing them so that they become legitimate avenues through which money can be made.

Of course, in doing so, we are also giving them a new rationale. Whatever their purpose and place might once have been in the community, they are now being employed to the particular end of making and spending money. Inevitably, therefore, involvement in such modified forms becomes linked to the accumulation and/or expenditure of exchange value - to accumulation of the potential for increasing status; and to the translation of that accumulated potential into status defining and maintaining activity.

Investment Growth Packages: the Commoditization of Investment

(17/07/16)

From the 10th to second half of the 20th centuries in Western Europe *usury* [954] was illegal and considered socially unacceptable. As late as the 1960s, a 20% interest rate was considered gross extortion in most Western countries. Governments closely controlled interest rates.

Since the mid 1970s, the setting of interest rates by "the market place" has been assumed to be "natural". The individual, interested in making accumulated capital "work" for him or her, is assumed able to determine the rates most useful in the enterprise. If people will pay the rate, then it is clearly 'reasonable'[955].

Consumers, intent on conserving and enhancing both self-image and status/prestige, pay whatever they have to in order to obtain the money with which to do so. The result is the massive personal and 'credit card' debt within Western communities, primarily held by people struggling to ensure that their current social standing and self-image are protected.

The offering of "investment growth" packages by various financial institutions has become one of the most important forms of industry in the last fifty years. Investment has been commoditized and one can accrue social definitional value by letting others know that one is involved in such activity.

Both perceived position in the community and perceptions of self are preoccupations of most people in most communities. In Western communities, where these are directly related to commoditization, over time, *economic* [956] activity overtakes more and more of the interaction and organization of the community.

People come to believe that life is about economic activity and matters which have not been subjected to "the bottom line" of "profit and loss" accounting must be considered aberrant and in need of reorganization. Social, political, aesthetic, even religious involvement can be subjected to this process.

The world becomes "professionalized" with people choosing "services" which meet their needs, and spending their accumulated exchange value on those commodities they feel are necessary to securing their self and social images. They consume services and goods and feel that this consumption, *in itself*, is beneficial. The benefit coming, of course, not from the use value of the services consumed but from the social definitional value of the expenditures.

Conclusion

In the early 21st century Western communities have become highly commoditized. Both the commoditization of communities and the evolution of economics are inevitable consequences of the particular social templates which have emerged within Western communities.

Commoditization is driven by Western systems of status, prestige and self-image attainment and maintenance. One cannot alter the direction of the evolution of such processes through focusing on them, they are *effects* rather than causes. At root are the particular bases for the categorization and classification of people which have emerged over a thousand years in Western communities [957].

The commoditization of society in Western communities will continue unchecked for so long as Western peoples live in communities in which status, prestige and self-image are consequences of the individualized, competitive accumulation and consumption of goods and services.

Addendum: We're All Equal!
Independence and Exchange

Introduction

Models of Reciprocity and Exchange

Social Exchange Theory

Redistribution - another form of exchange
- Karl Marx
- Polanyi

A reciprocity continuum
- Sahlins and Spheres of Exchange

Conclusion

Introduction

... just at that moment, as though at a signal, all the sheep burst out into a tremendous bleating of-

> Four legs good, two legs better! Four legs good, two legs better! Four legs good, two legs better!

It went on for five minutes without stopping. And by the time the sheep had quieted down, the chance to utter any protest had passed, for the pigs had marched back into the farmhouse.

Benjamin felt a nose nuzzling at his shoulder. He looked round. It was Clover. Her old eyes looked dimmer than ever. Without saying anything, she tugged gently at his mane and led him round to the end of the big barn, where the Seven Commandments were written. For a minute or two they stood gazing at the tatted wall with its white lettering.

"My sight is failing," she said finally.

> Even when I was young I could not have read what was written there. But it appears to me that that wall looks different. Are the Seven Commandments the same as they used to be, Benjamin?

For once Benjamin consented to break his rule, and he read out to her what was written on the wall. There was nothing there now except a single Commandment. It ran:

ALL ANIMALS ARE EQUAL
BUT SOME ANIMALS ARE MORE EQUAL THAN OTHERS

After that it did not seem strange when next day the pigs who were supervising the work of the farm all carried whips in their trotters. (Orwell 1951 p. 114)

If there is a single defining feature of Western capitalism, it might well be the peculiar definition of exchange which lies at its core. If we can get that

definition of exchange into perspective, it will be of great help in getting capitalism into comparative perspective.

As we have already discussed, the fundamental assumptions upon which perceived reality is built are historically developed [958]. They form the bedrock upon which community organization and human interaction are constructed.

There is a constant ideological management of reality in communities. Dominant groups continuously and subliminally define and refine *objective reality* for their community (this is what many of the 'specialisms' of Western communities are about). At the core of that reality are the ways in which people relate to both their environments and each other. Communities ensure that their populations know and live by those understandings.

Since dominant groups *know* how the world operates, they also *know* the best ways in which life should be organized and lived. They, therefore, feel responsible to ensure that people in the communities in which they live conform to those understandings. This is ensured through the many acculturative agencies and processes which can be found in any community of human beings. These ensure that community organization and individual thought and action conform to the community's version of objective reality.

The most important acculturative agencies in Western communities are contained within the institutional complex known as 'The Education System'. *Education* is a major acculturative force in Western communities. One does not find Western style 'education systems' in non-Western communities. Where non-Western countries have education systems they are modelled on the systems developed in Western communities.

Western education systems are focused squarely on ensuring that the most important fundamental understandings of Western communities are understood and adhered to. Where they exist in non-Western countries, education systems are essential elements of the hegemonic processes and structures which Western countries insist non-Western countries must 'develop' and continuously monitor and regulate (to counter 'poor educational practice') if they are to receive recognition and 'aid' from the West.

The fundamental assumptions which drive Western education also drive the development of theory in Western institutions and specialties. Many of the most powerful theoretical models of social interaction and societal organization developed in Western academic and professional circles incorporate and reaffirm the basic ideological understandings of Western communities. Such models become unwitting tools in the hegemonic promotion of Western capitalism.

There is nothing fundamentally 'wrong' or reprehensible in this, that is what dominant ideological communities do and have always done, wherever they are found, and whatever their understandings of the world might be. However, it is a problem if we want to understand communities in their own terms.

We, as Westerners, are often not aware that the most 'convincing' models will, almost inevitably, incorporate the central cultural presumptions of Western capitalism. So, we are likely, unwittingly, in using the models, to describe and explain phenomena we investigate in terms of similarity to and deviation from Western forms, processes, behaviors and understandings.

Effectively, by default, we judge other cultural communities against Western 'standards' built into the theoretical models we employ, even as we claim that we are trying to understand them in their own terms. Annette Weiner (1992), in her book *Inalienable Possessions: The Paradox of Keeping-While-Giving*, tackled this problem head on in examining the cultural baggage built into many anthropological ideas and understandings. As she said,

> ... ethnographers do not record informants' words as though on a tabula rasa, but as modified by their own theories and perceptions honed on the issues and arguments of previous anthropological discourses. How to get beneath what historically we, as anthropologists, take most for granted and, in its stead, hear what our field interpreters are actually saying is a major problem. (1992 p. 24)

In this discussion we need to be alert to the problem. If our own cultural assumptions are built into the models we use, we end up comparing other cultural communities against the values and understandings of the community to which we belong.

That might be the task assigned to Western moralists (e.g. 'human rights' specialists), or to those involved in the hegemonic expansion of Western capitalism (e.g. 'Third World Development' specialists). However, if we are to understand communities of people rather than be party to a hegemonic imposition of Western cultural forms on the rest of the world, we must attempt, to the degree that this is possible, to understand communities and people in their own terms.

The *economic* models of capitalism are ideological models which incorporate all the most basic presumptions about the world and about human beings which are extant in Western communities. When economic models are applied to life in non-Western communities they automatically produce recommendations for change. Inevitably, they compare forms of organization and activity based on very different presumptions against the forms and activities extant in Western communities.

Recommendations stemming from the application of these models are, all too often, used as the base for 'Third World development' programs and projects.

At the heart of economic and most other models of social interaction and organization lies the Western definition of 'the individual' and the Western definition of 'balanced exchange'. Both are assumed to be fundamental to human interaction and organization everywhere. Tsui, Farh and Lih provided a clear summary of the Western view of 'independent individuals':

> ... the Western view of an independent self ... sees each human being as an independent, self-contained, autonomous entity who (a) comprises a unique configuration of internal attributes (e.g. traits, abilities, motives, and values) and (b) behaves primarily as a consequence of these internal attributes.
> (1997, p. 59)

Two additional impulses drive the Western independent individual. Western individuals are both competitive and acquisitive. These features, in combination, determine the nature of exchange within Western communities [959].

Models of Reciprocity and Exchange

In most of the social sciences, it is presumed that the relationships which exist between individuals 'emerge' from the processes of exchange in which they engage. Human beings, it is assumed, are first and foremost 'actors' and the social relationships in which they are involved are outcomes of self-interested interaction aimed at satisfying individual needs and wants. So, exchange based on self-interest comes first, and groups emerge from those exchanges as people enter into ongoing, mutually beneficial relationships.

Because they are convinced of the importance of reciprocity and exchange in understanding community organization and interpersonal interaction, theorists in the social sciences have attempted to define the nature of exchange. There have been two directions in which these attempts at definition have gone.

The most common direction has been toward a single definition of exchange. This has been encapsulated most clearly in economic models of exchange, but has been replicated in a range of social models developed out of social exchange theory.

The second direction has been toward defining exchanges contextually. This approach assumes that the nature of exchanges is determined by the nature of the relationships perceived as existing between those involved in exchange. The interconnections between people come first. Exchanges occur between people who already know how they relate to each other and already know the kinds of exchanges which are legitimate for such relationships.

There cannot be a single definition of exchange. Rather, the characteristics of exchange depend on the context in which it occurs.

The presumptions about the nature of individuals and communities of human beings upon which these two approaches base their reasoning are very different.

The approaches to reciprocity and exchange which we are going to examine next illustrate this divide. They are presumed, by those who promote them, to provide a framework for understanding human interaction and the relationships in and through which they occur.

Social Exchange Theory

In Western communities, it is commonly believed that we are all, at heart, pre-social, independent, self-interested, self-promoting, competitive and acquisitive beings. We view relationships as the means by which we satisfy our 'needs' and 'wants'. It is assumed that we are all intent on conserving and expanding our consumption/possessions and furthering our own well-being and independence, if necessary, at the expense of others around us.

There has been a range of models of 'social exchange' developed through the 19th and 20th centuries which are founded on these assumptions. According to social exchange theorists (whom you will meet in various guises in most social science theorizing) all exchange is based on the acquisitive, competitive, and self-interested drives of human beings who want to be independent [960] .

According to this model, if you and I were in an exchange relationship (since I'm assuming you're a well-enculturated Westerner, let's use the relationship: 'teacher and student') it would be because you perceived me

as having something you want (a good grade?) and I perceive you as having something I want (your money?).

I look for ways of getting as much money as I can out of you while giving you as little as possible of what 'belongs' to me (I want to 'conserve' what is mine). You look for ways of getting the best grade you can out of me for the lowest price. The relationship might look like one of cooperation - teacher and student in the pursuit of knowledge - but it is, in reality, competitive, with each of us pursuing our own, independent, self-interested goals.

Our relationship will continue for only so long as I can convince you to keep giving me money and you can convince me to keep passing you! Once we see the other as having nothing to offer (you run out of money - I run out of units you want to do) the relationship ends.

The development of education in most Western countries, over the past couple of decades, has largely been driven by this caricature of human motivation and sociability. Educational institutions have become primarily 'profit making' organizations and education is being promoted as a 'commodity' or 'consumable'[961] .

In the process, communities have devalued education as a cooperative pursuit of understanding and emphasized its value as a preparation for entry into the world of competitive wealth attainment. If it doesn't lead to money, what's the point? Not, of course, that you and I have such a crass view of the value of education!

Edward Lawler and Shane Thye described the model,

> Social exchange theory assumes self-interested actors who transact with other self-interested actors to accomplish individual goals that they cannot achieve alone. Self-interest and interdependence are central properties of social exchange.
>
> Whether it is two lovers who share a warm and mutual affection, or two corporations who pool resources to generate a new product, the basic form of interaction remains the same. Two or more actors, each of whom has something of value to the other, decide whether to exchange and in what amounts.
> (1999 p. 217)

In an earlier article Thye and his co-authors addressed the nature of the 'networks' which emerge out of exchange activities:

> Whether the setting involves corporate agents in commercial enterprises, management-labor negotiations over salaries and benefits, children vying for limited space on playground equipment, or the ebb and flow of interests and offers in dating networks, the cumulative effects of what happens in the short-term - e.g., feedback from, and responses to, each exchange offer - has profound implications for the long-term state of the larger social system in which negotiations and exchanges are embedded.
> (Thye *et al* 1997 p. 1031)

Social exchange theory shares a great deal of common ground with *rational action theory* and *cost benefit analysis*. Their roots can be found in the Western philosophy of utilitarianism [962]. The approach, with minor variations in emphasis and definition, is also sometimes referred to as *rational choice*, the *problem of collective action*, *research in 'micro fundamentals,'* or *methodological individualism*. In anthropology it is also

known as *formalism*, in contrast to the *substantivism* of Karl Polanyi and those who have developed his ideas over the past fifty years. We will examine Polanyi's ideas shortly.

Both of Thye's articles presume the validity of the social exchange model and review the literature on social exchange theory. They provide an excellent illustration of the ways in which Western ideological understanding becomes unconsciously built into Western 'explanatory' models and a reminder that social science theorizing is not acultural.

The ways a theorist sees his or her world, and the basic presumptions about life which are held to be self-evident are usually either explicitly or implicitly written into the theoretical constructs which theorists build.

Social exchange theory presumes that individuals interact in terms of competitive self interest. Their interactions are focused by both *social incentives* to behave in particular socially approved ways and *social constraints* on 'unacceptable' behavior (social 'benefits' and 'costs').[963]

Independent, pre-social individuals are constrained in their interactions by 'rules and regulations' which, ultimately, work against those most adept at exchange negotiations. It is this presumption that the entrepreneurs in communities are stifled in their activities by those who feel threatened which lies at the heart of Western demands that people be 'freed' to unihibited exchange activity.

Those incentives and constraints have been developed over time as a consequence of individuals' experiences in the competitive cut and thrust of getting what they feel they need and want. They channel activity to minimize the costs and maximize the gains of interaction for the greatest number in the community (it is in this that the model draws most heavily on utilitarian ideas - the ideal community is, therefore, 'democratic').

In these ways, *ostensible* cooperation between individuals and groups emerges. A variety of communal structures develop to further what are, ultimately, individual, self interested activities aimed at meeting individual needs and wants in an environment of competitors and scarce resources. The innate traits of human beings turn out to be remarkably similar to those of individuals as defined in Western industrialized communities.

Claude Levi-Strauss (1963, pp. 279ff), an anthropologist writing during the 1940s to 1980s, made a distinction between what he called 'home-made' models of social interaction and organization, and models designed to uncover the basic presumptions and principles upon which social life is constructed.

Home-made models *perpetuate* the phenomena they claim to explain. Explanatory models elucidate the fundamental presumptions and principles upon which social life is built.

Although those who employ the conscious, home-made models will claim that their use 'explains' social phenomena, in fact, they are part of the ideological acculturative process. The use of the models reaffirms and reinforces the behaviors, attitudes and understandings which they are supposed to 'explain'. According to Levi-Strauss,

> conscious models... are by definition very poor ones since they are not intended to explain the phenomena but to perpetuate them. Therefore structural analysis is confronted with a strange paradox well known to the linguist, that is: the more obvious structural organization is, the

> more difficult it becomes to reach it because of the inaccurate models lying across the path which leads to it.
> (1963, p. 282)

Many anthropologists are wary of models which employ a singular definition of the nature of social exchange such as that presented in social exchange theory. However, theoretical models which either explicitly or implicitly rely on this set of assumptions about human interaction are very common in social science theorizing.

For researchers and theorists who espouse a variant of social exchange theory, individual human beings are primary. Social organization and social interaction are outgrowths of individual human beings trying to fulfill their own needs and wants and ensure their status as independent individuals.

So, individual human beings, and the relationships they form in the process of achieving their independent goals come first. Change the needs and wants of individuals and they will change their interactions and, consequently, the social structures which have emerged to facilitate the pursuit of their independent ends.

In the words of George Homans who wrote widely from this perspective in the mid 20th century,

> ... elementary social behavior, pursued long enough by enough people, breaks through the existing institutions and replaces them. Probably there is no institution that was not, in its germ, elementary social behavior.
> (Homans, 1961 p. 1)

Social structures and institutions emerge from the interactions of independent individuals pursuing their own private ends. The relative statuses of people and the relative power they exercise are also derived from these relationships, driven by people trying to ensure that they retain any advantages they have in the exchange process.

Linda Molm and her co-authors (2001) summed up the relative 'power' positions of human beings in interacting groups like this:

> The concept of dependence is pivotal to the theory's analysis of power. Each actor's power derives from the other's dependence: A's power over B increases with B's dependence on A, and vice versa (Emerson 1972a, 1972b).
>
> Inequalities in power and dependence create power imbalanced relations, in which the less dependent actor has a power advantage over the more dependent, disadvantaged actor.
>
> The theory distinguishes between power as a structural potential, determined by actors' relations of dependence, and power use as the resulting inequality in benefits obtained by more and less powerful actors in a relation or network. The former affects the latter, in that imbalances in power tend to produce corresponding inequalities in exchange benefits.
>
> Because power is a function of dependence, predicting power and its use requires identifying variables that affect actors' relative dependencies.
> (Molm et al 2001 p. 259)

According to social exchange theory, if two people are in an exchange relationship, the person most committed to making the relationship work is

in a disadvantageous position. That person will have put more 'resources' into making the relationship a success than the other person and so the 'costs' and 'benefits' of the relationship vary inversely to the commitment of the participants.

The one who is more committed will have to 'pay' more than the other party to maintain the relationship - they become relatively more 'dependent' on the relationship. People who are in 'relationships of dependence' feel subservient to those on whom they depend and so, inevitably, human beings dream of independence, of not having to rely on others for their needs and wants.

Redistribution - another form of exchange

Social exchange theory presumes that human *action* is primary and that social structures and institutions emerge out of human interaction and are finally sustained by it. But what if human action is instituted by the structures of the community?

Then the forms of interaction which occur will be determined by the forms of organization and by the ways people are brought up to behave through their placement within the social whole. Community structures will be primary and human interaction and exchange will reflect the ways in which communities are organized.

Karl Marx

This was the focus of a great deal of Marxist theorizing [964] of the late 19th and 20th centuries. Human beings, Karl Marx believed, behave as they are brought up to behave, determined by the ways in which their society is organized and articulated to the material environment, that is, the 'relations of production' which exist in the society.

In his own words,

> In the social production of their existence, men inevitably enter into definite relations, which are independent of their will, namely relations of production appropriate to a given stage in the development of their material forces of production.
>
> The totality of these relations of production constitutes the economic structure of society, the real foundation, on which arises a legal and political superstructure and to which correspond definite forms of social consciousness.
>
> The mode of production of material life conditions the general process of social, political and intellectual life. It is not the consciousness of men that determines their existence, but their social existence that determines their consciousness.
> (1859 p. 1)

Marx, living in a capitalist world, assumed that 'relations of production' would be central to the ways in which people are defined and interact.

The self-interested, competitive, acquisitive individualism of Western communities is an inevitable consequence of the stage they have reached 'in the development of their material forces of production'. It is instilled in people through their upbringing.

Capitalist societies require self-interested, competitive individualism and so people are brought up to display those characteristics in their interactions.

In other societies, people will be trained to behave in ways required by the dominant 'relations of production' of their communities. Economic exchange is the kind of exchange required for capitalism to work.

Marx was a thinker of his time, and an optimist. He was convinced that human societies were evolving toward a particular set of 'relations of production'. There would be a final structuring of society reached [965], where human beings would fully understand the productive potential of their environments and would harness that potential for the greatest good of each individual in the society.

Individuals would, 'naturally', be brought up to behave in ways required by the dominant relations of production, ensuring that, at last, each person would contribute what he or she was able to the social whole and receive what he or she needed. This is the meaning of the term 'communism'.

Polanyi

Karl Polanyi, an economic historian writing in the middle of the 20th century was strongly influenced by Marxist ideas, but less than convinced about the evolutionary direction of human development. He argued that,

> the term *economic*, as commonly used to describe a type of human activity, is a compound of two meanings. ...
>
> The first meaning, the formal, springs from the logical character of the means-end relationship ... from this definition springs the scarcity definition of *economic*.
>
> The second, the substantive meaning, points to the elemental fact that human beings, like all other living things, cannot exist for any length of time without a physical environment to sustain them; this is the origin of the substantive definition of *economic*.
>
> The two meanings... have nothing in common.
> (1977 p. 19)

On one hand, there is an economy as defined in economic theory and as experienced in Western communities. This economy works best if people behave as self-interested, competitive, acquisitive individuals because it is a 'market' economy. People are brought up to behave in ways which will ensure their success in such an environment.

Polanyi argued that the particular ways in which human beings utilise their material environments and the forms of relationships through which goods and services are distributed throughout the society, are not derived from innate individual human traits and instincts; and are *not* 'natural' consequences of exploiting material environments (it was in this assertion that he parted company with Marxists).

Rather, the ways in which people behave and the ways in which they use their material environments are determined by the ways in which their communities are organized.

He claimed that there is an *economistic fallacy*, which

> consists in a tendency to equate human economy with its market form.
> (1977 p. 20)

The *substantive* economy in any community, he argued, is *embedded* in the organization and interactions of the community. So, exchange relationships

are determined by the structure of the community rather than the structure of the community being determined by exchange relationships.

To demonstrate that not all economic activity is organized like a Western market economy he described the economic activities of ancient historical Mesopotamian communities, showing that they were very differently organized. He labelled the system he described a *redistributive* system.

> Redistribution stands for a movement towards a centre and out of it again, whether the objects are physically moved or only the disposition of them is shifted.
> (1977 p. 36)

He claimed that in communities which are organized with a wide peasant base and a hierarchical leadership structure, goods and services initially flow from the peasant base upward through the hierarchy [966].

If you examined the system at some periods it would appear that there was a systematic exploitation of the peasant base by the elite of the community. However, it is the task of the elite not merely to use the surpluses they receive, but to provide a range of services and to store and redistribute surplus production to community members who are in need.

So, if you examined the system from the perspective of the elite or during times of hardship, you would find that there was a reverse flow occurring. Goods and services would be flowing from the center out toward the peasant base.

To understand how such an economy worked one had to understand the organization of the society, not merely individual exchanges. What might be seen as an exploitative system from either perspective, could be shown to be a 'social welfare' system when one looked at the long-run activities of all members of the community.

A reciprocity continuum

Polanyi's challenge to economic theory was based on his claim that there are forms of exchange of goods and services which do not conform to the definition of exchange which is used in economic and social exchange theory. So, it was a fallacy to claim that economic and social exchange models could be universally applied.

This was a fairly rudimentary attack on the universal validity of social exchange theory, but it was a start. Polanyi's models did not explain *why* different communities had different forms of redistribution and exchange, only that it could empirically be shown that this was the case. It remained for someone to provide a model of exchange relationships which would spell out why it was possible to have such different forms of community organization and interpersonal exchange.

Sahlins and Spheres of Exchange

The next major contribution to the debate came from Marshall Sahlins. Although Sahlins' model of exchange relationships provided a way forward, it did not directly deal with the kinds of exchange Polanyi described. Rather, it described forms of exchange between people who are roughly equal in status within a community.

Polanyi introduced a focus on hierarchically structured exchange relationships, the ways in which goods and services moved through political

and social hierarchies. Sahlins was more concerned with the ways in which kinship and social distance influenced exchange relationships.

He explained this in his most influential book on the subject, *Stone Age Economics,* when he said,

> Rank difference as much as kinship distance supposes an economic relation. The vertical, rank axis of exchange - or the implication of rank - may affect the form of the transaction, just as the horizontal kinship-distance axis affects it.
> (1972 p.206)

Polanyi's redistributive system is one focusing on exchange between people of different rank (the 'vertical, rank axis of exchange'). Sahlins' model of reciprocity and exchange focuses on the horizontal axis: the ways in which the nature of exchange differs with the degree to which people see themselves as 'related' to each other, coupled with the amount they have to do with each other.

There are 'spheres' of exchange. Exchange relationships differ, depending on the kind of relationship existing between the parties involved and the contexts in which exchange occurs.

A number of anthropologists have examined spheres of exchange [967], exchange complexes which are focused within particular organizational areas of a community. Frederick Damon described such spheres in the U.S.A.,

> there are spheres of gifts, of wage labor, and of productive and financial capitals. It is easy to show that each operates by different principles with different purposes. It is also easy to show - requiring only a book or two - that complex patterns of reciprocal dependencies, with painful contradictory consequences, govern their interactions.
> (1993 p. 243)

Damon went on to describe similar spheres of exchange for a Melanesian community involved in Kula exchange.

Sahlins is dealing with one of the spheres of exchange which exist within communities. The nature of reciprocity and exchange become much more complex in Sahlins' typology. Social exchange theory limits its focus to simple interactions between two individuals (either 'natural' or 'artificial') in face to face relationships, with presumed 'instincts' driving their activity.

The key to understanding Sahlins' contribution to the debate on the nature of exchange is that he, following Polanyi's lead, envisaged more than one definition of an exchange relationship. He concluded that the kind of exchange relationship which would be found between two individuals or groups was determined by the nature of the relationship which existed between them.

There are many possible definitions of exchange, since particular instances of exchange and reciprocity are *individuated* expressions of relationships which exist between categories of people.

This points us directly to the kind of model which Levi-Strauss (1963) called a 'structural' model, based on the unconscious principles of categorization and classification which exist within any 'structured' community. One can understand exchanges best when one realizes that they are visible expressions of the kinds of relationship which people perceive as existing between themselves, making them into a *community* of human beings.

The relations which people perceive as existing between themselves are a sub-set of the relations which occur within and between the classificatory categories of thought which each member of a community learns from his or her community from the moment of birth [968].

A human being can't 'think' without such a classificatory structure since thought is a process of comparison to determine similarities and differences between perceived items (and that is the definition of *classificatory categorization*). These relations of similarity and difference are expressed in all forms of structured communication between people, from language to the exchange of material goods and services.

The classificatory categories of any community have been unconsciously developed over the history of the community and so will be unique to that community. Yet, because there is a finite set of relations which can occur between elements in a structure, there will be many apparent similarities between communities.

We can't pursue this further here, but, in *formal system* analysis it is recognized that there is a variety of kinds and combinations of relationship which can exist between elements of a structure. As the Encyclopaedia Britannica puts it,

> Each formal system has a formal language composed of primitive symbols acted on by certain rules of formation (statements concerning the symbols, functions, and sentences allowable in the system) and developed by inference from a set of axioms.
> (2010 [969])

Since human beings are sentient and capable of reflexive thought, they do not merely conform to the structural requirements of the system in which they live. They are able, individually, to focus on, and compare and contrast the forms of relationship in which they are involved. They experiment with alternative definitions of, and behaviors in structured interactions. That is, they *individuate* their social relationships, just as they do every facet of their experience and understanding.

People are constantly defining and redefining themselves in their interactions. The structure is, necessarily, conservative, but it is neither static nor completely prescriptive.

Sahlins pointed to this when he said that,

> it is not only that kinship organizes community, but communities kinship, so that a spatial, coresidential term affects the measure of kinship distance and thus the mode of exchange
> (1972 p. 197).

While, in many communities, exchanges are formally structured by kinship relationships, kin who live close to each other often develop closer relationships than kin living at a distance. This results in different forms of exchange developing between an individual and two or more kin who might share the same formal kinship relationship with him or her but live closer or further away.

However, the set of relationships from which they build their individuated interactions is already spelt out in the social structures of their community. Christina Torens (1999) in a discussion of the ways in which Fijian kinship relations pattern interactions between people in Fiji, explained,

> A Fijian village child lives kinship as the very medium of existence; such a child constitutes ideas of self and others or, in simpler terms, comes to be who he or she is, in reciprocal relations between kin. (1999 p. 265)

Sahlins was suggesting that the forms of reciprocity which will be observed will take their character from the forms of social relationship which exist between exchangers as members of a structured community. And, in turn, the social relationships which exist between the exchangers will depend on the number and kinds of relationships summed up in each person.

People are individuated *nodes of relationships* and their interaction with each other person or group is 'flavored' by the blend of relationships in which they are involved.

If you stop for a moment and think of yourself. You 'know' who you are by the way you relate to everything around you. All the perceived relationships between yourself and all the recognized elements of your environments, provide the raw material from which you construct your self-image.

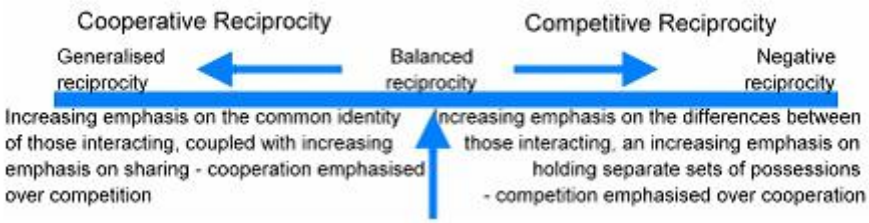
If someone tries to change those perceived relationships, that person assails your self-image. You, inevitably, react to defend your definition of yourself. That is, you try to *conserve* your present definition by conserving present recognized relationships.

Human beings, born into communities, are taught that certain forms of relationship are important. So, in any community, one will find that some kinds of relationship are emphasized more than others.

In Western communities many individuals are taught that competitively balanced exchange is important and that each individual should value privacy, independence, and material possessions. Relationships tend to take their 'flavor' from these values. Not all communities see these values as important.

To understand an act of exchange one has to understand the relationship which the participants in the exchange perceive as existing between them.

The form of an exchange between family members will be different to the form of an exchange between strangers (and different to the forms of exchange found between people of variant rank or status in the community). Horizontal relationships between individuals can be viewed as occurring on a continuum of relationship as below:



The illustration above deals with a *continuum* of relationships, not just three different relationships. As we move from left to right along the line, the relationship is progressively based on perceiving fewer similarities and more differences between participants in an exchange [970]. The resulting exchange behavior takes its flavor from those perceptions and so varies as you move along the line.

The more two people see themselves as 'related', that is, as sharing a common identity, the more they will emphasize sharing rather than holding

sets of separate possessions. So, when one person wants something the other has, they will tend to assume the right to take it and use it, rather than having to 'ask permission' or 'buy' it from the other person.

Generalised reciprocity is a very common form of exchange within nuclear family groupings. There are many possessions that belong to the household rather than to the individuals in the household. Members use them when they need to without having to ask permission of other family members. The item might be in the possession of one of the members, but it can be taken and kept by another member until someone else needs it.

Degrees of similarity and difference between people are *contextually* defined. I might emphasize my 'difference' from other family members when acting inside the home. I might emphasize 'similarity' to my family members when we are acting as a unit in a wider setting. And, perhaps, I, my family, the family of my uncle and/or my aunt might act as a unit in a still wider setting. So, depending on the context, I might well behave differently toward members of those groups at different times.

Sometimes I will emphasize our differences, by insisting that some things are 'mine' and others are 'theirs'. But, sometimes, in different contexts, we will emphasize our similarity, finding it much easier to 'share' things with each other.

The less interacting people see themselves as sharing the same identity, the more differences they will recognize as existing between them. This will make it more likely that they will have to ask permission to use an item in the other person's possession.

As the differences increase, they will increasingly feel the need to 'balance' the relationship by offering something to the other person in exchange for an item they want to use. The people involved will tend to hold separate sets of possessions and feel that they are 'losing' something when an item they have is given to the other person (there is a conservation principle at work).

By the time we reach the mid-point on the diagram above, there is a feeling that when something is given to one person, the other should get something of fairly equal value in return. The exchange should be 'balanced'.

In most forms of exchange to the left of the diagram, the people involved in exchange feel themselves to be in some degree related to each other and are not interested in making a 'profit' at the expense of those with whom they associate. The more closely they consider themselves to be integrated with each other, the more complete the sense of sharing possessions among them becomes. Exchanges on the left side of our diagram tend to reinforce social relationships based on similarity and often seem deliberately designed to do this.

The 'balanced reciprocity' relationship is most commonly found between acquaintances rather than friends, people who are considered connected with us in some way, but are very definitely not members of our 'in-group'. Neighbors in Western communities are often in this kind of relationship. One doesn't feel that it is right to make a profit out of them, but exchanges should be balanced and when something is lent or borrowed it should fairly promptly be returned.

As we move to the right of the diagram, people who interact with each other emphasize their differences rather than their similarities. The less like

each other they consider themselves to be, the more they emphasize keeping their own possessions and trying to get yours for as little cost as possible (Weiner's (1992) 'keeping-while-giving' relationship). If you have this kind of relationship with another person you have no problem in 'buying' and 'selling' items. If you try to buy and sell to people on the left side there is an uneasy feeling that this is not the appropriate thing to do.

This is one important reason why many business activities in close knit communities fail. Outsiders do much better at business because they can buy and sell without resentment developing in the community as a result of their activities. Of course, by engaging in competitive exchange they are also cementing their definitions as 'outsiders'.

This is very similar to the consequences of Western understandings of social exchange. The independent individualism which is at the root of Western processes of socialisation and upbringing is reinforced by Western exchange activities.

In any community one will find *all forms* of reciprocity. It is not that in some communities one finds generalised reciprocity and in other communities one finds balanced or negative reciprocity. Rather, in every community one will find people who are closely defined as similar to each other and others who will be less closely related.

'Correct' forms of behavior in relationships will be formalized and appear, to those outside the community, as sets of constrictive 'rules and regulations'. Those who live in the communities in which the formalized relationships are 'normal', however, will see them as statements of the obvious, not as externally imposed restrictions on their individual 'freedoms'.

All these relationships are, of course, relative to the person on whom attention is being focused.

One will also find people living in neighboring communities or on the fringes of communities who are defined as primarily different from community members. The forms of exchange which occur will reflect the relationships perceived as existing between people. They will also, in quite different ways, reflect the status, rank and prestige differences which are perceived between people.

Conclusion

The exchange presumptions which underpin Western economic and social exchange theories strip away the multidimensional qualities of human interaction both with other human beings and with their material environments. All that is left is 'economic behavior'.

The arguments of neoliberal economic theory over the past forty years have been based on the simplistic presumption that all communities are the outcome of the interactions of independent individuals intent on their own gain. To ensure that those communities serve the interests of individuals, rather than inhibiting them, it is necessary to remove all those constraints and incentives (the 'rules and regulations') which have historically been built to limit the success of enterprising individuals[971].

If independent individuals are 'freed' to uninhibited, self-interested, acquisitive self-promotion, all human beings will be the beneficiaries of their entrepreneurial activity. That is why they are so admired. Adam Smith explained this admiration two hundred and fifty years ago:

> that eminent esteem with which all men naturally regard a steady perseverance in the practice of frugality, industry, and application, though directed to no other purpose than the acquisition of fortune. The resolute firmness of the person who acts in this manner, and in order to obtain a great though remote advantage, not only gives up all present pleasures, but endures the greatest labor both of mind and body, necessarily commands our approbation.
> (1759 Part 4 Ch. 2)

Such people do not merely pursue prudent self-interest for their own gain or because others insist they should. They know, in their own hearts, that prudent, self-interested industry and frugality are amongst the most important of the virtues:

> In the steadiness of his industry and frugality, in his steadily sacrificing the ease and enjoyment of the present moment for the probable expectation of the still greater ease and enjoyment of a more distant but more lasting period of time, the prudent man is always both supported and rewarded by the entire approbation of the impartial spectator, and of the representative of the impartial spectator, the man within the breast.
> (Smith 1759, Part 6 Section 1)

And this admiration is not only shown toward individual 'natural' human beings! The world also has 'artificial' individuals. Since social exchange and economic theory focus on interaction between instinct driven 'individuals', they must define groupings of 'natural' individuals as also 'individuals' so that they can incorporate them into their predictive models.

Business enterprises become 'individuals', entitled to the same protections under law as 'natural' individual human beings. Adam Ferguson explained the entitlements of entrepreneurial individuals well:

> ... he alone has every virtue, except the force to defend his acquisitions. He needs no aid from the state, but its protection; and is often in himself its most intelligent and respectable member.
> Adam Ferguson (1767 Pt 3, Section 4)

We are all 'equal': human beings and corporations. We can all compete 'on a level playing field', where the most deserving win. We must ensure that 'rules and regulations', aimed at stifling entrepreneurial enterprise, are not generated by the envious and those less willing to persevere "in the practice of frugality, industry, and application, though directed to no other purpose than the acquisition of fortune".

Communal 'rules and regulations' exist to protect the lazy, the indisciplined, the free-loaders. What we need is less government, less regulation, more enterprise. We only need one commandment:

Henry Thoreau spelt it out:

> I heartily accept the motto, - "That government is best which governs least"; and I should like to see it acted up to more rapidly and systematically. Carried out, it finally amounts to this, which also I believe, - "That government is best which governs not at all"; and when men are prepared for it, that will be the kind of government which they will have. Government is at best but an expedient; but most governments are usually, and all governments are sometimes, inexpedient.
> (œThoreau 1849)

We need no 'safety net'; globalized, unregulated markets will take care of us all. Leave our future and our wellbeing in the hands of independent, self-interested, self-promoting, competitive and acquisitive natural and artificial plutocrats - as God intended!

How to search on editing dates in the book

(06/07/16) The most efficient way to search on edit dates is to access the list of edit dates at the end of this book. To search for edits and updating in the book based on the edit dates, select the 'Search this document' option in the application you are using and type the date to be searched there.

Edit dates are formatted like this: (dd/mm/yy), e.g. (31/12/17).

End Notes

[1] (11/03/16) This evolution of ideas is, of course, an evolution of my own understanding as well as the evolving nature of capitalism and the understanding of those who comment on and/or study capitalism and its wide ranging impacts. If you feel, at times, that what is being presented is inconsistent with what has been presented in earlier times, then, very often, you are probably sensing a shift in my own understanding of issues. To paraphrase Keynes: When I am confronted with new information and/or reach conclusions which seem more legitimate than those I have previously held, I change my position.

This is widely known as "being open to new ideas". I trust that you, too, will keep an open mind - and realize, always, that I may well be wrong!! If you feel that then, please, first ensure that you understand why you think this, check your conclusions, and if you are satisfied that they are appropriate then do not change your position to align with mine!

We are, together, growing wiser and you will most probably be more capable of such growth than I. As Star Wars authors might say "May the Force be with you"!

[2] In January, 2024, it is time to assess what is happening around the world.

Accept this as my somber assessment of the likely 21st century consequence of issues we address elsewhere in this evolving study: humanity's inhumanity to those we have decided to classify as 'lesser' humans: those who can be considered 'ideologically deluded threats'; or 'human animals'; or the inhabitants of 'humanity's jungles'.

It is clear that, in 2024, we have a sad and inexcusable tolerance of behavior toward such 'lesser humans' even more depraved than the behavior we daily exhibit toward this amazing planet upon which we have evolved, developed a small measure of self and other awareness, and the ability to use that awareness and emerging intellect to 'shape' our own preferred realities.

Humanity's self-absorbed certainty of its own importance has fueled many a conquest and justified many a crime and that 'Western' civilization, of which we have been so inordinately proud as we have subjugated and colonized the world, has contributed little or nothing to any emerging species' empathy toward which humanity might have been struggling.

It is indeed sadly true that, to paraphraze someone on the receiving end of our 'enlightened' behavior: "Without empathic humanity there is no civilization"', just sociopathy and psychopathy masquerading as 'humanity'.

As Shakespeare observed, the evil that we do lives after us. Our young learn, not from our pretentious rhetoric, but from our deeds and attitudes and all those things we tolerate or even actively support [972].

In the 21st century we are imprinting on our offspring the future they will inherit: a future of genocide and ethnic cleansing; of mass murder and weapons manufacture; of drone killing and torture; of arrogance and intolerance.

Pity humanity's offspring!

We are going to focus on the history and nature of capitalism, but much of what we will find as the story unfolds, is not unique to capitalism. Humanity has proved, time-and-again, that it is an inherently hubristic, savage species.

As we will see, the story of the expansion of Western capitalism into the world over the past five centuries and more is riven by examples of unbelievable hubris and unspeakable atrocity; of blind arrogance and ecocide.

We have claimed divine endorsement and perpetrated crimes against 'creation'. And we have been convinced that we have been commissioned by a supreme deity - a transcendent Creator - to consummate its creation and fashion the future!

It truly is long-past time that Western peoples got themselves into perspective!

We live in a universe so large that it is beyond our ability to observe its entirety and we can but surmise that it might be infinite in extent.

There are perhaps two trillion galaxies in this universe (given the nature of the universe all such numbers are mere guesstimates but they serve to give us some perspective on our place in the universe in which we exist as a species).

On average, each of those galaxies contains more than one hundred billion stars, and circling the majority of those stars are planets.

Let's pause for a moment and consider what it is that we are describing.

The material universe within which we find ourselves comprises perhaps 5% of the substance of the universe as we currently understand it. A NASA Science article explains:

> ...It turns out that roughly 68% of the universe is dark energy. Dark matter makes up about 27%. The rest - everything on Earth, everything ever observed with all of our instruments, all normal matter - adds up to less than 5% of the universe. Come to think of it, maybe it shouldn't be called "normal" matter at all, since it is such a small fraction of the universe.
> (œDark Energy, Dark Matter, *NASA Science*, accessed November 24, 2022)

But, even the material universe of which we are aware and within which we live is much more 'mysterious' than most of us assume.. As Michael Pennington (2015) explained, "what you see depends on the scale at which you look."

Underwriting and sustaining our experienced universe is, apparently, a seething realm of quarks and antiquarks engaged in perpetual destruction and recreation of what we consider to be the 'solid ground' of our lives and understanding. A boiling 'sea' perpetually 'remaking' and 'refreshing' the realm of our existence. Even the depths of outer space seem sustained by this unfathomable sea.

And, of course, were we able to penetrate to a scale which allowed this, we might well find that 'sea' to be, itself, sustained by something beyond our present comprehension.

It appears that 'our universe' might merely be the froth of a reality far, far beyond our present understanding.

We are a species driven to understand the nature of the universe within which we live: from our perspective, unimaginably vast and unreachable.

Our galaxy is more than 100,000 lightyears (the distance light travels in a year) in diameter and tens of thousands of lightyears deep. At its center is œa massive 'black hole', Sagittarius A*, with about 4 million times the mass of the Sun. If they come too close, stars in a galaxy 'feed' its 'black hole', and untold numbers of stars in our galaxy have suffered that fate!

And there are millions of galaxies as large or larger than ours in this universe with far more massive 'black holes' at their centers.

To get some idea of the size of our galaxy: light travels from our sun to Earth in 8.32 minutes and our sun is ~26,000 lightyears from the galaxy's center and 4.24 lightyears from the nearest other sun, Proxima Centauri which has two planets: Proxima b, an Earth-sized exoplanet in the habitable zone discovered in 2016; and Proxima c, a super-Earth. Suns with planets are the norm! As John Forbes put it:

> We are not that special after all, and we should expect many other Solar Systems like our own floating in the Milky Way.
> (John C. Forbes, João Alves and Douglas N. C. Lin, œA Solar System formation analogue in the Ophiuchus star-forming complex, *Nature Astronomy*, 16 August 2021)

And, of course, we are merely *one* of more than 8 million species currently existing on our own planet and have existed as a species for less than a million of the ~4 billion years of this planet's existence. Life has existed for ~3.5 billion years and, with any luck, it could continue to thrive for about another 4-5 billion years.

But **we have developed an awful ability** on this one habitable planet we currently know of:

We are, right now, in the early 21st century, in the process of creating the conditions for the destruction of not only our species but of the majority of other species which co-habit this world of ours!

Unless we take swift action to prevent it, it is possible, as the poet T. S. Elliot suggested, that untold millions will die with either a Bang or a Whimper!

[3](31/08/17) You will find that I make a great deal of use of end notes to expand ideas developed through the book. The reason for this is straight forward - To include the ideas within the text would make it irredeemably convoluted.

The topics addressed are, by their nature and by the ideological propensities of the 'experts' involved, at times difficult to comprehend for

those not already versed in them. I would suggest, should you find the various digressions proffered in the text confusing or difficult to handle, that you first read each chapter without following those leads. Then, for further clarification, reread the chapters following those digressions. These might enable a deeper understanding of the issues addressed.

The digressions themselves include digressions, designed to allow the reader to explore particular issues developed in various chapters throughout the book. This, of course, will result in very different focuses than those provided by the chapter within which the digressions began. They offer a sort of 'do it yourself' narrative as you follow digressions which interest you. And, of course, once you follow suggested external readings, you might end up exploring issues simply not addressed in the book itself. What can I say, life was meant to be an adventure!

All clickable references to information in the various chapters have been internalized. References to external sources are marked, at the start of the address, with œ, the Latin Ligature oe to alert you to the fact. If you are using a mouse then, as the mouse pointer passes over them, they should display the message 'link to external address' (this may not work in 'mobi', 'epub' and 'pdf' versions). All other references are internal and will take you elsewhere in the book. To return from these digressions, simply right click your mouse button on the text and select 'back'. This will return you to your previous location. Keep doing this until you arrive at your starting place!

The internet is a constantly changing environment. Addresses referenced in the text were there when they were included but may have disappeared or been altered since then. Where this is found, the reference is altered. Where no alternative address can be located, if the content is significant, the original address remains so that, if possible, the website can be searched for the content of the original document.

[4] In 2007, the United States, alone, spent almost $29 billion in 'economic' aid (including contributions to USAID, Food for Peace, Peace Corps, and paid-in subscriptions to international financial institutions, such as IBRD, and IDB) and more than $13 billion in 'military assistance'. (see œUS Foreign Aid for details).

Sebastian Edwards has provided an economist's perspective on foreign aid and economic development: œEconomic development and the effectiveness of foreign aid: A historical perspective, *VOX*, 28 November 2014

[5] We will use the generic term 'Western' to refer to communities that have their hegemonic roots in the Western European historical experiences outlined in History of the Emergence of Capitalism

[6] See First the Poor, Then the World for the origin of this.

[7] See œCommon classificatory principles of metaphor and proverb for more on processes of categorization

[8] See Reciprocity and Exchange for more on this.

[9] (or possibly K'ung Chi, grandson of Confucius)

[10] It is the nature of philosophical discourse that it becomes laden with allusions to axioms and aphorisms only truly grasped by those already familiar with the discourse.

This is not simply a feature of Chinese 'intellectual' discourse, it is shot through similar Western discourse too. A superficial example might be an

allusion to the 'Goldilocks effect' in addressing a predisposition to 'just right' solutions or results in Western discourse. For those 'in the know', the allusion to Goldilocks might trigger a variety of understandings (depending on the focus of the discourse) held by participants - and the more 'knowledgeable' the participant, the more varied those understandings will be. And, of course, the speaker (or writer) will tend not to elaborate on the allusion; its varied possible interpretations will be 'taken for granted'.

Where the written language of a community is character (or phonemically) based (rather than being phonetically based) such allusions can be carried by the written symbols themselves. Understanding then requires not merely an awareness of the rich history of existing axioms and aphorisms but also understanding of the historical possibilities of the written symbols being used in the discourse.

This is particularly true of Chinese (and similarly historically laden phonemically and character based) written language which carries meaning accumulated through centuries of utilization.

For Chinese, a predisposition of scholars to accentuate that richness of meaning as a means of demonstrating their scholarship further complicates the task of appreciating the nuances of discourse for those who are not immersed in the culture.

So, understanding references to the writings of sages like Confucius will, inevitably, for those well versed in them, conjure up that historical heritage. When the major formal focuses of reciprocal responsibility which Confucius outlines are referenced, the understanding of participants in the discourse will depend heavily on the depth of their understanding of that multilayered historical heritage.

Larry Neal Gowdy,in his œ2021 'interpretation' of 'The Doctrine of the Mean' (*Zhong Yong*), explains all this very well: All 'translations' of historical texts are, in reality, 'interpretations'. Not only are the aphorisms and axioms of the text those of the time of writing, the primary and secondary ideologies of the authors are, themselves, lost in time. The 'River of Life' has flowed on and, as Heracleitus observed, 'you cannot go into the same water twice'.

Already, for those immersed in Chinese scholarship, the following reference to Confucius' explanation of an underlying principle invoked in the 'duties of universal obligation' will conjure up this layered interpretive understanding.

Confucius, in response to the questioning of a disciple, summed it all up like this:

> Zigong asked, "Is there a single saying that one may put into practice all one's life?"
>
> The Master said, "That would be 'reciprocity': That which you do not desire, do not do to others."
> (œThe Analects of Confucius: An Online Teaching Translation, XV, 15.24 (2015 (Version 2.2), R. Eno))

[11] For an examination of the historical movement of Western Europeans from *interdependence* to *independence* see From hierarchical to oppositional relationships

[12] The nature of hegemonies (which should not be confused with neo-Marxist use of the term) is discussed in œSubsistence and Status

[13] See Who were the 'Middle Sorts'? for an explanation of the interaction of Western European hegemonies during the emergence of capitalism in Europe

[14] See History of the Emergence of Capitalism for some of the tensions which emerge as primary presumptions are challenged and displaced.

[15] See Using Law to Rob the Poor and Dispossess the Weak for more on this.

[16] This is a fundamental problem for anthropological research, since anthropologists are no less prone to reorganizing what they find in their research communities to fit their own primary ideologies than any other human beings.

[17] For example, the various economic and social exchange models, which are assumed to explain human interaction but actually reflect and reinforce belief in the universal validity of the 'independent self' - the individualistic acquisition of needs and wants within a regulatory framework.

[18] For example, emphases on the relative responsibilities of the public and private domains.

[19] See The Development of Systems of Laws for more on this.

[20] Yet, we must not fall into the trap of imputing too great a set of effects to the world economic system. It is very easy, when examining the blatant intrusiveness of the forms of entertainment, education and exploitation, which come from the West, to assume they are swamping the lives of people everywhere; turning them into cardboard cut-outs of Western people - with all the aspirations and acquired 'needs' of an affluent capitalist world, while not giving them the income that is necessary to fulfillling those new demands in their lives.

It is true that the intrusions of the world-system in the lives of people everywhere are great, and that they are being barraged with advertisements, soap operas, game shows, manufactured goods, 'news', opinion and 'documentaries' of life elsewhere. However, human beings are not simply slates on which the latest influences can scrawl their graffiti, erasing the past and eliminating other influences.

Human beings always have to interpret their worlds, and their interpretations always stem from the primary ideologies of their communities. Left to their own devices, human beings take what is offered and translate it in ways that are meaningful to them. In the process, what Western people think they're understanding may well be very different from what is being understood in those communities. Human beings also have the ability to filter garbage, to impute greater or less significance to events to which they are exposed.

[21] See Denial of Hierarchical Responsibilities for more on this.

[22] See Open-ended and Closed Utilization of the Material Environment for more on this.

[23] The designation of the apex of patron - client hierarchies as 'dictatorial' is ethnocentric, based on presumptions of independence rather than interdependence.

Most hierarchically organized communities can identify a person or small group that is at the apex of the hierarchy and therefore, in a manner similar to feudal kingships in European history, 'own' or at least 'hold' superior title to all the land and resources available to the communities

they head. That person or group is, by definition, not democratically elected to the position.

[24] See Legally Bounded Confrontation for more on this.

[25] See œEqbal Ahmad "Terrorism. Theirs and Ours " (accessed 18 September 2010), a lecture by Eqbal Ahmad on the nature of terrorism.

[26] See Religious and Secular Corruption for more on this.

[27] See Capitalism and Third World Nations for discussion and illustration of Western imputation of their own commitments onto the Third World groups they armed and supported in the Cold War era.

[28] See Ray Takeyh (2002) for a discussion of the process of routinization of the Iranian revolution.

[29] Nader Hashemi addresses this widespread belief in the Western press and among Western academics, as he says:

> The historical Muslim encounter with modern democracy has been a bitter experience. The late Eqbal Ahmad [1996], a prominent democracy activist and dissident Muslim intellectual, captures this point:
>
> > Our first encounter with democracy was oppressive. Democracy came to us as oppressors, as colonizers, as violators. As violators, they spoke in the language of the Enlightenment and engaged in the activities of barbarians ....
> >
> > Secondly, after de colonization our experience was again with the democratic power centers, the United States, France [and] Britain. Our experience, even in [the] second stage of our post-colonial history, was one of these big Western powers calling themselves the 'Free World' and ... actively promoting neo-fascism and neo-fascist governments in one Muslim country and Third World country after another.
> >
> > Historically the United States has spoken of democracy and has supported Somozas, Trujillos, Mobutu Sese Seko, Suharto of Indonesia, the Shah of Iran, Zia ul Haq of Pakistan .... Therefore, our first experience with democracy was one of outright oppression, and our second experience with democracy was one in which [the West] promoted fascism, global fascism in some cases.
>
> Finally, a comment from the doyen of American democratic theorists, Robert Dahl [1999 p.2]: in responding to the question of how a democratic culture can be created in a non-democratic society, he observed that
>
> > ...few would seriously contest [that] an important factor in the prospects for a stable democracy in a country is the strength of the diffuse support for democratic ideas, values, and practices embedded in the country's culture and transmitted, in large part, from one generation to the next.
>
> ...In the Muslim world today, who is promoting, propagating, and transmitting democratic values, ideas and practices? The ulema (clergy)? The educational system? The media? The intellectual class? The family? (I am deliberately leaving out the state for obvious reasons.) The point is a self-evident one. To quote Ghassan Salame [1994], there cannot be "democracy without democrats." (Hashemi 2003, p. 30)

[30] Robert Malley and Jon Finer have neatly summed up the US driven 'War on Terror':

> When it comes to political orientation, worldview, life experience, and temperament, the past three presidents of the United States could hardly be more different. Yet each ended up devoting much of his tenure to the same goal: countering terrorism.
>
> Upon entering office, President George W. Bush initially downplayed the terrorist threat, casting aside warnings from the outgoing administration about al Qaeda plots. But in the wake of the 9/11 attacks, his presidency came to be defined by what his administration termed "the global war on terrorism," an undertaking that involved the torture of detainees, the incarceration of suspects in "œblack sites" and at a prison camp in Guantánamo Bay [œstill open for business in 2020], the warrantless surveillance of U.S. citizens, and prolonged and costly military campaigns in Afghanistan and Iraq.
>
> Barack Obama's political rise was fueled by his early opposition to Bush's excesses. He was clear-eyed about the nature of the terrorist threat and aware of the risks of overstating its costs. Once in office, he established clearer guidelines for the use of force and increased transparency about civilian casualties. But he also expanded the fight against terrorists to new theaters, dramatically increased the use of drone strikes, and devoted the later years of his presidency to the struggle against the Islamic State (also known as ISIS)....
>
> In short, in an era of persistent political polarization, countering terrorism has become the area of greatest bipartisan consensus. Not since Democrats and Republicans rallied around containing the Soviet Union during the Cold War has there been such broad agreement on a foreign policy priority. Counterterrorism was a paramount concern for a president avenging the deaths of almost 3,000 Americans, and for his successor, who aspired to change the world's (and especially the Muslim world's) perception of the United States - and now it is also for his successor's successor, who is guided not by conviction or ideology but by impulse and instinct. (Robert Malley and Jon Finer, œThe Long Shadow of 9/11: How Counterterrorism Warps U.S. Foreign Policy, *Foreign Affairs*, July/August 2018)

The term 'war on terror' is, of course, problematic. There can be no end to such a 'war' since 'terror' shifts in meaning with context. How can one declare victory against a term which is, inevitably, open to constant redefinition. The term was conceived in haste and soon used to 'justify' deceitfully pursued US economic and strategic ambitions. The focuses of the 'War on Terror' became whatever were necessary in justifying and then pursuing those defined as 'terrorist' individuals, organizations and nations.

The website œ*USLegal* provides some contextualization of the term:

> The War on terror is an international military campaign launched in 2001 with the US and UK invasion of Afghanistan in response to the attacks on New York and Washington of 11 September 2001. It is a global military, political, legal and ideological struggle employed against organizations designated as terrorist and regimes that were accused of having a connection to terrorists or presented as posing a threat to the US and its allies in general. The phrase War on Terror

> was adopted by former US President George W. Bush and other high-ranking US officials. The campaign was led by the U.S. and the U.K. with the support of other North Atlantic Treaty Organization (NATO) and non-NATO countries. The campaign was originally carried on against al-Qaeda and other terrorist organizations with the purpose of eliminating them. It is also known as the Global War on Terror or the War on Terrorism.
>
> When U.S. President Barack Obama took the office, the term war on terror was replaced with the term Overseas Contingency Operation. As a result the term war on terror was not used officially. However, it is still commonly used by politicians, in the media and officially by some aspects of government, such as the Army's Global War on Terrorism Service Medal.
> (Accessed September 27, 2019)

[31] The election of Donald Trump to the US presidency in 2016 marked little more than a deepening of the long-incubated, slow-motion moral/ political/ economic/ military decline of the nation toward militarism, plutocracy and fascism. As Roosevelt warned in the 1930s:

> The liberty of a democracy is not safe if the people tolerate the growth of private power to a point where it becomes stronger than their democratic state itself. That, in its essence, is Fascism - ownership of Government by an individual, by a group, or by any other controlling private power.

The process has been neatly summarized by Farhad Manjoo:

> On a bitter night nearly two-and-a-half squandered years ago, Donald Trump was duly elected the 45th president of the United States of America. His victory was a political scandal, a democratic emergency and a moral shame...
>
> Mr. Trump's win was not the illegitimate product of a treasonous conspiracy...
>
> ...[T]he Mueller investigation [into Trump's possible collusion with Russia to skew the 2016 US presidential election] sucked up all the political energy. For many in the political and media establishment, the possibility of collusion offered moral expiation for collective complicity. Rather than begin the hard work of addressing what had actually gone wrong, many of us were swept up in social-media-fueled feedback loops looking for an instant fix: The orgiastic pee tape would turn up and clear up the whole funny misunderstanding.
>
> ... [T]he story of 2016 looks rather straightforward: Mr. Trump was the corrupt, misbegotten choice of a citizenry mired in partisan mistrust, seething with racial grievance, informed by a beleaguered and fracturing news media, and laboring under an economic and political system that had long ceased functioning for all but the wealthiest of its citizens.
>
> His victory pointed to a systemic failure. In the end the only golden shower that mattered was the one soaking American democracy - but it's been raining so long and so hard that we're just about content to ignore the storm.
> (Farhad Manjoo, "Collusion Was a Seductive Delusion: It's our own fault we elected Trump, *New York Times*, 25 March, 2019)

An excellent English language term for what seems to have guided post-2016 United States' government administrative appointments is

kakistocracy: government by the most unscrupulous or unsuitable people, or a state governed by such people. Steven Harper has elaborated:

> Trump promised to be a transformational leader. It wasn't an idle threat. He has assembled an unprecedented governmental wrecking crew. This is the third installment on Trump's unique combination of kleptocracy and kakistocracy that is reshaping America in ways that most of voters won't like....
>
> **It Will Get Worse**
>
> The current Trump rogue's gallery is only the beginning. Legal scholars Eric Posner and Emily Bazelon observe that Trump's first US Supreme Court pick, Neil Gorsuch, "embraces a judicial philosophy that would do nothing less than undermine the structure of modern government - including the rules that keep our water clean, regulate the financial markets and protect workers and consumers. In strongly opposing the administrative state, Gorsuch is in the company of incendiary figures like the White House adviser Steve Bannon, who has called for its 'deconstruction.'"
>
> Trump's lifetime appointments to the judiciary could inflict the most lasting damage on the country. During the final year of the Obama administration, the intransigence of Senate Republicans gave Trump 124 federal judgeships to fill, including 19 appellate positions. In his first term, retirements and other departures could give Trump the opportunity to name 40 percent of the nation's federal bench - more than any first-term president in 40 years. Think about that as he rails against the federal judges who have dared to cross him on his unconstitutional travel ban.
>
> Across the federal government, Trump is determining the country's fate. The first 100 days of deconstruction set the stage for 1,360 that will follow. Make no mistake: he and his minions are playing for keeps.
> (Steven Harper, œ100 Days of Deconstruction: Part 3: Across the federal government, Trump is determining the country's fate. The first 100 days of deconstruction set the stage for 1,360 that will follow. *Moyers & Company*, April 21, 2017)

[32] Whether going by the name of Taliban, Ba'th Party supporter, Communist, Islamic Fundamentalist, Al-Qa'eda operative or any other of the terms that will come to prominence and join the pantheon of evil-doers in the years to come.

[33] Those who believe that they are truly 'independent' individuals, living in a democracy which enables this, would do well to remember Edward Bernays' jaundiced take on the nature of democracy in the United States:

> The conscious and intelligent manipulation of the organized habits and opinions of the masses is an important element in democratic society. Those who manipulate this unseen mechanism of society constitute an invisible government which is the true ruling power of our country.
>
> We are governed, our minds are molded, our tastes formed, our ideas suggested, largely by men we have never heard of. This is a logical result of the way in which our democratic society is

organized. Vast numbers of human beings must cooperate in this manner if they are to live together as a smoothly functioning society

Our invisible governors are, in many cases, unaware of the identity of their fellow members in the inner cabinet.

They govern us by their qualities of natural leadership, their ability to supply needed ideas and by their key position in the social structure. Whatever attitude one chooses to take toward this condition, it remains a fact that in almost every act of our daily lives, whether in the sphere of politics or business, in our social conduct or our ethical thinking, we are dominated by the relatively small number of persons - a trifling fraction of our hundred and twenty million - who understand the mental processes and social patterns of the masses. It is they who pull the wires which control the public mind, who harness old social forces and contrive new ways to bind and guide the world.

It is not usually realized how necessary these invisible governors are to the orderly functioning of our group life. In theory, every citizen may vote for whom he pleases. Our Constitution does not envisage political parties as part of the mechanism of government, and its framers seem not to have pictured to themselves the existence in our national politics of anything like the modern political machine. But the American voters soon found that without organization and direction their individual votes, cast, perhaps, for dozens or hundreds of candidates, would produce nothing but confusion. Invisible government, in the shape of rudimentary political parties, arose almost overnight. Ever since then we have agreed, for the sake of simplicity and practicality, that party machines should narrow down the field of choice to two candidates, or at most three or four.

In theory, every citizen makes up his mind on public questions and matters of private conduct. In practice, if all men had to study for themselves the abstruse economic, political, and ethical data involved in every question, they would find it impossible to come to a conclusion about anything. We have voluntarily agreed to let an invisible government sift the data and high-spot the outstanding issues so that our field of choice shall be narrowed to practical proportions. From our leaders and the media they use to reach the public, we accept the evidence and the demarcation of issues bearing upon public questions; from some ethical teacher, be it a minister, a favorite essayist, or merely prevailing opinion, we accept a standardized code of social conduct to which we conform most of the time.

In theory, everybody buys the best and cheapest commodities offered him on the market. In practice, if every one went around pricing, and chemically testing before purchasing, the dozens of soaps or fabrics or brands of bread which are for sale, economic life would become hopelessly jammed. To avoid such confusion, society consents to have its choice narrowed to ideas and objects brought to its attention through propaganda of all kinds. There is consequently a vast and continuous effort going on to capture our minds in the interest of some policy or commodity or idea.
(Edward L. Bernays, œPropaganda, 1928, Chapter 1, 'Organizing Chaos', pp.9-10)

[34] The term means 'the foundation' or 'the base'. Its intent: to reaffirm and reassert the most basic understandings of life as understood by those who have committed themselves to its goals. Its aim: to remove all those forces which threaten and oppress their world and revitalize their communities and people.

[35] Of course, as Marxist writers have stressed so heavily, those who commit themselves to a particular ideology are likely to be those in the community who perceive that if it is organized in those ways they will benefit. However, commonly, they do not simply cynically support an ideology out of self-interest; rather, they believe that only when life is organized in those ways will it fulfill its potential.

There are also likely to be many others in the community who are persuaded by the logic of the arguments presented and support the ideology without seeing any great benefit to themselves personally, though, of course, they are unlikely to support it if they perceive any particular threat to themselves.

[36] It is because they share the same basic understandings that confrontations are so intense and clearly articulated

[37] See Primary Ideology for further discussion.

[38] People holding competing versions of Western secondary ideology are likely to oppose each other at the ballot box and in other ways within Western countries.

[39] See Ideology and Reality, Subsistence and Status, for more on this.

[40] See The Economy: A New Environment for more detail on the final distillation of 'The Economy' in Western thought and practice.

[41] The 18th century conversion of the Little Gentry to capitalism is dealt with in a section in Chapter 4: A Deeply Religious Capitalist Revival

[42] See œBasic Presumptions of Capitalism for more on this

[43] Since the 17th century, those Western people who have ordered their lives by 'modern' primary ideological presumptions have been very aware of the need for individuals and communities to 'realize their potential'. This awareness, in turn, has led to an increasingly strong emphasis on 'progress'.

It has been assumed that through realizing both their potential and the potential of their 'environments', people will make the future better than the past. Though in the last fifty years that belief in progress has been severely shaken by the apparent consequences of this Western drive.

From the second half of the 20th century, Western people have preferred the term 'development' to the term 'progress'. The former term carries the implication that people and communities, through applying themselves to particular forms of activity and organization, will 'realize their potential'. It suggests that there are particular forms of organization and activity which are *required* if human beings are to live as they should.

Inevitably, the presumption is that all human beings think as Western people think (or if they do not they ought to), and that what Western people perceive as being the 'goals' of life are universally the best goals for all human beings.

Since the forms of organization and activity which are promoted in this drive to 'develop' the world are Western, it becomes inevitable that true development requires an absorption of Western values and Western

motivations in life. As we will see later in this chapter, the whole exercise is an extension of a metaphysically inspired commitment by Western people, since the 16th century, to establishing a practical utopia on earth

[44] The West might prize 'freedom' but that freedom is founded in conformity. As Samuelson (first American to win the Nobel Prize in Economics[973]) explained, although the Western world prizes individualism and 'freedom', this freedom is guaranteed through the imposition of 'order'.

> We ... have to coordinate and cooperate. Where cooperation is not forthcoming we must introduce upon ourselves coercion (Samuelson 1972, p. 629).

In the West the individual's 'freedom' is contingent upon acting within the framework established for 'legitimate' economic behavior. Impersonal bureaucratic agencies are endowed with responsibility for ensuring such compliance.

[45] This word has a distinctive and peculiar meaning in Western communities. As the Oxford Dictionary says, it refers to what is 'based on the innate moral sense', or is 'instinctive'. When Western people say that a thing is 'natural', they imply that it is as it 'ought' to be. This is the way it was 'made', or the way in which it best fulfills its 'potential'. When things are not 'natural' they are in some way 'contaminated' or contrived.

So, when Western people consider a particular form of organization or activity 'natural', they also consider that other forms of organization and activity are in some way deviant, distortions, and un-natural.

The term has metaphysical implications. One of the focuses in this discussion will be on seeing how this term became so important to Western people, on uncovering its implications as they were established throughout history.

[46] A random selection of a few of the plethora of regulatory systems which constrain economic organization and activity in Western countries includes antitrust, commerce, contract, copyright, industry, labor, patents, privacy, property, trade - I could list many other legal focuses, all of which are intimately intertwined with the others, forming a legislative mesh which securely holds the rights and obligations of interacting parties in place, defining acceptable and unacceptable forms of practice, organization and even intent.

[47] Western people live in a Western maze, the walls of which are constructed by a plethora of rules and regulations. Once the maze has been learned, the walls limiting and defining movement become invisible.

[48] John Wesley, a revivalist preacher of the 18th century, recognized that ' ... religion must necessarily produce both industry and frugality, and these cannot but produce riches' (quoted in Thompson 1980, p. 391). See The Conversion of the Little Gentry for more on this.

[49] See How Born Again Christians Rescued Capitalism for the origin of this, also, Subsistence and Status

[50] Although Western people have always very readily identified 'systems of law' in other communities, few non-Western communities in fact develop and apply systems of law in the way Western Europeans do.

In many communities, including even those which have been conceded to have been 'civilized' in the past, those who are responsible for

enforcing the 'law' deliver ad hoc judgments, based on the particular circumstances and people involved, rather than on the basis of impartial adherence to a centralized, closely defined system of rules and regulations. In most matters, justice is decentralized, personalized and particularised by communities and/or by those responsible for its administration.

This contrasts strongly with the Western European insistence on the establishment of detailed, impartially administered systems of rules and regulations, applied consistently across communities. See Chanock (1985) for a description of the ways in which 'fluid, shifting set[s] of principles and procedures', in Zambia and Malawi, were changed into 'fixed, written set[s] of codes which claimed continuity with an African past' (Merry 1991, p. 897).

[51] See Nations as Enclaves for a description of the use of 'nation' in the medieval and modern eras.

[52] Feudal communities, in common with many present-day communities in the Third World, were hierarchically organized through personalized, redistributive relationships (see Reciprocity and Exchange).

A society which is redistributively organized usually comprises a base population of producers and laborers with a more or less developed political hierarchy (see Figure 1 below), the members of which depend on taxes, rent, tribute, and gifts from producers for their livelihood and to fund their political and social activities.

Some kind of redistributive system is required by any large integrated group of people to ensure community works, the funding of political offices, support of the needy, and so on. Even in Western Industrialized societies people are required to be involved in such redistributive systems, administered by Inland Revenue services in most nations.

In some societies the hierarchies are well established and formalized as systems of 'kings', 'chiefs', 'nobles' and so on. In other societies, particularly those in which formalized hierarchies have been severely disrupted during the past two centuries, the hierarchical system is less formalized, with more fluid, less well-defined patron-client relationships either taking the place of, or working alongside, the formalized hierarchies. Patron-client relationships are extremely common in present-day redistributive communities.

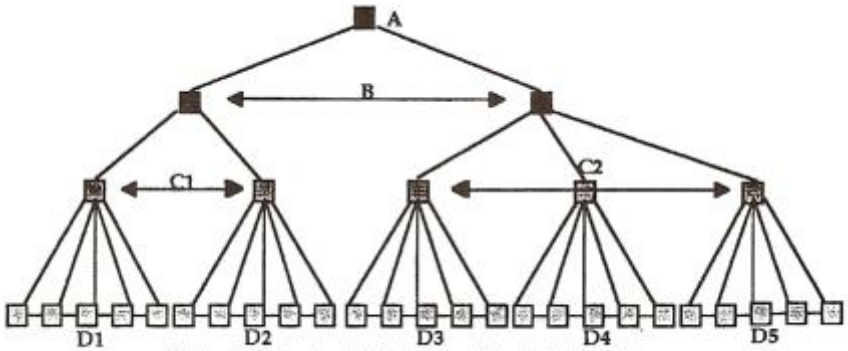
In its simplest form a redistributively organized community is pyramidal. At the base are the majority of people, whose status is low and who look to those of higher status for support whenever they have to deal with people in authority; whenever they have to interact with the wider community beyond their own homestead or village; and when times are difficult. It is the task of patrons not merely to use the surpluses they receive, but to provide a range of services and to store and redistribute surplus production to community members who are in need.

So, the society is organized in 'tiers', with people interacting on the basis of similar status. This is, of course, reminiscent of 'class' relationships but the term is misleading. It comes from analyses of Western Industrialized communities whose organizational principles are very different from redistributively organized communities. We will therefore avoid it, speaking instead of 'common interest groups'.

Figure 1 provides a simplified picture of the networks which develop. The group D1 is a common interest group, as are groups D2, D3, D4, D5, C1,

C2, and B. In each, group members cooperate with each other and support each other when requested. Acceptance into the group is based on an individual's demonstrated reliability and trustworthiness in relations with other group members. Those who fail to live up to the group's requirements soon find themselves on the outside, seldom consulted, and seldom helped.

Figure 1:



Vertical and Horizontal Integration of Redistributive System

We will call people of higher status patrons and those of lower status clients. This follows the extensive literature on patron-client relationships within anthropology and political science. In most redistributively organized societies those who share a common patron are also cooperatively related to one another, seeing themselves as a distinct group, separate from other similar groups connected with other patrons.

So, in Figure 1, all the members of D1 share a common identity, as do members of D2, D3, D4 and D5. Similarly, the patrons in C1 are cooperatively related, as are those of C2 and B. Because the patrons of groups D1 and D2 share a common patron, members of those groups are likely to consider themselves more closely related to each other than to members of D3, D4 and D5. Similarly, the patrons in C1 and C2 will identify fairly readily with each other.

53 As much because of the increasing influence of common-interest groupings based on education and money making, as because of the growth of 'corruption'. Indeed, it can be argued that the corruption so loudly condemned during the period from the 13th to the 16th centuries was, in large measure, as John Wyclif (1324-1384) claimed, a result of the self-interest of these egalitarian groups (see œTawney 1938, p. 40)

54 This dependence on various forms of hunting and foraging is common to most extensive agriculture communities.

55 One of the most pressing concerns of colonial powers, faced with systems of land use not based on legal definition, was to compile registers of landowners so that all relationships to land could be defined in terms of legally established individual ownership. This concern has remained important in 'international development' circles. See Holznecht (2003) for a description of the colonial processes; Dale (1997) for an explanation of the international development world's concern with the 'problem'.

56 As the Vatican web site explained (2010):

> The modern archives of the Holy See were established thanks to Paul V Borghese around 1610, but the roots of the history of the archives of the Roman Pontiffs reach way back in time, linking up with the very origin, nature, activities and development of the Roman Church itself. Right from the apostolic times, the Popes

carefully preserved the manuscripts concerning the exercise of their activities.

This collection of manuscripts was kept in the *scrinium Sanctae Romanae Ecclesiae* that usually followed the Popes in their various residences, but the fragility of the papyrus, normally used at the papal chancery until the XI Century, the transfers and the political upheavals nearly caused the total loss of all the archival material preceding Innocent III.

From the XI Century onwards, when the Roman Pontiff and his Curia gained a central role, the number of offices of the Curia grew, as well as the number of archives, and in the XV Century the most precious documents were taken to Castel S. Angelo.

After several projects for the creation of a main archive of the Church, Paul V gave the order to transfer the registers of the Papal bulls and briefs, the books of the Camera and the collections of documents up to the papacy of Pius V included, to the three halls next to the Secret Library (the so-called Sale Paoline). This gave life to a new archive *pro privata Romanorum pontificum commoditate* and *ad publicam studiorum utilitatem*, for a total of just over three thousand pieces, of which the most important part included the registers of the papal bulls from Innocent III onwards, (Registra Vaticana).

The new archive was called *Vatican Secret Archives*.

During the XVII Century, the Archives increased considerably, especially under Urban VIII Barberini (the Bulls of Sixtus IV and Pius V; the papers of the Briefs Secretariat from Alexander VI to Pius V, the abundant documentation contained in the Armaria XXXIX-XLV; the books of the Apostolic Camera from Avignon, where they had remained after the end of the Scism; the papers of the Council of Trent), and under Alexander VII, who chose to place the diplomatic correspondence of the Secretariat of State on a specific floor of the Vatican Palaces.
(œThe Vatican Secret Archives [Accessed 2 January 2010 - page since removed]; See œ*the Vatican Secret Archives* for general information on the Vatican Archives [March 6, 2017]; See œEcclesiastical Archives, *Catholic Encyclopedia* for a general description of the development of the Archives.)

[57] See Bagge (2002:36-38) for a description of Otto's coronation and administration of the ritual of Unction.

[58] As claimed in the opening paragraph of the oldest collection of Church law embodied in the 1441 collection of Church laws.

[59] This same situation now exists in many Third World countries. Under colonial authorities legal statutes were extended to cover a constantly increasing range of activities (cf. Chanock 1985; Cooper 1987; Fitzpatrick 1987; Mitchell 1988, etc.).

As control has passed to indigenous leaders, these systems of rules and regulations have been modified but maintained so that, in ways which are very similar to that described by Génicot (1971, p. 701), people find themselves subjected to 'orders from above and from distant places, and to officials sent from outside'.

Long-established customary understandings are being challenged and denied. Traditional rights to land are being subverted, and those least

able to defend themselves find legal systems working against rather than in their interests.

60 Western European communities, as a result of a range of experiences we will briefly consider, strongly emphasize the separateness and competitive opposition of people involved in interaction (cf.Ideology and Reality). Each interactant is assumed to be attempting to get the best return for the least outlay in any interaction. This is, of course, a key feature of 'market relations' (cf. Reciprocity and Exchange).

61 A legal training became a guarantee of worldly success. In a world where legal claim could be matched by legal claim at every level of society, the legally trained person was in great demand. Murray tells us that

> ...it is in satire that we find some of the clearest evidence for lawyers' worldly success. "If you want wealth, be a lawyer"; "Justinian is the distributor of honours"; "Follow the decretalists and fill - not purses, *but - chests*"
> (Murray 1978, p.222).

As William Langland claimed in 1370 in his œ*Piers the Ploughman*,

> Besides all this, a hundred men in silk gowns stood swaying from side to side and making speeches. These were the lawyers who served at the bar, pleading their cases for as much money as they could get ... you could sooner measure the mist on the Malvern Hills, than get a sound out of them without first, producing some cash!
> (Langland 1966, p. 31).

62 Educated people were at the forefront of many of the religious protest movements which developed in succeeding centuries. The movement which most strongly identified itself with education as a means to both social betterment and individual 'development' was Calvinism. Calvinism, more than the other religious reform movements of the 16th century, attracted upwardly mobile people. Not only was education seen as a means to social betterment, involvement in commerce was also seen as a means to upward mobility.

These 'middle sorts', middle ranking people in the medieval hierarchies, would provide most of the state bureaucrats and capitalists in emerging nation states during the 16th to 19th centuries (see Who were the Middle Sorts? for more on this).

Reformers who passed through the Geneva schools of Calvinism during the 16th and 17th centuries went away convinced of the importance of a legally spelt-out faith, and of the need to establish education systems for the training of the population in both Church doctrine and a 'vocation serviceable to God and neighbour, to Church and community' (McNeill 1954, p.224).

Educationally achieved position was of more importance in society than feudally attained position, and the test of one's worthiness was in the diligence with which one pursued that vocation for which one was trained in one's youth.

As Tawney has argued, for a period, Calvinism became identified with entrepreneurial activity, and it was through the influence of these entrepreneurs that Calvinist teaching was to develop its ideal society

> which seeks wealth with the sober gravity of men who are conscious at once of disciplining their own characters by patient labor, and of devoting themselves to a service acceptable to God...

> Calvinism was largely an urban movement ... In its early days, it was carried from country to country partly by emigrant traders and workmen; and its stronghold was precisely in those social groups to which the traditional scheme of social ethics, with its treatment of economic interests as a quite minor aspect of human affairs, must have seemed irrelevant or artificial.
>
> As was to be expected in the exponents of a faith which had its headquarters in Geneva, and later its most influential adherents in great business centers, like Antwerp with its industrial hinterland, London and Amsterdam, its leaders addressed their teaching, not of course exclusively, but none the less primarily, to the classes engaged in trade and industry, who formed the most modern and progressive elements in the life of the age.
> (œTawney 1938, p. 113, 114).

63 Indeed, natural law would be seen not merely as a set of laws established by God, but as an expression of the very nature of God Himself. As William Blackstone would explain in the 18th century:

> ... as man depends absolutely upon his maker for every thing, it is necessary that he should in all points conform to his maker's will.
>
> This will of his maker is called the law of nature. For as God, when he created matter, and endued it with a principle of mobility, established certain rules for the perpetual direction of that motion; so, when he created man, and endued him with freewill to conduct himself in all parts of life, he laid down certain immutable laws of human nature, whereby that freewill is in some degree regulated and restrained, and gave him also the faculty of reason to discover the purport of those laws.
> (Blackstone, 1765, œCommentaries on the Laws of England, Introduction, Section 2 pp. 39-40)

To challenge the certified laws of nature was to challenge the will and nature of God. It was blasphemy.

64 There is more than a suggestion of the œ*Ouroboros* in all this.

Similar logic has underpinned far too much of the 'philosophical' discussion of the 20th and the 21st centuries. As Ayn Rand (1971) expounded in this delightful pleonasm:

Drawing by Theodoros Pelecanos,
(1478 copy of a lost alchemical tract by Synesius.)

> I am not primarily an advocate of capitalism, but of egoism; and I am not primarily an advocate of egoism, but of reason. If one recognizes the supremacy of reason and applies it consistently, all the rest follows.
> (Rand, Ayn, "Brief Summary", *The Objectivist* 1971, Vol. 10 No. 9, p. 1)

The flaw in all this, of course, is that since reason flows from one's ideological understandings, it inevitably reflects those and we're trapped in a tautology.
(I had a puppy (an Australian Kelpie) whose behavior, at six months, epitomized this problem. He discovered his tail and chased it until he finally caught hold. Then, with the tail in his mouth, he would pause,

unsure of the cause of the pain he experienced when he bit it, and clearly nonplussed as to what to do next! A month or two older and he had worked it out - so much smarter than the ideologues (and far too many of the economists) of the Western World!)

[65] Where, for the Church, 'natural law' referred to the laws established by God for the smooth running of his creation, for Roman jurisprudence it meant searching for rules corresponding to the 'real' nature of things (cf. d'Entreves 1965, pp. 29-30).

[66] A claim which is echoed in neo-classical economic and other forms of positivistic theory in the 21st century.

[67] Just as the definition of instincts in 21st century economic theory happens to coincide with the requirements of a capitalist society - while those required by neoliberal economic theory make internationalized free markets 'necessary' to economic 'efficiency'.

[68] Through the combined focus on Roman jurisprudence and Greek thinking, those searching for the 'natural laws' which governed the secular realm found themselves trying to come to grips with laws which underwrote both social organization and action and the physical world.

They were to resolve this problem by assuming the existence of self-contained environments which reflected the interests of those looking for the laws. The natural world could be seen to be compartmentalised, each compartment with its own system of rules and regulations ensuring its perfect functioning.

[69] Because canonical law was, by definition, the preserve of the Roman Church, when people, from the 16th century onwards, rejected the Church, whether to gain political, mercantile or religious autonomy, they rejected Church law which had been used throughout the centuries to secure the pre-eminence of the institutionalized Roman Church in western Europe. They therefore found themselves committed to demonstrating their sincerity and morality by living an upright life in this world, conforming to the natural laws established by God and, in so doing, living in obedience to the will and purpose of God.

This understanding of the road to sanctification, often summarized as the 'duty of human beings to live as God intended them to live', had long been accepted as an alternative form of Godliness, but in the 16th century, for increasing numbers of people, it became the only acceptable form of Godliness. Since society was perfected in the perfection of its members, if individuals lived moral lives, society would benefit. If they failed to live such lives, all members of society would suffer.

This was taken to an extreme and clearly spelt out in the deistic writings of Lord Herbert of Cherbury in the early 17th century. The central beliefs were summed up by Matthew Tindal in a book entitled œ*Christianity as Old as Creation; or the Gospel a Republication of the Religion of Nature* (1732).

According to Tindal, natural religion consisted of belief in God, the pursuit of what makes for one's good and happiness, promotion of the common happiness, and conformity to the moral rules which indwell all people. Apart from a first requirement of acknowledging the existence of God, religious activity was to be focused within the present world. A moral life was evidence of the spiritual orientation of the individual. 'The only religious "experience" in their sense was moral experience' (Kent 1982, p. 7).

[70] Hugo Grotius, early in the 17th century, claimed that

> the law of nature is a dictate of right reason which points out that an act, according as it is or is not in conformity with rational nature, has in it a quality of moral baseness or moral necessity ... in consequence, such an act is either forbidden or enjoined by the author of nature, God.
> (quoted in O'Brien 1975, p. 23)

[71] The bases for this movement are to be found in attempts within emerging self-governing territories of western Europe (from the 15th century), to organize the administration of their populations and finances through legal and fiscal bureaucracies.

The development of probability theory by de Fermat and Pascal in the 17th century gave the approach formal mathematical structure. Huygens, with the publication of a book œ*Concerning Reasoning in Games of Chance* in 1657, gave impetus to applying the approach to a wide range of issues within the natural sciences.

[72] While this refocusing set the scene for future scientific exploration, its weakness in studying human beings lies in the potential for losing sight of the forest while studying the 'nature' of the trees. There really is a case for arguing that human beings, treated as independent, self-existent entities, lose much of what makes them 'human'. We start with individuals, and skip to 'humanity', ignoring the social environment within which human individuals gain both their categorizational models and their individuated personas.

A lack of awareness of the fundamental importance of primary ideological models and the variant 'objective realities' of communities of people, allows us to focus on aggregations of human beings and produces studies such as this recent examination of worldwide population trends and problems:

> As the world's population reaches 7 billion this year, we should reflect on the many ways in which population dynamics matter to the planet's future. Population growth patterns are linked to nearly every challenge confronting humanity, including poverty reduction, urban pollution, energy production, food and water scarcity, and health. With world population projected to surpass 9 billion by 2050, these issues and the desire to raise living standards at the same time will create a huge challenge. What immediate actions can be taken to deal with growth while ensuring a sustainable future for all of the world's inhabitants?
> ('Population and Development', Babatunde Osotimehin, *Science* 29 July 2011: Vol. 333 no. 6042 p. 499)

[73] Matthew 25:14-30; (also Luke 19:12-28):

> Again, it will be like a man going on a journey, who called his servants and entrusted his property to them. To one he gave five talents of money, to another two talents, and to another one talent, each according to his ability. Then he went on his journey. The man who had received the five talents went at once and put his money to work and gained five more. So also, the one with the two talents gained two more. But the man who had received the one talent went off, dug a hole in the ground and hid his master's money.
>
> After a long time the master of those servants returned and settled accounts with them. The man who had received the five talents

brought the other five. 'Master,' he said, 'you entrusted me with five talents. See, I have gained five more.' His master replied, 'Well done, good and faithful servant! You have been faithful with a few things; I will put you in charge of many things. Come and share your master's happiness!' The man with the two talents also came. 'Master,' he said, 'you entrusted me with two talents; see, I have gained two more.' His master replied, 'Well done, good and faithful servant! You have been faithful with a few things; I will put you in charge of many things. Come and share your master's happiness!' Then the man who had received the one talent came. 'Master,' he said, 'I knew that you are a hard man, harvesting where you have not sown and gathering where you have not scattered seed. So I was afraid and went out and hid your talent in the ground. See, here is what belongs to you.'

His master replied, 'You wicked, lazy servant! So you knew that I harvest where I have not sown and gather where I have not scattered seed? Well then, you should have put my money on deposit with the bankers, so that when I returned I would have received it back with interest. 'Take the talent from him and give it to the one who has the ten talents. For everyone who has will be given more, and he will have an abundance. Whoever does not have, even what he has will be taken from him. And throw that worthless servant outside, into the darkness, where there will be weeping and gnashing of teeth.
(The Bible, New Testament, Matthew 25:14-30. New International Version)

[74] Inevitably, all that referred to the 'supernatural' was the preserve of canonical law. Civil law could include no such allusions. It therefore became firmly anchored within the 'natural' world. From this point onwards, 'natural' laws are clearly, and necessarily, separated from the supernatural.

Supernatural principles, relating to a spiritual realm, while they might exist, were separate from, and did not override, the laws of the natural world. If God intervened in people's non-religious affairs, He did so in ways consistent with the operation of the natural laws.

David Hume's assertion that a miracle was 'a violation of the laws of nature', in his *œEnquiry Concerning Human Understanding* (Hume 1748, p. 114), was the inevitable result of the direction in which the separation of the supernatural and the natural in the 13th century was to lead western Europeans.

[75] By the 17th century this was to result in bureaucracies being established to safeguard each set of laws as they were discovered. Many of the scientific associations established at the time took as a prime responsibility the establishment of the body of laws of the 'discipline', and the safeguarding of those laws once they were uncovered (cf. Berman 1978).

[76] This use of law as justification for dispossessing the poor and taking advantage of their weakness has been a feature of business activity in the 20th century, whether in the First or in the Third Worlds. If it is not legally required then those engaged in business activity can rightfully dismiss any demands made by members of a community. It is against 'economic rationality' to incur business costs when they can be avoided.

Any conflict between 'morality' and 'economic rationality' will always be settled in favor of the latter. After all, if a particular business incurs costs based on 'moral' (i.e. non-legally defined) claims, it will be severely disadvantaged by other businesses which govern their affairs by the 'natural' requirements of economic rationality. Under capitalism, the logic of the marketplace effectively emasculates (or spays) morality.

77 What became 'capitalism', started out as forms of trade and rivalry between city states in northern Italy (e.g. the rivalries of Lombardy, Genoa and Venice) in the period of the late western Roman Empire (AD 450 -). As Kenneth Galbraith (1975, p.18) put it,

> The banking houses of Venice and Genoa are the recognized precursors of modern, everyday, commercial banks. Almost as advanced were those of the Po valley, and, as money lending developed in London, it was natural that the street on which it settled should be named for the Lombards.
> (*Money: Whence It Came, Where It Went*, 1975, Houghton Mifflin, Boston)

By the 14th century, these regions were synonymous in feudal communities with immoral behaviors and attitudes attributed to merchants and traders.

William Langland (c. 1332?- c.1400?) of London, in his œ*The Vision of Piers the Ploughman*, presented a vivid picture of their assumed activities and attitudes in a chapter subtitled 'Confession of the Seven Deadly Sins':

> AVARICIA
>
> 'Usedest thou every usury - in all thy life-time?'
>
> 'Nay, soothly,' he said - 'save in my youth.
> I learned a lesson - among Jews and Lombards,
> To weigh pence with a weight - and pare down the heaviest;
> And lend it for love of the Cross - for a pledge, to be lost;
> Such deeds I did write - lest he due day miss.
> I have more money through arrears - than through *miseretur et commodat*.
> (Passus V (Confession of the Seven Deadly Sins) pp. 38, 39)

The Latin phrase '*miseretur et commodat*' is a reference to Verse 5 of œPsalm 112 in the Vulgate Latin Bible: '*Iucundus homo, qui miseretur et commodat, disponet res suas in judicio*':

Here is a *New International Version* (NIV) of the Bible translation:

1 Praise the Lord. Blessed are those who fear the Lord, who find great delight in his commands.

2 Their children will be mighty in the land; the generation of the upright will be blessed.

3 Wealth and riches are in their houses, and their righteousness endures forever.

4 Even in darkness light dawns for the upright, for those who are gracious and compassionate and righteous.

5 Good will come to those who are generous and lend freely, who conduct their affairs with justice.

78 Medieval literature provides numerous examples of the snowballing effects of simony throughout the later medieval centuries, and the

resulting civil unrest and rebellion of those who saw this as a corruption of feudal relationships. Those who purchased position were, increasingly, a suspect group who took their feudal responsibilities lightly and used their positions to promote their money-making activities. William Langland (1370) commented that,

> ...nowadays, bondmen's children are made into Bishops and bastards into Archdeacons; and soap-makers and their sons buy themselves knighthoods, while the sons of true noblemen toil and sweat for them - for they mortgage their estates to ride out against our enemies ...
>
> And the monks and nuns, who should feed the poor, buy up the incomes of knights and make noblemen of their relatives. Even Popes now, and ecclesiastical patrons, are refusing noble blood, and appointing the sons of Simony to keep God's sanctuary (œLangland 1966, pp. 258-9).

79 This same movement from traditional leadership spelt out in the land-holding systems of Third World communities to authority based upon the control of legal and fiscal bureaucracies is a feature of Third World nations. The West would not recognize them as nations if they did not base political and economic organization and activity on such bureaucracies.

Just as this movement produced growing alienation between the state and its people in medieval Europe, tensions have arisen in Third World countries as people try to come to terms with these very different bases for authority and direction within society.

The shift in the justification of leadership from direction of land holding to control of bureaucracies does not require a shift away from patron-client relationships. That is, it is perfectly reasonable to have hierarchical relationships within a society reinforced bureaucratically, and this is precisely what happened in medieval Europe (and in a large number of Third World countries in the 20th century, in South America, Asia and Africa). The result, however, is bureaucratic behavior of a very different kind from that which is required by Western capitalism.

The reorientation of Third World bureaucracies to stress depersonalized egalitarianism, at the insistence of Western 'experts', represents a triple shift:

- from leadership based on land holding,
  - to leadership based on control of bureaucracies,
  - to bureaucracies organized to emphasize impersonal egalitarianism,
  - to leadership based upon 'democratic' principles.

It took Western European nations five hundred years to make these shifts, and, even then, people on the receiving end of the changes suffered extreme privation.

It is small wonder that attempts at moving directly from land-based leadership to 'democracy' in Third World communities have failed, with bureaucracies subverted to serve hierarchical patron-client interests. Only 'experts' who have failed to understand the nature of the changes they are introducing could possibly assume that one can, by putting 'democratic institutions' in place, effect the transition from hierarchical

leadership based on land holding to leadership justified in terms of control of impersonalized bureaucracies (aimed at guaranteeing 'equality' and freedom to engage in competitive self-promotion to members of a community).

As we will see shortly, this change requires stripping social obligations from hierarchical relationships and attaching them to 'things' and the development and internalization of a complex network of rules and regulations in terms of which community members 'automatically' relate to one another.

For Third World people, it has certainly been true that 'experts' with a little knowledge have proved dangerous. They have forced changes which, in many communities, have resulted in mounting tension and stress, resulting, all too often, in a loss of hierarchical authority relationships (cf. Ideology and Reality), and increasing opportunity for a ruthless few to gain and wield power through control of resources and of the armed forces. Far from enhancing the 'freedom' of people, such developments all too often lead to despotism and police states (see Parliamentary democracy, one-party states, military coups for more on this).

80 One might think that this is of little but long-passed medieval historical interest, but one would be wrong! See Nicholas Shaxson, œA Tale of Two Londons (*Vanity Fair*, April 2013) for an intriguing picture of medieval London in the 21st century. As Shaxson says,

> ... to understand why so much of the world's money goes to London in the first place, you need to go back hundreds of years, to the emergence of what must be the most peculiar, the oldest, the least understood, and perhaps one of the most important institutions in the menagerie of global finance: the City of London Corporation.
>
> It is the local authority for "the Square Mile," the pocket of prime financial real estate centered on the Bank of England and located about three miles to the east of Knightsbridge, along the Thames River. But the corporation is also much more, its identity embedded in-and slightly apart from-the British nation-state.
>
> The corporation has its own constitution, "rooted in the ancient rights and privileges enjoyed by citizens before the Norman Conquest, in 1066," and its own lord mayor of London-not to be confused with the mayor of London, who runs the Greater London metropolis, with its eight million inhabitants.
>
> One sign of the City of London's distinct identity is the fact that the Queen, on official visits there, will stop at the boundary of the Square Mile, where she is met by the lord mayor, who engages her in a short, colorful ritual, before she may proceed. Most Brits see this merely as a relic from a bygone age, a show for the tourists. They are wrong.
>
> The lord mayor's principal official role, his Web site says, is to be "ambassador for all UK-based financial and professional services." He lobbies far afield, with offices in Brussels, China, and India, among other places, the better to "expound the values of liberalization" far and wide. The City Corporation and closely linked think tanks issue streams of publications explaining why finance should be less tethered by taxes and regulation. The corporation also has its own official lobbyist, with the delightfully medieval-sounding name of The Remembrancer (currently one Paul Double),

> lodged permanently in Britain's Parliament. Local elections in the City are unlike any other in Britain: multi-national corporations vote alongside and vastly outnumber the tiny borough's 7,400 human residents.
>
> Over the centuries the City has thrived, thanks to a simple advantage: it has had money to lend when governments or monarchs needed it. So the City has been granted special privileges, allowing it to remain a political fortress withstanding the tides of history that have transformed the rest of the British nation-state.
>
> It has nurtured a British tradition of welcoming foreign money, with few questions asked, and so has for centuries attracted the world's wealthiest citizens. "There the Jew, the Mahometan, and the Christian transact together," Voltaire wrote in 1733, "as though they all professed the same religion, and give the name of infidel to none but bankrupts."

A documentary entitled *The Spider's Web; Britain's Second Empire* provides an interesting complement to all this. As the website says,

> The British Empire collapsed, in large part because of the revolution in the Colonies (the USA). Since that collapse, the Black Nobility (incl. Khazar Zionists) and British monarchy together have sought ways to collaborate to resurrect control of the planet. This film tells a main part of the story of how that has happened. But it is only a beginning...
> (œThe Spider's Web; Britain's Second Empire)

81 This belief still exists in the minds of many Western people, who assume that those in Third World countries who have moved to towns are, by definition, moving from a life 'bound by tradition' to a life of 'freedom'. This assumption has provided one of the justifications for stimulating rural-urban migration.

Of course, since rural environments in many Third World countries have been steadily degraded over the past hundred years, it is true that life in rural areas has become increasingly harsh and many people see life in the country as no longer sustainable. However, we should not automatically assume that people living in Third World communities have this very Western attitude to people who live outside urban areas.

82 A strong consideration in acquiring property was that it was a shortcut to status. Ownership of formerly feudal estates gave the new owners some entree into interaction with the nobility and into recognition of noble status by those who still operated within the feudal system. In order to be accepted they found themselves emulating the lifestyles of the nobility, which resulted in increasing consumption as the trade in country properties escalated.

83 As we have seen, the medieval period is marked by the emphasis placed on groupings of people with common interests:

- from the specialisation of some districts into suppliers of particular products to fairs and markets;
- to the establishment of guilds and associations of artisans and tradesmen;
- to the establishment of associations of merchants and traders - such as the English Fellowship of the Staple or Merchants

Adventurers, or the German Hanseatic League, or various city groupings of Italian traders;

- to associations based on learning, common social position, religious interests, and so on.

The people of western Europe seemed to enter naturally into quite consciously recognized and organized common-interest groupings, prepared and able to act together to preserve and promote their own rights and interests.

As the hierarchical nature of society became questioned, the importance of common-interest groups began to dominate, increasingly unchecked by any sense of duty and commitment to the wider society. Already, before the close of the medieval period, social commentators were decrying the activities of guilds and nations. Wyclif condemned them because 'they conspire to bear up each other, yea in wrong, and oppress other men in their right by their wit and power' (quoted in œTawney 1938, p. 40).

By the 17th century feudal hierarchies were being successfully challenged by the dominant common-interest groups. Over the next two hundred years, this development was to produce a consciousness of 'class', that is of separate groupings within society having relationships of competitive opposition with each other.

As the feudal legacy of Western Europe has faded, and the primary ideology of the dominant common-interest groups has been absorbed by increasing numbers of people, these 'classes' have become less and less important to most people in Western communities. So, 'class'-based studies in Western communities now seem outdated, no longer corresponding to a reality in which Western communities have become ideologically increasingly homogeneous.

[84] See Loss of subsistence resources for more on this.

[85] For more on 'the traditional conception of time in Christian theology' see Noonan (1957 pp.43-44). As he explained, citing Guillaume d'Auxerre (1166-1229), *Summa Aurea* (III, 21, 225v),

> The usurer acts in contravention to universal natural law, because he sells time, which is the common possession of all creatures. Augustine says that every creature is obliged to give of itself; the sun is obliged to give of itself in order to shine; in the same way, the earth is obliged to give all that it can to produce, as is water. But nothing gives of itself in a way more in conformity with nature than time; like it or not, every thing has time. Since, therefore, the usurer sells what necessarily belongs to all creatures, he injures all creatures in general, even stones. Thus, even if men remain silent in the face of usurers, the stones would cry out if they could; and this is one reason why the Church prosecutes usury....

[86] Western people have a very distinctive understanding of time, based on centuries of wage labor. For them, life is first and foremost about work; 'socializing' is done in one's 'spare time' (see The Nature of Work for more on this). As a result, many non-Western people, who place far greater value on 'socializing' and far less value on 'work', have, over the years, been accused of 'moral degeneracy', 'childish indiscipline' and 'blindness to religious virtue' (cf. Cairns 1965, p. 76ff) .

When status attainment and maintenance are based on social interaction, people will spend much more time in 'socializing' than in 'being productive'. Time is not 'spent'; it forms a less than conscious backdrop to the activities of community members.

87 Relationships in which those of different ranks saw themselves as cooperatively interconnected.

88 Objectified oppositional relationships make it possible for the exchangers to focus solely on the object of exchange, without having to consider the other party. This is, of course, a prime characteristic of 'market exchange'.

In many societies, even where people work for 'wages' or rent property, the obligations and responsibilities remain with the *exchangers* rather than with the *objects of exchange.* Where this is so, *exchangers remain in hierarchical relationship,* which is a fundamental feature of patron-client relationships.

89 This feature has been one of the common experiences of Third World people in interaction with Western people over the past two hundred years. Since the interactions are 'economic', that is various forms of employee-employer relationships, Western people see no reason to 'socialise' with indigenous people.

They need to assume no social relationship with them at all. Nor do they need to investigate the living conditions or breakdown of community suffered by the people they employ. That is none of their concern.

Their relationship starts and ends with the 'job' and the payment of wages. They do not even have to ensure that the wages they pay are sufficient to meet the subsistence needs of their employees - that is a responsibility of the employee. As Townsend argued in the 18th century, 'Let the market look after the poor, and things will look after themselves' (quoted in Polanyi 1957, p. 113).

This attitude remains central to the 'economic development' activities that are promoted in Third World countries. During the 15th to 17th centuries, western Europeans expanded the range of 'economic' relationships to include many previously 'social' relationships. They also became convinced that economic relationships could be strictly limited and bounded by the exchange of 'cash' and/or 'things'.

90 The text from which this comes expands the insight:

> ...the face of madness has haunted the imagination of Western man.
>
> ...Up to the second half of the fifteenth century, or even a little beyond, the theme of death reigns alone. The end of man, the end of time bear the face of pestilence and war. What overhangs human existence is this conclusion and this order from which nothing escapes. The presence that threatens even within this world is a fleshless one.
>
> Then in the last years of the century this enormous uneasiness turns on itself; the mockery of madness replaces death and its solemnity. From the discovery of that necessity which inevitably reduces man to nothing, we have shifted to the scornful contemplation of that nothing which is existence itself.
>
> Fear in the face of the absolute limit of death turns inward in a continuous irony; man disarms it in advance, making it an object of

> derision by giving it an everyday, tamed form, by constantly renewing it in the spectacle of life, by scattering it throughout the vices, the difficulties, and the absurdities of all men.
>
> Death's annihilation is no longer anything because it was already everything, because life itself was only futility, vain words, a squabble of cap and bells. The head that will become a skull is already empty. Madness is the deja-la of death. But it is also its vanquished presence, evaded in those everyday signs which, announcing that death reigns already, indicate that its prey will be a sorry prize indeed.
> (Foucault 1971, pp. 15, 16)

91 Just as the 'laboring poor' of western Europe found themselves oppositionally defined in relation to landlords and employers, people in colonial territories found themselves classified in oppositional terms, with relationships deliberately depersonalized and bounded by rules and regulations.

This produced real confusion amongst many colonial people who very often assumed that Europeans with whom they interacted would become, as Patrice Lumumba suggested, 'his friend and his guide or his "godfather", (quoted in Anstey 1966 p. 214). Instead, they found themselves placed in a 'class', to which was attributed particular characteristics, and individuals found themselves treated as members of that class, with their relationships with Europeans standardized and bounded by legislation.

No matter what their personal abilities, aptitudes, achievements, intentions or aspirations, they could not escape their legally spelt-out, exclusive, oppositional categorization as different from and hierarchically inferior to Europeans.

92 The international nature of these merchant houses, and their freedom from the control of any one state, resembles the development of multinational corporations in the late 20th century.

93 Those who belonged to this emerging class brought with them, from the Middle Ages, a deep respect for those who showed prudent self-control (cf. Murray 1978, p. 134) in their economic dealings, and who demonstrated an ability to 'realize the potential' of the resources at their disposal. As we have seen, in breaking free of the rules and regulations imposed by the Roman Church, one of the prime means of demonstrating one's morality was through 'making the most' of the 'talents' given by God. For this emerging class, prudent people used their resources to the full and disciplined themselves to successful business activity.

94 From the 16th century onwards the 'responsible people' of Western Europe became increasingly opposed to 'political' appointments, a viewpoint which, as we have seen, was strongly reinforced by Calvinist and Puritanical emphases on vocational education. It became increasingly seen as essential that those holding either bureaucratic or business positions should be 'educated' for the positions they held and that appointment on any other basis was illegitimate.

This point of view has, in succeeding centuries, become an indisputable requirement of life. Nepotism or 'favoritism' are considered 'corrupt' practices. But this belief did not develop because they *are* corrupt by any other standards than those developed historically in western Europe.

Although Weber (1930) has considered the emphasis on vocational education and hard work a 'Protestant' ethic, as we have seen, these are western European emphases, which emerged long before the 16th century Protestant movements became important.

[95] See Thomas More's (1516) description of their experiences as this form of dispossession gathered momentum.

Many people in Third World countries have found that the patron-client relationships which they assumed would provide them with support, direction and protection have similarly failed, though, with nowhere else to turn, they have to accept the exploitation to which they are subjected as unavoidable 'costs' of the relationship.

[96] In the 21st Century, Western communities remain committed to those primary ideological presumptions forged during the turmoil of the 14th to 20th centuries. 'Responsible People' of the early 21st century remain convinced that they have a responsibility to discipline those who will not discipline themselves; that they should 'reform' those who stubbornly resist reformation. Emily Badger and Margot Sanger-Katz have described the attitudes of those who feel responsible for reforming society in the 21st century United States of America:

> The "able-bodied" are now everywhere among government programs for the poor, Republican officials point out. They're on food stamps. They're collecting welfare. They're living in subsidized housing. And their numbers have swelled on Medicaid, a program that critics say was never designed to serve them.
>
> These so-called able-bodied are defined in many ways by what they are not: not disabled, not elderly, not children, not pregnant, not blind. They are effectively everyone left, and they have become the focus of resurgent conservative proposals to overhaul government aid, such as one announced last month by the Trump administration that would allow states to test work requirements for Medicaid.
>
> Able-bodied is not truly a demographic label, though: There is no standard for physical or mental ability that makes a person able. Rather, the term has long been a political one. Across centuries of use, it has consistently implied another negative: The able-bodied could work, but are not working (or working hard enough). And, as such, they don't deserve our aid.
>
> "Within that term is this entire history of debates about the poor who can work but refuse to, because they're lazy," said Susannah Ottaway, a historian of social welfare at Carleton College in Minnesota. "To a historian, to see this term is to understand its very close association with debates that center around the need to morally reform the poor."
> (Emily Badger and Margot Sanger-Katz, œWho's Able-Bodied Anyway? The 400-year history of how we talk about the deserving versus the undeserving poor, *New York Times*, Feb. 3, 2018)

[97] See The 'Responsible' people of western Europe for an explanation of the origins and importance of the 'middle ranking' people of Europe.

[98] As Roscoe Pound elaborated:

> ...Grotius and those who followed him made reason the measure of all obligation. They conceived that the end for which law exists is to produce conformity to the nature of rational creatures. They had broken with authority as authority, but they accepted the Roman

law as embodied reason and ventured little that did not have authority behind it. Hence they accepted the Roman maxim-not to injure another and to give to everyone his due, that is, respect for personality and respect for acquired rights-as conformity to the nature of rational creatures.

This raised certain obvious problems:

- What is injury to another?
- What is there in personality that makes aggression an injury?
- What is it that constitutes anything one's own?

Grotius and his successors tried to answer by a theory of natural rights; not merely natural law, as before, not merely principles of eternal validity, but certain qualities inherent in persons and demonstrated by reason and recognized by natural law, to which therefore the national law ought to give effect.

Thus, again, at the very time that the victory of the courts in the contests between the common-law courts and the Stuart kings had established that there were fundamental common-law rights of Englishmen which Englishmen might maintain in courts and in which courts would secure them even against the king, a juristic theory of fundamental natural rights, independent of and running back of all states, which states might secure and ought to secure, but could not alter or abridge, had sprung up independently and was at hand to furnish a scientific explanation when the next century called for one.

By a natural transition, the common-law limitations upon royal authority became natural limitations upon all authority; the common-law rights of Englishmen became the natural rights of man. Each underwent some change of substance along with this change of name.

To understand this change and the effect which it had upon the law as we received it at the end of the eighteenth century and worked it over in the fore part of the nineteenth century, we must examine the theory of natural rights, the theory of the relation of law to natural rights, and the theory of natural law and of the possibility of deducing a fixed and complete system of positive law from the principles of natural law, as these theories were held when our bills of rights were framed and our constitutional law was formative. (Roscoe Pound, œ*The Spirit of the Common Law* Marshall Jones Company Publishers, Francestown, New Hampshire, 1921, pp. 89-90. Digitized version: University of Nebraska - Lincoln, College of Law, Faculty Publications. Paper 1)

99 Tawney, in 1938, summed up the mood of the era:

The result was that, while the penalties on the vagrant were doubled, religious opinion laid less emphasis on the obligation of charity than upon the duty of work, and that the admonitions which had formerly been turned upon uncharitable covetousness were now directed against improvidence and idleness.

The characteristic sentiment was that of Milton's friend, Hartlib:

> The law of God saith, "He that will not work, let him not eat". This would be a sore scourge and smart whip for idle persons if

> ... none should be suffered to eat till they had wrought for it.
>
> ... Parliament took it up and in 1649 passed an Act for the relief and employment of the poor and the punishment of beggars, under which a company was to be established with power to apprehend vagrants, to offer them the choice between work and whipping, and to set to compulsory labor all other poor persons, including children without means of maintenance.
> (œTawney 1938, p. 265)

[100] The Bible, New Testament, œRevelation Chapters 6-19

[101] See The Poor are lazy with no desire to better themselves for more on this.

[102] See What shall we do with The Poor for more on this.

[103] See The Economy: a new Environment for more on this.

[104] The continual complaint by the United States that Japan engages in restrictive import practices, and that Japanese firms collude in taking over American industries, are classic examples of this form of activity. While neither is understandable, or acceptable, from a Western economic perspective, both are perfectly understandable from a Confucian perspective. It is very likely that over the next several decades similar complaints will be made about the activities of the Chinese when interacting with the West.

[105] œLetter to Colonel Edward Carrington, Paris, January 16, 1787

[106] This discussion follows on from An Explanation and History of the Emergence of Capitalism

[107] See Who were the 'Middle Sorts' for more on this.

[108] See Teaching Western Europeans to Work for more on this.

[109] See 'From the Divine to the Statistical' for more on this

[110] See 'The Perfection of Creation' for more on this

[111] Aquinas's version of the same claim was:

> ... natural processes develop from simple to compound things, so much so that the highly developed organism is the completion, integration, and purpose of the elements. Such indeed is the case with any whole in comparison with its parts. (Gilby 1960, p. 369)

[112] Although one started with the 'atoms', these were, by implication, parts which were necessary to a whole. The presumption that one could ascertain the 'potential' of an atom, was a consequence of Aquinas's holism.

In line with the new focus, developing the individual's 'potential' was, increasingly, to displace 'perfection' as the goal of human activity. This, however, still implied a 'purpose' in creation.

However 'earthly-minded' Western Europeans were to become, they carried with them an implicit understanding that there was more to life in this world than meets the eye!

[113] Although many of those who held this position claimed that it no longer relied on a metaphysical dimension to reality, the presumption that individual self-interest leads to communal good assumes the 'Unseen Hand' at work. Of course, many (including most economists) still, either implicitly or explicitly, hold this position

[114] See 'From the subversion of tradition to plotting the future ' for more on this.

[115] This was a saying which first appeared in English literature in the 16th century (though it had a far longer history in Hebraic writings). Nicholas Breton, in his œ*The Works of a Young Wyt* (1577, p. 33) put it like this: "The world is hard, they must take pain that look for any gayn".

[116] Summed up in 'development' circles over the past fifty years as 'you can't make an omelette without breaking eggs'.

[117] See The emergence of environments in European History

[118] See 17th C. Protestant jurist-theologians for more on this

[119] The divide between the virtue of a 'social conscience' and the virtue of self-interest remains as potent now as it was in the 18th century. Many of the most bitter confrontations in U. S. politics are a consequence of ideological commitment to one or other focus.

[120] It is easy to forget that, while the formulation of environments seems perfectly logical and based on the distillation of features of an objective reality, the objective reality itself is subjective to Western communities.

The environments are *reifications* of aspects of life, not distinct areas of life. Though, of course, once an environment is outlined and behavior channeled into conformity with its requirements, it will, in the minds of those involved, become a distinct area of reality.

[121] See "'Money-making' patron-client networks and an emerging emphasis on quantification " for more on this

[122] Though, in keeping with the times, he distilled his laws from *postulated* behaviors and postulated forms of social organization and interaction through history. This was the 18th century, a time when applied statistical reasoning was coming into its own. Some 12 years earlier, Bayes' (1763) paper, œAn Essay towards solving a Problem in the Doctrine of Chances, had been posthumously read to the Royal Society. As Bradley Efron put it:

> Bayes' 1763 paper was an impeccable exercise in probability theory. The trouble and the subsequent busts came from overenthusiastic application of the theorem in the absence of genuine prior information... trying to assign an "uninformative prior" or "objective prior"... Whether or not this can be done legitimately has fueled the 250-year controversy [the Bayesian-frequentist argument]. (œBayes' Theorem in the 21st Century, *Science* 7 June 2013: Vol. 340 no. 6137 pp. 1177-1178)

This is a form of reasoning which became common in the 18th and 19th centuries, and, indeed, is all-too-often employed in the 21st century:

- Determine what life must have been like in the historical past by reasonable extrapolation from what you know, then,
- from that postulated reality, distill the principles which 'explain' it.

The principles, inevitably, reflect those which order 'objective reality' for the reasoner.

[123] If this solution seems familiar, that is because it is. It is very similar to the approach Thomas of Aquinas used in defining the nature of natural and ecclesiastical laws. And, it has produced very similar consequences.

The end result of Aquinas's separation of the natural and the supernatural was the dominance of the natural over the supernatural in Western European thinking. The end result of Adam Smith's model has been that 'economic rationality' has lain siege to 'moral virtue' (see Economic Rationality).

[124] See 'Producing Conformity To The Nature Of Rational Creatures'

[125] See Social Exchange Theory for an example of this reasoning in the 20th and 21st centuries

[126] As Plato (360 B.C.) in his œ*Cratylus* has Socrates summarize:

> Heracleitus is supposed to say that all things are in motion and nothing at rest; he compares them to the stream of a river, and says that you cannot go into the same water twice.

[127] How wonderfully adept human beings are in rationalizing apparent contradictions when they feel the need to do so!

[128] See Teaching Western Europeans to Work

[129] The claims of the past decade - that those involved in financial activity must 'discipline themselves' flows from this reasoning. To impose discipline from outside the 'economic environment' is illegitimate.

[130] among many of the middle and upper ranks of British and western European communities - including many of those who had been involved in the religious revivals we examine shortly

[131] This logic only holds if one accepts Aquinas's holistic view of reality - that we live in a perfect creation, governed by laws which ensure that perfection. If you don't believe in a Supreme, Benevolent Creator, then you really have no reasonable base from which to argue this.

[132] While many would argue that government exists to protect the poor and weak, this was not the presumption of 18th and 19th century 'responsible' Western Europeans. It was the task of government to train the poor to productive endeavor and protect the rights of those engaged in self-interested accumulation of 'assets'.

[133] Herbert Spencer (1884) provided an explanation of the need for such measures:

> Humanity is being pressed against the inexorable necessities of its new position - is being molded into harmony with them, and has to bear the resulting unhappiness as best it can. The process must be undergone, and the sufferings must be endured.

John Maynard Keynes, in his work œThe General Theory of Employment, Interest and Money (London: Macmillan 1936, p. 33) would comment on all this:

> The completeness of the Ricardian victory is something of a curiosity and a mystery. It must have been due to a complex of suitabilities in the doctrine to the environment into which it was projected. That it reached conclusions quite different from what the ordinary uninstructed person would expect, added, I suppose, to its intellectual prestige. That its teaching, translated into practice, was austere and often unpalatable, lent it virtue. That it was adapted to carry a vast and consistent logical superstructure, gave it beauty. That it could explain much social injustice and apparent cruelty as an inevitable incident in the scheme of progress, and the attempt to change such things as likely on the whole to do more harm than good, commended it to authority. That it afforded a measure of

> justification to the free activities of the individual capitalist, attracted to it the support of the dominant social force behind authority.

The more extreme extrapolations of neoliberal economic thought have a long history. From the outset, belief in the *Summum Bonum* consequences of whole-hearted commitment to the 'natural laws' of the economy, produced such reasoning.

[134] See The alienation of property for more

[135] See From Subsistence to Open-ended Accumulation for more

[136] It was this early movement of 'potential labor' into towns *prior* to the expansion of industrial production in the late 18th century which inspired those modernization evangelists, Lewis (1955), Hirschman (1958) and Rostow (1961), to formulate their plans for 'Third World development' in the 20th century.

In order to ensure 'economic development' in the Third World it was necessary to move 'surplus labor' from the countryside to the towns, build factories, and provide 'seeding capital' to entrepreneurs which, it was presumed, would produce that 'trickle-down' effect for which the world has waited so long.

Those who taught this doctrine 'knew' that they were right. There were no 'communities', only individuals - pawns in a 'development' game. Their models were based on and consistent with the 'laws of economics' and demonstrated in their interpretation of Western European history.

[137] Marx was a little late in his speculations on the possibility of a revolution against capitalism. The revolution of the proletariat which Marx anticipated in the second half of the 19th century, might possibly have happened in the 18th but for the intervention of Protestant evangelicalism. The revolution which occurred was not an overthrow of capitalism but a religious conversion of the dispossessed and down-trodden to a reinvigorated version of the values of their oppressors.

[138] Large numbers of these people formed the backbone of Cromwell's 'New Model Army' in the English civil war and subsequent Commonwealth (1642-1660). Following the restoration of the monarchy they lost political protection and became fair-game to those who had opposed the parliamentary reforms - and any others who saw in their political weakness an opportunity for profit.

I am sure that those who know that economic principles are indeed universal laws of nature, crafted by an 'unseen hand', will argue that the description which follows is yet another demonstration of the 'unseen hand' at work - I prefer to believe in blind chance, or, perhaps, a greater law which ensures, as Hobbes suggested, that human beings, unfettered (perhaps, especially, those who live in an unregulated capitalist world), are red in tooth and claw. As Jefferson put it "they have divided their nations into two classes, wolves and sheep".

Fred Guerin has summed it all up:

> ...[E]ven today many economists still hold onto the mythic assumption that the "impartial" self-regulating market is no more than a theoretical expression of the "order of human nature" itself and not, after all, a product of powerful political and moneyed interests. This belief has distant origins in Thomas Hobbes fear-inspired mechanistic account of human beings who in their natural state are war-like and driven by self-interest.

> Not only does the latter perspective resonate in many manifestations of capitalist theory, it also underscores a desire to replicate in economic theory what nature apparently prescribes - a war-like disposition disciplined through competitive markets based on innate selfishness. But what if the incapacity to imagine alternatives is not because we are naturally selfish, but simply a function of the reality that in capitalist societies we are all conditioned to see the world in terms of individual economic self-interest rather than in terms of common human good or planetary limits, health and equilibrium?
>
> Over time, the promotion of selfishness as a virtue not only changes the way we look at ourselves, it influences the way we relate to each other and to the planet itself. Instead of citizens who define themselves in relation to common goods, we are reduced, under the selfish orientation of capitalism, to aggregates of self-interested atomistic individuals encouraged to believe that we can continue a lifetime of limitless consumption. Those who are entirely left out of the consumer game - the increasing numbers of homeless, stateless refugees, destitute and imprisoned whose day-to-day life is taken up by the fight for mere survival - are the necessary residue of a global capitalist system.
> (Fred Guerin, œThe Compelling Conclusion About Capitalism That Piketty Resists, *Truthout*, 26 June 2014 00:00)

139 Thomas Jefferson, in a letter to Dr. Thomas Cooper, Monticello, September 10, 1814, provided his own description of conditions in Great Britain:

> The population of England is composed of three descriptions of persons (for those of minor note are too inconsiderable to affect a general estimate). These are,
>
> 1. The aristocracy, comprehending the nobility, the wealthy commoners, the high grades of priesthood, and the officers of government.
> 2. The laboring class.
> 3. The eleemosynary class, or paupers, who are about one-fifth of the whole.
>
> The aristocracy, which have the laws and government in their hands, have so managed them as to reduce the third description below the means of supporting life, even by labor; and to force the second, whether employed in agriculture or the arts, to the maximum of labor which the construction of the human body can endure, and to the minimum of food, and of the meanest kind, which will preserve it in life, and in strength sufficient to perform its functions.
>
> To obtain food enough, and clothing, not only their whole strength must be unremittingly exerted, but the utmost dexterity also which they can acquire; and those of great dexterity only can keep their ground, while those of less must sink into the class of paupers. Nor is it manual dexterity alone, but the acutest resources of the mind also which are impressed into this struggle for life; and such as have means a little above the rest, as the master-workmen, for instance, must strengthen themselves by acquiring as much of the

> philosophy of their trade as will enable them to compete with their rivals, and keep themselves above ground.
>
> Hence the industry and manual dexterity of their journeymen and day-laborers, and the science of their master-workmen, keep them in the foremost ranks of competition with those of other nations; and the less dexterous individuals, falling into the eleemosynary ranks, furnish materials for armies and navies to defend their country, exercise piracy on the ocean, and carry conflagration, plunder and devastation, on the shores of all those who endeavor to withstand their aggressions.
>
> A society thus constituted possesses certainly the means of defence. But what does it defend? The pauperism of the lowest class, the abject oppression of the laboring, and the luxury, the riot, the domination and the vicious happiness of the aristocracy. In their hands, the paupers are used as tools to maintain their own wretchedness, and to keep down the laboring portion by shooting them whenever the desperation produced by the cravings of their stomachs drives them into riots. Such is the happiness of scientific England; now let us see the American side of the medal.

Despite eight years in the White House (1801-9) and a remarkable depth and breadth of intellectual interests and insight, Jefferson's subsequent description of "the American side of the medal" shows how much easier it is to get others into perspective than oneself. He is, after all, speaking of a country still exploiting a large slave population and reducing large indigenous populations to destitution and the verge of extinction:

> And, first, we have no paupers, the old and crippled among us, who possess nothing and have no families to take care of them, being too few to merit notice as a separate section of society, or to affect a general estimate.
>
> The great mass of our population is of laborers; our rich, who can live without labor, either manual or professional, being few, and of moderate wealth.
>
> Most of the laboring class possess property, cultivate their own lands, have families, and from the demand for their labor are enabled to exact from the rich and the competent such prices as enable them to be fed abundantly, clothed above mere decency, to labor moderately and raise their families. They are not driven to the ultimate resources of dexterity and skill, because their wares will sell although not quite so nice as those of England.
>
> The wealthy, on the other hand, and those at their ease, know nothing of what the Europeans call luxury. They have only somewhat more of the comforts and decencies of life than those who furnish them. Can any condition of society be more desirable than this ?

For more on Jefferson's attitude toward the retention and incorporation of "the blacks into the state", see Thomas Jefferson, *Notes on the State of Virginia*, Query 14, 1781-1782:

> It will probably be asked, Why not retain and incorporate the blacks into the state, and thus save the expence of supplying, by importation of white settlers, the vacancies they will leave? Deep rooted prejudices entertained by the whites; ten thousand recollections, by the blacks, of the injuries they have sustained;

> new provocations; the real distinctions which nature has made; and many other circumstances, will divide us into parties, and produce convulsions which will probably never end but in the extermination of the one or the other race.
>
> To these objections, which are political, may be added others, which are physical and moral. The first difference which strikes us is that of colour. Whether the black of the negro resides in the reticular membrane between the skin and scarf-skin, or in the scarf-skin itself; whether it proceeds from the colour of the blood, the colour of the bile, or from that of some other secretion, the difference is fixed in nature, and is as real as if its seat and cause were better known to us. And is this difference of no importance? Is it not the foundation of a greater or less share of beauty in the two races? Are not the fine mixtures of red and white, the expressions of every passion by greater or less suffusions of colour in the one, preferable to that eternal monotony, which reigns in the countenances, that immoveable veil of black which covers all the emotions of the other race? Add to these, flowing hair, a more elegant symmetry of form, their own judgment in favour of the whites, declared by their preference of them, as uniformly as is the preference of the Oranootan for the black women over those of his own species. The circumstance of superior beauty, is thought worthy attention in the propagation of our horses, dogs, and other domestic animals; why not in that of man?
> (Jefferson, Thomas, 1743-1826 . œNotes on the State of Virginia, pp. 264ff, Electronic Text Center, University of Virginia Library)

140 This is not surprising of course. Processes of categorization and classification require that, if closely similar groupings are to be kept separate, the *differences* between them must constantly be emphasized. The more similar they seem to be, the more often one will focus on and emphasize the differences.

141 The problems experienced by the small-holders of Western Europe during the 18th and 19th centuries have been replicated in Third World communities in the 20th and this century. The UN Agency for Human Settlements described the scene in 2003:

> ...urban poverty levels are less than rural poverty and ... the rate of growth of the world's urban population living in poverty is considerably higher than that in rural areas. The absolute number of poor and undernourished in urban areas is increasing, as is the share of urban areas in overall poverty and malnutrition. In general, the locus of poverty is moving to cities, a process now recognized as the 'urbanization of poverty'.
> (UN Agency for Human Settlements, œ*The Challenge of Slums: Global Report on Human Settlements 2003* 'Key Findings')

Toynbee described some of the conditions in England:

> The misery which came upon large sections of the working people at this epoch was often, though not always, due to a fall in wages, for, as I said above, in some industries they rose. But they suffered likewise from the conditions of labor under the factory system, from the rise of prices, especially from the high price of bread before the repeal of the corn-laws, and from those sudden fluctuations of trade, which, ever since production has been on a large scale, have exposed them to recurrent periods of bitter distress.

> The effects of the industrial Revolution prove that free competition may produce wealth without producing well-being. We all know the horrors that ensued in England before it was restrained by legislation and combination.
> (œToynbee (1884) Lecture VIII 'The Chief Features of the Revolution')

[142] whether already destitute or fearful of the possibilities of destitution which they saw around them as rural communities came increasingly under attack and life became more and more difficult

[143] How easy it is for those who belong to exploiting groups to blame their victims for the consequences of their policies. First, dispossess them, then, as their communities disintegrate and they become demoralised, point to the consequences as justification for your attitudes and policies.

[144] See Armstrong (1997) for a description of some of these preachers. As a reviewer put it:

> John Armstrong introduces his readers to five key evangelists whose ministries covered a period of two hundred years, impacted hundreds of thousands of lives, and were marked by unusual boldness, passionate proclamation, and an outpouring of Spiritual blessing on two continents.

[145] A similar confusion followed the success of those whose material fortunes resulted from their religious conversion in the 18th and early 19th centuries - as John Wesley was to lament

> The Methodists grow more and more self-indulgent, because they grow rich. And it is an observation which admits of few exceptions, than nine in ten of these decreased in grace, in the same proportion as they increased in wealth.... Does it not seem (and yet this cannot be) that Christianity, true scriptural Christianity, has a tendency to destroy itself?
> (quoted in Armstrong 1973, p. 95)

[146] cf. Stephen (1876), Hammond & Hammond (1918), Hobsbawm (1964), Thompson (1964), etc.

[147] published in a separate tract in the year 1762, under the title of "Cautions and Directions given to the Greatest Professors in the Methodist Societies,"

[148] See John Wesley, œ*A Short History of Methodism* (From the Thomas Jackson edition of *The Works of John Wesley*, 1872) for a brief account of the movement.

[149] As Gamm and Putnam (1999) claimed of the United States between 1760 and 1840,

> Methodist and Baptist churches flourished in this era ... In communities across the country, Americans established Bible and tract societies, missionary societies, temperance groups, and benevolent associations. Sunday schools, too, were organized in these years.

[150] As Tom Bates put it, describing the town of Cromford in his *Insider's Guide to Cromford* :

> The present-day village owes its existence to Richard Arkwright who was responsible for most of its construction; not only did he build an entire industrial complex of mills and workshops, but he also

built houses for his workers, a school, a chapel, and an inn in the Market Place.

[151] The often quoted successful organization and activity of the œGrameen Bank in Bangladesh over the past twenty five years is an excellent example of the way in which this kind of 'pump-priming' works when properly adapted to the understandings and organization of the communities within which it is developed. As its founder, Muhammad Yunus explained, in an interview on CBC,

> I came across a woman and she makes only two pennies a day by making bamboo stools. And I couldn't accept why anybody should work so hard and make only two pennies. And she explained why she makes two pennies: she doesn't have the money to buy the bamboo which goes into the bamboo store, so she has to borrow money from a trader, the trader who buys the final product. So he lends her the money to buy the bamboo. When he buys the final product, he offers her a price which barely covers the cost of all the raw materials. Her labor comes almost like free, like she works like a slave. So I said, look, this is so simple to solve. It doesn't need big theories to solve this.
> (1991)

His solution was to take the initiative away from those exploiting the woman, allowing her to reap the profit of her activity rather than allowing the lender to set the terms of the interaction. The result was the Grameen Bank.

> The loans average no more than seventy-five dollars - too small for other banks to even bother with - and yet with these loans people revolutionize their lives. The Grameen Bank is founded on a bold but simple idea that the answer to poverty is not charity but credit.

The Grameen Bank initially restricted its activities to destitute women, and, whether consciously or not, developed very similar patron-client relationships between the borrowers and lender as exist in the wider community. It has not, until recently, challenged existing structures but augmented them.

This is precisely why the Methodist system was so successful in the 18th and early 19th centuries and received so little opposition from those involved in business in the period. It emancipated those who were destitute from reliance on money lenders and others intent on exploiting them. This allowed them to build up their businesses in a protected environment. As the movement grew in strength, this allowed networks of business interaction to emerge based on similar principles.

[152] Campbell's (1871 Pt 1 P.1) explanation of the Archbishop's views is as follows:

> The Arch-Bishop's position is shortly this, - that mere savages - that is to say, "men in the lowest degree, or even anything approaching to the lowest degree, of barbarism in which they can possibly subsist at all - never did and never can, unaided, raise themselves into a higher condition"; that even when they are brought into contact with superior races, it is extremely difficult to teach them the simplest arts; that they "seem never to invent or discover anything," because even "necessity is not the mother of invention except to those who have some degree of thoughtfulness and intelligence"; that whatever the natural powers of the human mind

> may be, they require to have some instruction from without wherewith to start.
>
> He holds it to be "a complete moral certainty that men left unassisted in what is called a state of nature - that is, with the faculties Man is born with not at all unfolded or exercised by education - never did, and never can, raise themselves from that condition." Therefore, "according to the present course of things, the first, introducer of civilization among savages is, and must be, man in a more improved state."

153 œLetter to Colonel Edward Carrington, Paris, January 16, 1787

154 The 'trickle down' theory of economics is not the preserve of the 20th and this century, it has been an implicit presumption of capitalism since the late 17th century. John Locke popularised the idea in the 1690s,

> God gave the world to men in common; but... it cannot be supposed he meant it should always remain common and uncultivated. He gave it to the use of the industrious and rational (and *labor* was to be *his title* to it). (1982, p.21).

See Robert Frank (*The New York Times*, April 12th 2007) œIn the Real World of Work and Wages, Trickle-Down Theories Don't Hold Up for a discussion of the practice in the later 20th and this century. Experiences in the 18th and 19th centuries did little to convince the poor that if the rich got richer so would they!

155 It seems almost inevitable that those living inside the bubble of capitalism will see everything beyond it as a wasteland which needs to be reclaimed. From the missionary movement of the past 250 years; to the 'colonial endeavor' of the 19th and 20th centuries; to the 'development' drive of the past sixty years, Western Europeans have dedicated lives, time and resources to attempting to 'save', 'reclaim' and 'develop' the 'heathen', 'primitive' and 'undeveloped' of the world.

156 It is a little difficult to see how this description fits the current crop of 'financial wizards' and their unconditional bonuses!

157 See The nature of feudalism for more on this.

158 The reference to runaway apprentices and 'gentlemen's servants' makes sense to present ears only when the attitudes to apprenticeship which had evolved over the preceding two centuries are understood.

In 16th century Tudor England, responsible citizens were faced with burgeoning numbers of displaced people. They 'clogged the highways and byways' and presented a menace to 'decent' citizenry. One of the remedies devised for dealing with displaced children and the children of paupers during the period was to place them in apprenticeships. As Henry Craik (1884, p. 6) put it,

> It was under the reign of Henry VIII that the chief apprentice laws were added to the Statutes book; and under them, children between five and thirteen who were found begging or idle were to be bound apprentices to some handicraft. The apprenticeship laws were compulsory upon master and servant alike.

Charlotte Neff (1996) explained that this, from the outset, resulted in two forms, 'trade' and 'pauper', apprenticeships being recognized in England.

By the 18th century, pauper apprenticeships had (from a less than auspicious beginning)

> grown into what was often little less than serfdom or slavery (Craik, 1884, p. 9).

The situation did not improve through the century. Speaking of the early 19th century, John Burnett claimed that,

> apprenticeship survived only in the wretched bondage to which pauper children were sometimes subjected by penny-pinching poor law administrators.
> (1974, p. 23)

It became commonplace for children who found themselves bound in often very abusive relationships, to run away and join the floating population of 'idle poor'. That population, through the 18th century, grew constantly larger as the policies of reformers took effect.

[159] Practice of economic relief for the poor that was adopted over much of England following a decision by local magistrates at the Pelican Inn, Speenhamland, near Newbury, Berkshire, on May 6, 1795. Instead of fixing minimum wages for poor laborers, the practice was to raise workingmen's income to an agreed level, the money to come out of the parish rates. This allowance was designated as the price of 3 gallon loaves a week for each man (a gallon loaf was 8 1/2 pounds [about 4 kilograms]) plus the cost of 1 1/2 loaves each for a wife and every child. The money was to cover all expenses. This allowance system lasted until the enactment of the Poor Law Amendment (1834).

Contemporary commentators and modern historians alike have condemned the system; the former claim it encouraged the poor in idleness, while the latter stress the opportunity it gave unscrupulous employers and landlords to reduce wages and raise rents respectively, knowing their depredations would be redressed from the public pocket. ("Speenhamland system". (2010). In *Encyclopedia Britannica*. Retrieved February 08, 2010, from Encyclopedia Britannica Online: œhttp://www.britannica.com/EBchecked/topic/559184/Speenhamland-system)

[160] See Living within the Environmental Means for more on this

[161] See Capitalism and the Nature of Work for more on this

[162] This same criticism has commonly been made by 'development' experts dealing with people in 'under-developed' countries. One cannot rely on people turning up for work when they should. They all-too-often find something else they would rather be doing!

Of course, the Western belief in the vital importance of 'work' is ideological in nature. The term 'work' encompasses a set of peculiar meanings in Western communities (see Nature of Work). It is closely related to the Western emphasis on production, consumption and accumulation in determining and maintaining status, and, when taken from that context, loses a great deal of its moral significance.

When status is attained and maintained by other means, work, in the sense of labor, becomes something one has to do, but in which one engages only to the extent required for particular, quite specific purposes. Once the particular objectives have been reached, people stop working until another objective spurs them once more to labor. The central activities of their lives are focused by the social template through which status and prestige are spelt out and contextualized.

They are not, as McClelland (1976) suggested people in any society should be, 'achievement motivated'. Goal oriented behavior is closely

allied to the Western drive to 'realize one's potential' (see fulfillling One's Potential for more on this).

[163] In "an epistle to all the slothful and careless people" John Bunyan wrote:

> WHAT SHALL I SAY? Time runs; and will you be slothful? Much of your lives are past; and will you be slothful?
>
> Your souls are worth a thousand worlds; and will you be slothful?
>
> The day of death and judgment is at the door; and will you be slothful?
>
> The curse of God hangs over your heads; and will you be slothful?
>
> Besides, the devils are earnest, laborious, and seek by all means every day, by every sin, to keep you out of heaven, and hinder you of salvation; and will you be slothful?
>
> Also your neighbors are diligent for things that will perish; and will you be slothful for things that will endure for ever?
>
> Would you be willing to be damned for slothfulness?
>
> Would you be willing the angels of God should neglect to fetch your souls away to heaven when you lie a-dying, and the devils stand by ready to scramble for them?
>
> Was Christ slothful in the work of your redemption? Are his ministers slothful in tendering this unto you?
>
> And, lastly, If all this will not move, I tell you God will not be slothful or negligent to damn you - whose damnation now of a long time slumbereth not - nor the devils will not neglect to fetch thee, nor hell neglect to shut its mouth upon thee.
> (œJohn Marshall 1698)

[164] See Born Again Capitalists

[165] See From the Subversion of Tradition to Plotting the Future for more on this.

[166] See The emergence of time as currency for more on this. Also, Hatcher (1994) for a discussion of the consequences of the 14th century plagues.

[167] This problem is not one of simply historical interest. In the present, in non-Western countries, very similar problems of dispossession, inflation of living costs and degradation of land are forcing growing numbers of people out of rural areas and into towns and cities. And, as numbers have multiplied and associated problems of social dislocation and inadequate living conditions have snowballed, governments and international agencies have seen the problem, not as one of dispossession and extortion, but as one of 'development'.

This is remarkably similar to the response which was made in 18th century western Europe to the problems of the age. Only through 'progress' could the problems of poverty be dealt with. And that progress, so far as those in authority were concerned, required the policies, which were resulting in the dispossession and eviction of small-holders, being promoted throughout the country.

[168] Search on the phrase "without benefit of clergy" in the following text, œCommentaries on the Laws of England by William Blackstone (1765), for further information. As Blackstone explained:

> ...In China murderers are cut to pieces, and robbers not: hence in that country they never murder on the highway, though they often rob. And in England, besides the additional terrors of speedy execution, and a subsequent exposure or dissection, robbers have a hope of transportation, which seldom is extended to murderers. This has the same effect here as in China: in preventing frequent assassination and slaughter.
>
> Yet, though in this instance we may glory in the wisdom of the English law, we shall find it more difficult to justify the frequency of capital punishment to be found therein; inflicted (perhaps inattentively) by a multitude of successive independent statutes, upon crimes very different in their natures.
>
> It is a melancholy truth, that among the variety of actions which men are daily liable to commit, no less than an hundred and sixty have been declared by act of parliament to be felonies without benefit of clergy; or, in other words, to be worthy of instant death. So dreadful a list, instead of diminishing, increases the number of offenders.
> (BOOK 4, CHAPTER 1, Of the Nature of Crimes; and Their Punishment)

[169] See Time and work for more on this.

[170] Furniss provides a number of other examples of this kind of intervention. As he says:

> William Bailey, as an introduction to his scheme, stated the benefit which all advocates of the workhouse expected from that institution:
>
> > Employing the poor in parish workhouses will very much promote the commerce, wealth and peace of this kingdom. These houses will also become proper schools to train up the children of the poor to religion, sobriety and industry. ... They will like-wise be nurseries for spinners, weavers, and other artificers ... and give occasion to the exercise of many other trades and useful employments [William Bailey, *A Treatise* (1758), p. 1.].
>
> Apparently seven decades of disappointing experience had not freed the mind of this writer from the illusion that direct economic benefits would flow from the employment of the people at artificial occupations in houses of industry. He affirmed that it had been the want of proper direction, rather than a fault of principle, that had caused all efforts at creating employment to fail of their purpose, and proposed again that the labor of the poor should be so directed as to compete with no established manufacture:
>
> > Linen cloth would be obtained from the labor of our own poor and employment and subsistence furnished for a multitude of men, women and children. ... Whereas at present immense sums are sent abroad to feed, clothe, and enrich the poor, the landlords, the manufacturers and the merchants of foreign countries.
>
> (Furniss 1920 pp. 115-6)

[171] Quotation from a letter to his daughter in 1777, in his memoirs: œ*Memoirs of the Life of the Right Hon. Sir John Eardley Wilmot, Knt, late Lord Chief Justice of the Court of Common Pleas, and one of His Majesty's most Honourable Privy Council: with some Original Letters.* By

John Wilmot, Esq., White and Co (The Second Edition, with Additions; 8vo. pp. 235.), 1811, p. 179.

[172] Hansard's Parliamentary Debates, First Series, Vol. IX col 798-806 (13 July 1807)

[173] See œRobert Raikes and Sunday Schools for a succinct discussion of the origins of the movement

[174] Thomas Jordan (1993) has summed up the value of education during the first half of the 19th century,

> In 1851, Henry Mayhew reported that costermongers sent their children to school only to "save the trouble of tending them" (Quennell 1969). In the early decades, reformers established Sunday schools to promote access to the Bible, although some of them were anxious about educating the poor beyond their presumed station in life.
>
> At a more political level, the tension between the Anglicans' National Society for Promoting the Education of the Poor in the Principles of the Established Church and the Chapel's British and Foreign Schools Society delayed reform of education. The National Society was the larger, and the Royal Lancasterian Society was smaller than either.
>
> Overall, the pattern of schooling was spotty in the early and middle decades of the 19th century, and Bedfordshire had the highest rate of illiteracy. Wolverhampton, according to the Morning Chronicle's special correspondent in 1851, had " ... 15,000 children in a space of a few square miles growing up in dense and total ignorance."
>
> It should be noted that education in the period owed much to the efforts of individuals. Hannah More, early in the 19th century, promoted literacy through Wesleyanism, Robert Raikes' Ragged Schools laid a foundation for later efforts, and Mary Carpenter directed her efforts toward delinquents through scholarship and penal reform.
>
> With the Elementary Education Act of 1870, the government finally undertook serious educational planning. A series of commissions from the Devonshire Report in 1872 subsequently undertook further reform of education. In 1902, public policy led to administrative changes and to promotion of secondary education.

[175] How little has changed in two and a half centuries!!

[176] Townsend has a grossly inadequate and ideologically distorted perception of the historical past, common to those who share - even now - his ideological understandings.

It is, unfortunately, still the case that gross distortions of history can be and are employed by many social commentators to support their views. It seems that, provided one states such distortions authoritatively and confidently, people who want to agree with the position being presented will readily accept and repeat the distortions.

(One should treat *anything* presented as history with caution. Always check the 'facts')

[177] See Thomas More's description of what happened in the 16th century for a more realistic, contemporary explanation.

[178] See Rosser (1997) for a discussion.

[179] See maximizing Profits Through The Law for more.

[180] This is a description which is all-too-often ignored by those who use Smith's writings to justify their positions:

> [In any confrontation between workers and employers] ...the common wages of labor, depends everywhere upon the contract usually made between those two parties, whose interests are by no means the same. The workmen desire to get as much, the masters to give as little as possible. The former are disposed to combine in order to raise, the latter in order to lower the wages of labor.
>
> It is not, however, difficult to foresee which of the two parties must, upon all ordinary occasions, have the advantage in the dispute, and force the other into a compliance with their terms. The masters, being fewer in number, can combine much more easily; and the law, besides, authorizes, or at least does not prohibit their combinations, while it prohibits those of the workmen. We have no acts of parliament against combining to lower the price of work; but many against combining to raise it.
>
> In all such disputes the masters can hold out much longer. A landlord, a farmer, a master manufacturer, a merchant, though they did not employ a single workman, could generally live a year or two upon the stocks which they have already acquired. Many workmen could not subsist a week, few could subsist a month, and scarce any a year without employment. In the long run the workman may be as necessary to his master as his master is to him; but the necessity is not so immediate.
>
> We rarely hear, it has been said, of the combinations of masters, though frequently of those of workmen. But whoever imagines, upon this account, that masters rarely combine, is as ignorant of the world as of the subject. Masters are always and everywhere in a sort of tacit, but constant and uniform combination, not to raise the wages of labor above their actual rate. To violate this combination is everywhere a most unpopular action, and a sort of reproach to a master among his neighbors and equals.
>
> We seldom, indeed, hear of this combination, because it is the usual, and one may say, the natural state of things, which nobody ever hears of. Masters, too, sometimes enter into particular combinations to sink the wages of labor even below this rate. These are always conducted with the utmost silence and secrecy, till the moment of execution, and when the workmen yield, as they sometimes do, without resistance, though severely felt by them, they are never heard of by other people.
>
> Such combinations, however, are frequently resisted by a contrary defensive combination of the workmen; who sometimes too, without any provocation of this kind, combine of their own accord to raise the price of their labor. Their usual pretences are, sometimes the high price of provisions; sometimes the great profit which their masters make by their work. But whether their combinations be offensive or defensive, they are always abundantly heard of.
>
> In order to bring the point to a speedy decision, they have always recourse to the loudest clamour, and sometimes to the most shocking violence and outrage. They are desperate, and act with the folly and extravagance of desperate men, who must either starve,

> or frighten their masters into an immediate compliance with their demands.
>
> The masters upon these occasions are just as clamorous upon the other side, and never cease to call aloud for the assistance of the civil magistrate, and the rigorous execution of those laws which have been enacted with so much severity against the combinations of servants, laborers, and journeymen.
>
> The workmen, accordingly, very seldom derive any advantage from the violence of those tumultuous combinations, which, partly from the interposition of the civil magistrate, partly from the necessary superior steadiness of the masters, partly from the necessity which the greater part of the workmen are under of submitting for the sake of present subsistence, generally end in nothing, but the punishment or ruin of the ringleaders.
> (1776, pp. 84-5)

[181] See Rosser (1997) for discussion of artisanal labor in both the medieval period and through the 18th and early 19th centuries. As he says,

> Crafts guilds and fraternities offered workers to distance themselves from the underclass, but it also provided access to masters and patrons. The networks created through work extended into the political and social lives of medieval workers.

Over more than five hundred years, the artisans of western Europe became separated from 'The Poor', a distinct grouping of people with their own networks and understandings of the world.

[182] See Attitudes of the 'little gentry' to the 'idle poor'.

[183] I first became aware of this divide during the early 1960s. I was truck driving for an old, well-established trucking firm and became aware that there were a few skilled employees who remained aloof. They were (quite literally) a dying breed by then but they still belonged to their working men's club and clearly considered themselves superior to the rest of us who were just 'common workers'.

[184] See A New Moral Leadership in the 18th century

[185] For a discussion of the *Summum Bonum* see In Search of the 'Greatest Good'. People living in Western communities continue to assume that they deserve the prosperity and wellbeing which capitalism has, by and large, delivered to the middle classes. The 'problems' of the 'non-western' world (or even of their own poor and marginalized) are not their concern. In true capitalist style, the victims have brought it on themselves. The remedy is at hand: summed up in that wonderfully myopic absurdity "teach a man to fish and he has food for life" - in oceans rapidly being emptied by the fishing fleets of capitalism.

[186] A final comment on the nature of 19th century capitalism by Alexis de Tocqueville (1835) after his visit to Manchester:

> Look up and all around this place you will see the huge palaces of industry. You will hear the noise of furnaces, the whistle of steam.
>
> These vast structures keep light and air out of the human habitation which they dominate; they envelope them in perpetual fog; here is the slave, there the master; there the wealth of some, here the poverty of most; there the organized effort of thousands produce, to the profit of one man, what society has not yet learned to give. Here the weakness of the individual seems more feeble and helpless

> even than in the middle of a wilderness; here the effects, there the causes.
>
> A sort of black smoke covers the city. The sun seen through it is a disc without rays. Under this half-daylight 300,000 human beings are ceaselessly at work. A thousand noises disturb this damp, dark labyrinth, but they are not at all the ordinary sounds one hears in great cities....
>
> From this foul drain the greatest stream of human industry flows out to fertilise the whole world. From this filthy sewer pure gold flows. Here humanity attains its most complete development and its most brutish; here civilization works its miracles, and civilized man is turned back into a savage.
> (œ1958 pp. 107-108)

187 436 Robert Steinfeld (2007) described the legal developments affecting union activity in the 1870s,

> An initial attempt at a new "settlement" was made by a Liberal government in 1871, which passed the "Trade Union Act" to accord legal recognition to unions, and the Criminal Law Amendment Act to loosen criminal restrictions on collective activity. But union officials reacted with hostility to certain aspects of the Criminal Law Amendment Act. Its clause on picketing, in particular, became especially controversial. And the courts proceeded to inflame this situation by basing a criminal prosecution for conspiracy on a group violation of the Master and Servant act.
>
> In 1875 a Conservative government, which had recently replaced the Liberal government in an electoral upset, implemented a more stable "settlement" that endured for a number of decades.
>
> The new "settlement" was effected by the passage of two new pieces of legislation, the "Employers and Workmen Act," which eliminated criminal penalties for breaches of employment contracts in most cases, and the "Conspiracy and Protection of Property Act," which repealed the Criminal Law Amendment Act, revised the controversial picketing clause, and completely removed trade disputes between employers and workmen from the reach of the common law of criminal conspiracy.
>
> This legislation bestowed on unions broad freedoms (and greater power) to conduct the economic struggle for life in capitalist society. (2007, p. 663)

188 I have a great admiration for the dedication of ordinary Salvation Army officers, often working on their own in the remaining wastelands of the West. In my wanderings I have seen them accept, with amazing patience and kindness, practical responsibility for the dispossessed, the homeless and the outcasts of Western communities - yes, they still exist, and in growing numbers!

189 See A New Moral Leadership and Support Network for more on this.

190 Pasha of Egypt and Inspector General of the British Army in The Sudan.

191 It would take another fifty years for many of the entitlements which, over the past half century, most Western workers have seen as basic, to be securely written into law in most Western nations - such as the forty hour week and two weeks paid annual leave.

Memory is short. In the past thirty years increasing numbers of Western people have accepted the deregulated capitalist argument that such 'luxuries' are not sustainable. They seem to have forgotten (or don't know about) the bitter experiences of the West's Poor in previous centuries (with whom, of course, they don't identify - see What shall we do with The Poor for more on this). Unthinking believers in the 'power of the marketplace' are allowing hard-won employment conditions to be eroded.

[192] A few quotations from influential Western Europeans set the scene:

> We must find new lands from which we can easily obtain raw materials and at the same time exploit the cheap slave labor that is available from the natives of the colonies. The colonies would also provide a dumping ground for the surplus goods produced in our factories.
> (Cecil Rhodes, Founder of Rhodesia. [Now Zambia and Zimbabwe])
>
> The colonial question is, for countries like ours which are, by the very character of their industry, tied to large exports, vital to the question of markets ... From this point of view ... the foundation of a colony is the creation of a market.
> (Jules Ferry, Speech to the French House of Deputies, July 1885)
>
> We have spoken already of the vital necessity of new markets for the old world. It is, therefore, to our very obvious advantage to teach the millions of Africa the wants of civilization, so that whilst supplying them, we may receive in return the products of their country and the labor of their hands.
> (Lord Lugard, British Governor of Nigeria.)
>
> The most useful function which colonies perform .. . is to supply the mother country's trade with a ready-made market to get its industry going and maintain it, and to supply the inhabitants of the mother country - whether as industrialists, workers or consumers - with increased profits, wages or commodities.
> (Paul Leroy-Beaulieu, *De la Colonisation chez les Peuples Modernes*, 1874.)
> (From *Ecologist* Vol 20 No 6 - November / December 1990 pp. 201-2)

[193] Experiences in the first decade of the 21st Century have once again demonstrated the validity of this assertion (see Revitalization Movements and Fundamentalism for more on this).

[194] This was the start of the Boer War in South Africa, reminiscent of the Iraq adventure of the 1st decade of this century - what is it about the start of centuries and the West?

[195] See Achebe (1969); Césaire (1972) Fanon (1967); Kenyatta (1965); Memmi (1967) for descriptions of European colonisation from the perspective of the colonized and Mphahlele (1959) for a description of life for non-Europeans in South Africa *before* apartheid.

[196] to the Inter-Allied School of Higher Social Studies, University of Paris

As Alphonse Karr (1849) put it "plus ça change, plus c'est la mème chose" (The more it changes, the more it is the same).

[197] included in *The Modern Traveler* (1898)

[198] And as any well trained *Third World Development* person of the past 50 years would tell you...

[199] Edward Goldsmith (1997) suggests that this mission is still strong in Western understanding of their responsibility for those who are, even now, 'undeveloped' (see Development as Colonialism):

> The massive effort to develop the Third World in the years since the Second World War was not motivated by purely philanthropic considerations, but by the need to bring the Third World into the orbit of the Western trading system in order to create an ever-expanding market for the West's goods and services and to gain a source of cheap labor and raw materials for its industries.
>
> This was also the goal of colonialism, especially during its last phase which started in the 1870s.
>
> For that reason, there is a striking continuity between the colonial era and the era of development, both in the methods used to achieve their common goal and in the social and ecological consequences of applying them. With the development of the global economy, we are entering a new era of corporate colonialism that could be more ruthless than the colonialism that preceded it. (1997 p. 69)

[200] Rudyard Kipling, 1899. 'Take up the White Man's Burden', *McClure's Magazine,* New York and London

The full poem is below:

> Take up the White Man's burden -
> Send forth the best ye breed -
> Go bind your sons to exile
> To serve your captives' need;
> To wait in heavy harness,
> On fluttered folk and wild -
> Your new-caught, sullen peoples,
> Half-devil and half-child.
>
> Take up the White Man's burden -
> In patience to abide,
> To veil the threat of terror
> And check the show of pride;
> By open speech and simple,
> An hundred times made plain
> To seek another's profit,
> And work another's gain.
>
> Take up the White Man's burden -
> The savage wars of peace -
> Fill full the mouth of Famine
> And bid the sickness cease;
> And when your goal is nearest
> The end for others sought,
> Watch sloth and heathen Folly
> Bring all your hopes to nought.
>
> Take up the White Man's burden -
> No tawdry rule of kings,
> But toil of serf and sweeper -
> The tale of common things.
> The ports ye shall not enter,
> The roads ye shall not tread,

Go mark them with your living,
And mark them with your dead.

Take up the White Man's burden -
And reap his old reward:
The blame of those ye better,
The hate of those ye guard -
The cry of hosts ye humor
(Ah, slowly!) toward the light: -
"Why brought he us from bondage,
Our loved Egyptian night?"

Take up the White Man's burden -
Ye dare not stoop to less -
Nor call too loud on Freedom
To cloke your weariness;
By all ye cry or whisper,
By all ye leave or do,
The silent, sullen peoples
Shall weigh your gods and you.

Take up the White Man's burden -
Have done with childish days -
The lightly proferred laurel,
The easy, ungrudged praise.
Comes now, to search your manhood
Through all the thankless years
Cold, edged with dear-bought wisdom,
The judgment of your peers!
(Rudyard Kipling *McClure's Magazine* 1899)

[201] See Responsibility for securing the future for more on this.

[202] See From personalized, cooperative hierarchical relationships to object-oriented, competitive oppositional relationships and What shall we do with The Poor for more on this.

[203] Having been involved with and observing those involved in this business (both religious and secular) through most of my life, I know that almost all of them deeply believe in what they're doing. They find it incomprehensible that someone like myself should question the importance of their activities.

[204] See Primary and Secondary Ideologies for more on this.

[205] This belief is as strong now as it has been over the past hundred years. Western nations and communities send personnel and provide financial support to dozens of 'aid' organizations which are committed to providing education, 'life skills' and 'work skills' to the impoverished of the world.

[206] See People and recognized Environments for more on this.

[207] It was this intuitive recognition of the truth of the basic principles underpinning his ideas which was used by Stanley Jevons (who was one of the pioneers in spelling out the basic principles of neo-classical economics) in 1871, as evidence in his argument for the universal validity of economic propositions. As he says,

> The science of economics, however, is in some degree peculiar, owing to the fact, pointed out by J. S. Mill and Cairnes, that its

> ultimate laws are known to us immediately by intuition...
> (1970, p. 88).

What is known "intuitively" is that which is fundamental to processes of thought, action, interaction and organization in any community, those forms and understandings which constitute the principles and presumptions of the primary ideologies of communities (see Primary and Secondary Ideology). These are, of course, specific to particular communities, so, what makes "intuitive sense" in one community may well seem less than rational in another.

[208] See Unravelling Empires for more on this. Western 'experts' have, time and again, demonstrated their unshakable faith in the present and future universal validity and efficacy of their forms of governance and 'development'.

The number of conferences and learned papers (particularly by economists) on 'sustainable development' and 'degrowth' has proliferated over recent years (another 'growth industry'?). They are replete with optimistic assessments of the future (for one of the latest sets of conference papers see Giorgos Kallis *et al* 2010). This, despite the continued emphasis on economic growth and explosion in advertising expertise over the past fifty years.

However, Western middle classes (now the vast majority of Western community members (see The emergence of 'class')) are highly unlikely to develop 'sustainable' lifestyles. This would require them to drastically reduce their wants and needs. That could only happen, in the long-run, if they changed the basic drivers of their systems of status and prestige attainment and maintenance.

These are expressions of particular primary ideological presumptions of Western thought, action and organization (see Primary and Secondary Ideology). So, they are highly unlikely (in the short to medium-term) to be changed by the conscious decisions of individuals. We might, as individuals, determinedly reduce our needs and wants (I would recommend this only if you are able to truly dissociate yourself from the need for the approval and respect of others who remain within the system) but we should not delude ourselves that our lifestyles will change the course of Western civilization.

Of course, if more and more individuals adopt similar lifestyles, in the long-run it is likely that the basic drivers of Western systems of status and prestige attainment and maintenance will alter. However, the consequences of such change are all but impossible to predict.

[209] See From Feudalism to Capitalism for a summary of the processes through which Western Europeans moved from feudal to modern forms of meaning, interaction, organization and activity.

[210] See What shall we do with The Poor? for more on this. Also Thompson 1980, 1967; Polanyi 1957; Wilson 1969 for descriptions of the experiences of those on the receiving end of this four-century-long re-education program.

[211] See The Breakdown and Revitalization of Communities for more on the experiences of colonial territories.

[212] comprising those who had begun to reorder their lives by the emerging economic principles

[213] Comprising those who were not ordering their lives by the new economic presumptions. Were Third World governments to implement

some of the measures used by Western Europeans during this re-education period, Western nations would be the first to loudly protest the inhumane treatment and insist that those governments be pressured to change their policies.

[214] It has become fashionable to use the term "class" in defining variant socio-economic groupings in communities. This, however, too easily links the features of 19th century classes to what is a very different phenomenon. The "lower classes" were not simply the economically disadvantaged, they were the groups within the community who were being re-educated to take their place within a capitalist system. People who have already accepted that their lives should be organized in terms of capitalism can still find themselves economically disadvantaged, but they are not members of the "lower classes" as traditionally defined.

[215] Because these principles are even more fundamental than linguistic principles (indeed they underpin linguistic principles), while the superficial organization of life might be changed as a result of Western pressures, the underlying rationale for behavior will remain very consistent through time.

Communities might appear to change and adapt when they are forced to accept new ways of organization. However, over time, those new ways inevitably become reshaped to make them consistent with the underlying cognitive principles and structures through which community members make sense of themselves and their worlds.

As anthropologists have come to realize over the past thirty years, the term *culture* should not be seen as referring to immutable forms of organization, interaction and meaning. The *surface features* of human community, which include what has over the past century been referred to as culture, can change considerably, yet remain consonant with the underlying principles expressed in those surface forms. So, all "cultural" change within communities must be understood in terms of the fundamental cognitive principles which order both thought and community (see Primary and Secondary Ideology)

[216] Longer than the time-span of Western European occupation of North America!

[217] See Stefan Mair, 2008, œA New Approach: 'The Need to Focus on Failing States' (in *Harvard International Review*, Vol. 29, No. 4, Winter 2008) for a balanced discussion of the nature of failed states and reality of their threat to 'international security'.

As President Obama claimed in 2009,

> Africa's future is up to Africans... Africa's destiny lies in her own hands and the solutions to her myriad problems lie in Africa itself-not inside the corridors of the World Bank or the inner sanctum of the Oval Office or the Kremlin. Moreover, Africa's salvation lies in returning to and building upon its own indigenous institutions and heritage.
> (July 2009 speech in Accra, Ghana)

See George Ayittey (2010) for a contextualisation of the above quotation.

[218] The rationality of a community is, of course, always relative to its cognitive frame.

[219] See

- œLand Rights in Africa
- œGrowing a Better Future: Food justice in a resource-constrained world (Robert Bailey, *Oxfam International* July 2011);
- Klaus Deininger and Derek Byerlee *et al* 2011, œRising global interest in farmland : can it yield sustainable and equitable benefits?, *The International Bank for Reconstruction and Development/The World Bank*;
- œThe tragedy of public lands: The fate of the commons under global commercial pressure (Liz Alden Wily, *International Land Coalition*, January 2011)

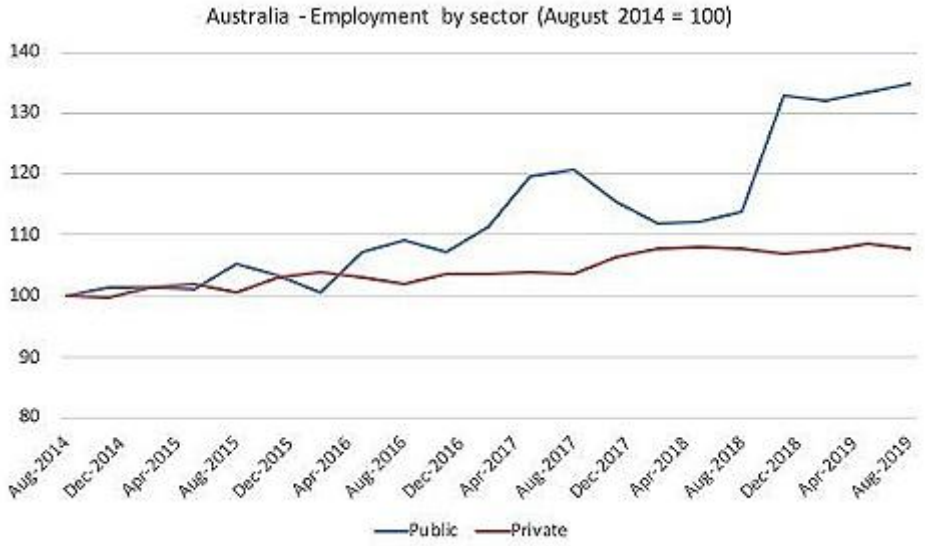
for more on this.

As Wily (2011) explained,

> Of course, neither foreign-driven nor more locally driven land acquisition at scale is new. Millions of hectares of customary domains around the world have already been involuntarily lost to large-scale commercial land pressures, such as through
>
> (i) allocation to settler communities during colonial times;
>
> (ii) the creation of 1.7 billion hectares of forest and wildlife reserves, as described earlier;
>
> (iii) the issue of concessions amounting to millions of hectares for oil, mining, and timber extraction; and
>
> (iv) establishment of large-scale farming schemes involving limited numbers of local farmers, such as seen most typically in recent years in Brazil, in the mechanised farming schemes of central Sudan of the 1970s and 1980s, in the groundnut scheme in Tanzania in the 1950s, in the rubber plantation developments by Firestone in Liberia since the 1920s, or indeed, going much further back, in the initial oil palm plantation developments, especially along the western coast of Africa, in the late 19th century.
>
> Nevertheless, the current wave of large-scale land acquisition (LSLA) in poor agrarian economies is deservedly referred to as a "land rush", given its scale and short timeframe (since 2007). "The demand for land has been enormous. Compared to an average annual expansion of global agricultural land of less than 4 million hectares before 2008, 45 million worth of large scale farmland deals were announced even before the end of 2009," according to the œWorld Bank (2011 p. xiv). Confirmed leases issued from 2007 to the end of 2009 were in the region of 20 million hectares in the lands of some 33 host lessor states, all but one or two of which are developing countries.
>
> The sheer scale of this globalized land acquisition at scale is indicative of a tipping-point in the globalization of the land market. It signals the opening up of virtually all economies and land classes to externally derived land purchases or leases. This is unlikely to be reversible. The implications for polarisation in the ownership of natural resources are immense. They are also alarming, considering that they occur in environments where industrialisation has not taken off and where opportunities for alternative wage employment for those deprived of their land are scarce.

220 Despite Roland Rust's focus on private sector employment, in the neoliberal world of the past half century private sector employment possibilities in Western nations have stagnated. The reality is that, in order to maintain acceptable levels of unemployment, governments have stepped into the breach. Bill Mitchell has described the 2014-19 Australian scene:

> Since August 2014 (when this data first became available), total public sector employment has risen by 34.7 per cent whereas total private sector employment has risen by only 7.8 per cent.
>
> Combined, total employment has risen by 11 per cent.
>
> The following graph shows the evolution of the two series - noting the expansion of public employment over the last 12 months. Private employment growth has stagnated over the last two years.



> The following supporting statistics are relevant for the same period:
>
> 1. Full-time employment growth: Public 32.6 per cent; Private 6.3 per cent, Total 9.8 per cent.
> 2. Part-time employment growth: Public 40.6 per cent; Private 10.8 per cent, Total 14.0 per cent.
> 3. Public sector employment is now 15.1 per cent of the total whereas in the August-quarter 2014 the proportion was 12.6 per cent.
> 4. Part-time employment has risen from 31.2 per cent of the total in the August-quarter 2014 to 32 per cent in the August-quarter 2019.
>
> As I noted in the blog post - œRBA cuts rates as a futile exercise as Dr Schwarze Null demands fiscal action (October 2, 2019) - the shift to public sector employment has intensified in the last year (see also previous graph).
>
> We now have the stunning result that over the 12 months to the August-quarter 2019, 312 thousand jobs have been created (net) in Australia, of which 301 thousand (96.5 per cent) of those net jobs have been in the public sector. The private labour market is thus stagnating.
> (Bill Mitchell - Modern Monetary Theory, œGovernments can always create jobs if they choose, October 10, 2019)

Later in this blog posting he has discussed the "Australian Occupational Classification divided by Above-average, Below-average and Low Pay".

In a previous blog post he has explained the remuneration direction of US wages through 2019:

> In the past, I have demonstrated that the proportion of jobs in the total employment in sectors that pay below-average pay has increased.
>
> But at that level of aggregation, we are unable to say whether these jobs in question were high-pay or low-pay. The next table helps to expand on that understanding.
>
> It shows the net job losses (in the downturn) and net job gains (in the recovery to date) for the major occupations in the BLS classification.
>
> I have sorted the occupations relative to median weekly earnings as at the second-quarter 2019.
>
> Low-pay is 75 per cent of the median.
>
> Summary results:
>
> 1. In the downturn 90.6 per cent of the jobs lost were in occupations that paid below median weekly earnings (1.3 per cent of those were in low-paid occupations). Very few jobs (relatively) were lost in the higher paying occupations.
> 2. Given 86.1 per cent of the total jobs lost in the downturn were in sectors paying above average pay. The inference is that the jobs lost were predominantly the lower paying jobs in those sectors (although we cannot strictly compare mean and median in a wage distribution given the skewness).
> 3. In the upturn to date, the net jobs added have not yet replaced those lost in the occupations with below median weekly earnings. 58 per cent of the net jobs added have been in occupations with above median weekly earnings.
> 4. While only a small number and proportion of jobs were lost in the low-pay occupations, the recovery has seen a much larger number of those jobs being added. Of the 42 per cent share of below median earning jobs added in the recovery, the proportion that are in low-pay occupations is currently 18 per cent.
> 5. This tells us that there is a polarisation going on in the occupational employment structure with a bias towards low-pay jobs in the below median weekly earnings occupations and towards jobs in the above median weekly earnings.
> 6. That is there has been a hollowing out around the overall median pay levels.

	Downturn 000s	Recovery 000s	Downturn Per cent	Recovery Per cent
Above-median weekly wages	**-971**	**12572**	**9.4**	**58.0**
Management, business, and financial operations	-521	6117	5.1	28.2
Professional and related	332	6066	-3.2	28.0
Installation, maintenance, and repair	-782	389	7.6	1.8
Below-median weekly wages	**-9338**	**9097**	**90.6**	**42.0**
Sales and related	-1432	583	13.9	2.7
Office and administrative support	-1812	-24	17.6	-0.1
Construction and extraction	-2691	1372	26.1	6.3
Production	-2139	1106	20.7	5.1
Transportation and material moving	-1131	2153	11.0	9.9
Low-pay (< 75 median weekly wages)	**-133**	**3907**	**1.3**	**18.0**
Service	0	3540	0.0	16.3
Farming, fishing, and forestry	-133	367	1.3	1.7
Total	**-10309**	**21669**	**100.0**	**100.0**

> (Bill Mitchell - Modern Monetary Theory, œUS labour market slower but unemployment reaches lows not seen since the late 1960s, Monday, October 7, 2019)

See Jennifer Hunt and Ryan Nunn, œIs Employment Polarization Informative About Wage Inequality and Is Employment Really Polarizing? (NBER Working Paper No. 26064, Issued in July 2019) for a rather different take on job polarization. As they summarize:

> Equating a job with an individual rather than an occupation, we re-examine whether U.S. workers are increasingly concentrated in low and high-wage jobs relative to middle-wage jobs, a phenomenon known as employment polarization. By assigning workers in the CPS to real hourly wage bins with time-invariant thresholds and tracking over time the shares of workers in each, we do find a decline since 1973 in the share of workers earning middle wages.
>
> However, we find that a strong increase in the share of workers in the top bin is accompanied by a slight decline in the share in the bottom bin, inconsistent with employment polarization. Turning to occupation-based analysis, we show that the share of employment in low-wage occupations is trending up only from 2002-2012, and that the apparent earlier growth and therefore polarization found in the literature is an artefact of occupation code redefinitions. This new timing rules out the hypothesis that computerization and automation lie behind both rising wage inequality and occupation-based employment polarization in the United States.

Also, Neil Irwin, œJobs Numbers for the Optimists, the Pessimists, and Everybody in Between (The Upshot, *New York Times*, October 4, 2019). As he concludes:

> So where do all these competing signals leave us? Where does someone who is neither a president seeking re-election, a central banker seeking steadiness nor a stone-cold pessimist conclude that things stand?

> The slowing wage growth paired with low unemployment is a genuine conundrum. It should make the Federal Reserve even more skeptical of the theoretical relationships between jobs, wages and inflation that have traditionally driven its policy choices.
>
> In particular, the longer the United States carries on with sub-4 percent unemployment with no negative consequences, the stronger the case for testing just how low things can go.
>
> But the rest of these results are not particularly surprising, nor inconsistent with one another. Slower job growth is nothing to mourn if it takes place as the economy inches closer and closer to full employment. And that it is taking place with continued gains in the share of prime-age adults working means the job market is still going in the right direction, at least in terms of creating jobs.

A comment by J.I.M. on the above piece by Irwin is apposite:

> The unemployment rate is not a reliable way to gauge the general level of employment. It has many flaws that don't take into account important factors about employment and wages. Just because someone is employed under the official criteria in the unemployment rate doesn't mean that they have a good job. People at the bottom often have two or more jobs just to get by.
>
> The actual living wage employment is in bad shape. Overall wages have fallen. Housing costs are up. Child care costs a fortune. They have no savings because it has already been wiped out or they just don't have enough money that they can afford to save. One unforeseen expense like car repair or illness could render them homeless.

221 The relevant section of the report is as follows:

> The fundamental problem posed by the cybernation revolution in the U.S. is that it invalidates the general mechanism so far employed to undergird people's rights as consumers. Up to this time economic resources have been distributed on the basis of contributions to production, with machines and men competing for employment on somewhat equal terms. In the developing cybernated system, potentially unlimited output can be achieved by systems of machines which will require little cooperation from human beings. As machines take over production from men, they absorb an increasing proportion of resources while the men who are displaced become dependent on minimal and unrelated government measures - unemployment insurance, social security, welfare payments. These measures are less and less able to disguise a historic paradox: That a substantial proportion of the population is subsisting on minimal incomes, often below the poverty line, at a time when sufficient productive potential is available to supply the needs of everyone in the U.S.
>
> ...There is no question that cybernation does increase the potential for the provision of funds to neglected public sectors. Nor is there any question that cybernation would make possible the abolition of poverty at home and abroad. But the industrial system does not possess any adequate mechanisms to permit these potentials to become realities. The industrial system was designed to produce an ever-increasing quantity of goods as efficiently as possible, and it was assumed that the distribution of the power to purchase these goods would occur almost automatically. The continuance of the

> income-through jobs link as the only major mechanism for distributing effective demand - for granting the right to consume - now acts as the main brake on the almost unlimited capacity of a cybernated productive system.
>
> ...An adequate distribution of the potential abundance of goods and services will be achieved only when it is understood that the major economic problem is not how to increase production but how to distribute the abundance that is the great potential of cybernation. There is an urgent need for a fundamental change in the mechanisms employed to insure consumer rights.
> (œAD Hoc Committee on the Triple Revolution (1964))

222 (09/02/16) Robert Skidelsky has addressed this question in 2019 (the article - referenced below - provides supporting web information on the various points made). However, I do think that his argument that historically 'hours of work have fallen and real incomes have risen' needs a great deal of qualification. Both Western colonization of the rest of the world through the 17th to the 20th centuries and the hyper-globalization of the past several decades have simply shifted the focus of exploitation from Western to other communities and nations:

> Surveys from round the world show that people want secure jobs. At the same time, they have always dreamed of a life free from toil. The "rise of the robots" has made the tension between these impulses palpable.
>
> Estimates of job losses in the near future due to automation range from 9% to 47%, and jobs themselves are becoming ever more precarious. Yet automation also promises relief from most forms of enforced work, bringing closer to reality Aristotle's extraordinary prediction that all needed work would one day be carried out by "mechanical slaves," leaving humans free to live the "good life." So the age-old question arises again: are machines a threat to humans or a means of emancipating them?
>
> In principle, there need be no contradiction. Automating part of human labor should enable people to work less for more pay, as has been happening since the Industrial Revolution. Hours of work have fallen and real incomes have risen, even as the world's population increased sevenfold, thanks to the increased productivity of machine-enhanced labor. In rich countries, productivity - output per hour worked - is 25 times higher than it was in 1831. The world has become steadily wealthier with fewer man-hours of work needed to produce that wealth.
>
> Why should this benign process not continue? Where is the serpent in the garden? Most economists would say it is imaginary. People, like novice chess players, see only the first move, not the consequences of it. The first move is that workers in a particular sector are replaced by machines, like the Luddite weavers who lost their jobs to power looms in the nineteenth century. In David Ricardo's chilling phrase, they become "redundant."
>
> But what happens next? The price of clothes falls, because more can be produced at the same cost. So people can buy more clothes, and a greater variety of clothes, as well as other items they could not have afforded before. Jobs are created to meet the shift in demand, replacing the original jobs lost, and if productivity growth continues, hours of work can fall as well.

> Notice that, in this rosy scenario, no trade unions, minimum wages, job protections, or schemes of redistribution are needed to raise workers' real (inflation-adjusted) income. Rising wages are an automatic effect of the fall in the cost of goods. Provided there is no downward pressure on money wages from increased competition for work, the automatic effect of technological innovation is to raise the standard of living....
>
> But while the need for policy intervention to channel automation to human advantage is beyond question, the real serpent in the garden is philosophical and ethical blindness. "A society can be said to be decadent," wrote the Czech philosopher Jan Patocka, "if it so functions as to encourage a decadent life, a life addicted to what is inhuman by its very nature."
>
> It is not human jobs that are at risk from the rise of the robots. It is humanity itself.
> (Robert Skidelsky, œThe AI Road to Serfdom?, *Project Syndicate*, February 21, 2019)

Robert Reich has given a depressingly realistic sketch of what is happening as the 21st century unfolds:

> How would you like to live in an economy where robots do everything that can be predictably programmed in advance, and almost all profits go to the robots' owners?
>
> Meanwhile, human beings do the work that's unpredictable - odd jobs, on-call projects, fetching and fixing, driving and delivering, tiny tasks needed at any and all hours - and patch together barely enough to live on.
>
> Brace yourself. This is the economy we're now barreling toward.
>
> They're Uber drivers, Instacart shoppers, and Airbnb hosts. They include Taskrabbit jobbers, Upcounsel's on-demand attorneys, and Healthtap's on-line doctors.
>
> They're Mechanical Turks.
>
> The euphemism is the "share" economy. A more accurate term would be the "share-the-scraps" economy.
> (Robert B. Reich, œThe Share-the-Scraps Economy, Monday, February 2, 2015).

Carl Frey and Michael Osborne (2013) explored the susceptibility of jobs to computerization in the 21st century. As they summarized:

> We examine how susceptible jobs are to computerisation. To assess this, we begin by implementing a novel methodology to estimate the probability of computerisation for 702 detailed occupations, using a Gaussian process classifier. Based on these estimates, we examine expected impacts of future computerisation on US labour market outcomes, with the primary objective of analysing the number of jobs at risk and the relationship between an occupation's probability of computerisation, wages and educational attainment. According to our estimates, about 47 percent of total US employment is at risk. We further provide evidence that wages and educational attainment exhibit a strong negative relationship with an occupation's probability of computerisation.
> (Carl Benedikt Frey and Michael A. Osborne, œ*The Future Of Employment: How Susceptible Are Jobs To Computerisation?* ,

> Oxford Martin Programme on the Impacts of Future Technology, University of Oxford, September 17, 2013)

Ambrose Evans-Pritchard put the 2014 consequences of this revolution in a nutshell:

> "Wages don't matter any longer. Off-shoring was just a way station." We are back to reshoring, but without jobs. Welcome to our brave new world.
> (Ambrose Evans-Pritchard, œWill the 2nd Great Machine Age be a frightening jobless dystopia? Machines have been displacing jobs for years and the rate is accelerating, *The Telegraph*, 25 Jan 2014)

See 'The move to automation' for some of the reasons why the move to automation from the 1980s did not make Western workers' lives easier and free human beings to leisure activity.

See David Graeber, œOn the Phenomenon of Bullshit Jobs (August 17, 2013, *Strike! Magazine*) for an interesting take on how 'technology has been marshaled, if anything, to figure out ways to make us all work more'. As he says,

> ...rather than allowing a massive reduction of working hours to free the world's population to pursue their own projects, pleasures, visions, and ideas, we have seen the ballooning not even so much of the "service" sector as of the administrative sector, up to and including the creation of whole new industries like financial services or telemarketing, or the unprecedented expansion of sectors like corporate law, academic and health administration, human resources, and public relations. And these numbers do not even reflect on all those people whose job is to provide administrative, technical, or security support for these industries, or for that matter the whole host of ancillary industries (dog-washers, all-night pizza deliverymen) that only exist because everyone else is spending so much of their time working in all the other ones.
>
> These are what I propose to call "bullshit jobs."
>
> It's as if someone were out there making up pointless jobs just for the sake of keeping us all working. And here, precisely, lies the mystery. In capitalism, this is precisely what is not supposed to happen...

Jayati Ghosh has provided a range of possible responses to the possible loss of employment:

> There is a need to take a new look at technological change that threatens job security and workers' rights.
>
> The latest fear factor to hit the world relates to the disappearance of jobs. Everywhere now the buzz is about how technology is going to transform work - and reduce it dramatically. The Davos World Economic Forum Chief Executive Officer Klaus Schwab (whose book *The Fourth Industrial Revolution* was released recently) is just the latest in a long line of recent predictors of this gloomy possibility. From 3-D printing to robots that perform not just some basic services but even more skilled activities such as accountancy, and so on, the fear is that human labour will be increasingly displaced by machines, and so there will simply not be enough work to provide employment to all the people who need jobs.
>
> However, there is some confusion in all this doomsaying about the future (or lack of it) of work. Let us distinguish first between two

> types of technological change: productive and disruptive. The first describes changes that increase productivity and change the nature of economic activities. They include increasing automation, and a host of new developments in biotechnology and other areas, which reflect the "creative destruction" inherent in a lot of technological change.
>
> There is little point in fighting against such advance of technology or even trying to slow it down in some way, because that simply will not work and, in any case, is not desirable. But that does not mean that we should despair simply because it will displace a lot of human work - in fact, where technology replaces arduous work full of drudgery, or makes it easy to do things, we should celebrate it.
>
> However, this means that the greater surpluses generated in these more productive activities should be transferred to more employment-intensive activities that enhance the quality of life in society. A lot of these would be in services both old and new, which would include care activities in which the human element is essential, as well as creative industries and knowledge and entertainment activities and a range of other services...
> (Jayati Ghosh, œThe future of work, *Frontline*, Print edition, February 19, 2016)

Michael Spence and Sandile Hlatshwayo (2011) provide an interesting perspective on the kinds of jobs which have been created in the US over the past thirty years.

Georgios Petropoulos (2017) has provided a summary of studies investigating the likely impact of the inevitable development of machines and processes resulting from advances in research into artificial intelligence in the 21st century in a blog posting subtitled:

> Artificial intelligence is already transforming the world of work, but the future is hard to predict. Some see most jobs at risk of automatisation, while others argue robots will only take on a narrow range of tasks in the coming decades. Nevertheless, we need a broad debate to prepare the appropriate economic policy response to the new industrial revolution.'.

As he says,

> The benefits are clear, but there are also concerns for the future of human work and employment. If indeed machines continue to improve their performance beyond human levels, a natural question to ask is **whether machines will put humans' jobs at risk and reduce employment**. Such a concern is not new but in fact dates back to the 1930s, when John Maynard Keynes postulated his "technological unemployment" theory.
> (Georgios Petropoulos, œDo we understand the impact of artificial intelligence on employment?, Blog Post, *Bruegel*, April 27, 2017)

223 See Douglas A. Irwin, œHistorical Aspects of U.S. Trade Policy (*NBER Reporter* : Research Summary Summer 2006) for an historical perspective on US tariff protection. As Irwin explained:

> While international trade and trade policy continue to be as controversial as ever, the United States has been committed for more than half a century to maintaining an open market. It was not always that way. For most of U.S. history, the United States

imposed fairly substantial barriers to imports in an effort to protect domestic producers from foreign competition.

See The Triumph of Neoliberalism for more on this.

[224] See No Charity!! for similar claims in the 18th and 19th centuries

[225] See From Developmentalism to Privatization for more on this.

[226] See Definitions of Unemployment for more on this.

See œUS BLS Labor Force Statistics from the Current Population Survey for details of US unemployment rates.

See The Triumph of Neoliberalism for more on this.

[227] See University of Chicago Work Scheduling Study for this and related studies

[228] Andrew Crane, Genevieve LeBaron, Kam Phung, Laya Behbahani and Jean Allain, œInnovations in the Business Models of Modern Slavery: The Dark Side of Business Model Innovation, *Academy of Management Proceedings*, Vol. 2018, No. 1, Published Online: 9 Jul 2018

[229] As œWikipedia explains,

> A free trade zone (FTZ) or export processing zone (EPZ) is an area of a country where some normal trade barriers such as tariffs and quotas are eliminated and bureaucratic requirements are lowered in hopes of attracting new business and foreign investments. It is a region where a group of countries has agreed to reduce or eliminate trade barriers. Free trade zones can be defined as labor intensive manufacturing centers that involve the import of raw materials or components and the export of factory products.
>
> Free trade zones are domestically criticized for encouraging businesses to set up operations under the influence of other governments, and for giving foreign corporations more economic liberty than is given indigenous employers who face large and sometimes insurmountable "regulatory" hurdles in developing nations. However, many countries are increasingly allowing local entrepreneurs to locate inside FTZs in order to access export-based incentives.
>
> Because the multinational corporation is able to choose between a wide range of underdeveloped or depressed nations in setting up overseas factories, and most of these countries do not have limited governments, bidding wars (or 'races to the bottom') sometimes erupt between competing governments.
>
> Sometimes the domestic government pays part of the initial cost of factory setup, loosens environmental protections and rules regarding negligence and the treatment of workers, and promises not to ask payment of taxes for the next few years.
>
> When the taxation-free years are over, the corporation that set up the factory without fully assuming its costs is often able to set up operations elsewhere for less expense than the taxes to be paid, giving it leverage to take the host government to the bargaining table with more demands, but parent companies in the United States are rarely held accountable.
> (Accessed August 11th, 2010)

[230] Western economies, contrary to popular economic opinion, are not based on scarcity but on glut. It therefore becomes inevitable, over time,

that production will result in oversupply and suppliers will, therefore experience difficulty in moving stock. See Glut not Scarcity for more on this.

[231] The consequences of the relocation of labor intensive industry to cheap processing centers have been rather different than initially anticipated by the experts. Jorge Nef explained some of the associated problems of this move to relocate labor intensive industry to low-wage countries:

> The transnationalization of production and the displacement of manufacturing to the semi-periphery, on account of the 'comparative advantages' brought about by depressed economic circumstances and the 'low-wage economy', results in import dependency in the North.
>
> This deserves further explanation. The import dependency mentioned here does not mean that developed countries become dependent on less-developed countries for the satisfaction of their consumption needs. Since most international trade takes place among transnationals, all that import dependency means is First World conglomerates buying from their affiliates or from other transnationals relocated in peripheral territories.
>
> The bulk of the population at the centre, therefore, becomes dependent on imports coming from core firms domiciled in 'investor friendly' host countries. Via plant closures and loss of jobs, such globalizm replicates in the centre similarly depressed conditions to those in the periphery.
>
> Manufacture evolves into a global maquiladora operating in economies of scale and integrating its finances and distribution by means of major transnational companies and franchises (for an analysis of maquiladoras, see Kopinak 1993, pp.141-162). Abundant, and above all cheap, labor and pro-business biases on the part of host governments are fundamental conditions for the new type of productive system.
>
> Since there are many peripheral areas with easy access to inexpensive raw materials and with unrepresentative governments willing to go out of their way to please foreign investors, a decline of employment and wages at the centre will not necessarily create incentives to invest, or increase productivity. Nor would it increase 'competitiveness'. Since production, distribution, and accumulation are now global, it would rather evolve into a situation of permanent unemployment, transforming the bulk of the blue collar workers - the 'working' class - into a 'non-working' underclass.
>
> (Nef 1995, ch. 3)

[232]The Sandwichman, a contributor to the Blogging site *Angry Bear*, has summarized a range of 'reasons' given for the failure to reduce working hours in capitalist nations (and, of course, in all those countries and communities which, since the mid-1970s, have been reorganized to contribute additional labor to capitalist endeavors). As s/he explains:

> ...The Sandwichman has amassed the world's largest collection of lame excuses offered by opponents. I assembled 21 of them and sorted them into eight categories having to do with productivity, new consumer wants, unsatisfied needs, labor costs, government policy, self-adjusting markets, history and inevitability, and the devious motives of proponents.

> To be kind, the rationales are opportunistic. Mostly, they are jejune partial equilibrium statements invoked as if they were eternal verities. More bluntly, they are mendacious. **Every single reason** given for not shortening the hours of work is complemented by a contradictory reason for not shortening the hours of work. Damned if you do and damned if you don't.
>
> Regard the vagaries: the hours of work cannot be reduced because that would lower productivity; but if they were reduced, it wouldn't lower unemployment because the shorter hours would be just as productive as the longer hours. The hours of work don't have to be reduced because new consumer demands will create more jobs; but they *cannot* be reduced because there are so many unmet needs of those living in poverty. The economy will adjust automatically to reabsorb workers displaced by automation; and there is no need for government intervention because government policy will *lubricate* the self-adjustment process. History gives proof that future reductions are inevitable because in the past they always have occurred; but history shows that the economy has always generated sufficient jobs, implicitly without any need for reducing the hours of work....

S/He then lists some of those 'lame excuses' and concludes:

> ...Implicit in much of this pretentious double talk is the notion that consumer demand is utterly independent of wages, so "the economy" can become more prosperous by lowering wages. Apparently, economists are still so enamored of Say's Law that they haven't paused to consider the implications of Say's *other* law - that "misery is the inseparable companion of luxury."
> (The Sandwichman, "The Boundless Thirst for Surplus-Labor, *Angry Bear*: Relevant and even prescient commentary on news, politics and the economy, April 14, 2017)

See The Triumph of Neoliberalism for some of the other forces involved.

[233] For this reason, one needs to be very careful in employing the term when discussing organization and activity in non-Western communities. The term carries all the baggage of Western presumptions of what is important in life, including key presumptions of the primary ideologies of Western communities (see Primary and Secondary Ideology).

[234] We need to clearly differentiate between causes and consequences when understanding the nature of work. As we will see later, cash income has historically been used as a primary means of enforcing and reinforcing the commitment of Western people to "habits of industry".

Over the past three decades, as Western people have recommitted themselves to their economic formulations of life, it has, once again been used in this way, with "user pays" schemes being promoted and reliance on Government welfare payments being challenged. It is, therefore, understandable that Western people strongly link the two.

This does not mean, however, that work and income must logically *necessarily* be tied to each other. What it does demonstrate is that Western people have so closely tied both material and social wellbeing to "habits of industry", that is, to work, that they can scarcely conceive of any other means for distributing income.

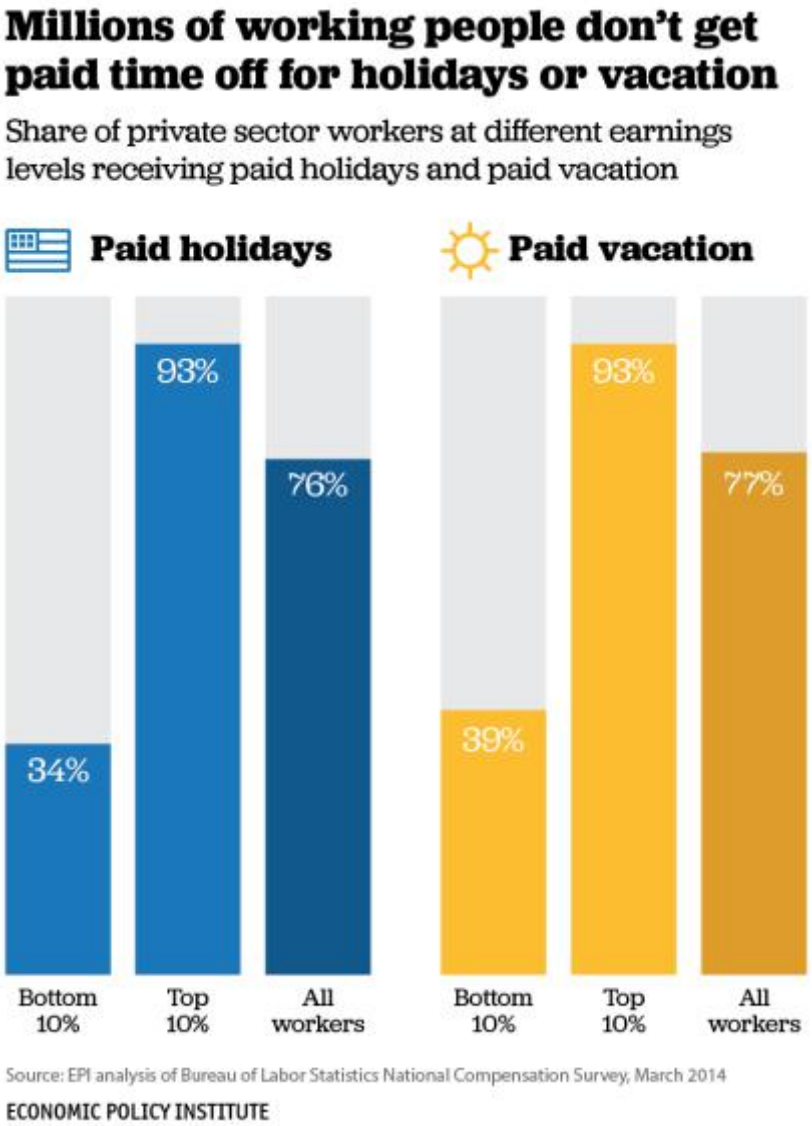
[235] See fulfillling One's Potential for an examination of the reasons why Western Europeans became so concerned that individuals "perform" to

their potential.

236 See From Interdependence to Independence for discussion of this deep felt need in Western communities for individuals to be "independent"

237 Elise Gould has given a picture of the 2014 experience of US private sector workers. As she explains,

> As Labor Day approaches, about a quarter (24 percent) of private sector workers will not be enjoying a paid day off on Monday. A similar number (23 percent) earn no paid vacation time. While this overall lack of paid holidays and vacation time is quite telling (especially compared to our international peers, who more or less universally mandate paid time off), access to paid time off varies dramatically between workers by their pay. As the chart below shows, only 34 percent of private-sector workers at the bottom of the wage distribution receive paid holidays and only 39 percent receive paid vacation. Among the top 10 percent of workers, meanwhile, 93 percent receive both paid holidays and paid vacation.



> (Elise Gould, œMillions of Working People Don't Get Paid Time Off for Holidays or Vacation, Economic snapshot, Wages Incomes and Wealth, Economic Policy Institute, September 1, 2015)

238 As we have already suggested, these times have not always been available to Western workers. They have been negotiated between those who believe they have a moral responsibility to ensure that work is taken

seriously and those who represent the workers and who, themselves, feel that people have a moral responsibility to work.

The times negotiated have always been justified in terms of the overall increased efficiency of workers when they are allowed these times of relaxation and leisure. This is why, if a person uses these times in ways which do not refresh and re-equip him or her for work, employers have always believed they have the "right" to challenge the use being made of leisure time. This is, of course, reminiscent of Karl Marx's claim,

> The Roman slave was held by fetters: the wage-laborer is bound to his owner by invisible threads. The appearance of independence is kept up by means of a constant change of employers, and by the *fictio juris* of a contract.
> (Marx œ*Capital* 1887 Chapter XXIII)

[239] Though we gear our education systems to determining the aptitudes of children and to honing those aptitudes so that they might be as successful as possible in work in later lives.

So important is work to most people in Western communities that it seems not only desirable but necessary that other forms of organization and activity be geared to supporting it or to preparing people to better perform in the world of work.

Education in Western communities is not geared to increasing knowledge or to the pursuit of wisdom or "truth". It is geared to equipping people to more effectively participate in the "workforce" and few people in those communities would argue that it should be otherwise.

[240] Decreasingly defined as the production of goods and services, and more and more defined as the production of a cash income. Whereas being "productive" was considered centrally important with the cash return secondary, now "material success" is the focus and being "productive" is increasingly assessed by the cash return for one's endeavors.

This is one of the reasons why we now sense that we live in a "consumer society", rather than in a "producer society". The most direct evidence of the size of our "income" is our levels of consumption, not our levels of production. This leads, inevitably, to extending our consumption beyond our income so that we are also living in a "credit society".

The pressures to spend come not only from advertising, they also come from our own self-image, from our need to show ourselves and others that we really are "successful". Disturbing as it might be (certainly to me!), increasing numbers of people feel the need to 'go shopping' when they are feeling depressed.

[241] See Sewell & Wilkinson (1992); Jenkins (1994); The reorganization of Work

[242] See Subsistence and Status for further discussion

[243] See The relationship between community social templates, resource utilization and constantly escalating productive and consumptive demands for a discussion of the nature of "needs" in Western communities.

[244] See Locke 1690, ch. 5; Private Ownership, Consumption and Accumulation for further discussion

[245] These have been dealt with in What Shall we do with The Poor

[246] See Who were the 'Middle Sorts'? for more on this.

[247] See Primary and Secondary Ideology

[248] In British history, a body of laws undertaking to provide relief for the poor, developed in 16th century England and maintained, with various changes, until after World War II. The Elizabethan Poor Laws, as codified in 1597-98, were administered through parish overseers, who provided relief for the aged, sick, and infant poor, as well as work for the able-bodied in workhouses. Late in the 18th century, this was supplemented by the so-called Speenhamland system of providing allowances to workers who received wages below what was considered a subsistence level. The resulting increase in expenditures on public relief was so great that a new Poor Law was enacted in 1834, based on a harsher philosophy that regarded pauperism among able-bodied workers as a moral failing. The new law provided no relief for the able-bodied poor except employment in the workhouse, with the object of stimulating workers to seek regular employment rather than charity. ("Poor Law". (2010). In *Encyclopedia Britannica*. Retrieved February 08, 2010, from Encyclopedia Britannica Online: œhttp://www.britannica.com/EBchecked/topic/469923/Poor-Law .)

[249] Institutions to provide employment for paupers and sustenance for the infirm, found in England from the 17th through the 19th century and also in such countries as The Netherlands and in colonial America. The Poor Law of 1601 in England assigned responsibility for the poor to parishes, which later built workhouses to employ paupers and the indigent at profitable work. It proved difficult to employ them on a profitable basis, however, and during the 18th century workhouses tended to degenerate into mixed receptacles where every type of pauper, whether needy or criminal, young or old, infirm, healthy, or insane, was dumped. These workhouses were difficult to distinguish from houses of correction. According to prevailing social conditions, their inmates might be let out to contractors or kept idle to prevent competition on the labor market. The Poor Law Amendment of 1834 standardized the system of poor relief throughout Britain, and groups of parishes were combined into unions responsible for workhouses. Under the new law, all relief to the able-bodied in their own homes was forbidden, and all who wished to receive aid had to live in workhouses. Conditions in the workhouses were deliberately harsh and degrading in order to discourage the poor from relying on parish relief. Conditions in the workhouses improved later in the 19th century, and social-welfare services and the social-security system supplanted workhouses altogether in the first half of the 20th century. ("workhouse". (2010). In *Encyclopedia Britannica*. Retrieved February 08, 2010, from Encyclopedia Britannica Online: œhttp://www.britannica.com/EBchecked/topic/648132/workhouse).

[250] See How Born Again Christians rescued Capitalism for a description of the deep religious commitment of Western Europeans, since the 18th century, to the moral requirements of Capitalism.

[251] So convinced were Western Europeans of the value-creating nature of labor as spelt out by Locke (1690) that through the 18th and 19th centuries the "labor theory of value" became the standard for both classical economics and for Marx (see The Labor Theory of Value for more on this).

Locke's argument for the logical primacy of individualized property and its necessary connection with individual industry has, in the early 21st century, remained central to neoliberal arguments for the importance of private accumulation as both a reward of and spur to industriousness.

[252] A vagrant was one who was able to work but preferred instead to live idly, often as a beggar. The punishment for this, during the 18th and 19th centuries, ranged from branding and whipping to conscription into the military services and transportation to penal colonies. During the 20th century, this form of behavior continued to be punished though the severity of the punishments lessened as the century unfolded.

[253] see Subsistence and Status for further discussion of these alternative emphases in accumulation

[254] See The Poor are lazy with no desire to better themselves for more on this.

[255] See What shall we do with The Poor for more on this.

[256] See From Interdependence to Independence for discussion

[257] (See Teaching 'The Natives' to Work for more on this.)

Colonial land redistribution has been perpetuated in many post-colonial countries. (see œBackground to Land Reform in Zimbabwe; œMugabe Is Right About Land Reform for a specific example of these practices - replicated in most Western European colonies).

While colonial authorities closely controlled movement from native reserves into administrative centers and employment regions during the colonial era, this was not considered acceptable practice for post-colonial authorities. No government should have the right to control movement. The *United Nations International Covenant on Civil and Political Rights* (1966) spelt this out clearly.

Western nations, seeing this as a crucial distinction between themselves and those aligned with the Eastern Bloc, put pressure on Third World governments to comply with the United Nations covenants, which, over the years, have consistently addressed current social, political and economic concerns of First World countries.

Article 12 of the above Covenant reads:

> 1. Everyone lawfully within the territory of a State shall, within that territory, have the right to liberty of movement and freedom to choose his [sic] residence.
> 2. Everyone shall be free to leave any country, including his own.
> 3. The above-mentioned rights shall not be subject to any restrictions except those which are provided by law, are necessary to protect national security, public order (ordre public), public health or morals or the rights and freedoms of others, and are consistent with the other rights recognized in the present Covenant.
> 4. No one shall be arbitrarily deprived of the right to enter his own country. [974]

Not only were Third World governments pressured to implement such resolutions, a range of United Nations organizations (formed to provide development assistance) provided means of leverage to donor countries.

The consequence of this insistence on free movement has been that people, previously confined within reserves, are able to move to both employment and administrative centers and millions have done so. This has resulted in the slum conditions one finds in many Third World cities.

[258] See Moore and Feldman (1960), Day (1966), Kuper and Smith (1960), among many others, for discussion of colonial labor practices.

The following is an excerpt from Gilbert Murray's (1900) essay describing labor practices in British colonies:

> There are two really extensive and organic systems of exploiting the labor of inferior races.
>
> The first is simply the old Graeco-Roman system improved and modified - the system of importing destitute or semi-destitute aliens to countries where they can serve us. The difference is that the ancients used undisguised force throughout the whole process; we use economic pressure to get our laborers, though we mostly use force to keep them.
>
> The simplest case is the system of indenture as applied to Indian and Chinese coolies, and to Polynesians or Kanakas. The laborer voluntarily signs an agreement for a term of years, and is shipped off to a foreign country, where he is, for most purposes, not under the ordinary law, but under special indenture regulations.
>
> His freedom is curtailed in every direction; but, on the other hand, his wages are secured and his general condition inspected by Government. He is looked after when he is sick, protected against extremes of cruelty and dishonesty on the part of his master, and taken home again at the end of his time.
>
> The system works well in places like Fiji, where the area is small, supervision easy, and the Government not dependent upon the employers [975]. It works ill in large continental regions, such as Queensland, where these conditions are reversed. About 15,000 indentured coolies leave India every year. About 10,000 Kanakas go from Polynesia to Queensland every year....
>
> In all the above cases the alien laborer is imported.
>
> But - and this forms the second of what we have called the really extensive and organic systems of exploiting inferior races - the great field for the working of the alien in modern times is the alien's own country.... In modern times, the increasing ease of communication has enabled white men to go abroad to all parts of the earth without suffering much real exile, and without losing the prospect of returning home at will.
>
> Our Governments... are strong; our superior weapons make rebellions almost impossible. Consequently, we do not attempt to import blacks, coolies, and Polynesians into Great Britain...
>
> The whole economic conditions are in favor of working the coloured man in his own home. It may also be permitted to us to reflect that, when the slave or subject is among his own people, there must remain to him a large remnant of life which is not utterly poisoned by the advent of the white master.
>
> The whole of tropical mining, and almost the whole of tropical agriculture - the raising of rice, coffee, sugar, and the like - are carried out by gangs of cheap laborers of inferior race under the rule of white men. And not only in India, where it is a natural outcome of the system of Government, but in most of the semi-civilized nations of the world, white men can be found directing the ill-paid and often forced labor of the inhabitants.

As to South Africa, I should for many reasons prefer to be silent [976]. That region is so wrapped in concealment and misrepresentation at the present moment, that it is hard to find any certain groundwork to build upon. Still, the South African systems are altogether too important to be omitted, and their main lines seem to be tolerably clear.

The capital feature of South African life, as every traveller observes, is that all unskilled work is done by black people. That is the rudimentary and essential condition of slavery, and is doubtless quite unavoidable. As to direct cruelty, the laws are, as usual, a great deal more humane than the facts, though some of the laws themselves sound a little odd to English ears.

A white master in Cape Colony is not allowed to flog his own servants, a Bill which gave him that power having recently been defeated; but he can send them to a magistrate to be imprisoned for negligence, insolence, or misbehavior. A coloured man in Natal cannot walk on the footpath or go in a tramcar, and so on.

Yet a radical improvement in the laws would probably do more harm than good. The essential cause of cruelty and oppression is not the law, but, to quote Mr. Bryce's careful and temperate description,

> 'the strong feeling of dislike and contempt one might almost say of hostility which the bulk of the whites show to their black neighbors.'

This curious feeling, a compound in which physical repulsion, race hatred, and pride of birth seem to be accentuated by actual shame and remorse, appears to be even stronger in South Africa than in most similar societies.

Yet, on the whole, the cruelties to blacks in those regions seem to be less atrocious than in Australia. The following case, which I select from half a dozen as having been already published by Mr. Bryce, reminds one of Queensland:

> 'A shocking case of the kind occurred a few years ago in the Eastern Province. A white farmer - an Englishman, not a Boer - flogged his Kaffir servant so severely that the latter died; and when the culprit was put on his trial and acquitted by a white jury, his white neighbors escorted him home with a band of music.'

Two African systems of exploiting black labor seem to promise great developments - the compound and the location. At Kimberley the natives are herded, some 3,000 together, in compounds or huge enclosures, covered with wire netting, and having no egress except an underground passage to the mines.

These special precautions are taken in order to prevent the blacks from stealing diamonds. They buy their food on the truck system from the company, and cannot go outside for any purpose. They are imprisoned in this way till the end of their contract time, which may in some cases be as short as three months.

The location system, which is contemplated at Johannesburg, consists in inducing large numbers of natives to settle with their families in the neighbourhood where their work is required. Once there, they are prevented by law from having enough land to live upon, prevented from leaving the locality by a rigorous system of

passes, deliberately reduced to destitution by a Hut Tax and a Labor Tax, and thus forced into the mines to work at twopence a day, or whatever wage the Chamber of Mines thinks fit.

As Lord Grey [Governor of the Cape Colony and British territories in South Africa, and previously Governor in both New South Wales (Australia) and New Zealand] puts it:

> 'Means must be sought to induce the natives to seek spontaneously (*sic* !) employment at the mines, and to work willingly for long periods of more or less continuous service.'

The means he proposes are those mentioned above - a Hut Tax in money, which the native will be unable to pay except by resorting to the mines, and a Labor Tax on all able-bodied natives who are unable to show a certificate for four months' work in the year.

This is also the principle of the Glen Grey Act, passed in Cape Colony in 1894. The penalty for non-payment of the tax is imprisonment with hard labor - that is, we reduce the native to destitution by special laws in order to force him to work for us, and if he will not work then we can kidnap him! This system is so ingenious and elastic, offers such opportunities for the fraud which is normal in contracts between whites and blacks, and does its work of gradual demoralization so insidiously, and with so little shock to public feeling, that we may expect it to spread and flourish in other continents, almost in the manner of the Roman plantation system.

Like that system, the compound wishes to care for the welfare of its beasts. The employers - some of them, no doubt, made rich by selling liquor to blacks elsewhere - have set their faces against the supply of alcohol to their own workers. But, like the Romans, they will probably be disappointed. As a matter of fact, the mines have hitherto been the great centers of drinking, as well as of even more degrading corruption.
Mr. Scully, for instance (Blue Book G. 31, 1899, p. 76), notes the 'deplorable demoralization' of natives returning from the mines, 'brutish in their knowledge', and the increase, or introduction, among those to whom they return of phthisis, rheumatism, pulmonary diseases, and syphilis.

In military operations, again, we of the British Empire depend to a quite enormous extent upon soldiers of alien race, more, possibly, than any State since Carthage. Nearly all our African fighting before the present war, and most of our Indian fighting, has been done for us by natives. The great victories of Clive over the French, which we are accustomed to regard as proofs of British strength or valour, were almost entirely victories of Sepoys over Sepoys. The economic situation is really the same as in the other cases. We cannot spare more of the ruling race to fight. We take instead some naturally warlike savages, train them, officer them, and make them do the fighting for us.
(Gilbert Murray 1900 pp. 135-144)

259 The following extract is part of a larger description of European treatment of 'useful' and 'useless' indigenous peoples in their colonies:

> A slave is ultimately a man spared in war; a man whom you might kill, but whom you prefer to keep, in order to make him work for you.

It is abundantly clear, if one considers the question, that this has historically been the position of most of the subject races in the British Empire. And it is in a sense their condition still. Those whom we cannot utilize we exterminate; those whom we can utilize we protect, and often enable to increase in numbers. Tasmanians were useless, and are all dead.

The Bhils are mostly dead. Australians were all but useless, good only for horse-taming and man-tracking, and they are dwindling to nothing. Red Indians, in spite of enormous care, and the large sums of money that a penitent Government now spends upon them, are dying gradually. In Africa, those blacks for whom we have some use tend, with certain exceptions, to increase and multiply; those for whom we have no use die by drink, by war, by economic pressure, and by the mere discouragement which works like poison in the veins of a race that finds its occupation gone.

The cruelties perpetrated by white men upon coloured men are, almost wherever and however they meet, stupendous. But the coloured men who are worked under definite rules and indentures are far better off than those who cannot be worked at all, or those who, under conditions of nominal equality, are forced to work, unprotected, beneath the hand of any chance master.

The Kanakas in Queensland, under the old indenture system, were no doubt treated both harshly and unfairly. They were kidnapped, they were brutally used, they were cheated of their miserable earnings. And it may be doubted whether the improvement of their condition under the present system is as great as is alleged. Yet they were probably better off than the Matabele forced laborers, strong men held down under a weak and irregular system, which had necessarily to be backed up by fraud or violence. But go, if you dare, into a searching comparison between the treatment of the Queensland Kanakas, who were useful beasts of burden, and that of the Queensland aborigines, who were regarded as vermin, and you will bless the lot of the half-enslaved Kanaka.

Let no one delude himself with the fancy that, though the German Dr. Peters may flog his concubines to death, though Frenchmen in the New Hebrides may twist the flesh off their servants' backs with pincers, though our own newspapers may revel in reported horrors from the old Transvaal or the Congo Free State, Englishmen, Scotchmen, and Irishmen are quite of another breed. Not to speak of strange and unpleasant dealings with black women, I myself knew well one man who told me he had shot blacks at sight. I have met a man who boasted of having spilt poisoned meal along a road near a black-fellows camp, in order to get rid of them like rats.

My brother was the guest of a man in Queensland who showed him a particular bend of a river where he had once, as a jest, driven a black family, man, woman, and children, into the water among a shoal of crocodiles. My father has described to me his fruitless efforts to get men punished in New South Wales in old days for offering hospitality to blacks and giving them poisoned meat.

I received, while first writing these notes, a newspaper from Perth, giving an account of the trial of some Coolgardie miners for beating to death with heavy bits of wood a black woman and boy who had been unable to show them the way. The bodies were found with the

> shoulder-blades in shivers, and the judge observed that such cases were getting too common!
>
> These atrocities are not necessarily the work of isolated and extraordinary villains. Two of the men mentioned above were rather good men than bad. Nor have I mentioned the worst class of outrages....
> (1900, pp. 152-4)

[260] It is often forgotten that sub-Saharan Africa endured more than three centuries of predation by both Western European and Middle Eastern slavers. The wars were, very often, a consequence of demands placed upon communities to deliver slaves. They could either enslave themselves or invade neighboring territories. The repercussions of such predations reverberated through the continent as communities attempted to escape the threat or, in turn, raided neighboring regions to satisfy the demand for slaves. As œGustave Speth (1994(a)) put it:

> We conveniently forget Africa's history. We forget that the transatlantic slave trade robbed Africa of about 12 million of its able-bodied men and women.

[261] This is of course an issue of debate in philosophical circles (cf. Wolfe (1997) for an exploration of the debate). 'Work' is, of course, not a *universal* moral imperative. It is a moral issue only for Western communities and for people who have learned not only to behave, but also *think* in Western terms.

For the purposes of this discussion we are defining *morality* as acceptance of and compliance with forms of behavior, attitude and interaction which individuals *intuitively recognize* as being of central importance to ensuring "quality of life" in their communities.

Robert Greene (1997 p. 193), summarising Bonaventure, suggests that moral understandings are "apprehensions for which no reason could be given, apprehensions somehow rooted in affective human experience." (Kant's *moral imperative* below) (see footnote on the nature of such intuitions). Community members instinctively "know" that such attitudes and behaviors are inescapable requirements of life and are inevitably rewarded. The moral obligations imposed on community members are justified through appeal to these intuitively recognized forms.

As Immanuel Kant ((1785) 1909) has explained, the concepts of "the moral" and of "duty" go hand in hand. As he says,

> We know our own freedom - from which all moral laws and consequently all rights as well as all duties arise - only through the moral imperative, which is an immediate injunction of duty; whereas the conception of right as a ground of putting others under obligation has afterwards to be developed out of it.

When a community becomes convinced that its members have certain inescapable duties and responsibilities, it buttresses and reinforces the associated forms of behavior and organization in a wide variety of ways so as to channel people into conformity. So, it becomes "common sense" that the person should conform to the moral order.

[262] Definitions of Absenteeism and statistics of its incidence abound in both government statistics and in private assessments of 'the problem'. See œUSLegal Definitions for a succinct explanation of the issue.

[263] Very similar reasons can be given for commitment to the requirements of any social template. In any society, the central processes of status

attainment and maintenance, of self-image and self-respect are supported by claims such as these. And people in those societies are just as convinced of the validity of the claims as are Western people of the validity of theirs.

[264] See The emergence of Welfarism for more on this. For a nation which is assumed to be amongst the best 'educated' on earth, it is sad to hear people in the United States equating 'social welfare' with 'socialism' and denouncing any who argue for social safety net provisions as 'socialists'.

[265] (02/01/16) This developmental project is based on a millenarian belief in the existence of an evolutionary process in which all cultures and all peoples are involved. Human beings have a common evolutionary direction.

(The assumed process inverts the biological model of evolution: The biological model assumes increasing diversity; the social evolutionary model assumes increasing convergence.)

The process has been explained in many ways and takes many forms, as Blaut (1992, pp. 1-2) has described, his own explanation being one of them:

> ... the date 1492 represents the breakpoint between two fundamentally different evolutionary epochs. The conquest of America begins, and explains, the rise of Europe
>
> ... Before 1492, cultural evolution in the Eastern Hemisphere was proceeding evenly across the landscape; in Africa, Asia, and Europe a multitude of centers were evolving out of (broadly) feudalism and toward (broadly) capitalism.

This remarkably naive belief in a universal evolutionary direction is a feature of the particular historical experiences of Western Europeans (see From the subversion of tradition to plotting the future). Blaut's schema is no less Eurocentric than all those others which he condemns for this 'evil'.

Social evolutionary models presume that all cultural communities hold similar primary ideological models and presumptions and live within fundamentally similar 'objective realities' (see Primary and Secondary Ideologies for more on this).

Capitalism, of course, is no more advanced or retrograde than any other cultural form underpinning systems of status and ranking in communities. It is required by the particular social templates which govern behavior in Western societies. And, it requires the historical antecedents of Western Europe.

It can no more successfully be grafted onto other cultural communities than the Potlatch could successfully be grafted onto Western communities (see Walens S. 1981 *Feasting with Cannibals: An Essay on Kwakiutl Cosmology* for an excellent examination of the nature of the Kwakiutl Potlatch). Hence the catalogue of failures amassed by those most deeply involved in this enterprise. And hence, also, the disorientation and disruption of communities, and cultural and material poverty of so many people in the world affected by those intent on global modernization.

[266] It has, subsequently, imposed similar reorganization on the rest of the world.

[267] The historical context of the book was the English Civil War, the beheading of the English monarch and the subsequent Commonwealth under Oliver Cromwell (1642-1660).

> ...the agreement of... men is by covenant only, which is artificial: and therefore it is no wonder if there be somewhat else required, besides covenant, to make their agreement constant and lasting; which is a common power to keep them in awe and to direct their actions to the common benefit.
>
> The only way to erect such a common power, as may be able to defend them from the invasion of foreigners, and the injuries of one another, and thereby to secure them in such sort as that by their own industry and by the fruits of the earth they may nourish themselves and live contentedly, is to confer all their power and strength upon one man, or upon one assembly of men, that may reduce all their wills, by plurality of voices, unto one will: which is as much as to say, to appoint one man, or assembly of men, to bear their person; and every one to own and acknowledge himself to be author of whatsoever he that so beareth their person shall act, or cause to be acted, in those things which concern the common peace and safety; and therein to submit their wills, every one to his will, and their judgements to his judgement.
>
> This is more than consent, or concord; it is a real unity of them all in one and the same person, made by covenant of every man with every man, in such manner as if every man should say to every man: I authorise and give up my right of governing myself to this man, or to this assembly of men, on this condition; that thou give up, thy right to him, and authorise all his actions in like manner.
>
> This done, the multitude so united in one person is called a COMMONWEALTH; in Latin, CIVITAS. This is the generation of that great LEVIATHAN, or rather, to speak more reverently, of that mortal god to which we owe, under the immortal God, our peace and defence.
>
> For by this authority, given him by every particular man in the Commonwealth, he hath the use of so much power and strength conferred on him that, by terror thereof, he is enabled to form the wills of them all, to peace at home, and mutual aid against their enemies abroad.
>
> And in him consisteth the essence of the Commonwealth; which, to define it, is: one person, of whose acts a great multitude, by mutual covenants one with another, have made themselves every one the author, to the end he may use the strength and means of them all as he shall think expedient for their peace and common defence.
>
> And he that carryeth this person is called sovereign, and said to have sovereign power; and every one besides, his subject.
>
> The attaining to this sovereign power is by two ways.
>
> One, by natural force: as when a man maketh his children to submit themselves, and their children, to his government, as being able to destroy them if they refuse; or by war subdueth his enemies to his will, giving them their lives on that condition.
>
> The other, is when men agree amongst themselves to submit to some man, or assembly of men, voluntarily, on confidence to be protected by him against all others. This latter may be called a

> political Commonwealth, or Commonwealth by Institution; and the former, a Commonwealth by acquisition. And first, I shall speak of a Commonwealth by institution.
>
> (Hobbes 1651, Chapter xvii, 'Of The Causes, Generation, And Definition Of A Commonwealth')

[268] See From Interdependence to Independence for more on this.

[269] See William Blackstone, 1765, œ*Commentaries on the Laws of England* , Chapter the Second, 'Of the Parliament' (pp. 142-182), for an explanation of 'democracy' in 18th century England.

Noam Chomsky has given a possibly polemically biased, and unfortunately unsourced, set of quotations of historical expressions of this mindset in the US:

> [John] Dewey and American workers held one version of democracy, with strong libertarian elements. But the dominant version has been a very different one. Its most instructive expression is at the progressive end of the mainstream intellectual spectrum, among good Wilson-FDR-Kennedy liberal intellectuals. Here are a few representative quotes.
>
> The public are "ignorant and meddlesome outsiders [who] must be put in their place." Decisions must be in hands of the "intelligent minority [of] responsible men," who must be protected "from the trampling and roar of the bewildered herd." The herd does have a function. Its task is to lend its weight every few years to a choice among the responsible men, but apart from that its function is to be "spectators, not participants in action." All for their own good. We should not succumb to "democratic dogmatisms about men being the best judges of their own interests." They are not. We are: we, the responsible men. Therefore attitudes and opinions must be shaped and controlled. We must "regiment the minds of men the way an army regiments their bodies." In particular, we must introduce better discipline into the institutions responsible for "the indoctrination of the young." If that is achieved, then it will be possible to avoid such dangerous periods as the 1960s, "the time of troubles" in conventional elite discourse. We will be able to achieve more "moderation in democracy" and return to better days as when "Truman had been able to govern the country with the cooperation of a relatively small number of Wall Street lawyers and bankers."
>
> These are quotes from icons of the liberal establishment: Walter Lippmann, Edward Bernays, Harold Lasswell, Samuel Huntington, and the Trilateral Commission, which largely staffed the Carter administration.
>
> This shriveled conception of democracy has solid roots. The founding fathers were much concerned about the hazards of democracy. In the debates of the Constitutional Convention, the main framer, James Madison, warned of these hazards. Naturally taking England as his model, he observed that "in England, at this day, if elections were open to all classes of people, the property of landed proprietors would be insecure. An agrarian law would soon take place," undermining the right to property. To ward off such injustice, "our government ought to secure the permanent interests of the country against innovation," arranging voting patterns and checks and balances so as "to protect the minority of the opulent against the majority," a prime task of decent government.

(œNoam Chomsky | Notion of Elite Guardian Class Dates Back to Founding of US, *Truthout*, 11 February 2016)

[270] A brief selection of texts on the nature and emergence of Western nations and nationhood includes: Gellner (1994); Goddard, Llobera & Shore (1994); Hobsbawm (1990); Kedourie (1993); and Norbu (1992).

[271] Kings were established in their kingdoms through the Church's administration of the ritual of Unction. It was, therefore, assumed that religious authority was superior to secular authority. As Ullman (1965, p. 86) says, 'It was that act alone which made the king'.

[272] such as shires, counties, principalities and similar sub-divisions within the borders of recognized regions associated with nations (as administrative regions of the medieval Church)

[273] See Medieval Common-Interest Groups for more on this.

[274] England experienced its revolution in the second half of the 17th century; France in the late-18th century; Germany in the mid-19th century; and other Western European nation-states experienced similar revolutions during the same period.

[275] In stark contrast, the names and identities of Third World nations were, in large measure, inventions of 100 years (or less) of colonial rule, through which colonial powers identified regions they controlled. The colonized peoples identified the names and the administrative organizations through which they were controlled as 'foreign' colonial impositions. Yet, over the past sixty years, Western nations have insisted that people living in those artificially contrived nation-states would, with little difficulty, identify themselves with, and commit themselves to the nations within which they lived.

[276] At the risk of belaboring the point, it needs to be remembered that, through the medieval period, 'successful' members of small ethnic groups, included within the Church's administrative regions, became connected to similar individuals in other groups in the territory through either travelling beyond their own group's area or through social interaction with others who did travel.

One became recognized as 'cultured' through acceptance into these wider networks of 'cultured' people. One was also interlinked with the influence, wealth and information held and generated by members of such networks.

[277] See Herbert Spencer (1857, p. 153 œ'Progress: Its Law And Cause') for a succinct 19th century 'theoretical' statement of this principle for the social sciences:

> ... the series of changes gone through during the development of a seed into a tree, or an ovum into an animal, constitute an advance from homogeneity of structure to heterogeneity of structure.
>
> In its primary stage, every germ consists of a substance that is uniform throughout, both in texture and chemical composition. The first step is the appearance of a difference between two parts of this substance; or, as the phenomenon is called in physiological language, a differentiation.
>
> Each of these differentiated divisions presently begins itself to exhibit some contrast of parts: and by and by these secondary differentiations become as definite as the original one. This process is continuously repeated - is simultaneously going on in all parts of

> the growing embryo; and by endless such differentiations there is finally produced that complex combination of tissues and organs constituting the adult animal or plant.
>
> This is the history of all organisms whatever. It is settled beyond dispute that organic progress consists in a change from the homogeneous to the heterogeneous.
>
> Now, we propose in the first place to show, that this law of organic progress is the law of all progress. Whether it be in the development of the Earth, in the development of Life upon its surface, in the development of Society, of Government, of Manufactures, of Commerce, of Language, Literature, Science, Art, this same evolution of the simple into the complex, through successive differentiations, holds throughout.
>
> From the earliest traceable cosmical changes down to the latest results of civilization, we shall find that the transformation of the homogeneous into the heterogeneous, is that in which progress essentially consists.
> (Spencer 1857, p.10)

This belief, of course, still holds in many 'evolutionary' theoretical constructs of the present.

[278] For examples of this kind of interconnection one need look no further than the many novels of the period which simply assume networks and friendships between middle-class people not only within national territories but internationally.

[279] Those who identified with each other as belonging to the same nation were usually those who had reason to travel or to associate with others who travelled. In Western Europe there was a strong sense of unity amongst merchants, traders, landed gentry, and educated people which resulted, in Britain as elsewhere, in a revolution of these 'middle sorts' (Manning 1976) against feudally-based aristocracies and governments.

While political revolution usually required the overthrow of feudal leaders, there was much less need for revolution within the administrative bureaucracies of western Europe. These were, very largely, already staffed by educated, middle ranking people who supported political revolution.

Through such revolution, in which, very usually, these 'middle sorts' managed to obtain the commitment of peasant and laboring people, they established new forms of government which reflected and enhanced their particular interests (see From Subversion of Tradition to Plotting the Future).

[280] See The White Man's Burden for more on this.

[281] France has perpetuated this version of the nation-state in its incorporation of 'overseas departments' - previously colonial territories - which have been given the status of metropolitan departments and are argued to be integral to France as a nation. As the French Embassy in the U.S.A. (and most other French Embassy web-sites) explains:

> Thanks to her overseas departments and territories, France extends far beyond the boundaries of Europe and into the four corners of the earth. Outside the borders of metropolitan France, she has coasts washed by the Indian, Atlantic and Pacific Oceans and land borders from the icy wastes of Antarctica to the great Amazonian rainforest.

(œOverseas France, *Embassy of France in Washington, D.C*, November 29, 2007)

Lipset and Halvaksz explained it for French Polynesia:

> Organized under constitutional revisions in 2003 as a French Overseas Collectivity French Polynesia maintains a local governing body. However, France retains control over military, police, the judicial system, tertiary education, monetary policy, defense, and foreign affairs. With representation in France, French Polynesia is governed as if part of the French state.
> (2009 p.122)

282 Western Europeans have, over several centuries, demonstrated a remarkable nescience in dealing with the rest of the world. Their perspective is the universal perspective; the only valid understandings, theirs.

283 The middle-classes of Western Europe were thoroughly schooled in 'classical studies' and saw those 'civilizations' as providing models for their own empires and civilizations. The 18th and 19th century political institutions and practices of Western European nation-states borrowed a great deal from the 'classical civilizations' and empires of Rome and Greece.

The integration of colonies into the identities of Western European nation-states and designation of inhabitants as 'citizens' echoed Roman practice. Rome had employed similar strategies throughout its empire. Regions which Roman officials considered merited the 'honour' were declared 'Provinces' of Rome and the responsible people of those regions were declared to be 'Roman Citizens'.

284 see Crick (1997) for discussion of colonial practices and influences.

285 An excellent set of documentaries on the independence movements in French colonies, entitled œBlood and Tears: French Decolonisation, has been published by *AlJazeera*. As the subtitle says, it is

> 'The story of the decline of the French empire and the indelible mark colonialism left on countries that were colonised.'

286 Kwame Nkrumah, in the conclusion to his book, summed up it all up:

> Speaking in 1951, the then President of the United States, Mr Truman, said, 'The only kind of war we seek is the good old fight against man's ancient enemies. . . poverty, disease, hunger and illiteracy.' Sentiments of a similar nature have been re-echoed by all political leaders in the developed world but the stark fact remains: whatever wars may have been won since 1951, none of them is the war against poverty, disease, hunger and illiteracy. However little other types of war have been deliberately sought, they are the only ones which have been waged.
>
> Nothing is gained by assuming that those who express such views are insincere. The position of the leaders of the developed capitalist countries of the world are, in relation to the great neo-colonialist international combines, very similar to that which Lord Macaulay described as existing between the directors of the East India Company and their agent, Warren Hastings, who, in the eighteenth century, engaged in the wholesale plunder of India. Macaulay wrote:
>
> > 'The Directors, it is true, never enjoined or applauded any crime. Far from it. Whoever examines their letters written at the time

> will find there are many just and humane sentiments, many excellent precepts, in short, an admirable code of political ethics. But each exultation is modified or nullified by a demand for money. . . . We by no means accuse or suspect those who framed these dispatches of hypocrisy. It is probable that, written 15,000 miles from the place where their orders were to be carried into effect, they never perceived the gross inconsistency of which they were guilty. But the inconsistency was at once manifest to their lieutenant in Calcutta.
>
> '... Hastings saw that it was absolutely necessary for him to disregard either the moral discourses or the pecuniary requisitions of his employers. Being forced to disobey them in something, he had to consider what kind of disobedience they would most readily pardon; and he correctly judged that the safest course would be to neglect the sermons and to find the rupees.'

Today the need both to maintain a welfare state, i.e. a parasite State at home, and to support a huge and ever-growing burden of armament costs makes it absolutely essential for developed capitalist countries to secure the maximum return in profit from such parts of the international financial complex as they control. However much private capitalism is exhorted to bring about rapid development and a rising standard of living in the less developed areas of the world, those who manipulate the system realise the inconsistency between doing this and producing at the same time the funds necessary to maintain the sinews of war and the welfare state at home. They know when it comes to the issue they will be excused if they fail to provide for a world-wide rise in the standard of living. They know they will never be forgiven it they betray the system and produce a crisis at home which either destroys the affluent State or interferes with its military preparedness.

Appeals to capitalism to work out a cure for the division of the world into rich and poor are likely to have no better result than the appeals of the Directors of the East India Company to Warren Hastings to ensure social justice in India. Faced with a choice, capitalism, like Hastings, will come down on the side of exploitation. (Kwame Nkrumah, 1965, œ*Neo-Colonialism, The Last Stage of Imperialism*, Thomas Nelson & Sons, Ltd., London, Conclusion)

[287] See œPreparing for Independence for Nigeria's experiences in moving toward independence from Britain. As Paul Beckett (1987, p. 87) put it,

> Nigeria's Westminster-like parliamentary system was developed hurriedly, seemingly with little consideration given to possible alternative forms.

[288] See The Breakdown of Communities for more on this.

[289] See œPolitical experiences in Nigeria for a brief sketch of post-colonial political experiences in Nigeria.

[290] A transcript of the presentation, provided by the ICJ, is available here: œICJ presentation by Ralph Wilde for the League of Arab States.

A transcript of the full proceedings of the Court on Monday 26 February 2024, published by the *International Court of Justice* is available here: œPublic sitting held on Monday 26 February 2024, at 10 a.m., at the Peace Palace, President Salam presiding.

With world-wide outrage mounting at the œ psychopathic, indiscriminate killing of those designated 'human animals' Western 'leaders' are desperate to divert attention away from the carnage.

The New York Times, propaganda-disseminating mouth-piece for 'The West', describes French President Macron's deliberate attempt to divert attention from Genocide to the possibility of European nations sending their troops into Ukraine. Macron is despicably trying to diffuse outrage at the massacre of starving Gazans!

291 A *Haaretz* report entitled 'Israel Created 'Kill Zones' in Gaza. Anyone Who Crosses Into Them Is Shot' explained the Israeli 'justification' for such killing:

> The Israeli army says 9,000 terrorists have been killed since the Gaza war began. Defense officials and soldiers, however, tell Haaretz that these are often civilians whose only crime was to cross an invisible line drawn by the IDF....
>
> "In practice, a terrorist is anyone the IDF has killed in the areas in which its forces operate," says a reserve officer who has served in Gaza...
> (Yaniv Kubovich, œIsrael Created 'Kill Zones' in Gaza. Anyone Who Crosses Into Them Is Shot, *Haaretz.com*, March 31, 2024)

292 The contrast between Western Mainstream Media protests at the indiscriminate killing of Palestinians over decades and the killing of 7 Western aid workers could not be more stark. Here are a few Western headlines demonstrating this:

> œAlbanese is outraged over the death of an Australian aid worker in Gaza, but what will Israel do?
>
> œSeven Gaza aid workers including UK, US and Australian citizens killed in Israeli strike, charity says
>
> œIsraeli Strikes on Aid Convoy Prompts Condemnation and an Apology From Netanyahu
>
> œBiden 'outraged' at Israel over aid workers' deaths as Netanyahu rival Benny Gantz calls for new elections
>
> œIsraeli ambassador, summoned by Poland in protest, apologizes for death of Polish aid worker

293 Israel, as a colonizing state, has presumed the right to behave as a Western colonizer.

In the 18th to 20th centuries *terra nullius* presumptions were considered, by Western states, to be the 'right and proper' way for the colonial state to behave toward its populations - making no 'legal' distinction between Western settlers and indigenous inhabitants. Property ownership required colonially granted/ recognized 'legal entitlement'.

To be considered a 'land owner' one had to have colonially 'registered' title to the land one claimed and, inevitably, all land titles were to be owned by legally recognized individual entities. The only exception to this rule was residence within colonially established 'indigenous reservations'.

Israel's 'sin' (from a Western perspective) is that it is employing colonial practices of 'homesteading' and 'land grants' in a discriminatory way: limiting rights of legal ownership to Jewish settlers but not to 'indigenous inhabitants'. Though, of course, most Western colonial bureaucracies biased rights of land registration in favor of colonial settlers. As a well-established aphorism puts it, the 'responsibility' to even-handedly grant

property title rights to applicants was 'more honored in the breach than in the observance' in earlier colonial practice.

The problem for Israel is that previous 'colonies' have been granted putative independence and the absurdity of assuming *terra nullius* state control of all land is seen for what it always has been - the denial of all forms of 'unregistered' pre-colonial land use and 'ownership' using the pretext of colonially legitimized legal 'land registration'.

It is this presumption which delegitimizes all pre-Israeli land ownership and use, requiring all such ownership and use to be 'legally' legitimized by the state (which, of course, will only 'register' Jewish ownership) which lies at the heart of 'settler' practices in Israel and its 'occupied territories'.

The very common practice in both past Western colonies and in Israel has been to harass, intimidate, physically assault current possessors of lands and dwellings until they finally vacate them. The aggressors are then able to move onto the property, and 'establish ownership' by applying for registered title to the property. Non-Jewish property owners (in common with non-Western property owners in other colonies) who are absent from their properties for any period of time can find that, in their absence, 'settlers' have legally acquired ownership of the property.

'Settlers' in Israel's 'occupied territories' can 'legally' claim to be 'within the law' in seizing and 'registering' non-Jewish lands legitimized through pre-Israeli practices and legal processes. Both they and the dispossessed know that the existing owners will never be granted legal Israeli ownership titles.

294 And, for its 'audacity' in opposing the genocidal activities of Israel and its US partner, in January 2024 œThe United States and its obedient vassal, The United Kingdom, are bombing Yemen!

The problem facing the rest of the world is that, since Israel has shown itself willing to ignore international opinion and, in the event of believing itself facing an existential threat, is clearly capable of employing an undisclosed number of nuclear weapons, and the United States has a 'first-strike' nuclear policy, which states

> ...that any U.S. president has the authority, without consulting anyone, to order a pre-emptive nuclear strike - not merely in retaliation if and when missiles start flying in our direction. Our warheads could be launched in defense of allies, after the onset of a conventional war involving our troops (think: Iraq, 2003) or in response to a bellicose threat posed by a nuclear (e.g., North Korea) or not-yet-nuclear state (e.g., Iran).
> (Greg Mitchell, œU.S. Must End Nuclear 'First Strike' Policy | Opinion, *Newsweek*, August 24, 2020)

the use of military force to compel Israel to stop its genocidal behavior is fraught with enormous danger.

Israel knows this and is capable of psychopathically threatening any nation which interferes in its genocidal 'solution' to its 'Palestinian problem'.

295 Alastair Crooke, in an excellent discussion on the site *Judging Freedom* explains the nature of Hamas and the inevitable consequence of Israeli oppression: œAlastair Crooke: Does Netanyahu have an exit plan?

296 Israel, treating the West Bank and other Palestinian refugee camps as separate from and not covered by the Gaza Truce, continued its 'normal'

settlement expansion and associated killing:

> Palestinian news agency Wafa said Israeli forces stormed Jenin "from several directions, firing bullets and surrounding government hospitals and the headquarters of the Red Crescent Society".
>
> The Israeli military spokesperson's office said it was looking into the reports.
>
> The raids come despite an ongoing four-day truce between Israel and Palestinian group Hamas in the war-torn Gaza Strip, where nearly 15,000 Palestinians, including more than 6,000 children, have been killed in Israeli strikes.
> (œIsraeli forces carry out deadly raids in the West Bank amid Gaza truce, *Aljazeera*, 26 November 2023)

But, of course, for the United States that was not the reason for ending the Gaza Truce. It was all the fault of those murderous 'Hamas Terrorists' who refused to accept that Israel had the right to continue seizing Palestinian lands and killing Palestinians who resisted their activities in the West Bank:

> Dubai [UAE], December 2 (ANI): US Secretary of State Antony Blinken said on Saturday that the pause in the ongoing Israel-Hamas conflict ended due to Hamas, claiming the terror group 'reneged' on commitments.
>
> "He highlighted that the end of the pause resulted from Hamas breaking commitments, citing a terrorist attack in Jerusalem and firing rockets before the pause ended.
>
> "It's also important to understand why the pause came to an end. It came to an end because of Hamas. Hamas reneged on commitments it made. In fact, even before the pause came to an end, it committed an atrocious terrorist attack in Jerusalem, killing three people, wounding others, including Americans. It began firing rockets before the pause had ended. And as I said, it reneged on commitments it made in terms of releasing certain hostages."Blinken reiterated US support for peace in the region, and said that the US is focusing on the release of Israeli hostages.
> (œHumanitarian pause ended because of Hamas, says US State Secy Blinken as Israel-Hamas fighting resumes, *Big News Network*,December 03, 2023)

Context and perspective bias are everything in such matters, and the United States is very-well-practiced in manipulating reality to suit themselves and their proxies.

[297] As we have seen, once human beings commit themselves to particular understandings of the nature of 'reality' and of their obligations within that ideologically defined reality, behaviors which, outside of their ideologically justified worldview, would be considered abhorrent, become 'necessary'.

All 'morality' becomes defined by the ideological frame within which they live and 'immorality' defined as behavior which contravenes the ideogical presumptions of their own understanding of 'reality'.

The ethos of 'settlers'' of the state of Israel has been driven both by a sense of entitlement as 'œThe Chosen People' in a 'Promised Land' and by the history of Jewish people in Western European countries through centuries of antagonism between traditional messianic Judaism [977] and messianic Christianity.

It combines both a belief in 'racial destiny' of an inherently 'superior' people and a sense of victimisation which requires a 'Jewish Homeland' where they can be safe from the horrors of Auschwitz.

Caitlin Johnstone summed it up:

> There's a certain particularly toxic personality type which thrives on being hated. They behave in wildly odious and destructive ways, and then when people react to this with hostility they plunge into poor-me victimhood, which they then use to justify more odious and destructive behavior.
>
> You may have been unfortunate enough to have encountered such personalities in your own life. They behave atrociously, and then when people react to it they say "See?? I really AM being persecuted!"...
> (Caitlin Johnstone, œIsrael Weaponizes Sympathy And Victimhood, February 12, 2024)

It needs to be understood that this ethos drives the œJewish Zionist movement (and has since its inception in the late 19th century, long before the Nazi atrocities of the 1940s), not all 'Jewish People'.

It is, in fact, very similar to the ethos of many of the 'settlers' within what is now The United States of America. The 'Pilgrim Fathers', settlers who traveled to America on the Mayflower and established their Colony in Plymouth, Massachusetts also believed that they were travelling to a 'promised land', escaping persecution and establishing a new haven for all like-minded Christians.

It was this strong belief that they were responsible to become 'the light of the world', a 'city set on a hill', that committed them to preserving and reinforcing their place as God's 'indispensable nation'; a nation which would inscribe on its coin 'œIn God We Trust'!

The official œwebsite for BBC History Magazine and BBC History Revealed explains it well:

> The pilgrims who risked their lives to settle in a strange land were more - and less - than folklore heroes. They were extreme Puritans, that is to say they disapproved of several of the rituals and practices of the Church of England that had been established by parliament at the beginning of Elizabeth I's reign. They believed that the official church was too similar to the Roman Catholic church and they wanted forms of worship and church organisation that would, in their opinion, be closer to what the Bible taught. All Puritans were critical of the established church, but members of this radical fringe were 'separatists'. They refused to attend their parish churches and, when the government imposed fines upon them, some decided to leave the country....
>
> Their discontent coincided with a growing interest in colonisation. The English and Dutch governments were both sponsoring the establishment of settlements on the North American coast. Having claimed the territory they called 'Virginia', the English government offered incentives to anyone prepared to travel there and develop plantation agriculture (mainly of tobacco). So it was that, in 1620, a minority of those who had settled in the Low Countries decided to move again - this time across the Atlantic....
>
> Many of those who went into voluntary exile held strong beliefs backed by their own understanding of the Bible; they had suffered

> much for their beliefs and were not prepared to compromise them in the interests of harmony with other religious migrants.. (Accessed November 19, 2023).

Fast-forward to the 21st Century and we have two distinct groups of people, both recognizing themselves as 'Zionists'; both intent on establishing a Zionist State in the Biblical 'Land Of Israel'; and both believing themselves justified by 'God' to do 'whatever it takes' to ensure the establishment of such a nation.

But, the motivations of the two groups (both subsets of much larger communities which do not share their determinations) are antithetical.

Exponents of 'Jewish Zionism' believe that they are establishing an exclusive safe haven for ALL 'ethnically' Jewish people (though, of course, the 'ethnic' identity of 'Jews' is largely illusory. It is instructive that Zionist practices within the modern State of Israel strongly discriminate in favor of 'Europeanized' Jews).

Exponents of 'Christian Zionism' believe that they are ensuring the prophesies of the 'Book of Revelation': The return of the Christian Messiah who will establish His Kingdom and eliminate all Jews who do not convert to Christianity and accept his rule.[978]

If either is right it well not end well for others!

[298] Rabea Eghbariah sums it up::

> Some may claim that the invocation of genocide, especially in Gaza, is fraught. But does one have to wait for a genocide to be successfully completed to name it? This logic contributes to the politics of denial. When it comes to Gaza, there is a sense of moral hypocrisy that undergirds Western epistemological approaches, one which mutes the ability to name the violence inflicted upon Palestinians. But naming injustice is crucial to claiming justice. If the international community takes its crimes seriously, then the discussion about the unfolding genocide in Gaza is not a matter of mere semantics.
>
> The UN Genocide Convention defines the crime of genocide as certain acts "committed with the intent to destroy, in whole or in part, a national, ethnical, racial or religious group, as such." These acts include "killing members of a protected group" or "causing serious bodily or mental harm" or "deliberately inflicting on the group conditions of life calculated to bring about its physical destruction in whole or in part."...
> (Rabea Eghbariah, œThe Ongoing Nakba: Towards a Legal Framework for Palestine, *The Nation*, November 21, 2023)

On December 29, 2023, South Africa œsubmitted its case to the International Court of Justice accusing Israel of genocide against Palestinians in Gaza. As the submission explained:

> 4. The facts relied on by South Africa in this application and to be further developed in these proceedings establish that - against a background of apartheid, expulsion, ethnic cleansing, annexation, occupation, discrimination, and the ongoing denial of the right of the Palestinian people to self□determination - Israel, since 7 October 2023 in particular, has failed to prevent genocide and has failed to prosecute the direct and public incitement to genocide. More gravely still, Israel has engaged in, is engaging in and risks further engaging in genocidal acts against the Palestinian people in

Gaza. Those acts include killing them, causing them serious mental and bodily harm and deliberately inflicting on them conditions of life calculated to bring about their physical destruction as a group. Repeated statements by Israeli State representatives, including at the highest levels, by the Israeli President, Prime Minister, and Minister of Defence express genocidal intent. That intent is also properly to be inferred from the nature and conduct of Israel's military operation in Gaza, having regard inter alia to Israel's failure to provide or ensure essential food, water, medicine, fuel, shelter and other humanitarian assistance for the besieged and blockaded Palestinian people, which has pushed them to the brink of famine. It is also clear from the nature, scope and extent of Israel's military attacks on Gaza, which have involved the sustained bombardment over more than 11 weeks of one of the most densely populated places in the world, forcing the evacuation of 1.9 million people or 85% of the population of Gaza from their homes and herding them into ever smaller areas, without adequate shelter, in which they continue to be attacked, killed and harmed. Israel has now killed in excess of 21,110 named Palestinians, including over 7,729 children - with over 7,780 others missing, presumed dead under the rubble - and has injured over 55,243 other Palestinians, causing them severe bodily and mental harm. Israel has also laid waste to vast areas of Gaza, including entire neighbourhoods, and has damaged or destroyed in excess of 355,000 Palestinian homes, alongside extensive tracts of agricultural land, bakeries, schools, universities, businesses, places of worship, cemeteries, cultural and archaeological sites, municipal and court buildings, and critical infrastructure, including water and sanitation facilities and electricity networks, while pursuing a relentless assault on the Palestinian medical and healthcare system. Israel has reduced and is continuing to reduce Gaza to rubble, killing, harming and destroying its people, and creating conditions of life calculated to bring about their physical destruction as a group.

5. South Africa, mindful of the jus cogens character of the prohibition of genocide and the erga omnes and erga omnes partes character of the obligations owed by States under the Genocide Convention, is making the present application to establish Israel's responsibility for violations of the Genocide Convention; to hold it fully accountable under international law for those violations; and - most immediately - to have recourse to this Court to ensure the urgent and fullest possible protection for Palestinians in Gaza who remain at grave and immediate risk of continuing and further acts of genocide.

[299] I well remember, in my childhood, going to the bioscope to watch 'cowboys and Indians' films provided as an endless stream of indoctrinating propaganda by 'Hollywood'. The 'good guys' (all 'cowboys') would demonstrate their 'heroism' and proficiency with Smith and Wesson 'six-guns' in pursuing and killing the 'marauding Indians'. Then we would go home and play 'cowboys and Indians' in the backyard!.

As ' Solomon son of David, king of Israel' taught: 'Start children off on the way they should go, and even when they are old they will not turn from it.' (Proverbs Ch. 1:1; Ch. 22, 6 (NIV))

[300] Ehud Olmert explained Israel's ambition in the third decade of the 21st Century:

The supreme aim of the far-right duo National Security Minister Itamar Ben-Gvir and Finance Minister Bezalel Smotrich is not the occupation of the Gaza Strip.

Even settlement throughout the devastated Strip is not the final goal of the bunch of messianic hallucinators that has seized power in the state of Israel. Gaza is just the introductory chapter, the platform this gang wants to build as the foundation upon which the real fight they are eyeing will be conducted: the battle for the West Bank and the Temple Mount.

The ultimate aim of this gang is "purging" the West Bank of its Palestinian inhabitants, cleansing the Temple Mount of its Muslim worshippers and annexing the territories to the state of Israel. The way to achieve this goal is blood-soaked. Israeli blood, in the state and in the territories it has been controlling for 57 years now, as well as Jewish blood in places elsewhere in the world. As well as a lot of Palestinian blood, of course, in the territories, in Jerusalem and if there is no alternative - also among Arab citizens of Israel.

[For Additional Information:]

- œIsrael's worst-ever government wants to let the country burn
- œ'100-200,000, not two million': Israel's finance minister envisions depopulated Gaza
- œIsrael's far-right must let the public judge its policies in an early election

This aim will not be achieved without extensive violent conflict. Armageddon. All-out war. In the south, in Jerusalem, in the territories of the West Bank and to the extent necessary also on the northern border. Such a war will bolster the impression that we are fighting for our lives, for our very existence. In a war for survival, it is permissible to do insufferable things, and the hilltop youth are proving daily that among them are many who are capable of precisely that....
(Ehud Olmert, œNetanyahu's Messianic Coalition Partners Want an All-out Regional War. Gaza Is Just a First Step, *Haaretz*, February 22, 2024)

301 The time is long-passed when Western populations, wherever they might live, can simply claim that they 'no longer behave as genocidal colonists'! If they do not unequivocally demonstrate that they no longer support genocidal colonialism through any and every democratic form of protest, then they, with their governments, are complicit in Israel's genocidal activities.

Like it or not, The true nature of 2024 Western populations is on display before the rest of the world. We have only ourselves to blame if we find ourselves condemned by the non-Western World as Genocidal Westerners!

It is not enough that we write conscience twinged 'comments' on internet sites, lamenting our impotence in the face of our governments' support of Israel. Whether we like it or not, Western Governments are 'democratically elected' and claim to speak in our names! And, if our governments are able to openly and deliberately speak in our names on behalf of Genocidal Colonization then what on earth are we doing about it?

[302] On 21st January 2024 Hamas published a document entitled œOur narrative... Why Operation Al-Aqsa Flood?. The preamble explains its purpose:

> In light of the ongoing Israeli aggression on the Gaza Strip and the West Bank, and as our people continue their battle for independence, dignity and breaking-free from the longest-ever occupation during which they have drawn the finest displays of bravery and heroism in confronting the Israeli murder machine and aggression. We would like to clarify to our people and the free peoples of the world the reality of what happened on Oct. 7, the motives behind, its general context related to the Palestinian cause, as well as a refutation to the Israeli allegations and to put the facts into perspective.
> (œOur narrative... Why Operation Al-Aqsa Flood?, *Hamas Media Office*, January 21, 2024)

The October 7th, 2023 Hamas' attack on Israel's illegal settlements in the vicinity of The Gaza Strip has been variously portrayed as a 'horrendous' 'terrorist' attack on innocent civilians; a barbaric crime against humanity including beheaded babies, raped and slaughtered women and wholesale torture and murder of Israeli communities - all committed within the short time that it took for the Israeli Defense Forces (IDF) to respond to the attack.

Western media, uncritically, accepted Israel's version of what had occurred and published lurid, embellished accounts of it all which United States' officials, including President Biden, repeatedly referred to as 'Hamas Crimes against Humanity'.

Three months later, those accounts have been shown to be, at best, wild exaggerations of what actually occurred. It is becoming increasingly clear that, in fact, Israel's accounts followed Goebbels' maxim: 'If you tell a lie big enough and keep repeating it, people will eventually come to believe it' .

There were no 'babies removed from incubators and beheaded' and there were no rapes and tortures committed by 'Hamas Terrorists'[979].

There were, however, as the œIsraeli News Site *Haaretz* put it in an investigative article on January 17, 2024, "'Unlawful, Unethical, Horrifying'" acts committed by IDF personnel.

It seems that Israel was, indeed, well aware of the planned Hamas attack and used it to stage a psychopathic justification for a genocidal, ethnic-cleansing campaign against Gaza's inhabitants in what can only be described as pre-planned, choreographed, Hollywood style portrayals of horrifying, 'terrorist acts' garnished with various existing social media sourced scenes. Israel was well prepared for the events of October 7th, 2023.

It has, indeed, been a highly successful propaganda event 'justifying' the carpet bombing of Gaza.

A œcomment on a *Naked Capitalism* post put it very well:

> ...There is never any mention that Israel is an occupying power, that the occupied territories extend well beyond the borders of Gaza and the West Bank, that the Palestinians have every right to set up an armed resistance to their occupiers and that Hamas never left the occupied territories in its' incursions. Even wrt their attacks on the Kibbutzim, those are essentially militarized out posts and their

> targeting was well within the laws of war. What they have done is all perfectly legal under international law and is routinely misrepresented in the MSM....

The *modus operandi* of Israel and its 'settler' colonizers over more than a century has included pursuing deliberately provocative policies and practices, aimed at inflaming Palestinian indignation and resentment.

Then, when their victims' outrage leads to rebellion, using that rebellion as justification for further murder, oppression and dispossession, justifying their behavior as a 'reasonable' response to 'unprovoked' Palestinian aggression. (There is more than a passing similarity between this behavior and the behavior of the 'settlers' of the American 'Wild West')

Ilan Pappé, in a keynote address at The Islamic Human Rights Commission's (IHRC) annual Genocide Memorial Day in London, UK on 21st January 2024, described the process:

> At the early stages of the Zionist settler colonialist project, its leaders carried out their eliminatory policies with a genuine attempt to square the circle by claiming that it was possible to build a democracy and at the same time to eliminate the native population. There was a strong desire to belong to the community of civilised nations and it was assumed by the leaders, in particular after the Holocaust, that the eliminatory policies will not exclude Israel from that association....[980]

And, of course, The West, long enured to such duplicitous behavior, unhesitatingly supports them.

The October 07, 2023 attack on Israel has widely been condemned for its inclusion of 'civilian' targets. This needs to be put into perspective:

As Caitlin Procter and Luigi Achilli explain:

> According to the Ministry of Health in Gaza and the United Nations, over 8000 Palestinians have already been killed, some 40% of whom were children, and more than half of Gaza's residents are now displaced. It has also disappeared thousands of Palestinians from Gaza, doubling the number of Palestinian prisoners in just two weeks. They are now believed to be held in inhumane detention conditions. And, in the West Bank, it has violently invaded Palestinian towns and refugee camps, killing more than 100 people.
>
> Meanwhile, another campaign is raging on the airwaves and across social media. Waged by both volunteers and professional pundits, Tiktok, X (formerly Twitter), Instagram, and Facebook are all overflowing with content aimed at influencing public opinion on the crisis. Some posts make light of Palestinian death with memefied, casual cruelty. Others sex up the Israeli Defence Forces. Still others cheerlead genocide....[981]

On October 7, 2023 the Palestinian attackers came from an open-air prison (widely condemned as a 'concentration camp') within which Palestinians have been held and abused for decades.

Over those decades their abusers have included Israeli 'settlers' (designated 'civilians' by Israel) who have evicted Palestinian families from their homes and lands and claimed 'ownership' with the implicit and/or explicit support of both Israeli defense personnel and the Israeli government.

Those 'settlers' have been both armed and very aggressive in their invasion, subjugation and expulsion of Palestinians from what have become 'illegal' Israeli settlements. And those settlements have then been 'protected' by Israeli 'guards' and 'defense forces'.

Aljazeera, in a report entitled 'Israel approves plans for thousands of illegal settlement homes: Defence Ministry committee approves more than 5,000 new settlement housing units in the occupied West Bank', have described what happened in June, 2023, one of the recent examples of what has been happening for decades:

> The Defence Ministry planning committee that oversees settlement construction approved more than 5,000 new settlement homes on Monday. The units are at various stages of planning, and it was not immediately clear when construction would begin. There was no immediate comment from the ministry.
>
> The international community, along with the Palestinians, considers settlement construction illegal and an obstacle to peace. More than 700,000 Israelis live in the occupied West Bank and East Jerusalem - territories captured by Israel in 1967 and sought by the Palestinians for a future state.
>
> "The Netanyahu government is moving forward with its aggression and open war against the Palestinian people," said Wasel Abu Yousef, a Palestinian official in the occupied West Bank. "We affirm that all settler colonialism in all the occupied Palestinian territories is illegitimate and illegal."
>
> Israel's government, which took office in late December, is dominated by religious and ultranationalist politicians with close ties to the settlement movement. Finance Minister Bezalel Smotrich, a firebrand settler leader, has been granted cabinet-level authority over settlement policies and has vowed to double the settler population in the occupied West Bank.
>
> Al Jazeera's Imran Khan, reporting from the Giv'at Ze'ev settlement in the occupied West Bank, said the news was "a very big victory for Smotrich".
>
> "Normally, to approve settlement expansion, there are six phases. They included things like security considerations, who was going to actually build the settlement, political considerations. At each of those stages, MKs - members of parliament [the Knesset] - and the international community could voice their concerns and often they would be slowed down," Khan said.
>
> "But last week the cabinet, led by Prime Minister Benjamin Netanyahu, streamlined that process completely and handed over almost complete control to Smotrich. He's exercised that control today."
> (œIsrael approves plans for thousands of illegal settlement homes:Defence Ministry committee approves more than 5,000 new settlement housing units in the occupied West Bank, *Aljazeera*, June 26, 2023)

For an example of the eviction of people from their homes and lands see: œIsrael-Hamas war: Settlers speed up eviction of Palestinian Bedouins in West Bank hills amid war (Louis Imbert , *Le Monde*, October 23, 2023)

One can only imagine what citizens of Western nations would do in similar circumstances but I doubt they would bother with a refined

distinction between those who have robbed them of their homes and livelihoods and have been designated 'civilians' and the guards and defense personnel protecting those 'civilian' 'acquisitions'!

[303] The purpose in use of the term 'terrorist' has been neatly summed up by a commenter pseudonymed 'Eclair':

> ...Behind every report or mention of a 'terrorist attack,' there is a background story of another provocation or massacre or humiliation (or multiples thereof,) perpetrated by the side being currently attacked. 'Terrorists' aren't born, they are created.
>
> "Terrorist" is a trigger word. Whenever I encounter it, my assumption is that the purpose of the writer is to create a state of emotional disgust in my mind.
>
> I guess I can understand the actions and mindset of the Jewish settlers flocking into Palestine during and at the end of WW 2. PTSD-afflicted, shell-shocked, a bit crazed from losing family, being ejected from homes and communities, and from having lived with the reality of a massive and efficient State apparatus that was dedicated to eliminating you and all like you, one survival mode is to stop at nothing to create a safe space in which to flourish. So, 'never again' becomes your driving force.
>
> The Problem: The British ruling class, having had such great luck in the past with sending off and clearing out their troublesome population (the peasant Irish and Scots, petty thieves, murderers, the poor), as well as the penurious second (and third and fourth) sons of landowners, saw no reason why they could not do the same with Jews, who had been routinely scoured from European countries for centuries. A humane 'final solution.' Get 'em their own land! Except they underestimated the compliance (and immune systems) of current occupants and 'owners' of Palestinian lands. They were not about to go gently. Or obligingly die off from some 'European' disease. Distributing small pox blankets went out with the widespread acceptance of vaccines.
>
> And, so we have ended up with a terrorized people, moving in and terrorizing the local population, who develop their own terrorists to defend themselves. In a never-ending cycle. Which now threatens to spread into a larger regional conflagration, involving States who have replaced small pox blankets with nuclear weapons. (œCommenter 'Eclair' in Conor Gallagher, America's War for the Greater Middle East (Continued), *Naked Capitalism*, December 10, 2023)

[304] As The West has demonstrated over many decades, the best way to muddy the waters when something disastrous or despicable has happened is to present a range of scenarios (which of course do not include themselves) to 'explain' what has happened.

The consequent public debate diffuses blame and public outcry over the event. But, this outrage demands objectivity and that objectivity leads to only one conclusion: The outrageous bombing campaign carried out by Israel in the Gaza Strip is responsible for this crime against humanity!

The depravity of Western leadership is best illustrated by example.

Jonathan Cook, in a blog entry entitled 'œThis is another Iraqi WMD moment. We are being gaslit', describes the demolition of a Gaza hospital by Israeli missiles. As he says 'It's not just 'unlikely' that a

Palestinian rocket hit the Gaza hospital. It's impossible. The media know this, they just don't dare say it'.

Bhadrakumar, in a posting entitled 'œWhy Biden lied on Gaza hospital attack', outlines the depravity at the heart of Western Capitalism. As he explains:

> The US President Joseph Biden's white lie obfuscated the horrific truth about the Israeli missile attack on the Baptist church in Gaza on Tuesday night, which took the lives of over 500 people.

The true level of depravity contained in this needs to be understood. Biden, embracing the perpetrator of that horrendous outrage, tells him - and the rest of the world - "Based on what I've seen, it appears as though it was done by the other team, not you. But there's a lot of people out there, not sure.".

As Cook explained, and Biden had to know, it could only have been done by Israeli precision weaponry. Biden and his advisors knew this and they chose to meet with and embrace the psychopath responsible for it all!

And, no officials in Western nations, who must surely be aware of what actually happened, dared to hold the perpetrators responsible! What kind of a world has the West fashioned in this 21st century?

305 Netanyahu's outburst and psychopathic rage, directed toward not only the Hamas organization but toward all who support it, in all probability stems from two related determinations:

- His often stated intention of ethnic-cleansing the largely mythical and very short-lived Biblical 'Land of Israel' [982]; and
- From the disastrous consequences of his inept attempt to neutralize the effectiveness of the Palestine Liberation Organization (PLO) by supporting an embryonic Hamas which he assumed would be rival to the PLO among Palestinian people

His aim was to sow disunity amongst Palestinians, enfeebling resistance to the genocidal ambitions of the Israeli government.

Bhadrakumar explained it well:

> Israel under Netanyahu has a highly controversial past vis-a-vis Hamas. Two former prime ministers, Ehud Olmert and Ehud Barak, have given interviews to prominent western media recently alleging that Netanyahu is responsible for the rise of Hamas, having financed the movement with Qatari funds. A former Israeli general who was in charge of occupation of Gaza has actually admitted to have disbursed funds to Hamas.
>
> These stunning disclosures by responsible people expose that Netanyahu is a man of many parts. When Ambassador Gilon demands that Delhi should declare Hamas as a terrorist organisation, it all depends on which faction of Hamas he is referring to.
>
> Curiously, the Hebrew-language daily newspaper published in Israel under the Ma'ariv Hashavu'a brand has just come out with a sensational report to the effect that between 2011 and 2023, Netanyahu rejected at least six plans presented by the Israeli intelligence agency Shin Bet - during the respective tenures of Yoram Cohen, Nadav Argaman, and the current head, Ronen Bar -

to eliminate the leader of Hamas fighters in Gaza Yahya al-Sinwar (who apparently led the assault on October 7) and other senior members of the Palestinian movement.

On Tuesday, the former Israeli defence minister Avigdor Liberman confirmed the veracity of this report. According to Liberman, Netanyahu was the one who granted "immunity" to Sinwar and other leaders of Hamas, standing against any attempts to neutralise them. "I'm stating this not as mere speculation, but as someone with personal knowledge of the matter," he stated.

Indeed, Netanyahu has had a dubious record of systematically strengthening Hamas to deepen divisions between the Palestinian factions with an agenda of weakening the Palestinian Authority and its President Mahmoud Abbas. His ulterior objective has been to stall any and every peace process, buying time for Greater Israel project to be completed.
(M. K. Bhadrakumar, œTread Softly On Hamas - For Good Reason, *Indian Punchline*, November 29, 2023) [For references see the original post]

306 As was the practice in the 'colonial period' of Western European expansion across the world in the 19th and 20th centuries, the United States has, in a wide range of ways, provided unconditional diplomatic and political protection and both funding and military support to Israel. Howard French explained:

> As the situation between Israel and Palestinians has grown steadily more dangerous, the doses of denial needed to ignore it, too, have like a narcotic become constantly bigger....
>
> ..[T]he central problem at the heart of this crisis of denial can nonetheless be stated fairly simply: Israel has been steadily settling land it seized and occupied through war with its neighbors, while simultaneously relegating its Arab citizens, who represent a fifth of the Israeli population, to increasingly abject, second-class status.
>
> Successive American administrations have been meek about the first problem and all but silent on the second.
>
> Under Bill Clinton, the United States tentatively sought to withhold money from its generous annual aid package for Israel to avoid subsidizing its settlements in the occupied West Bank, but ponied up most of the money in the end and subsequently said little about the settlements.
>
> Barack Obama made a settlement freeze a centerpiece of his administration's push for a negotiated two-state solution to the Israeli-Palestinian conflict, but his repeated demands were rebuffed by Israel with no negative impact on American largesse.
>
> By official count, Washington has granted Israel the equivalent of nearly $253 billion in aid since the nation's founding in 1948 and has recently furnished that assistance at a rhythm of about $3 billion a year.
>
> This makes Israel unique in at least two respects. The first is that it receives such generous assistance despite its high level of economic development. Even more remarkable, though, is that the United States makes so little effort to leverage its help politically as it does with most aid recipients.

> Taken together, rather than helping its close friend, as American aid is supposed to do, America's non-responses to the barely concealed crisis identified above, coupled with its nearly unconditional support for Israel, has only made a very dangerous situation worse.
>
> During the Trump administration, Washington even began pretending that Palestinians could be imagined out of the political reality that underlies the region's looming seismic dangers.... (Howard W. French, œThe Costs of America's Unconditional Support for Israel, *World Politics Review*, May 19, 2021)

Talya Wintman, in an essay entitled 'œThe Entire US Tax Code Is Implicated in the Forced Displacement of Palestinians: Israeli settlements are supported by millions in U.S. tax-exempt donations funneled through corporations and nonprofits' (*Truthout*, 15 May, 2021) has described some of the putatively 'private' sources of Israeli funding from the United States. As she says,

> While U.S. policymakers pay lip service to the peace process, how is it that private citizens have legally spent millions inciting political violence and Jewish supremacy through our tax codes? The donations are damaging to U.S. interests abroad, and they most certainly do not offset the societal monetary costs of the tax exemptions themselves. More importantly, this philanthropic system was never democratic to begin with. Somehow, a handful of subsidized U.S. donors whose identities are not even public have contributed to Israeli apartheid and violent incitement.
>
> Gaza is on fire, and U.S. multinational corporations and their investors are not just fanning the flames, they are literally part of the combustion. Of the U.S. munitions used in Gaza - Boeing, Hewlett Packard, Lockheed Martin and Raytheon - the list is long and predictable. These corporations not only bring in revenue from their contracts with the Department of Defense and independent arms dealings, many also receive additional corporate welfare through state legislatures by bullying local officials and threatening job cuts. Raytheon did this in the mid-1990s in Massachusetts, my home state, radically rewriting Massachusetts' corporate income tax code. Boeing has historically been one of the largest recipients of corporate welfare in the country, receiving an incentive package estimated at $8.7 billion in state tax breaks in 2013 that was only overturned in 2020. This corporate malfeasance is the product of rapacious capitalism with low taxes, low wages and little regulation.

As is to be expected of the US given its long-term support for this anachronous colony, President Biden took a long time to voice an opinion on the 2021 Israeli bombardment of Gaza:

> President Biden for the first time expressed support for a cease-fire between Israel and Hamas militants in Gaza on Monday, as the devastating rocket and missile war there gave no sign of easing after the deaths of dozens of Palestinian children.
>
> But he also reiterated that Israel had a right to defend itself, stopping short of publicly calling on Israel to change its approach despite rising international condemnation.
>
> The statement, issued after Mr. Biden spoke with Prime Minister Benjamin Netanyahu of Israel, was the furthest that the president has gone toward calling for an end to the conflict. But it also reflected a continued and deep reticence by world leaders to

> criticize Israel, and a failure of diplomacy to persuade the two sides to curb a rising cycle of violence.
> (Isabel Kershner and David E. Sanger, Biden Supports Israel-Gaza Cease-Fire, as Fighting Rages Into Second Week, *New York Times*, May 17, 2021)

[307] The Israeli designation of Palestinian citizens of Israel as 'Middle Eastern Arabs' is aimed at denying their legitimate claim to belong in the land seized by the invading colonists. As a *Jewish Voice* disinformation article absurdly claims:

> The creation of the State of Israel in 1948 didn't take a significant amount of land from Middle Eastern Arabs. Israel comprises 0.2 percent of the Middle East's land mass. (That's two-tenths of one percent! Clearly, that tiny sliver of land that is Israel is not a significant amount of real estate...
>
> Palestinian Arabs are not a separate people group. They have no distinguishing cultural identity setting them apart from other Arabs, and there is no distinctly Palestinian language. Palestinians are Arabs living in a region formerly known as Judea. They are no more distinct as a people from other Arabs in the Middle East than are residents of the state of Wisconsin distinct from residents of Iowa.

The same logic could, of course, equally absurdly, be used to suggest that all immigrants to Israel should go back to their places of origin because 'they are not distinct as a people' from others in those places.

The formal drawing of boundaries of lands designated as 'nation-states' is of course Western and should not be presumed to have existed in any regions not controlled in some way by those Western nations.

To argue that since inhabitants of a region are similar to inhabitants of other regions they can reasonably be required to relocate to those other regions could be used to justify all invasions and ethnic cleansings.

The colonial territory 'Palestine' is a region given this name and boundaries by British colonial authorities but its inhabitants predate that by many centuries and it will, once Western colonial activities fade into history, no doubt be renamed by the descendants of Palestine's inhabitants (as has occurred in post-colonial territories around the world).

[308] Raja Shehadeh, in an Opinion piece in the *New York Times*, provides a timely reminder of the bleakness of Israel's occupation of Palestinian lands and the demoralizing disenfranchisement of Palestinians. As he says, it seems inevitable that Israel will eventually proceed with the formal annexation of the West Bank[983].

But, as Israel must surely know, formal annexation will, sooner or later, re-enfranchise Palestinians in a new expanded Israel. It might well be that "the gloom of the Palestinian night is that blackness which precedes the dawn":

> ...[O]ver the span of Mr. Netanyahu's premiership, the situation has gone from gloom to more gloom, from dark times to darker ones, from some measure of hope to despair.
>
> Then again, at this point, maybe even darker would be better for us - maybe that's the only way out. My one consolation watching Israel pursue its current path is to think that it is doing itself damage, too.
>
> Consider three examples:

- Violence by Jewish settlers and right-wing activists against Palestinians in the West Bank more than tripled last year, compared with 2017.
- An Israeli family built a home on land taken away from Palestinians - and then tried to rent it out on Airbnb. When the company balked, citing a new policy announced late last year against listing properties in settlements, the family brought a case for discrimination in the United States. (The Palestinian family is suing back.)
- Last week, a family near the village of Hizma, north of Jerusalem, whose house is in an Israeli settlement, chose to destroy its home of more than three decades rather than paying Israeli authorities to do the job (and being fined).

Won't Israeli society at some point also feel the nefarious effects of its government's inhumanity toward us?

In Arundhati Roy's novel "The Ministry of Utmost Happiness," one of her characters, Musa, says that if Kashmiris have failed to gain independence from India, at least in struggling for it they have exposed the corruption of India's system. Musa tells the book's narrator, an Indian: "You're not destroying us. You are constructing us. It's yourselves that you are destroying." Palestinians today might say the same of our struggle with Israel.
(Raja Shehadeh, œWe Are Too Weak to Stop Israel: For Palestinians, it doesn't matter who wins the election there next week. *New York Times*, April 4, 2019)

309 The inevitable has happened: The US has backed Israel: the last Western Colony; and a subjugated people, with nothing to lose but their lives, futilely protest US support for Israel in riding rough-shod over the rights of a subjugated people; the result is inevitable - as it has been in colony after colony through the past 70 years of colonial uprising against Western oppression.

We all know the history of Western colonialism! The subjugated will, eventually, successfully overthrow the colonists and inherit the arsenals of Israel!

David Halbfinger, Isabel Kershner and Declan Walsh have described the ongoing consequences: 'Israel Kills Dozens at Gaza Border as U.S. Embassy Opens in Jerusalem':

Protests on Gaza border turn bloody

A mass attempt by Palestinians to cross the border fence separating Israel from Gaza turned violent, as Israeli soldiers responded with rifle fire. Monday became the bloodiest day since the campaign of demonstrations began seven weeks ago to protest Israel's economic blockade of Gaza.
(David M. Halbfinger, Isabel Kershner and Declan Walsh, œIsrael Kills Dozens at Gaza Border as U.S. Embassy Opens in Jerusalem, *New York Times*, 14 May, 2018)

310 (12/01/18) It seems that many 'citizens' of Israel happily visit upon the Palestinian people the Curse of Joshua upon the Gibeonites:

You are now under a curse: You will never be released from service as woodcutters and water carriers...
(œJoshua 9:23, *New International Version: Bible*)

The alternative was genocide: 'wiping out all the inhabitants' (œJoshua 9:24 NIV). Such barbarism, of course, cannot, and never could, be justified - no matter what the perpetrators might claim about their inherent superiority or authorization by a sociopathic Deity!

Religious fundamentalism, in its more extreme manifestations can, as the Islamic State in Iraq and Syria (ISIS) œdemonstrated in Syria, be used to justify almost anything - including beheadings and the taking of slaves. And Jewish fundamentalism is not an exception to this.

Here is a video of Jewish fundamentalists in Israel talking to a class in a fundamentalist school:œIsraeli "education" in genocide.

Palestinians (like so many indigenous peoples around the world under Western colonialism): disenfranchised, stateless people, forever under the thumb of a sociopathic right-wing invading minority. But we all know the history of Western colonialism! The subjugated will, eventually, successfully overthrow the colonists and inherit the arsenals of Israel!

Michelle Goldberg has addressed the issues well:

> ...[I]f the possibility of Palestinian statehood is foreclosed, Israel will be responsible for all the territory under its control. There will be one state; the question is what sort of state it will be. Some on the Israeli right foresee a system in which most Palestinians will remain stateless indefinitely, living under a set of laws different from those governing Israeli citizens.
>
> Yoav Kish, a Likud member of Parliament, has drawn up a plan in which Palestinians in the West Bank will have limited local administrative sovereignty; rather than citizens they will be "Residents of the Autonomy."
>
> Supporters of Israel hate it when people use the word "apartheid" to describe the country, but we don't have another term for a political system in which one ethnic group rules over another, confining it to small islands of territory and denying it full political representation.
>
> The word "apartheid" will become increasingly inescapable as a small but growing number of Palestinians turn from fighting for independence to demanding equal rights in the system they are living under. "If the Israelis insist now on finishing the process of killing the two-state solution, the only alternative we have as Palestinians is one fully democratic, one-state solution," Barghouti says, in which everyone has "totally equal rights."
>
> Needless to say, Israel will accept no such thing. Though demographics in the region are as contested as everything else, Palestinians are likely to soon become a majority of the population in Israel and the occupied territories. If all of them were given the right to vote, Israel would cease to be a Jewish state.
>
> But most of the world - including most of the Jewish diaspora - will have a hard time coming up with a decent justification for opposing a Palestinian campaign for equal rights. Israel's apologists will be left mimicking the argument that William F. Buckley once made about the Jim Crow South. In 1957, he asked rhetorically whether the white South was entitled to prevail "politically and culturally, in areas in which it does not predominate numerically." The "sobering answer," he concluded, was yes, given the white community's superior civilization.

> It's impossible to say how long Israel could sustain such a system. But the dream of liberal Zionism would be dead. Maybe, with the far right in power both here and there, it already is.
> (Michelle Goldberg, œIs Liberal Zionism Dead?, *New York Times*, Opinion, Jan. 8, 2018)

311 It seems appropriate, in a week when US 'progressives' choose to remember Martin Luther King, to recall his opposition to the passivism of so many of those who commemorate his life. Nicholas Powers has summed it up:

> US jets bombed villages. US soldiers machine-gunned combatants and civilians. The Vietnam War had hit a fever pitch of death when Martin Luther King Jr. stepped onto the podium at Riverside Church on April 4, 1967, and said, "The greatest purveyor of violence in the world today: my own government."
>
> The speech, "A Time to Break the Silence," cost him. Newspapers damned him. Friends distanced themselves. President Lyndon Johnson, angered by what he thought was betrayal, reportedly called King, "that goddamn n***** preacher."
>
> King risked isolation to speak hard truths. The US's endless war had depleted the money needed to end poverty. The war was in support of a corrupt, authoritarian regime that suppressed a peoples' desire to be free. The US was poisoned by its militarism; it was not the beacon of democracy but its destroyer.
>
> The King of "A Time to Break the Silence" is more relevant today than ever. The US's war on the world has been ongoing. Poverty has deepened. The body count has only grown.
> (Nicholas Powers, œThe US Celebrates King's Nonviolence But Not His Antiwar Politics, *Truthout*, January 21, 2019)

Michelle Alexander put it well:

> On April 4, 1967, exactly one year before his assassination, the Rev. Dr. Martin Luther King Jr. stepped up to the lectern at the Riverside Church in Manhattan. The United States had been in active combat in Vietnam for two years and tens of thousands of people had been killed, including some 10,000 American troops. The political establishment - from left to right - backed the war, and more than 400,000 American service members were in Vietnam, their lives on the line.
>
> Many of King's strongest allies urged him to remain silent about the war or at least to soft-pedal any criticism. They knew that if he told the whole truth about the unjust and disastrous war he would be falsely labeled a Communist, suffer retaliation and severe backlash, alienate supporters and threaten the fragile progress of the civil rights movement.
>
> King rejected all the well-meaning advice and said, "I come to this magnificent house of worship tonight because my conscience leaves me no other choice." Quoting a statement by the Clergy and Laymen Concerned About Vietnam, he said, "A time comes when silence is betrayal" and added, "that time has come for us in relation to Vietnam."
>
> It was a lonely, moral stance. And it cost him. But it set an example of what is required of us if we are to honor our deepest values in times of crisis, even when silence would better serve our personal

interests or the communities and causes we hold most dear. It's what I think about when I go over the excuses and rationalizations that have kept me largely silent on one of the great moral challenges of our time: the crisis in Israel-Palestine.
(Michelle Alexander, œTime to Break the Silence on Palestine, *New York Times*, January 19, 2019)

[312] In 2019, the US Israel lobby continues to censure all criticism of Israel as 'anti-Semitic'. A sad, morally reprehensible 'disciplining' of newly elected US Representative Ilhan Omar by the US Democrat leadership illustrates this.

US House of Representatives Speaker, Nancy Pelosi, issued a statement disingenuously confirming the US constitutional right to free speech, while condemning criticism of Israel and of The American Israel Public Affairs Committee's (AIPAC) undeniable influence within United States politics; conflating criticism of Israel and AIPAC with 'anti-Semitism':

> "Anti-Semitism must be called out, confronted and condemned whenever it is encountered, without exception.
>
> "We are and will always be strong supporters of Israel in Congress because we understand that our support is based on shared values and strategic interests. Legitimate criticism of Israel's policies is protected by the values of free speech and democratic debate that the United States and Israel share. But Congresswoman Omar's use of anti-Semitic tropes and prejudicial accusations about Israel's supporters is deeply offensive. We condemn these remarks and we call upon Congresswoman Omar to immediately apologize for these hurtful comments.
>
> "As Democrats and as Americans, the entire Congress must be fully engaged in denouncing and rejecting all forms of hatred, racism, prejudice and discrimination wherever they are encountered."
> (Nancy Pelosi, œDemocratic Leadership Statement on Anti-Semitic Comments of Congresswoman Ilhan Omar, February 11, 2019)

A comment appended to a *New York Times* article put things into much-needed perspective:

> As someone who is both a Democrat and Jewish, I am very disappointed in the actions of Pelosi and the Democratic leadership.
>
> It's a well-known fact that AIPAC has an iron grip on Congress, which is why the US Government supports the government of Israel no matter what it does. All Congresswoman Omar did was point out that very uncomfortable truth.
>
> Let's not forget, many American Jews do NOT support the current government of Israel orits policies, and that AIPAC does not represent the views of many American Jews.
> (Matt, Comment on: Sheryl Gay Stolberg, œIlhan Omar Apologizes for Statements Condemned as Anti-Semitic, *New York Times*, February 11, 2019)

[313] See Matthew Brzezinski's book, œ*Isaac's Army: A Story Of Courage And Survival In Nazi-occupied Poland*, Random House, 2012, for a description of it all

[314] (21/12/17) While the size of Israel's nuclear arsenal is in doubt, its existence is not. One can only wonder at the motives of US political and strategic planners that they should have been complicit in such a buildup

of nuclear weaponry in an inherently unstable region of the world. Here is a BBC assessment of the size of that arsenal:

> **Israel 'has 150 nuclear weapons'**
>
> Ex-US President Jimmy Carter has said Israel has at least 150 atomic weapons in its arsenal. The Israelis have never confirmed they have nuclear weapons, but this has been widely assumed since a scientist leaked details in the 1980s. Mr Carter made his comments on Israel's weapons at a press conference at the annual literary Hay Festival in Wales....
>
> Most experts estimate that Israel has between 100 and 200 nuclear warheads, largely based on information leaked to the Sunday Times newspaper in the 1980s by Mordechai Vanunu, a former worker at the country's Dimona nuclear reactor.
>
> The US, a key ally of Israel, has in general followed the country's policy of "nuclear ambiguity", neither confirming or denying the existence of its assumed arsenal.
> (BBC News, Monday, œIsrael 'has 150 nuclear weapons', 26 May 2008)

Of course, Western nations have not only colluded in indiscriminately supplying weapons systems to Israel; they have, concurrently, been, and still are, supplying sophisticated weaponry to other Middle Eastern 'allies'. One cannot but wonder what they imagine the consequences of all this are likely to be.

The blatancy of Israel's expropriation of Palestinian lands and resources and the callous disregard of Palestinian rights since 1948 leave one bemused. Yet, a century earlier, as we have already seen, they would have been unremarkable.

One has only to juxtapose the current behaviors and practices of Israel against those of that earlier time to see how similar they are. Let's briefly consider the experiences of the peoples of Matabeleland and Mashonaland at the hands of Cecil Rhodes and his British South Africa Company[984]:

As Cecil Rhodes explained of the tribes of the regions which were to become Northern and Southern Rhodesia (Zambia and Zimbabwe): They were invaders, who had no 'real' right to the lands on which they lived.

Here is a Zimbabwe Embassy explanation of what happened:

> The advent of European settler occupation of Zimbabwe in September 1890 is the genesis of the dispossession of blacks of their land. The 1893 invasion of the Ndebele Kingdom leading to the creation of the Gwaai and Shangani reserves: the 1896-97 Shona and Ndebele first Chimurenga/Imfazwe (war of liberation); the nationalist struggle in the period before and after the Second World War; the second Chimurenga/Imfazwe which gave birth to the independent Zimbabwe in 1980; the contentious Lancaster House Constitutional negotiations and the Agreement in 1979 and, as already stated the current internal political developments, all bear testimony to the centrality of the land issue in the country's history.
>
> The systematic dispossession realised largely through violence, war and legislative enactments by successive colonial Governments led to the racially skewed land distribution and ownership pattern that until recently was characteristic of Zimbabwe.

> Having regard to the political and related problems arising from the Boer controlled Witwatersrand gold fields in the Transvaal, Cecil John Rhodes, the Prime Minister of the cape, and through his British South Africa Company (BSAC), became fixated with the idea of developing a second Witwatersrand (Second Rand) to the north of the Limpopo river. The Rudd Concession of 1888, fraudulently obtained from King Lobengula, became the vehicle through which colonialists obtained mineral rights in Mashonaland. The concession provided Rhodes with the impetus to obtain a Royal Charter in 1889, which among other things, granted the BSAC authority to administer and govern the region that encompasses present day Zimbabwe. The Charter was granted notwithstanding King Lobengula's protestations that he had been deceived.
>
> Lobengula repudiated the Rudd Concession stating that he would "not recognise the paper, as it contains neither my words nor the words of those who got it." The response by Queen Victoria to King Lobengula's protestation to this development was that it "would be unwise to exclude white men".
>
> ... On account of the settler's superior firepower the African resistance fighters of the Chimurenga/imfazwe were subdued. The rapidity of the establishment of additional "Native Reserves" throughout the country was given impetus with codification - in the British Government's Southern Rhodesia Order in Council of 1898 - of the policy of racial segregation. By the same instrument it was provided that
>
>> The Company shall from time to time assign to Natives inhabiting Southern Rhodesia, land sufficient for their occupation and suitable for their agricultural or pastoral requirements
>
> Invariably, this land was located in marginal and low potential areas.
>
> Land acquisition for speculative purposes was the precursor to land acquisition for agricultural production as an economic activity, its euphemism being "white agricultural policy," which commenced in 1908. However, its successful realisation was predicated on the continued dispossession of the African of the best land and the destruction of his property in the years 1908-14. By 1914, white settlers, numbering 23 730 owned 19 032 320 acres of land while an estimated 752, 000 Africans occupied a total of 21 390 080 acres of land, (R. Palmer: *Land and Racial Domination in Rhodesia*, Heinemann 1977).
>
> The end of the First World War saw the BSAC embarking on Land Settlement Policy through the launch of an elaborate and extensive campaign of wooing immigrants to Southern Rhodesia, (British South Africa Company Leaflet of 1st January 1919). The British Government under pressure to accommodate veterans of war as well as mitigate the demands on it arising for the post war economic depression, lent support to the campaign. An increase in the settler population necessarily had to be matched with the availability of additional land for the new immigrants.
> (Embassy of Zimbabwe in Stockholm, accessed 16th Dec. 2012, œBackground to Land Reform in Zimbabwe)

How wonderfully adept Western people are at contriving and manipulating law to justify naked aggression and land acquisition! And

they really do believe the fantasy they create through weaving a web of self-serving legislation to justify their predations. And, yes, they're still doing it!

(See Teaching 'the Natives' to Work for more on this common Western colonial approach to the 'management' of indigenous populations - often argued to be not indigenous.)

[315] See Jim Zanotti, œIsrael: Background and U.S. Relations (Congressional Research Service RL33476, October 28, 2016) for a brief description of United States and British involvement in Israel's legitimation, security and expansion since the Second World War.

[316] As Herbert Spencer put it in 1884,

> To become fit for the social state, man has not only to lose his savageness, but he has to acquire the capacities needful for civilized life. Power of application must be developed; such modification of the intellect as shall qualify it for its new tasks must take place; and, above all, there must be gained the ability to sacrifice a small mediate gratification for a future great one.
>
> The state of transition will of course be an unhappy state. Misery inevitably results from incongruity between constitutions and conditions. All these evils which afflict us, and seem to the uninitiated the obvious consequences of this or that removable cause, are unavoidable attendants on the adaptation now in progress.
>
> Humanity is being pressed against the inexorable necessities of its new position - is being molded into harmony with them, and has to bear the resulting unhappiness as best it can. The process must be undergone, and the sufferings must be endured.
>
> No power on earth, no cunningly-devised laws of statesmen, no world-rectifying schemes of the humane, no communist panaceas, no reforms that men ever did broach or ever will broach, can diminish them one jot.
> (œ1884 Ch. 3, p. 40)

Western people have given a great many absurd justifications for their ruthless suppression and exploitation of others through the centuries. It seems that we have not changed our spots!

It's time for the *aggressors* to learn to compromise and adapt. We do neither them nor ourselves any long-run favor by condoning and supporting their behavior.

[317] For discussion see Banuri (1990); Levy (1988); Leys (1992); Peet (1990); Philip (1990); Seligson & Passe-Smith (1993); So (1989); Sutton et al. (1989), etcetera.

[318] An odd belief in the continuing existence of the colonial administrative apparatus and powers persisted well into the post-colonial period. It was largely taken for granted by 'development specialists' that administrations could simply decree and implement changes in their territories.

[319] And still is believed by many of those most directly involved in advising Third World governments.

[320] See personalized Relationships and œPolitics and Indigenous Leadership in Papua New Guinea for more on this.

[321] Including:

International Atomic Energy Agency (IAEA);

International Bank for Reconstruction and Development (The World Bank);

International Civil Aviation Organization (ICAO);

International Labor Organization (ILO);

International Maritime Organization (IMO);

International Monetary Fund (IMF);

International Telecommunications Union (ITU);

United Nations Centre for Human Rights (UNCHR);

United Nations Conference on Trade and Development (UNCTAD);

United Nations Development Program (UNDP);

United Nations Economic Commission for Africa (ECA)

United Nations Educational, Scientific and Cultural Organization (UNESCO);

United Nations Environment Program (UNEP);

United Nations Population Fund (UNFPA);

World Food Program (WFP);

World Health Organization (WHO);

[322] Gregory Palast (2001), in a summary of interviews conducted with outgoing World Bank Chief Economist Joseph Stiglitz, described some of "the inside workings of the IMF, the World Bank, and the bank's 51% owner, the US Treasury":

> Here in Washington we conducted exclusive interviews with Stiglitz, for The Observer and Newsnight, about the inside workings of the IMF, the World Bank, and the bank's 51% owner, the US Treasury.
>
> And here, from sources unnamable (not Stiglitz), we obtained a cache of documents marked, 'confidential' and 'restricted'.
>
> Stiglitz helped translate one, a 'country assistance strategy'. There's an assistance strategy for every poorer nation, designed, says the World Bank, after careful in-country investigation.
>
> But according to insider Stiglitz, the Bank's 'investigation' involves little more than close inspection of five-star hotels. It concludes with a meeting with a begging finance minister, who is handed a 'restructuring agreement' pre-drafted for 'voluntary' signature.
>
> Each nation's economy is analysed, says Stiglitz, then the Bank hands every minister the same four-step programme.
>
> Step One is privatisation. Stiglitz said that rather than objecting to the sell-offs of state industries, some politicians - using the World Bank's demands to silence local critics - happily flogged their electricity and water companies. 'You could see their eyes widen' at the possibility of commissions for shaving a few billion off the sale price. ...
>
> After privatisation, Step Two is capital market liberalisation. In theory this allows investment capital to flow in and out. Unfortunately, as in Indonesia and Brazil, the money often simply flows out.
>
> Stiglitz calls this the 'hot money' cycle. Cash comes in for speculation in real estate and currency, then flees at the first whiff of trouble. A nation's reserves can drain in days.
>
> And when that happens, to seduce speculators into returning a nation's own capital funds, the IMF demands these nations raise interest rates to 30%, 50% and 80%.

The result was predictable,' said Stiglitz. Higher interest rates demolish property values, savage industrial production and drain national treasuries.

At this point, according to Stiglitz, the IMF drags the gasping nation to Step Three: market-based pricing - a fancy term for raising prices on food, water and cooking gas. This leads, predictably, to Step-Three-and-a-Half: what Stiglitz calls 'the IMF riot'

The IMF riot is painfully predictable. When a nation is, 'down and out, [the IMF] squeezes the last drop of blood out of them. They turn up the heat until, finally, the whole cauldron blows up,' - as when the IMF eliminated food and fuel subsidies for the poor in Indonesia in 1998. Indonesia exploded into riots...

A pattern emerges. There are lots of losers but the clear winners seem to be the western banks and US Treasury.

Now we arrive at Step Four: free trade. This is free trade by the rules of the World Trade Organisation and the World Bank, which Stiglitz likens to the Opium Wars. 'That too was about "opening markets",' he said. As in the nineteenth century, Europeans and Americans today are kicking down barriers to sales in Asia, Latin American and Africa while barricading our own markets against the Third World 's agriculture.

In the Opium Wars, the West used military blockades. Today, the World Bank can order a financial blockade, which is just as effective and sometimes just as deadly.

Stiglitz has two concerns about the IMF/World Bank plans. First, he says, because the plans are devised in secrecy and driven by an absolutist ideology, never open for discourse or dissent, they 'undermine democracy'. Second, they don't work. Under the guiding hand of IMF structural 'assistance' Africa's income dropped by 23%...
(Gregory Palast, œIMF's four steps to damnation: How crises, failures, and suffering finally drove a Presidential adviser to the wrong side of the barricades, *The Observer*, Monday 30 April 2001)

323 In a statement before the *Second World Conference on Human Rights*, Vienna, 14 June 1993, Ali Alatas, Indonesia's foreign minister, explained:

Human rights questions are essentially ethical and moral in nature. Hence, any approach to human rights questions which is not motivated by a sincere desire to protect these rights but by disguised political or, worse, to serve as a pretext to wage a political campaign against another country, cannot be justified.

Human rights are vital and important by and for themselves. So are efforts at accelerated national development, especially of the developing countries. Both should be vigorously pursued and promoted.

Indonesia, therefore cannot accept linking questions of human rights to economic and development cooperation, by attaching human rights implementation as political conditionalities to such cooperation. Such a linkage will only detract from the value of both.

On such conditionalities, the Leaders of the Non-aligned Movement, during their 10th Summit in Jakarta last year, emphasized that:

> ... any attempt to use human rights as a condition for social-economical assistance, thus sidelining the relevance of economic, social and cultural human rights must be rejected. No country should use its power to dictate its concept on human rights or to impose conditionalities on others.

It is now generally accepted that all categories of human rights - civil, political, economic, social and cultural, the rights of the individual and the rights of the community, the society and the nation - are interrelated and indivisible.

This implies that the promotion and protection of all these rights should be undertaken in an integral and balanced manner and that inordinate emphasis on one category of human rights over another cannot be justified. Likewise, in assessing the human rights conditions of countries, and of developing countries in particular, the international community should take into account the situation in relation to aft categories of human rights.

(œAlatas 1993)

324 See The Problem with Austerity for IMF assessments of some aspects of SAPs in 2013. œJason Oringer and Carol Welch (1998), in a well written critique of Structural Adjustment Plans (SAPs), identified three key points :

[Oringer and Welch use the terms 'north' and 'south' as collective terms for what we have, in this discussion, called the 'First World' and 'Third World'.]

- The U.S. leverages its dominant role in the global economy and in the IFIs [International Financial Institutions] to impose SAPs on developing countries and open their markets to competition from U.S. companies.
- SAPs are based on a short-term, profit-maximization model that perpetuates poverty, inequality, and environmental degradation.
- Social safety nets and good governance reforms do not compensate for the serious flaws that SAPs introduce by deregulating laws and diminishing the state's capacity to protect the welfare of its citizens.

... Through its aid and trade policies, Washington has worked to restructure the economic policies of the Southern [i.e. Third World] nations. The U.S. plays a fundamental role in designing and financing structural adjustment programs of the main IFIs, namely the World Bank and the International Monetary Fund (IMF), as well as those of the regional multilateral banks such as the Inter-American Development Bank (IDB).

325 The madness of the Cold War policy of 'mutually assured destruction' has, in this 21st century, mutated in the US into a cold, calculated determination to ensure overwhelming military supremacy.

A 2017 US Congressional Budget Office report entitled 'Projected Costs of U.S. Nuclear Forces, 2017 to 2026' summed up the US commitment over the next decade. As the report concludes:

> ... [T]he plans for nuclear forces delineated in the Department of Defense's (DoD's) and the Department of Energy's (DOE's) budget

> requests for fiscal year 2017 would cost a total of $400 billion over the 2017-2026 period, CBO estimates - an average of $40 billion a year. ...The current 10-year total is 15 percent higher than CBO's most recent previous estimate of the 10-year costs of nuclear forces, $348 billion over the 2015-2024 period.
> (œProjected Costs of U.S. Nuclear Forces, 2017 to 2026, *US Congessional Budget Office*, February 14, 2017)

Noam Chomsky has explained the inevitable consequence of this commitment to nuclear arms 'modernization':

> Hans M. Kristensen and Ted Postol from MIT... discuss the new targeting systems that have been invented under the Obama Modernization Program that's now being escalated by Trump, and it's extremely dangerous. What they claim based on disclosed information is that the US missile systems have been improved by such a huge factor that they are now capable of instantly wiping out the Russian deterrent.
>
> This is massive overkill and nuclear stability is gone, and of course, the Russians know this. What that implies is that if they ever feel a threat, they're just going to be compelled to launch a preemptive strike because otherwise they're dead, you know? And that means we're all dead.
> (Noam Chomsky, interviewd by Dan Falcone, œUS Is the "Most Dangerous Country in the World", *Truthout* | Interview, Monday, April 24, 2017)

Hans Kristensen, Matthew McKinzie and Theodore Postol provide some substantive background:

> The US nuclear forces modernization program has been portrayed to the public as an effort to ensure the reliability and safety of warheads in the US nuclear arsenal, rather than to enhance their military capabilities. In reality, however, that program has implemented revolutionary new technologies that will vastly increase the targeting capability of the US ballistic missile arsenal.
>
> This increase in capability is astonishing - boosting the overall killing power of existing US ballistic missile forces by a factor of roughly three - and it creates exactly what one would expect to see, if a nuclear-armed state were planning to have the capacity to fight and win a nuclear war by disarming enemies with a surprise first strike.
>
> Because of improvements in the killing power of US submarine-launched ballistic missiles, those submarines now patrol with more than three times the number of warheads needed to destroy the entire fleet of Russian land-based missiles in their silos. US submarine-based missiles can carry multiple warheads, so hundreds of others, now in storage, could be added to the submarine-based missile force, making it all the more lethal.
>
> The revolutionary increase in the lethality of submarine-borne US nuclear forces comes from a "super-fuze" device that since 2009 has been incorporated into the Navy's W76-1/Mk4A warhead as part of a decade-long life-extension program. We estimate that all warheads deployed on US ballistic missile submarines now have this fuzing capability.
>
> Because the innovations in the super-fuze appear, to the non-technical eye, to be minor, policymakers outside of the US

> government (and probably inside the government as well) have completely missed its revolutionary impact on military capabilities and its important implications for global security.
> (Hans M. Kristensen, Matthew McKinzie, Theodore A. Posto, œHow US nuclear force modernization is undermining strategic stability: The burst-height compensating super-fuze, *Bulletin of the Atomic Scientists*, 1 March 2017)

What else does one do with '$400 billion over the 2017-2026 period, ...an average of $40 billion a year'?

[326] With the demise of the Soviet Union, the wars and rebellions of the Third World continued. However, they were no longer cast in the ideological frames of capitalism and communism, so the perception was that in the 1990s the world became increasingly Balkanised and 'ethnicised'. In fact, of course, this process began with the breakdown of empires - it was simply mis-diagnosed, warped and enthusiastically promoted to reflect international interests in the era of Cold War politics.

In 1996, serious internal fighting continued within more than thirty post-colonial countries, including Afghanistan, Algeria, Angola, Burundi, Cameroon, Chad, Colombia, Guatemala, Iraq, Kashmir, Lebanon, Liberia, Myanmar, Philippines, Rwanda, Sierra Leone, Somalia, Sri Lanka, Sudan and many others.

In 2009, with the same tensions and confrontations now claimed to be part of the 'war on terror' by Western countries, serious conflict continued in many non-Western countries including Algeria, Armenia, Azerbaijan, Bahrain, Chad, Djibouti, Ethiopia, Georgia, India, Indonesia, Kazakhstan, Kenya, Kyrgyzstan, Mali, Mauritania, Nepal, Niger, Oman, Pakistan, Philippines, Tajikistan, Thailand, Turkmenistan, Uzbekistan, Yemen, Colombia, Sudan, Afghanistan, and many other countries around the world.

[327] As Nef says (1991, p. 13):

> ... development - along neo-Keynesian and social democratic lines - was perceived as an explicit antidote to Soviet-type regimes. This fundamental 'orthodoxy' which conceived development as an alternative to revolution affected most of the subsequent development aid schemes, whether multilateral or bilateral. The Colombo Plan, President Truman's Point Four, or later the UN First Development Decade, were imbued with a reformist, missionary zeal.

[328] In comparison with the literature on 'Third World development', writings on the involvement of the 'superpowers' in fomenting and sustaining Third World conflict in the post-Second World War period are sparse. A selection of them includes: Renner (1994); Chubin (1991); Economist (1994); Elguea (1990); Gareau (1994); Kick & Kiefer (1987); Makhijani (1992); Neuman (1994); Penny (1992); De Roux & Chelala (1993); and Nelson, Taylor & Kruger (1983).

[329] Lavrov Warns the U.S:

> I would like to emphasize that the collective West, led by the United States, is openly seeking to defeat Russia "on the battlefield." The United States and its allies are ready to sacrifice Ukraine for the sake of their geopolitical goals. To achieve them, they pump the country with weapons, and this leads to an escalated and prolonged conflict. It puts off the prospects of its settlement.

Washington is not interested in establishing peace and tranquility in Ukraine. That became clear already in March, when Moscow and Kiev came close to reaching mutual agreements. Such turn of events obviously frightened the Americans and the British, so they actually forbade Ukraine to conduct further dialogue with Russia. Since then, the Ukrainian authorities have been shying away from negotiation process....

The Russian-American interstate dialogue has been practically frozen owing to the United States. It is objectively not possible to maintain normal communication with Washington declaring the strategic defeat of Russia as an objective.

It equally pertains to the consultations on strategic stability and arms control discontinued by the American side. Naturally, we note some sketchy signals from the U.S. administration, and personally Joe Biden, concerning the resumption of the START dialogue, but what is behind those signals remains to be seen.

The Americans are avoiding any substantive interaction on regional deconfliction....

The frenzied response of the United States and its allies to Russia's special military operation has basically drawn the line under a whole era of interaction between our country and the West. Those whom we believed to be trustworthy economic partners have chosen illegitimate sanctions and a unilateral break-off of business ties.

Russia is not happy about it: what had been built by decades of hard work was destroyed virtually overnight. Well, we will draw our own conclusions from the behaviour of our Western colleagues - I do not think that in the foreseeable future they will be able to restore their credibility as business counterparts....

Unfortunately, the global situation continues to degrade. The main cause, and I have had to speak about it repeatedly, is the persistent desire of the West led by the United States to ensure its global dominance, though it is impossible for obvious reasons. Nevertheless, Washington and its satellites do everything to slow down the process of democratization of international relations. They want to replace the UN-centered architecture formed in the wake of World War II and international law with some "rules-based order." Acting in the worst colonial traditions, they divide the world into "democracies" and "authoritarian regimes." They try to "press on" those who do not agree with this course, who pursue an independent policy and are guided by national interests, using unilateral sanctions, blackmail and blatant power play.

Today, Western states funnel weapons and military hardware into the neo-Nazi regime in Kiev, and train Ukraine's armed forces. NATO and U.S. arms are used to fire at the Russian territory bordering Ukraine, killing civilians there. The Pentagon does not hide the fact of passing on to Kiev intelligence and target designations for strikes. We record the presence of American mercenaries and advisers "in the battlefield." The United States, in fact, is teetering on the brink of turning into a party to conflict. This is to your question about the risk of a direct collision between nuclear powers....
(Tom O'connor, œExclusive: Russia's Sergey Lavrov Warns U.S. It Risks Becoming Combatant in Ukraine War, *Newsweek*, 21 September, 2022)

330 Western hegemonic unwillingness to address the security concerns of those branded 'enemies' makes 'war' inevitable. For the West, compromise, reached through negotiation, is 'defeat'. The only alternatives are capitulation or war. Awolowo has put the dilemma of the threatened well: it's either defeat in war or surrender to Western domination and resource predation.

A *Global Times*[985] editorial summed up Washington's purpose in Ukraine:

> What Washington is concerned about isn't the peace of Europe and Ukraine, but how to bring down Russia using Ukraine as a pawn and taking advantage of Europe, as well as how to consolidate its hegemony in Europe and across the whole world. The international community should discard any illusions about any of the US' moves which appear to promote peace....
>
> The US does not want to see the military conflict between Russia and Ukraine end soon. For Russia, Ukraine, as well as Europe, the longer the crisis, the more detrimental for them; while for Washington, the longer the conflict, the more favorable position it will be in. In spite of European countries' economies and energy supply heavily hit by the ongoing crisis, they have to supply Ukraine with large amounts of military and financial aid. This is what Washington wants to achieve - exploiting Ukraine as a pawn to drag down Russia and Europe; and amid the whole process, the US merely pays a light price.
> (œDrop any illusions that Washington could promote peace for Ukraine, *Global Times*, November 07, 2022)

The Russian invasion of Ukraine is a consequence of this dilemma. This is, indeed, an existential struggle for Russia: Ukraine is victim; sacrificed to the hegemonic sociopathy of 'The West'.

The resulting problem for those committed to pacifism has been well illustrated in a *Worlds Apart* discussion between Oksana Boyko and Norman Solomon (Executive Director of the Institute for Public Accuracy) entitled œ'Win or die trying?'.

331 'The West' - or 'the collective West' - is both an inclusive group of capitalist nations and, at the same time, a competitive group of nations with a well-defined 'pecking order' of dominance and subordination.

As the hegemonic center weakens, other group members will increasingly challenge its authority (this was, indeed, a driving motivation in both of the Euro-centered 'world wars' of the 20th century).

Hegemonic control of the group requires the subordination of possible peer alternatives to the current center of power. The US has used the Ukraine conflict to bring possible rival centers to heel, letting the 'rest of the West' know who is in charge and to whom they owe allegiance!

Western Europe will bear the pain (of 'sanctions blowback' and expensive liquified natural gas from its Hegemon to replace cheaper Russian pipeline gas) which ensures Washington's gain!

A *Global Times* editorial summed it up:

> the US is not interested in helping Ukraine secure a "complete victory." Washington wants the flame to burn for much longer, according to Shen.
>
> Europe was caught in the conflict, based on US playbook. Taking Europe under control is also a goal of the US. Once it becomes

> completely dependent on the US in the field of security and policies, the EU, without its strategic autonomy, will only confront a much bigger threat.
>
> The European parliament has not quite played a positive role in this regard. It can be understood as a stage that gathers politicians who are fond of making publicity stunts. For them, performing in accordance with ideologies and stereotypes is the easiest way to maintain political prestige and leverage. Very few of them are willing to understand the real puzzle of Europe, Shen said.
> (Editorial, œStuck in US playbook, European Parliament is blind to real interests, *Global Times*, November 24, 2022)

Eric Zuesse explained:

> On 3 December 2021, a year ago, Lockheed Martin shares cost $333.81. On 23 November 2022, they cost $481.07. That's a 44% gain during this year-long period.
>
> $4,027.26 is the S&P on 23 November 2022, and it was $4,701.46 on 24 November 2021. That's a 14% decline during this year-long period.
>
> A dollar invested in the S&P became $0.86, but in Lockheed became $1.44, and that is 68% more than the S&P market-average performance.
>
> That's the benefit of owning a controlling interest in a mega-corporation whose market is the Government in which you have purchased a controlling interest (by political donations and lobbyists), as compared to not.
>
> And you will see there that though the stock-price of Lockheed soared after Russia's 24 February 2022 invasion of Ukraine, the rise in its stock-price actually started on 3 December 2021. Perhaps that was when U.S.-Government insiders got their first clear indications that the U.S. Government was going to force Russia to invade Ukraine in order to prevent Ukraine from ever being able to join NATO so as for the U.S. to place its missiles only 317 miles away from The Kremlin.
> (Eric Zuesse, œThe Ukraine War is a sales-promotion campaign for Lockheed and other U.S. 'Defense' Contractors, *modern diplomacy*, November 25, 2022)

Barbara Moens *et al*, summed it up in an article entitled 'œEurope accuses US of profiting from war: EU officials attack Joe Biden over sky-high gas prices, weapons sales and trade as Vladimir Putin's war threatens to destroy Western unity.' (*Politico*, November 24, 2022).

332 Sarotte described the use of the 'NATO Carrot' to keep hopeful nations compliant with Washington's wishes:

> As NATO states meet in Vilnius this week, they are confronting, yet again, the accession question: that is, whether to turn rhetoric about Ukrainian membership into reality. Ever since the coalition's 2008 summit in Bucharest, where the allies issued a declaration stating that both Georgia and Ukraine 'will become members of NATO' at some undefined point in the future, member states have debated how (or whether) to implement that pledge. Yet despite the passage of 15 years, neither Georgia nor Ukraine has joined the alliance.

Kyiv has made it clear that after years of fighting Russia, it is tired of waiting. The government wants to see a clear path to membership laid out at the Vilnius summit. Many allies are inclined to accede to Ukraine's wishes - despite the war raging within its borders. To fulfill Ukraine's hopes, a growing list of former policymakers are floating a proposal for partial membership. ...

To many of its proponents, adopting such a proposal might also feel like a form of atonement - a way to make up for 15 years without accession and the damaging consequences. By pledging to give Georgia and Ukraine membership but not following through, NATO left those states in the worst of all possible worlds. The Bucharest declaration gave both Georgia and Ukraine a misleading sense of how much NATO support they would have in dealing with Russia, leading them to make decisions based on assumptions later proven false....

Advocates of the German model for Ukraine misread history. Saying that a divided Germany entered NATO, as The New York Times headline does, is inaccurate. What became a member of NATO was a rump state called the Federal Republic of Germany, also known as West Germany, which emerged from the combination of the British, French, and U.S. post-World War II occupation zones....

Advocates of applying this history to Ukraine are, consciously or unconsciously, proposing accession in mutually exclusive ways. Either they seek to draw a new NATO border within Ukraine, dividing Russian-held from Ukrainian-held territory, or they argue that its membership should include no fixed border at all, allowing Ukraine's battlefield performance to determine which territory falls under NATO's protection right away and which territories join later. Each scenario might seem appealing to some advocates, but neither would end well for anyone outside the Kremlin....

In short, this model would compel Ukraine to wrestle with a bitter question during a brutal war: Which is more important, NATO membership or holding out hope for retaking territory? Given the tragic nature and long-lasting consequences of this choice - the division of Germany lasted over 40 years - it is not one that Ukrainians or outsiders should be eager to make....
(M. E. Sarotte, "NATO's Worst-of-Both-Worlds Approach to Ukraine: Why the German Model Won't Solve a Problem of the Alliance's Own Making, *Foreign Affairs*, July 10, 2023)

[333] NATO sets sights on rebuilding Ukraine's defense industry:

NATO is developing a 10-year plan to rebuild the Ukrainian defense industry, with the first meeting between the alliance and Kyiv slated for next week.

The meeting will be the start of a long process hinted at for weeks by U.S. and NATO officials of a long-term commitment to Ukraine to bring it closer to the alliance in both training and equipment.

"We will be looking at defense planning requirements to get Ukraine fully interoperable with NATO," said a senior NATO official who asked not to be named due to ground rules for speaking to reporters during alliance meetings in Brussels this week. "It's about shifting away from Soviet equipment... to NATO-compatible Western equipment."...

> The wider effort of looking beyond the day-to-day battlefield needs of the Ukrainian military will require years of attention from partners stretching from Warsaw to Ottawa, an effort that could eventually transform Ukraine into a NATO country by default, even if it is not a member of the alliance.
> (Paul McLeary, œNATO sets sights on rebuilding Ukraine's defense industry: "It's about shifting away from Soviet equipment," one NATO official said., *Politico*, October 12, 2022)

[334] Nanjala Nyabola: Africa's Ukraine Dilemma: Why the Continent Is Caught Between Russia and the West:

> As Russian President Vladimir Putin's war in Ukraine enters its seventh month, many African countries have yet to show strong support for Kyiv, to the chagrin of Western leaders. In the early days of the conflict, after 17 African countries declined to back a UN resolution condemning Russia, several European diplomats assigned to African capitals made a grand show of browbeating African leaders for not taking a stand against the invasion. South African President Cyril Ramaphosa, in particular, was the target of some strikingly undiplomatic tweets, with Riina Kionka, at the time the EU's ambassador to Pretoria, writing that "we were puzzled because [South Africa] sees itself and is seen by the world as a country championing human rights."
>
> Despite continued Western pressure, however, the situation has not changed much in the months since. In July, for example, French President Emmanuel Macron traveled to central Africa and West Africa to rally support for Ukraine, yet he managed only to rankle many African leaders when he accused them of "hypocrisy" for refusing to condemn the war. By contrast, during a visit to multiple African countries that same month, Russian Foreign Minister Sergey Lavrov emphasized Russia's ties with the continent and portrayed Russia as a "victim" in Ukraine. To date, only a handful of African countries - Ghana, Kenya, and Nigeria among them - have taken a strong stance on the war, and even these have focused primarily on denouncing aggression more broadly and on general calls for diplomacy and peace rather than on specific criticism of Moscow.
>
> Although leaders in the West are puzzled by these developments, there are clear reasons for African countries' reluctance to embrace the Western narrative about Ukraine. For one thing, Africa is a huge, complicated, and highly diverse continent, and its 54 countries and territories each have unique circumstances and histories, as well as different relations to both Russia and the West. It would be unreasonable - and condescending - to assume that the continent's leaders could unify around a single position instantaneously....
> (Nanjala Nyabola, œAfrica's Ukraine Dilemma: Why the Continent Is Caught Between Russia and the West, *Foreign Affairs*, September 05, 2022)

[335] As Sanders continued:

> This pattern continues today. After spending billions of dollars to support the Israeli military, the United States, virtually alone in the world, is defending Prime Minister Benjamin Netanyahu's right-wing extremist government, which is waging a campaign of total war and destruction against the Palestinian people, resulting in the deaths of tens of thousands - including thousands of children - and the starvation of hundreds of thousands more in the Gaza Strip.

> Meanwhile, in fear-mongering around the threat posed by China and in the continued growth of the military industrial complex, it's easy to see that the rhetoric and decisions of leaders in both major parties are frequently guided not by respect for democracy or human rights but militarism, groupthink, and the greed and power of corporate interests. As a result, the United States is increasingly isolated not just from poorer countries in the developing world but from many of its long-standing allies in the industrialized world, as well.
>
> Given these failures, it is long past time to fundamentally reorient American foreign policy. Doing so starts with acknowledging the failures of the post - World War II bipartisan consensus and charting a new vision that centers human rights, multilateralism, and global solidarity.
> (Bernie Sanders, œA Revolution in American Foreign Policy: Replacing Greed, Militarism, and Hypocrisy With Solidarity, Diplomacy, and Human Rights, *Foreign Affairs*, March 18, 2024)

336 Let's remind ourselves of what capitalism is all about. It is about *privatized*, deregulated control of sources of wealth and power. It is about 'liberating' individuals (and corporations) from communal responsibilities.

The 18th century controversy between atomism and holism, in a neoliberal world, is resolved in favor of atomism! Independent 'individual' self-interest and self-promotion (if necessary at the expense of others because life is a 'competition') are virtues.

The 'rugged, self-made individual', successfully exploiting his/her environments, becomes the admired model for human self-development and self-promotion.

But, of course, in an unregulated capitalist world, any entity which 'competitively' gains control of a region's resources (and credit supply) ultimately controls its people and its government.

For as long as human beings have formed communities and exploited their environments there have been those who realized that if they could control access to the resources of those environments they would, in doing so, gain control of communities and their members who relied on those resources for their own and the community's wellbeing.

And, of course, there have also been those who have realized the danger of allowing such sociopathic control of their communities.

This is, in most communities, considered a common antisocial personality disorder:

> Sociopathy refers to a pattern of antisocial behaviors and attitudes, including manipulation, deceit, aggression, and a lack of empathy for others. Sociopathy is a non-diagnostic term, and it is not synonymous with "psychopathy," though the overlap leads to frequent confusion. Sociopaths may or may not break the law, but by exploiting and manipulating others, they violate the trust that the human enterprise runs on.
> (œSociopathy, *Psychology Today*, accessed June 16, 2023)

It is a condition which enhances capitalist performance (it is a central feature of unregulated capitalist enterprise), and is an always present possibility against which communities must develop and maintain safeguards (or, to use the Western term, 'regulations').

For the health and wellbeing of interdependent communities, those communities must develop and assiduously maintain processes and traditions which limit the possibility for the sociopathic to seize control of the means of livelihood.

The price of freedom is perpetual vigilance and that vigilance is best ensured through establishing community processes for recognizing and controlling those seeking to impose their will upon them. They must develop and maintain formalized 'traditions' which become part of a community's inheritance from its forebears.

I learned this lesson many years ago when working on an island in the central Pacific. The name of that island, which the inhabitants call *Tabiteuea*, means:

> "Chiefs (or 'kings' or 'oligarchs' etc.) are not allowed here'!

Every time they invoked the name of their island it reminded them of the central importance of this principle.

Time and again, in community gatherings within their communal meeting houses, respected elders would reference this in speaking of problems confronting the community. And, because the issue had long been reinforced, there was no argument as to its validity.

337 In a world long-shaped by Western understandings and development imperatives, there is an almost irresistible sirens' song awaiting those who yearn to be 'free', to forge their nations' and communities' independent futures, unshackled from a disintegrating 'West'.

The 'new world order' within which they aspire to find acceptance, security and 'prosperity', can, all-too-easily, become a mere imitation of the world order from which they wish to be freed.

To be 'successful' in the Western forged world which they assume to be 'objective reality', they will find themselves pursuing the same priorities; the same 'educational' aims and aspirations; the same societal ambitions as those of Western nations. And, in doing so, they will find themselves ensnared within the very realities they thought they were escaping.

The prime exhortation which must guide them and their communities if they are to escape Western domination and control is that of Polonius in Shakespeare's *Hamlet*:

> This above all: to thine own self be true,
>
> And it must follow, as the night the day,
>
> Thou canst not then be false to any man.

Do not remake the new world order in the image of the old!

Do not aspire to be more Western than the West!

Communities need to be true to those primary ideological realities long disparaged and dismissed by colonial powers, which they themselves forged, very often over millennia.

Moussa Ibrahim, in an essay entitled

> Indigenous democracy: Why Africa should reject the Western way: African traditional governance models can and should be incorporated into modern socio-political life,

has convincingly argued for an 'Africa' whose nations and communities are governed through

> traditional African governance systems, such as those found in various kingdoms, chiefdoms, and tribal structures, prioritize consensus-building, communal decision-making, and the integration of spiritual beliefs into governance.

As he explains:

> African traditional systems are often viewed as more inclusive and participatory, encompassing a broader spectrum of voices within the community. Decision-making processes in traditional settings typically involve consultation with elders, community leaders, and spiritual authorities, ensuring that diverse perspectives are considered and a consensus is reached.
>
> This contrasts with the hierarchical nature of many Western democratic systems, which can further marginalize disenfranchised groups and perpetuate power imbalances. African religions and spiritual beliefs also play a significant role in shaping the concept of governance and policy-making on the continent. Indigenous belief systems often emphasize interconnectedness, reverence for nature, and collective responsibility.
>
> Many Africans argue that incorporating these values into governance structures can lead to more sustainable and holistic approaches to development, as opposed to the often utilitarian and anthropocentric outlook of Western political frameworks.
>
> African leaders of national liberation, from Patrice Lumumba to Gamal Abdel Nasser and Muammar Gaddafi, always attacked the economic inequality and liberal/neoliberal policies in the West which prioritize market-driven growth and privatization. In many African countries, these policies have exacerbated economic hardships, widened the gap between rich and poor, and perpetuated dependence on foreign aid and investment. This economic disparity undermines the democratic ideal of equal opportunity and social justice.
>
> There is also the issue of Western values incompatibility with African cultural diversity. Western democratic norms and practices may not always resonate with the cultural diversity present in African societies. For example, issues such as LGBTQ+ rights, gender-centred divisions and secularist policies of state building may clash with traditional and national beliefs and norms in certain communities. This cultural incompatibility can lead to tensions between progressive democratic principles and local customs, potentially undermining social cohesion and stability.
>
> Furthermore, African history is replete with examples of sophisticated governance systems that predate colonial rule. Kingdoms such as the Mali Empire (c. 1226 to 1670 AD), the Ashanti Empire (1701-1901 AD), and the Great Zimbabwe civilization (11th century- 15th Century AD) thrived through systems of governance that combined political authority with cultural and economic institutions....
> (Moussa Ibrahim, œIndigenous democracy: Why Africa should reject the Western way: African traditional governance models can and should be incorporated into modern socio-political life', has convincingly argued for an 'Africa' whose nations and communities are governed through, *RT*, 8 April, 2024)

'Aspiring to be more Western than the West' is how Western colonial powers have subjugated invaded communities and peoples to their will! A people filled with self-doubt and unsure of their own understandings of the world is a people ripe for domination and exploitation.

338 The œnon-aligned movement has, over the past 65 years continued to hold meetings and insist on its independence from major 'power-blocs'. India has been at the heart of this movement since the early 1950s. Its influence on the Non-Aligned Movement has been summarized in an œIndian Public Service Examination 'exam prep':

> India's place in national diplomacy, significant size and economic prowess made it one of the founders of the Non-Aligned Movement (NAM) and torchbearer of the Third World Solidarity by making newly independent countries a part of the movement.
>
> This article will focus on India's role in the Non-Aligned Movement within the context of the Civil Services Examination.
>
> **Origins of India's Non-Alignment Policy**
>
> India's policy of non-alignment was a result of its own colonial experience and its nonviolent independence struggle. It would be determined that an independent India's new foreign policy should be free from the political domination and economic interference from Western capitalism and Soviet communism.
>
> The term "Non-Alignment" was coined by India's first defence minister V K Menon during a speech at the United Nations in 1953 and later would be used by Prime Minister Jawaharlal Nehru from 1954 onwards. In a speech at Colombo, Sri Lanka that same year he laid down five principles that would be the cornerstone of NAM policy.
>
> 1. Mutual respect for each other's territorial integrity and sovereignty
> 2. Mutual non-aggression
> 3. Mutual non-interference in domestic affairs
> 4. Equality and mutual benefit
> 5. Peaceful co-existence

Post-colonial India has used the concept of 'unity in diversity' as means of justifying the unity (at the national level) of diverse regions with their own historical backgrounds (the unity of India is a colonial construct - as is the 'unity' of so many other post-colonial nations - and other post-colonial territories have addressed this issue in their own ways). A œWikipedia article has put it well:

> Unity in diversity is used as an expression of harmony and unity between dissimilar individuals or groups. It is a concept of "unity without uniformity and diversity without fragmentation" that shifts focus from unity based on a mere tolerance of physical, cultural, linguistic, social, religious, political, ideological and/or psychological differences towards a more complex unity based on an understanding that difference enriches human interactions.

339 Western communities, preoccupied with individual autonomy, independence and consequent self-interest, will struggle to understand a world which is interdependently defined, presuming the existence of

reciprocal rights and responsibilities between individuals and communities.

The presumption of 'harmony' presumes the interdependence of phenomena. One starts from a presumption of the common identity or 'unity' of the phenomena and, assuming that 'unity', determines what makes them 'different'. That 'difference' embodies the 'harmony' of the phenomena, their deeper common nature and consequent reciprocal identity. Each is *positively* 'understood' in terms of the other.

As has been observed elsewhere, Western thought starts from a presumption of difference between phenomena and, presuming difference (which, in Western models of communal organization and human interaction, results in presumptions of human individual independence and autonomy), searches for shared characteristics.

Chinese and other similarly oriented understandings of 'reality' which presume 'unity in diversity' or 'harmony without uniformity' presume an underlying homogeny and consequent 'harmony' in phenomena and assume the need to differentiate that which is fundamentally unified.

This, for humanity, results in an understanding of a shared homogeny of the state, community, family and individual. An homogeny which binds them together and in terms of which each is reciprocally differentiated - a true reciprocated hierarchical and horizontal 'unity in diversity'.

The enemy of such a reciprocally united world is, of course, independent self-interest. As Ekstroem (2002, 259) says,

> Indeed, the all-important Mencius (mid-fourth century B. C.) quotes Confucius himself as saying: "I detest that which [only] seems to be, but is not... I detest the bristlegrass, fearing that it will disorder... the young plants [which its leaves resemble]; I detest the lip server, fearing that he will disorder Righteousness; I detest the glib tongue, fearing it will disorder trust; I detest the [lascivious] tones of [the state of] Zheng, fearing that they will disorder [true] music...
> (Martin Svensson Ekstroem, 'Illusion, Lie, and Metaphor: The Paradox of Divergence in Early Chinese Poetics', *Poetics Today*, Volume 23, 2002)

340 Zhang Lihua expanding on the Chinese concept of 'Harmony without Uniformity':

> The cultural values of a country influence its national psychology and identity. Citizens' values and public opinions are conveyed to state leaders through the media and other information channels, both directly and indirectly influencing decisions on foreign policy. The traditional cultural values that influence the psyche of the Chinese people are harmony, benevolence, righteousness, courtesy, wisdom, honesty, loyalty, and filial piety.
>
> Of these, the core value is harmony. Harmony means "proper and balanced coordination between things" and encompasses rationale, propriety, and compatibility. Rationale refers to acting according to objective laws and truths. Propriety indicates suitability and appropriateness. The value of harmony advocates "harmony but not uniformity." Properly coordinating different things by bringing them together in the appropriate manner allows them to develop from an uncoordinated state to one of coordination; from asymmetry to symmetry; and from imbalance to balance. Modern Chinese society

tries to maintain harmony between humankind and nature; between people and society; between members of different communities; and between mind and body.

Benevolence, the core value of Confucianism, extends from the importance of familial ties and blood connections and is held in high esteem by the Chinese. "A peaceful family will prosper (jiahe wanshi xing...)" is a famous and widely embraced saying. This benevolence, although based in familial ties, extends to friendships and social relationships, producing a full set of values that include justice, courtesy, wisdom, honesty, loyalty, self-discipline, and commitment.

Righteousness refers to justice and correctness. As Confucius said, "the gentleman understands what is moral; the small man understands what is profitable (junzi yu yu yi, xiaoren yu yu li...)." There are not only individual benefits but also collective and social benefits. All people should seek what benefits both the individual and the society. As two Chinese sayings put it, "Everybody is responsible for the rise or fall of the country (tianxia xingwang, pifu youze...)" and "Be the first to show concern and the last to enjoy yourself (xian tianxia zhi you er you, hou tianxia zhi le er le...)." If the country suffers foreign invasions and perils, the people should "expel the foreign invaders [and] resuscitate the Chinese nation (quchu dalu, huifu zhonghua...)," brandishing their weapons and struggling for the glory of the country.

Courtesy stresses modesty and prudence. It is about respecting laws and preventing misconduct. Traditional Chinese culture respects the importance of rites and has special rites for various occasions, such as the emperor's sacrifice to heaven, the common people's sacrifice to ancestors, weddings, funerals, and courteous exchanges. As the saying goes, "It is impolite not to return what one receives (lai er buwang fei li ye...)." Confucius particularly stressed courtesy in daily life.

Wisdom requires that one distinguish right from wrong, place capable people in suitable positions, know oneself, and be resourceful. Confucius said, "Benevolence means to love and wisdom means to understand others renzhe airen, zhizhe zhiren...)." One must have a loving heart to love others, and one must have wisdom to understand others. People should have not only a loving heart but also wisdom to distinguish good from evil and right from wrong. They should have the wisdom and resourcefulness to control evil and promote good.

[341] Modi's remarks on India-China relations:

Indian Prime Minister Narendra Modi's "rare" direct statement on China-India ties has been attracting attention. In an exclusive interview with US magazine Newsweek, he stated that for India, the relationship with China is important and significant; India and China "need to urgently address the prolonged situation on our borders so that the abnormality in our bilateral interactions can be put behind us." He said that stable and peaceful relations between India and China are important for not just the two countries but the entire region and world, adding that "I hope and believe that through positive and constructive bilateral engagement at the diplomatic and military levels, we will be able to restore and sustain peace and tranquility in our borders."...

> ...[T]his attitude is what China has always adhered to. The border issue is not the whole of China-India ties. It should be placed at an appropriate position in the bilateral relationship and properly managed. Both sides have enough wisdom and ability to resolve the issue through diplomatic and military channels. If India can implement Modi's statement and meet China halfway, bilateral relations moving forward on a healthy and stable track is something that can be expected....
>
> [A]s two of the most eye-catching developing countries in the world, two Asian nations with ancient civilizations, how to perceive their relationship and how to approach development should transcend the mind-set and imagination of viewing each other as either friend or foe, or the zero-sum game of "your strength is my weakness."
>
> In fact, China has consistently advocated for India to grasp the bilateral relationship from a strategic and long-term perspective. India faces significant temptations and strategic traps to overcome in doing so, which requires the country to remain vigilant and discard distractions from third parties with ill intentions at all times. (Editorial, œModi's remarks on China-India relations are thought-provoking, *Global Times*, April 11, 2024).

342 The inter-national use of national currencies, in 2023, is gathering momentum:

> The process of using national currencies in mutual settlements between Russia and its partner countries will only gain momentum, Russian Foreign Minister Sergey Lavrov told reporters on Monday.
>
> "Of course, as trade turnover grows, the transition to payments in national currencies will become more practical - this is the future. This is true not only for Africa, but also for Latin America, our Asian friends, as well as Iran, India, and China. We are already actively shifting to settlements in national currencies, and the dollar's share is steadily declining. <...> So, this process will only gain momentum," he said in response to a question about Kenya's intention to pay for oil exports in local currency.
>
> Lavrov also stated that Brazilian President Luiz Inacio Lula da Silva "has already put forward his idea to focus on the development of payment mechanisms that would not rely on the dollar or the euro and would rely on decisions and agreements that would be developed, including within the framework of the BRICS New Development Bank."
>
> Russian Deputy Prime Minister Alexey Overchuk said earlier that the Eurasian Economic Union (EAEU) has almost entirely shifted to payments in national currencies, their share totaled 90% in March. "We register a surge in the use of national currencies in mutual payments by the Union's countries," he said at the second Eurasian Economic Forum, adding that "the EAEU has virtually shifted to payments in national currencies."
>
> The share of settlements in EAEU nations' mutual trade in national currencies "totaled 89% in Q1 2023," Overchuk said. "Speaking about March, [the share reached] 90%," he noted. (œRussia increases settlements with partners in national currencies - Lavrov, *TASS*, May 30, 2023)

[343] For a range of papers dealing with 'arrangements that replace independent national currencies (regional currency areas, currency boards, official or unofficial use of a foreign currency)' see this *Bank for International Settlements* (BIS) site: œRegional currency areas and the use of foreign currencies (BIS Papers, No 17, 01 May 2003)

As is true for most international organizations involved in the current neoliberal management/ control of international finance, one should be aware of the inherent biases built into their management, operations and explanations. One should also be aware that regional currency unions such as the Eurozone presume an incipient subordination of participating nations to the monetary union.

For more on this see 'So-called 'sovereign' states included within the Eurozone are, of course, not truly sovereign at all' and 'We are, of course, talking about the 'sovereign' level of government which controls the monetary base'

[344] The Shanghai Cooperation Organization, in 2022, is still in the process of being understood around the world. A good explanation of its formation and evolving purpose has been provided by the *Eurasian Research Institute* in an article entitled 'œShanghai Cooperation Organization: Risks of Expansion' but, as is inevitable in an evolving organization, its nature and purpose is currently variously understood and explained by national governments around the world.

TRTWorld, the television arm of the Turkish state broadcaster, described the nature of the Shanghai Cooperation Organization on 16 September, 2022:

> Here is a brief breakdown of what the SCO is and its significance at a time of evolving geopolitical situation in the Eurasia region.
>
> **The organisation**
>
> 21 years ago, on June 15, 2001, leaders of Kazakhstan, Kyrgyzstan, Tajikistan, Uzbekistan, Russia and China gathered in Shanghai and laid the foundation of the organisation.
>
> It evolved from an earlier regional security grouping formed in 1996 after the collapse of the Soviet Union, when the Central Asian states gained independence from Moscow.
>
> Later in August 2007, the Treaty of Long-Term Neighbourliness, Friendship and Cooperation, ratified in Bishkek, solidified the organisation's legal foundation.
>
> One of the organisation's key aims is to strengthen friendly, good neighbourly relations and mutual trust among the member states.
>
> The SCO member states occupy over 60 percent of the Eurasian landmass and have a population of over 3.2 billion, with their combined gross domestic product accounting for about a quarter of the global total.
>
> **The scope**
>
> Initially focused on regional security, including border conflicts, terrorism and militancy, the SCO's activities have expanded to cover economics and trade, transport and law enforcement.
>
> However, security and economic cooperation remain top priorities.
>
> In the early days of the body, some Western commentators likened the SCO to a potential NATO-style grouping that could one day

> challenge the West. But the organisation, in practice, limited itself to smaller military exercises and security initiatives.
>
> A key aspect that appears to be obvious in the functioning of the SCO is that China and Russia are the dominant members. While Russia regards Central Asia as its sphere of influence, it is the Chinese economic sway through its various infrastructure projects across the region that puts it in the driving seat.
> (œWhat is the Shanghai Cooperation Organisation? *TRTWorld*,15 September 2022)

[345] For the full text of 'Russia's New Foreign Policy Concept' officially signed by Russian President Vladimir Putin on March 31, 2023, see: Full Text: œRussia's New Foreign Policy Concept (*Sputnik International*, March 31, 2023)

[346] And, no! That does not mean that defense of one's own territory and peoples through aggression is *always* illegitimate.

We are living in a world which assumes the right of those with the military and/or economic power to coerce conformity in other nations. It is the right *and duty* of threatened nations to defend their peoples, borders and legitimate interests.

We desperately need a new world order in which the presumptive interference of major military, financial and economic powers is no longer tolerated by 'the rest'!

[347] Josep Borrell, High Representative of the Union for Foreign Affairs and Security Policy, of the European Union, spelled out Western Europe's blinkered understanding of what is happening in 2022:

> Well, this is what is happening. Let us have a look now at the mega trends that will shape our world: Ukraine, but not only Ukraine. I want to insist on this.
>
> Last year, everybody was talking about Afghanistan. Afghanistan was the big issue, remember in August [and] in September [2021]. Where is Afghanistan now? In Afghanistan, certainly, but it is no longer on the front pages of the newspapers. It looks like Afghanistan does not exist. The same problems exist - they are the same ones - but nobody talks about it. So, take care with the issues that appears - a crisis and then a following crisis erases the previous one, it looks like it is being solved but it is not solved. [It] is still there. There are many crises around the world, which are the trends that move this world.
>
> First, a messy multipolarity. There is the US-China competition. This is the most important "structuring force". The world is being structured around this competition - like it or not. The two big powers - big, big, big, very big - are competing and this competition will restructure the world. And this will coexist with a broader "democracies vs. authoritarians", a big divide. I would not insist a lot on it because on our side, there are a lot of authoritarian regimes. We cannot say "we are the democracies", and the ones which follow us are also democracies - that is not true. That is not true.
>
> Yes, there is a fight between the democratic systems and the authoritarian systems. But authoritarianism is, unhappily, developing a lot. Not just China, not just Russia. There is an authoritarian trend. Sometimes, they are still wearing the

democracy suit, but they are no longer democracies. There are some who are not democracies at all - they do not even take the pity to look like democracies.

So, this competition is a structuring force. The fight between democracies and authoritarians is there. But it is much more than that.

The world is not purely bipolar. We have multiple players and poles, each one looking for their interest and values. Look at Turkey, India, Brazil, South Africa, Mexico, Indonesia. They are middle powers. They are swing states - they vote on one side or the other according to their interests, not only their theoretical values. But these people - I mention them again: Turkey, India, Brazil, South Africa, Mexico, Indonesia - are players and poles. This creates this messy multipolarity. These people - and there are a lot of people inside - are there, and not always following us. Look at Mexico's President [Andrès Manuel Lôpez Obrador]'s recent speech. Who is our Mexico delegate? Is he here? You heard what the Mexican President said about us recently.

The second characteristic is a competitive world where everything is being weaponised. Everything is a weapon: energy, investments, information, migration flows, data, etc. There is a global fight about access to some strategic domains: cyber, maritime, or outer space

The third characteristic of this world is the rising nationalism, revisionism plus identity politics. Putin does not want to re-store communism. He knows that nobody wants communism again. Putin is using a resource, which is an everyday resource, very powerful and they never disappear. And this is radical nationalism and imperialism.

And in the middle of that, we have the Global South. These people do not want to be forced to take sides in this geopolitical competition. More [importantly], they feel that the global system does not deliver, and they are not receiving their part. They are not receiving enough recognition. They do not have the role they should have according to their population and their economic weight. And when facing these multiple crises - these multipolar crises - financial, food and energy crises - it is clear that they are not there following us because they blame us, rightly or not....
(Josep Borrell, œEU Ambassadors Annual Conference 2022: Opening speech by High Representative Josep Borrell, *The Diplomatic Service of the European Union*, 10 October, 2022)

348 A *Swahili Nation* YouTube video entitled: œWhen and Why Coup d'état was Manufactured? Why Kwame Nkurumah was Overthrown: One Africa gives a well-developed explanation of all this.

In the video P. L. O. Lumumba provides a very well researched, historically anchored explanation of the vital importance of 'African Unity' in ensuring the independence of 'African' peoples within the world.

As he says, Africa, like India, must become a region united through a profound continent-wide political and economic unity of African nations and communities. That unity must be based on a determination to both ensure Africa's place in the wider world and guaranteeing the unmolested freedom of its diverse peoples to be themselves,

349 As the Encyclopedia Britannica describes:

> By the turn of the 20th century, the map of Africa looked like a huge jigsaw puzzle, with most of the boundary lines having been drawn in a sort of game of give-and-take played in the foreign offices of the leading European powers. The division of Africa, the last continent to be so carved up, was essentially a product of the new imperialism, vividly highlighting its essential features.
>
> In this respect, the timing and the pace of the scramble for Africa are especially noteworthy. Before 1880 colonial possessions in Africa were relatively few and limited to coastal areas, with large sections of the coastline and almost all the interior still independent.
>
> By 1900 Africa was almost entirely divided into separate territories that were under the administration of European nations.
>
> The only exceptions were Liberia, generally regarded as being under the special protection of the United States; Morocco, conquered by France a few years later; Libya, later taken over by Italy; and Ethiopia.
> (colonialism, Western. (2010). In Encyclopedia Britannica. Retrieved April 30, 2010, from Encyclopedia Britannica Online: œhttp://www.britannica.com/EBchecked/topic/126237/colonialism)

Anene (1970) put it clearly:

> In the successive phases of the European partitioning of Africa, the lines demarcating spheres of interest were often haphazard and precipitately arranged. The European agents and diplomats were primarily interested in grabbing as much African territory as possible, and were not unduly concerned about the consequences of disrupting ethnic groups and undermining the indigenous political order...
>
> The manner in which these boundaries were made was often a subject for after-dinner jokes among European statesmen.
> (Anene 1970, p. 3)

[350] A brief selection of texts which address these issues is: Anderson (1991); Arnason (1990); Brass (1991); Cohen (1991); Cole, Clay & Hill (1990); Eriksen (1993); Featherstone (1990); Feinberg (1990); Gellner (1983); Hassall (1991); Held & McGrew (1993); Ihonvbere (1994); James (1994); Lee (1990); Olwig (1993); Parker, Russo, Sommer & Yaeger (1992); Schiller, Basch & Szanton (1992); and Wijeyewardene (1990).

[351] A naive belief in the pre-existing unity of people within the post-colonial nation-state in which they found themselves allowed Western specialists to suggest this kind of empowering of local communities and regions.

[352] See œParliamentary Democracy in PNG for a description of the problems associated with the devolution of authority in a Third World country.

[353] See Nnoli 1980, p. 218ff for a discussion of such activities within Nigeria; also œPolitical Experiences in Nigeria for a discussion of these problems

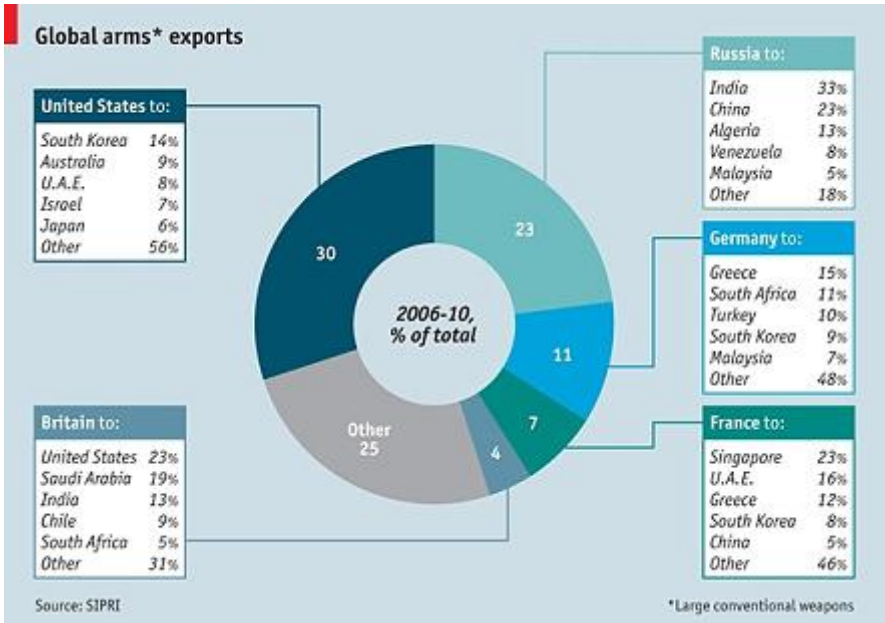
[354] Particularly First World leaders of the 'New World' who were coming to grips with the demands of indigenous minorities within their own borders

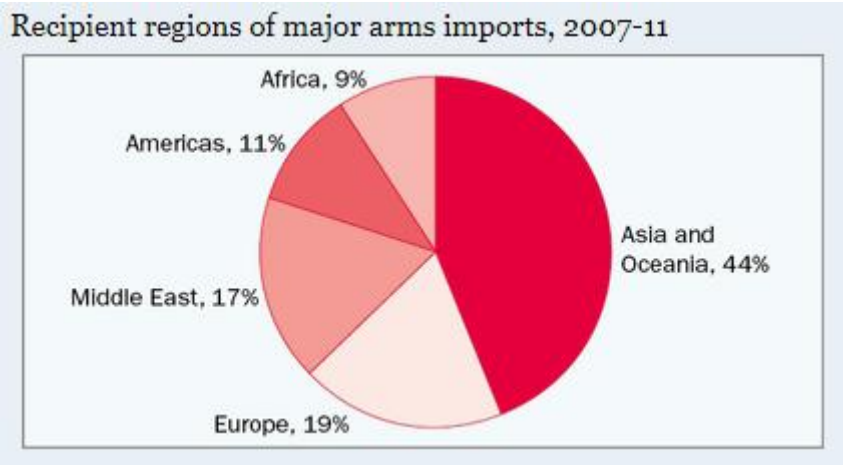
[355] Yet, most governments were as committed as ever to implementing the modernization agenda of the previous forty years. From the 1980s, Western nations increasingly required them to modify their focuses and activities to fit a growing emphasis on neoliberal governmental

'downsizing' and reliance on 'market forces'. Western nations, themselves, abandoned the developmental focuses of the post-war period and increasingly insisted on the deregulation of economic activity and privatization of governmental responsibilities.

356 See ºSIPRI Yearbook for information on the source of arms exports. As the 2012 Yearbook explained:

> The volume of international transfers of major conventional weapons grew by 24 per cent between 2002-2006 and 2007-11. The five largest suppliers in 2007-11-the USA, Russia, Germany, France and the UK-accounted for three-quarters of the volume of exports.
>
> ... Major importers are taking advantage of the competitive arms market to seek attractive deals in terms of financing, offset arrangements and the transfer of technology.
> (*SIPRI 2012 Yearbook* Ch. 6. International arms transfers)





Shanker (*New York Times*, September 6, 2009) elaborated:

> The annual report [titled "Conventional Arms Transfers to Developing Nations."] was produced by the nonpartisan Congressional Research Service, a division of the Library of Congress. Regarded as the most detailed collection of unclassified global arms sales data available to the general public, it was delivered to the House and Senate on Friday, ready for members' return from the Labor Day recess.

... The United States was the leader not only in arms sales worldwide, but also in sales to nations in the developing world, signing $29.6 billion in weapons agreements with these nations, or 70.1 percent of all such deals.

The study found that the larger arms deals concluded by the United States with developing nations last year included a $6.5 billion air defense system for the United Arab Emirates, a $2.1 billion jet fighter deal with Morocco and a $2 billion attack helicopter agreement with Taiwan. Other large weapons agreements were reached between the United States and India, Iraq, Saudi Arabia, Egypt, South Korea and Brazil.

Russia was far behind in 2008 with $3.3 billion in weapons sales to the developing world, about 7.8 percent of all such agreements. The report says that while Russia continues to have China and India as its main weapons clients, Russia's new focus is on arms sales to Latin American nations, in particular to Venezuela.

France was third with $2.5 billion in arms sales to developing nations, or about 5.9 percent of weapons deals with these countries.

The top buyers in the developing world in 2008 were the United Arab Emirates, which signed $9.7 billion in arms deals; Saudi Arabia, which signed $8.7 billion in weapons agreements; and Morocco, with $5.4 billion in arms purchases.

The study uses figures in 2008 dollars, with amounts for previous years adjusted for inflation to give a constant financial measurement.
(œSeptember 6, 2009)

357 Dwight D. Eisenhower, in his farewell address at the conclusion of his presidency (1953-1961), warned the American people of the danger presented by the military industrial complex which was a legacy of the 2nd World War:

Our military organization today bears little relation to that known by any of my predecessors in peacetime, or indeed by the fighting men of World War II or Korea.

Until the latest of our world conflicts, the United States had no armaments industry. American makers of plowshares could, with time and as required, make swords as well. But now we can no longer risk emergency improvisation of national defense; we have been compelled to create a permanent armaments industry of vast proportions. Added to this, three and a half million men and women are directly engaged in the defense establishment. We annually spend on military security more than the net income of all United States corporations.

This conjunction of an immense military establishment and a large arms industry is new in the American experience. The total influence - economic, political, even spiritual - is felt in every city, every State house, every office of the Federal government. We recognize the imperative need for this development. Yet we must not fail to comprehend its grave implications. Our toil, resources and livelihood are all involved; so is the very structure of our society.

> In the councils of government, we must guard against the acquisition of unwarranted influence, whether sought or unsought, by the military-industrial complex. The potential for the disastrous rise of misplaced power exists and will persist.
>
> We must never let the weight of this combination endanger our liberties or democratic processes. We should take nothing for granted. Only an alert and knowledgeable citizenry can compel the proper meshing of the huge industrial and military machinery of defense with our peaceful methods and goals, so that security and liberty may prosper together.
> (Dwight D. Eisenhower, œFarewell Speech to the Nation, January 17, 1961 (Press release containing the text of the address [DDE's Papers as President, Speech Series, Box 38, Final TV Talk (1); NAID #16972219))

(27/03/16) Eisenhower's prescient warning, reminiscent of a similar concern expressed by Abraham Lincoln in the aftermath of the Civil War, seems to have fallen on deaf ears. William Astore, a retired lieutenant colonel (USAF), in an article entitled 'A Force Unto Itself: A Military Leviathan Has Emerged as America's 51st and Most Powerful State', has described how the United States has become enmeshed in perpetual preparation for, and involvement in, military interventions around the world:

> In the decades since the draft ended in 1973, a strange new military has emerged in the United States. Think of it, if you will, as a post-democratic force that prides itself on its warrior ethos rather than the old-fashioned citizen-soldier ideal. As such, it's a military increasingly divorced from the people, with a way of life ever more foreign to most Americans (adulatory as they may feel toward its troops). Abroad, it's now regularly put to purposes foreign to any traditional idea of national defense. In Washington, it has become a force unto itself, following its own priorities, pursuing its own agendas, increasingly unaccountable to either the president or Congress.
>
> Three areas highlight the post-democratic transformation of this military with striking clarity: the blending of military professionals with privatized mercenaries in prosecuting unending "limited" wars; the way senior military commanders are cashing in on retirement; and finally the emergence of U.S. Special Operations Command (SOCOM) as a quasi-missionary imperial force with a presence in at least 135 countries a year (and counting).
> (William J. Astore, œA Force Unto Itself: A Military Leviathan Has Emerged as America's 51st and Most Powerful State, *TomDispatch*, March 22, 2016)

The dominant themes of some of the most popular US films and television series over the past forty years provide ample illustration of Astore's description of the "strange new military [which] has emerged in the United States" over that time.

US understandings have been exported to the rest of the world through military 'aid' packages, mutual defense pacts and 'coalitions of the willing' in interventions around the world. Western armed forces have increasingly become involved in 'purposes foreign to any traditional idea of national defense'.

As Eisenhower warned, we should be very cautious, wary and alert to the dangers of involvement in the activities of the 'military-industrial

complex' which is increasingly shaping foreign and domestic policy in Western 'democracies'. As a US State Department publication has explained:

> Countries in the most democratic quintile of world population appear to have accounted for 92% of world arms exports and about 58% of world arms imports. The most democratic quintile was the only degree-of-democracy quintile with a positive arms trade balance.
> (œWorld Military Expenditures and Arms Transfers (2015))

[358] See Who were the 'Middle-Sorts'? for the origins and nature of this shift in understanding of political governance in Western Europe.

[359] Many researchers have consciously set out to identify 'classes' in Third World nations, and a variety of studies have sought the emergence of the kinds of classes identified in Western nations. Many more have simply assumed the relevance of 'class' to the examination of Third World communities. However, classes in Western nations are a consequence of particular historical experiences which have not been repeated in these non-Western countries. One needs to be very cautious in applying the concept of 'class' to non-Western communities.

[360] Where such parties existed they usually symbolised the struggle for independence and received their legitimacy from that recognition, not from their representation of the interests of particular 'classes' or espousal of a particular ideology.

[361] This has proved a problem for many new nations. Indonesia, attempting to do what Murtala Mohammed (1976, pp. 12-15) claimed was not possible, has tried to deal with the problem by spelling out a single ideology to which all political parties must adhere. The Government's aim is to have all Indonesians commit themselves to these ideals and accept them as fundamental to all public and political life. It has described its philosophy in the following way:

> Pancasila Democracy is a system of life for the state and society on the basis of people's sovereignty. It is inspired by the noble values of the Indonesian nation. Pancasila itself, which means the five principles, is the name given to the foundation of the Indonesian Republic. The five principles of Pancasila are
>
> - Belief in the One and Only God;
> - A Just and civilized humanity;
> - the Unity of Indonesia;
> - Democracy guided by the inner wisdom of deliberations of representatives;
> - and Social Justice for all the Indonesian people.
>
> (Soetjipto (1995))

[362] Which have usually come from First or Second World sources, based on those, not indigenous, conceptualizations of the world (see History of the Emergence of Capitalism).

[363] See œPolitics and indigenous leaders in PNG for more on this.

[364] The issue of corruption relates, of course, not only to pressures placed on government departments and personnel to favor particular regions and politicians, but also to the personalization of government. Western

democratic government emphasizes impersonal and impartial bureaucratic delivery of government services and administration of expenditure. In most patron-client oriented communities such impartial and impersonal administration is considered distinctly odd. Government is inevitably personalized and Western commentators inevitably view that personalization as corruption.

[365] Vincent Bevins, in an *Atlantic* article, described United States involvement in the country's 1965 massacre:

> A trove of recently released documents confirms that Washington's role in the country's 1965 massacre was part of a bigger Cold War strategy.
> (incent Bevins, œWhat the United States Did in Indonesia, *The Atlantic*, October 21, 2017)

Resty Woro Yuniar has described Britain's role in it all:

> Survivors and descendants of those killed in Indonesia's anti-communist purge of 1965-1966 are urging Western countries to apologise for their roles in what the CIA has itself described as "one of the worst mass murders of the 20th century".
>
> The spotlight on the West's role in the state-backed genocide, which claimed the lives of at least hundreds of thousands of Indonesians, has intensified with the recent declassification of British documents revealing that a shadowy propaganda unit of the UK's Foreign Office helped to incite the massacres.
> (Resty Woro Yuniar, œVictims of Indonesia's 1965 communist killings tell UK to tell truth about its role in genocide and anti-Chinese propaganda, *South China Morning Post*, 21 October, 2021)

A Baobab Press article described Indonesia's move to effective one-party governance:

> By the early 1960s, tensions between Washington and Jakarta were at an all time high, in large part because of Sukarno's 'growing resistance to foreign aid from Western countries,' explains a States News Service report that appeared in the Washington Post on May 21, 1990 [Kathy Kadane, œUS Officials' Lists Aided Indonesian Bloodbath In '60s, *Washington Post,* Monday, May 21, 1990, p.A5, State News Service].
>
> It was then that U.S. diplomats and intelligence officials decided to consummate the results of years of painstaking espionage. Over a period of several months beginning in October of 1965, high-ranking officials of the State Department turned over the names of more than 5,000 key members of the Indonesian Communist Party (PKI) to Sukarno's opponent, Gen. T. N. J. Suharto, says the States News Service report.
>
> The story adds that the Indonesian communist group was at the time the largest in the world after the U.S.S.R. and China, and that American diplomats, after supplying the list of names, 'later checked off the names of those who had been killed or captured.'
>
> The report describes the list of names turned over to the Indonesian general as 'a detailed who's who of the leadership of PKI,' that identified committee members and organizers of labor and youth groups at the national, provincial and municipal levels
>
> ... It is unknown how many people were killed in the bloodbath that followed

> ... The CIA estimated in 1968 that at least 250,000 people were rounded up and slaughtered, and called the incident 'one of the worst mass murders of the 20th century.' A 1966 Washington Post report estimated deaths at closer to half a million. But all accounts agreed that the Indonesian communist movement had been wiped out.
>
> The disclosure of the names and the subsequent massacre were not isolated events. They took place against a backdrop of psychological warfare which helped set the stage for Sukarno's eventual removal from office.
>
> A 1975 Congressional investigation into CIA covert activities uncovered evidence, for example, of a clandestine U.S.-sponsored propaganda campaign designed to discredit Sukarno by circulating accusations of sexual improprieties to news media throughout the world. By the time of the bloody anticommunist purge, Sukarno was on his way out. Gen. Suharto was installed in March of 1967 as interim president.
>
> (Baobab Press 1993)

The following was the official Suharto Indonesian Government explanation of the precursors to, and rationale for, its political reorganization of the country from 1967, following the period of political turmoil described above (see Cribb 1990 for a detailed examination of the period):

> The Government Manifesto of November 3, 1945, opened the way to a rapid growth of political parties. Soon a multi-party system emerged with parties of different ideologies, ranging from nationalism to socialism, religion and even Marxism/Leninism. Hence, the political structure developed into a liberal democracy that was a complete departure from the type of democracy envisaged by Pancasila.
>
> With sharply conflicting ideologies, political rivalry was the order of the day and a stable Government was out of the question. With a total of 23 political parties and their factions, cabinets could only be formed on the basis of a shaky compromise between the strongest parties. In point of fact, coalition cabinets were formed and dissolved very often. The administration was a complete shambles and development was a far cry.
>
> The first and only general election ever held during the rule of the Old Order took place in 1955. Even that election did not produce a strong cabinet with a solid back-up in Parliament. On the contrary, because political conditions continued to deteriorate, the President ordered the formation of a Constituent Assembly to draft a new constitution. However, as mentioned earlier, this only ended up in a total deadlock which led the President to take all the power of the state into his own hands under the pretext of guided democracy.
>
> Having learned from the experience of the unlimited multiparty system of the past, the New Order Government, which came into office in 1967, decided to Simplify the political system along the following lines:
>
> 1. In order to minimize ideological conflicts between political organizations, all political organizations shall adopt Pancasila as their sole basis principle.

2. To simplify the political system, particularly for the purpose of choosing a political organization by the people in general elections it was felt that the number of these organizations should be reduced.

3. In the past, villages were made the bases of political activities and manoeuvres, most notably in the heyday of the Indonesian Communist Party. This adversely affected the social and economic life of the village populations. Hence, it would be desirable to free villages from the activities of political organizations.

Furthermore, the large number of organizations has been reduced by the fusion of parties and their affiliated organizations into two political parties - Partai Persatuan Pembangunan (The United Development Party or Partai Persatuan) and Partai Demokrasi Indonesia (the Indonesian Democracy Party or PDI), and one Functional Group or Golongan Karya (Golkar).

Partai Persatuan is a fusion of Nahdlatul Ulama (the Moslem Scholars Party), Parmusi (the Moslem Party), PSII (the Islamic Confederation) and PERIl (the Islamic Union).

PDI is a fusion of the former PNI (the Nationalist Party), the Catholic Party, the Christian (Protestant) Party, the Indonesian Independence Party, and Partai Murba (the People's Party).

Golkar accommodates the aspirations and political rights and duties of functional groups that are not affiliated with either party, namely civil servants, retired members of the Armed Forces, women's organizations, professional groups, farmers, students, etc.

By virtue of the 1983 Guidelines of State Policy and on the basis of Act No.3 of 1985, Pancasila has finally been adopted as the one and only ideological principle upon which all political organizations base their activities.

(Soetjipto 1995)

366 The following snippets from discussions reported by the on-line service of Kompas (Kompas 1996), one the largest circulation newspapers in Indonesia, provides some insight into the actual relationships between the armed forces, Golkar (the ruling party) and the other two parties under Suharto's rule. Key terms and acronyms to understand the following excerpts are:

- ABRI: Indonesian armed forces
- Golkar: ruling party in Indonesia
- KIPP: The Independent Election Monitoring Committee (suggested by PDI and PPP as a replacement for Panwaslak)
- OPP: The three General Elections Participants Organization (PPP, PDI, Golkar)
- Panwaslak: The Election Monitoring Committee
- PDI: The Indonesian Democratic Party
- PPP: The United Development Party.

Chief of Staff of the Army General Hartono said it was clear that each member of the armed forces (ABRI) was a Golkar cadre and therefore persistent questions broaching the issue, themselves need to be queried. Hartono conveyed his sentiments at the Sabilil

Muttaqien Pesantren (Islamic school) in Magetan, East Java on Thursday (14/3 [1996]) ...

In a meeting with Golkar officials in the Matesih Square, Central Java, Hartono said ABRI exists behind Golkar. Historically ABRI has never been separate from Golkar. Every ABRI member is a Golkar cadre and therefore there is no need for them to be dubious about stating their allegiance to Golkar (Kompas, 14/3 [1996]) ...

Hassan explained, it is not true that the existence of KIPP is the expression of all Indonesians. Golkar with 35 million card-holding members and its 1.5 million cadres can actually be called as the voice of the majority. 'So the refusal of KIPP is actually the majority desire. But Golkar does not claim that the people refuses KIPP, Golkar alone is enough to refuse KIPP,' he said. Regarding to the Initiative Rights Bill on the Amendment of the General Elections Law proposed by United Development Party Faction in the House of Representatives, Hassan said, Golkar refused it not because the present Election Law brings benefit to Golkar. 'No, the Election Law brings benefit to all OPP. The law has been approved by the three General Elections Participants Organization (OPP), so if there should be any changes in the law, it must be on the approval from the three OPP,' he said ...

The theme for the working meeting which will be held March 26-28, 1996 is: 'Strengthening the Security Stability of Regions to ensure the Success of the 1997 General Elections'. The meeting is aimed at uniting perceptions in the effort to increase development and preparations for the upcoming elections. Besides all the governors, this meeting will be attended by the Chairpersons of the Regional House of Representatives, the First Assistant Secretaries of the Regional Government, the Heads of the Regional Social Politics Directorate, and the Heads of Regional Bureau of Governmental Affairs. Soebrata who is also the Secretary of the General Election Commission said that although governors are the Chairpersons of the Consultative Board of Golkar and the bureaucratic officials in the regions are Golkar functionaries, it does not mean that the meeting will discuss efforts to win Golkar, rather it is an effort by the governors as the Heads of the Regional Election Committee to execute the General Election successfully, safely, and orderly.

Asked why the governors' perceptions have to be unified, the Secretary General said that at present, there are many disturbing reports that disrupt the preparations of the General Election, for example, the matter of an independent election monitor al').d other matters related to the preparation of the General Election. 'Therefore the unifying of perception among government officials as the administrator of the General Election concerning the problems that arose,' he said ... Soebrata also reminded the governors as the officials in charge of the administration of the General Election in their respective region to implement their functions well while on duty, meaning that they should not mix up between their functions as the administrator of the General Election and their role as a Golkar functionary. 'I think this has been stressed enough, do not mix between the duties of an administrator of the election and Golkar functionary. While on duty as the election administrator, he should not campaign. Aside of that, please campaign,' he said. Soebrata said, until now there are no policies that forbid the

governors to become campaign managers, as it was done in the 1992 General Election since the period of Minister of Home Affairs Rudini

[367]The 1972 American Telephone & Telegraph (AT&T)/CIA conspiracy in Chile, resulting in the overthrow of an elected but antagonistic government and the emplacement of a friendly dictatorship is one instance of such activity (see œChurch Committee (1975). *Covert Action in Chile: 1963-1973* (PDF) for an official explanation of its involvement). Similar support for autocratic governments can be found throughout Central and South America, East and South-East Asia and Africa since the post-Second World War era.

[368] As œRachel Stohl (2008) describes,

> there have been important changes since the September 11 attacks, with the United States finessing its arms export policies to support its war on terrorism. The most significant changes have involved the lifting of sanctions, the increase of arms and military training provided to perceived anti-terrorist allies, and the development of new programs focused and based on the global anti-terrorist crusade.
>
> To understand and document this trend, the Center for Defense Information has analyzed military assistance data (using U.S. government data solely) for 25 countries that have been identified by the United States as having a strategic role in the war on terrorism. These countries include those that reflect the counterterrorism priorities of the United States - 17 are "frontline" states identified by the Bush administration as "countries that cooperate with the United States in the war on terrorism or face terrorist threats themselves" - and others strategically located near Afghanistan and Iraq.. Algeria, Armenia, Azerbaijan, Bahrain, Chad, Djibouti, Ethiopia, Georgia, India, Indonesia, Kazakhstan, Kenya, Kyrgyzstan, Mali, Mauritania, Nepal, Niger, Oman, Pakistan, Philippines, Tajikistan, Thailand, Turkmenistan, Uzbekistan, and Yemen

[369] See œ*Private Military Companies* for a list of companies providing military and 'security' services in 2010; Singer (2003) for an exploration of the issue.

James Hider described the situation in Iraq in 2004:

> The US military has created much of the demand for security guards. It has outsourced many formerly military functions to private contractors, who, in turn, need protection.
>
> "The military doesn't have the means to look after hundreds of government workers and contractors. What they're looking for is an intelligent solution," said James Blount, whose Control Risk Group guards British officials here.
>
> That solution is expensive - an estimated 10 per cent of the vast reconstruction contracts are going towards security, with companies charging up to Pounds 5,000 a day for a four-man armed escort with two armoured vehicles to make sure that investors arrive at meetings alive.
>
> For some, the costs are too high: cheaper solutions can mean travelling in vulnerable "soft-skin" vehicles, such as the one in which Colour Sergeant McDonald was riding when gunmen killed him and

a Canadian colleague on Monday. Last week two Finnish businessmen were shot dead in their car in Baghdad, apparently travelling without an armed escort.

Some British companies operate on a small scale with elite British forces. Others, such as the newly founded Erinys, have built up a vast force of 14,000 British-trained Iraqi guards to protect Iraq's oil infrastructure.

Many of the 5,000 or so private security contractors estimated to be operating in Iraq use former soldiers from the Third World, in particular retired Gurkhas, to stand for long hours in front of coalition bases or contractors' hotels in blazing temperatures. The London-based Global Risk Strategy brought in an entire battalion of Fijian soldiers to provide security for the distribution of Iraq's new currency last year

Like the coalition troops who regularly fight insurgents, the Western security contractors are largely above the law. It is unlikely that a guard would face legal proceedings if he accidentally shot an Iraqi civilian, one contractor said.

(œIraq: Soldiers of Fortune Rush to Cash in on Unrest, *Times* (London) April 1st, 2004)

370 As Nef argued:

The 1970's was a period of drastic de-democratization and demobilisation. It was also an era when the old 'structuralist' policies of import substitution industrialization (with its corollary, the welfare state) were replaced by the new monetarist policy of deindustrialisation, denationalization, shrinkage of government services, the early phase of structural adjustments and a profound vertical expansion of the police function of the state (and repression) throughout the hemisphere. The events are too oft repeated to require discussion here.

What is important, however, is to highlight the decline of developmentalism as a desired strategy and discourse for conflict-management by both Latin American and U. S. elites. In fact, new 'reactionary coalitions' were forged, leading to a new type of dependency resulting from a growing process of transnationalization of the Latin American state

... As time went by and the illusion of economic miracles became ever more distant, development along orthodox Keynesian, liberal lines moved ever further and further to the background. To make prices and wages 'competitive', in the context of neoliberal, free market strategies, labor was repressed and purposely atomised, working class organizations were persecuted, left wing parties disbanded ... as the foreign-induced economic miracles failed to materialise, all that was left was a repressive state keeping a very large marginal sector at bay.
(Nef 1991, pp. 17-18)

371 See Ahene & Katz (1992); Bienen & Waterbury (1989); Gamble (1994); Jessop (1988); and Letwin (1993).

372 As Friedson spelt out for Latin America:

... for neo liberals developmentalism had hampered development, and only a free-market economy guaranteed the road to prosperity. For them, the main problem of Latin America was not dependency

> but the burden of an inefficient and corrupt state that prevented growth and modernization ...
>
> With the worsening of the economic situation in the early 1980s, newly established civilian governments found themselves with few resources to confront a powerful community of international creditors determined to collect their debts. Thus, military governments as well as their civilian successors endorsed versions of the IMF adjustment program, which stressed domestic mismanagement as the cause of payment problems and domestic adjustment (reduction of government expenditures, curtailment of public subsidies, devaluations and trade liberalization) as a way out of the crisis ...
>
> Many of the IMF measures curtailed state power, which carried obvious political costs. In the first half of the 1980s, many Latin American governments found themselves signing agreements that were, for the most part, not to their liking ...
>
> Instead of prosperity, Latin America witnessed further economic decline and impoverishment as a result of the externally-enforced adjustment programs implemented in the early 1980s ...
>
> This no doubt represented a major blow for the technocratic approach to the debt crisis promoted by the IMF, which assumed that all it took to overcome the economic crisis was the decisive action of governments to liberalise their economies.
> (Friedson 1983, pp. 33-5)

[373] Many commentators seem to have accepted the rhetoric at face value, characterising the last thirty years as a remarkable period in which many formerly authoritarian Third World governments have turned to democracy.

Superficially, the change from authoritarian to democratic government has been very marked over the past twenty years. As an FAO report summarized: 'The United Nations reports that in 1993, elections were held in 45 countries and nearly three quarters of the world's population now live in countries with democratic and relatively pluralistic regimes' (UN 1996).

[374] "More honour'd in the breach than the observance" (to misquote Shakespeare's Hamlet.)

[375] The œTransparency International Corruption Perceptions Index provides graphic illustration of the blatantly ethnocentric judgements made, assuming that Western forms of governmental organization and practice are the standards against which all the world should be judged.

Of course corruption exists everywhere and where communities are unraveling and law and order are less effective one will find practices which, *in the eyes of inhabitants*, are corrupt (see The Breakdown and Revitalization of Communities; Living within the Environmental Means). However, what constitutes corruption must always be judged against the forms and processes of leadership and communal organization found in a community and country.

To do otherwise is to engage in social-engineering, re-fashioning non-Western systems of government and leadership to mimic Western forms. This produces the very conditions that 'development' enthusiasts and Western moralists are attempting to reform (see Imposition of Western Secondary Models: The Breakdown and Revitalization of Communities).

[376] See History of the Emergence of Capitalism for a discussion of the historical underpinnings of Western forms.

[377] See œRachel Stohl (2008) for a discussion of changed US military assistance focuses.

The internet is replete with examples of the ways in which funding follows 'anti-terror' rhetoric:

> œReconstruction Team Serves on Front Line of War on Terror
> œThe Front Line in the War on Terror: It's Israel now, not Afghanistan...

[378] (30/05/16) The International Monetary Fund (IMF) has, since the mid-1970s, strongly promoted the neoliberal agenda. Three of its researchers, in response to a growing realization that this has caused serious harm to countries around the world, have provided a succinct, and uncharacteristically frank, definition of the neoliberal enterprise:

> ...The neoliberal agenda - a label used more by critics than by the architects of the policies - rests on two main planks. The first is increased competition - achieved through deregulation and the opening up of domestic markets, including financial markets, to foreign competition. The second is a smaller role for the state, achieved through privatization and limits on the ability of governments to run fiscal deficits and accumulate debt.
>
> There has been a strong and widespread global trend toward neoliberalism since the 1980s...
>
> ... [T]here are aspects of the neoliberal agenda that have not delivered as expected. Our assessment of the agenda is confined to the effects of two policies: removing restrictions on the movement of capital across a country's borders (so-called capital account liberalization); and fiscal consolidation, sometimes called "austerity," which is shorthand for policies to reduce fiscal deficits and debt levels. An assessment of these specific policies (rather than the broad neoliberal agenda) reaches three disquieting conclusions:
>
> - The benefits in terms of increased growth seem fairly difficult to establish when looking at a broad group of countries.
> - The costs in terms of increased inequality are prominent. Such costs epitomize the trade-off between the growth and equity effects of some aspects of the neoliberal agenda.
> - Increased inequality in turn hurts the level and sustainability of growth. Even if growth is the sole or main purpose of the neoliberal agenda, advocates of that agenda still need to pay attention to the distributional effects.
>
> ...Although growth benefits are uncertain, costs in terms of increased economic volatility and crisis frequency seem more evident. Since 1980, there have been about 150 episodes of surges in capital inflows in more than 50 emerging market economies; as shown in the left panel of Chart 2, about 20 percent of the time, these episodes end in a financial crisis, and many of these crises are associated with large output declines (Ghosh, Ostry, and Qureshi, 2016).
> (Jonathan D. Ostry, Prakash Loungani, and Davide Furceri,

œNeoliberalism: Oversold? *Finance & Development*, June 2016, Vol. 53, No. 2)

Such a reassessment, half-hearted though it is, is long overdue. As Bill Mitchell has summed it all up:

> ...[T]he IMF is an organisation that goes into the poorest nations and bullies them into harsh policy agendas which the IEO has now found to be based on poor theory and inadequate model implementation.
>
> That makes the IMF more than an incompetent and biased organisation. In my view it makes them culpable. Who is going to pay?

Julius Ihonvbere, in an impassioned address to the All-African Student's Conference, *University of Guelph*, spelt out some of the experiences of African nations through the period:

> How on earth can we build a credible, popular, and viable agenda in a context of such disheartening socio-economic and political conditions?
>
> The African situation has not been helped with the imposition of misguided monetarist policies by the IMF and the World Bank prescribing policies of desubsidization, deregulation, privatization, commercialization, devaluation and the like. These policies which neglect the region's historical experiences; the character of state and class, existing coalitions, contradictions and conflicts; the ability of non-bourgeois forces to resist; the degree of state delegitimation; the credibility of the governing/ruling classes; the room for maneuver in the global system; the resource and other material and structural differences among African states and so on, have created more problems for Africa in the last decade or so.
>
> In country after country, stabilization and adjustment policies have culminated in or precipitated civil wars, ethnic and religious violence, coups and counter coups demonstrations, massacre of protesting workers, peasants and women, inflation, bankruptcies, and an unprecedented deterioration in living standards and the general quality of life. There have been very destructive riots in Nigeria and Zambia to take just two examples.
>
> Part of the crisis in Somalia, which the western media has been loudly silent about, has to do with the role of the IMF and World Bank in the country between 1985 and 1989 which effectively isolated and bankrupted the economy making an already desperate government even more brutal and insecure. As well, the failure of these monetarist prescriptions, usually conceived in purely economic terms have delegitimized the state, its institutions and agents, and at the same time ruined indigenous producers thus facilitating the recolonization of Africa.
>
> Debt-equity swap as a response to the debt crisis for instance, has made it possible for foreign interests to buy over the more lucrative sectors in African economies.
> (Ihonvbere Julius O., *Pan-Africanism: Agenda for African Unity in the 1990s*, Keynote Address at the All-African Student's Conference, Peter Clark Hall, University of Guelph, Guelph, Ontario, Canada, May 27 1994)

As President Kaunda of Zambia put it, 'The IMF does not care whether you are suffering economic malaria, bilharzia or broken legs. They will always give you quinine' (Cheru 1989, p. 37).

Despite an apparently dawning realization by a few IMF personnel that IMF policies have caused more harm than good, there is little indication that IMF policies have significantly altered. Their track record in dealings with Greece since 2012 does not bode well for nations which rely on their interventions in the future.

Neoliberalism places the market at the center of 'development'. The presumption is that if the state privatizes as much of its activity as possible, making it directly answerable to 'market forces', and deregulates fiscal and financial activity, market forces will ensure rational, efficient economic organization and activity which will, in the long-run, result in a more rational organization of society, to the benefit of its members.

A fundamental presumption underpinning neoliberalism is that all cultural and social forms are derivatives of individual, competitive, acquisitive behavior, which is fundamental to human nature. So, social change is driven by competitive individual exchange.

Uninhibited market exchange most directly expresses that human nature. Therefore, by subjecting communities to 'market forces', one introduces rational social change (see Social Exchange Theory for more on this).

Of course, these presumptions are highly questionable and open to challenge. However, even accepting the premises, the presumption that uninhibited individualistic competitive activity as expressed in the marketplace will result in social good requires a remarkable leap of faith. There seems to be no evidence from history that this is so (see The Working Poor).

[379]This placed the state at the center of development planning and implementation, usually mapped out in five-year development plans.

[380] Brahma Chellaney has given an incisive description of the whirlwind being reaped by short-sighted Western interventions in former Middle Eastern colonial territories:

> The Islamic State's horrific attacks in Paris provide a stark reminder that Western powers cannot contain - let alone insulate themselves from - the unintended consequences of their interventions in the Middle East. The unraveling of Syria, Iraq, and Libya, together with the civil war that is tearing Yemen apart, have created vast killing fields, generated waves of refugees, and spawned Islamist militants who will remain a threat to international security for years to come. And the West has had more than a little to do with it.
>
> Obviously, Western intervention in the Middle East is not a new phenomenon. With the exceptions of Iran, Egypt, and Turkey, every major power in the Middle East is a modern construct created largely by the British and the French. The United States-led interventions in Afghanistan and Iraq since 2001 represent only the most recent effort by Western powers to shape the region's geopolitics.
>
> But these powers have always preferred intervention by proxy, and it is this strategy - training, funding, and arming jihadists who are deemed "moderate" to fight against the "radicals" - that is

> backfiring today. Despite repeated proof to the contrary, Western powers have remained wedded to an approach that endangers their own internal security.
>
> It should be obvious that those waging violent jihad can never be moderate. Yet, even after acknowledging that a majority of the Free Syrian Army's CIA-trained members have defected to the Islamic State, the US recently pledged nearly $100 million in fresh aid for Syrian rebels.
> (Brahma Chellaney, "The Western Roots of Anti-Western Terror, *Project Syndicate*, November 16, 2015)

[381] As Jeremy Grimm has depressingly (but realistically) lamented:

> I believe Western Corporations and Government Agencies have evolved motives and drives alien to those that led to their creation and alien to those motives and goals they espouse. The members of Humankind giving flesh and bone to Corporations and Government Agencies fit and embody these new motives and goals, and shape them even as the motives and goals shape their human agents.
>
> The u.s. military is not concerned with winning battles and wars. That was a concern of the past. Military strategy and tactics focus on growing budget lines and the status and power of each Command within the hierarchy of Commands. The many wars of many recent decades have served the ignoble purpose of bloating u.s. military expenditures, fattening MIC Corporations, and growing the funding lines, Power and prestige of DoD Government Agencies. The u.s. military has demonstrated remarkable capabilities in achieving its intended goals.
>
> Governments do not serve a Common Good. Governments and their human minions serve the perceived short term good of the ever shifting Elite factions controlling the Government. The often incoherent outcomes of many Government initiatives reflect the incoherence of the Elite factions driving those initiatives. But the outcomes often reflect the broad short term interests of the Elites. Some Elite factions may suffer less profit than others but the Populace profits little if at all. The contending Elites demonstrate consistent capability in acquiring the gains for themselves and passing the costs to the Populace....
>
> I do not see a collapse of operational capabilities in the West. I see a collapse of Society and Western Civilization carefully and capably achieved by Western Elites, Corporate Enterprise, and Government Agencies. There is and has been a tectonic shift in the intent and motivation of the forces driving Humankind in the West. We are being driven toward Collapse on a scale and scope beyond all past epochs of Collapse.

Arkady Bogdanov in a response comment put it clearly:

> This truly is end stage capitalism. I can come to no other conclusion. This has been written about and predicted extensively in the past. Marx saw it 150 years ago, and many others predicted it too. Even Adam Smith saw it in the practices/behaviors that he stated should be avoided- his big mistake was in not understanding how powerfully these practices/behaviors were incentivized.
>
> I think it is a huge mistake to believe that our problems lie in failures of governance. The failures of governance are baked into

the system- they were and are completely unavoidable.

The question we have to ask ourselves, do we want to just dial the clock back to an earlier point via regulation and restructuring things as was done during the New Deal era- which will all be eroded, bringing us back to revisit this problem once again, or do we want to actually correct the problem by replacing the system that drives the entire process?
(Jeremy Grimm, Arkady Bogdanov, Comments on:œYves Smith, More on the Collapse of Operational Capabilities in the West: How Did We Get Here, *Naked Capitalism*, August 04, 2023)

[382] Well - one of them anyway!

Sovereign debts, in the form of 'sovereign deficits' resulting from credit and currency created and distributed by sovereign central banks are, of course, *not* debts which have to be 'repaid' and Budget Surpluses or Balanced Budgets resulting from attempts to 'pay back' credit generated by sovereign central banks through such credit creation are not evidences of 'responsible economic management': they are not virtues.

Sovereign central banks engage in sovereign credit creation on instruction from sovereign governments. Such credit creation can be engaged in for any reason deemed appropriate by that government as the US 2008-2012 creation and distribution of sovereign credit to financial institutions during the 2008-9 Global Financial Crisis (GFC) demonstrated.

However, sovereign debt accumulated through sovereign governments indulging in private and/ or foreign borrowing (whether from international organizations like the World Bank or International Monetary Fund; through credit-swap arrangements with other central banks; or from various financial and other institutions) are debts which have to be repaid and are potential millstones around the necks of governments which indulge in such activity.

Sovereign Government expenditures *within* sovereign boundaries should *never* be funded through government borrowing from either private or international sources. That is what Central Reserve Authorities are for: to fund internal expenditures without creating debts which must be repaid. It is the Sovereign Government's responsibility to ensure that adequate redistributive and taxation regulations are in place to control that supply.

[383] See Conglomerates and the progressive modernization of poverty for a discussion of what it means to live in a truly deregulated, internationalized capitalist world

[384] For a detailed comparison of the external debt data of countries see œWorld Bank Quarterly External Debt Statistics.

For a comparison of holders of sovereign debt in various countries, see International Monetary Fund, World Economic and Financial Surveys: *FISCAL MONITOR* September 2011, œAddressing Fiscal Challenges to Reduce Economic Risks (p. 12, Fig. 6).

As can be seen from Figure 6 of the above IMF publication (reproduced below), while non-resident and foreign official holdings in the US (which still has a relatively healthy - though rapidly deteriorating - ratio of external to internal debt despite its recent past) are at 31%, for Japan, those holdings comprise a mere 5% of Government Debt.

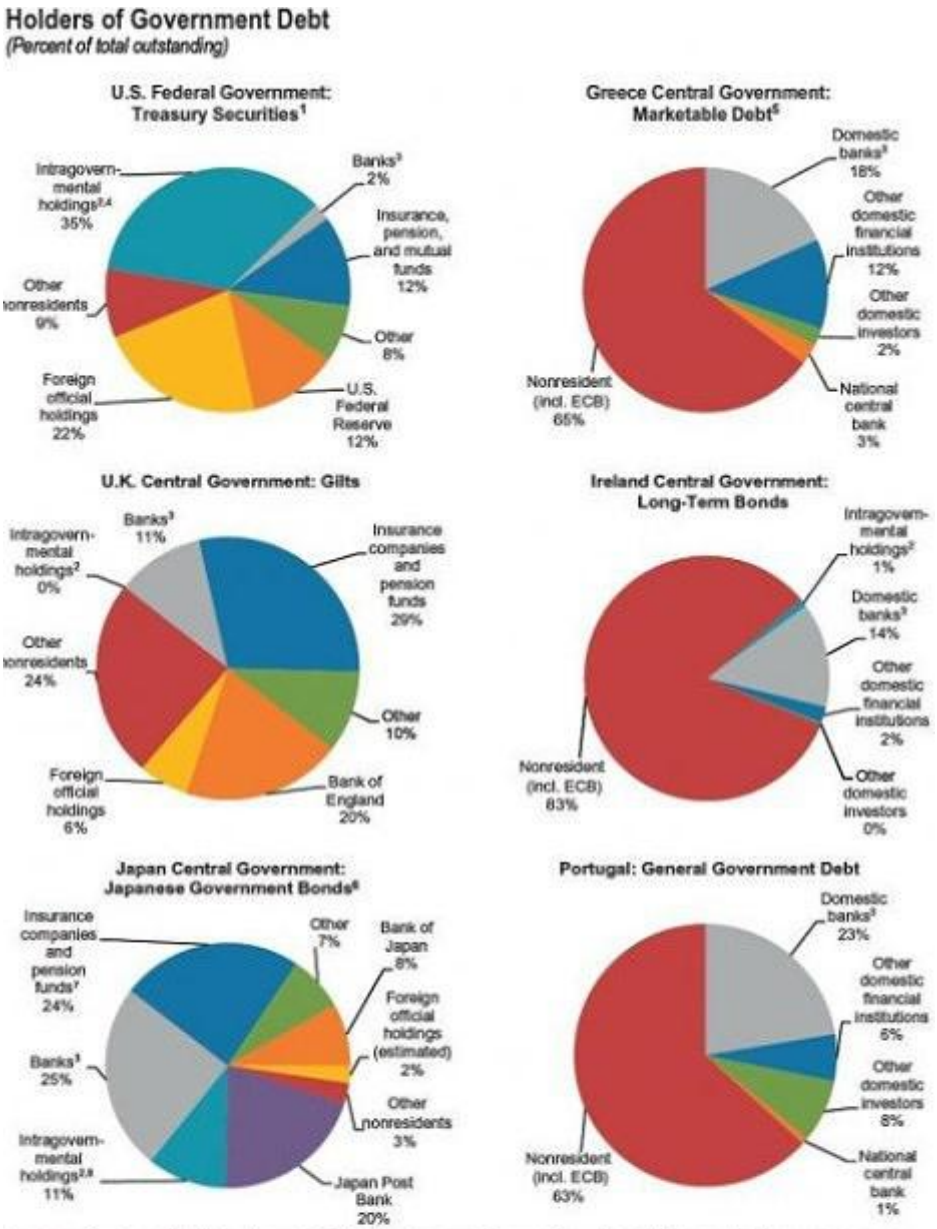
Paul Krugman (œWhen Confidence Hurts *New York Times*, November 12, 2012) has commented on the related issue of international trade

denominated in an internal currency (in these cases, US and Japanese currencies):

> The point, of course, is that America doesn't have a lot of foreign-currency debt. Neither does Japan - which is why I would say yes, reduced confidence in Japanese bonds would actually help their economy. Right now, as I've written in the past, the collision of deflation with the zero lower bound means that Japan actually offers investors a higher real interest rate than they can get in other advanced countries. The result is a strong yen that is really hurting Japanese manufacturing. Some loss of faith in those Japanese bonds, whether default risk or fear of higher inflation, would be a blessing.
>
> Oh, and one more thing: there are cases right now of countries with their own currency but with lots of foreign-currency debt that make depreciation contractionary versus expansionary - for example, Hungary (where lots of people took out mortgages in Swiss francs!) So this is still a relevant distinction.

See this 2010 ASEAN Summary Report (by Institute for International Monetary Affairs) of œ"Ways to promote foreign trade settlements denominated in local currencies in East Asia" as a means of insulating ASEAN countries from the consequences of using external currencies for more on all this. As the report says:

> Using a regional currency in invoicing and settlement brings the following benefits to the region:
>
> i. trade competitiveness of Asian companies would be less impacted by the fluctuations of non-regional currencies (i.e., the dollar, euro);
>
> ii. trade finance would become easier, as the impacts from liquidity conditions of non-regional currencies would become less; and
>
> iii. settlement risk (such as Herstatt risk) would be reduced.



Sources: Country authorities; Japan Post Bank; Currency Composition of Official Foreign Exchange Reserves (COFER) database; and IMF staff estimates.
Note: Data as of 2011:Q2 for Greece, Ireland, and the United States, 2011:Q1 for Japan and the United Kingdom, and 2010:Q4 for Portugal.
[1]Includes marketable and nonmarketable debt.
[2]Holdings by general government institutions.
[3]For the United States, refers to depository institutions; for Greece, Portugal, and the United Kingdom, refers to monetary financial institutions excluding the central bank; for Ireland, refers to monetary financial institutions and national central bank; and for Japan, includes depository institutions, securities investment trusts, and securiti companies and excludes Japan Post Bank.
[4]Includes Government Account Series securities held by government trust funds, revolving funds, and special funds, and Federal Financing Bank securities.
[5]Includes bonds, T-bills, and other short-term notes.
[6]Includes Fiscal Investment and Loan Program (FILP) bonds and does not include T-bills.
[7]Includes Japan Post Insurance and excludes public pensions.
[8]Includes public pensions.

385 See Stephen Foley, "What price the new democracy? Goldman Sachs conquers Europe (*The Independent*, 18 November 2011) for an example of this. As the article explained:

> ... Simon Johnson, the former International Monetary Fund economist, in his book 13 Bankers, argued that Goldman Sachs and the other large banks had become so close to government in the run-up to the financial crisis that the US was effectively an oligarchy. At least European politicians aren't "bought and paid for" by corporations, as in the US, he says. "Instead what you have in Europe is a shared world-view among the policy elite and the bankers, a shared set of goals and mutual reinforcement of illusions."

> This is The Goldman Sachs Project. Put simply, it is to hug governments close. Every business wants to advance its interests with the regulators that can stymie them and the politicians who can give them a tax break, but this is no mere lobbying effort. Goldman is there to provide advice for governments and to provide financing, to send its people into public service and to dangle lucrative jobs in front of people coming out of government. The Project is to create such a deep exchange of people and ideas and money that it is impossible to tell the difference between the public interest and the Goldman Sachs interest.....

386 David Sanger of the *New York Times* described the scene in 1997,

> BY the time they make it from the airport to the hotel, first-time visitors to the ''tiger economies'' of Southeast Asia almost all blurt out the same question: Where did all the money come from?
>
> In Kuala Lumpur, the Malaysians are putting the finishing touches on the world's tallest twin towers, and the national car, the Proton, competes for space with Mercedes on the streets below. Bangkok, once known as the Venice of Asia for its tree-lined canals, has filled every watery inch with concrete to support office towers that stretch into the polluted mist. Even the Philippines, once Asia's basket case, finally has its act together.
>
> So the financial crisis that has shaken the region in recent weeks - huge currency devaluations, the International Monetary Fund sweeping in to prop up the Philippines and virtually take over the central bank of Thailand - naturally raises the question of how much of this phenomenal growth is a chimera. Are the tigers just large house cats? Have they caught Japan disease, letting their banks get ahead of their brains, lending money with abandon for multibillion-dollar projects no one needed?
> (œDavid Sanger, *New York Times* August 3, 1997)

387 (25/04/16) These 'experts' seem to suffer from a disorder common in the realm of economics: idiot-savantism. They are able to master the intricacies (and necessary complexities aimed at achieving/maintaining an elusive internal consistency) of the ideological frames which constitute the reality in which they live, but are unable to see the frame which limits their understanding. The blinkers they wear seem to exclude awareness of wider implications of their formulations and predictions.

Those - unfortunately few - capable of seeing the ideological frame within which they are required to operate, may or may not bother to master its ideologically induced intricacies. However, they will recognize the frame for what it is and are able to see possibilities which lie beyond its boundaries.

(27/04/16) (14/05/16) If they find themselves trapped within the realm of the 'experts', having to limit their expressed understanding to the possibilities of the ideological frame which constitutes 'reality' for their 'peers' ("with their sober demeanors, credentials from think tanks or prestigious universities, and the measured, almost soporific testimony they deliver to congressional committees"), the weaker will accept that they are mistaken and simply stop seeing that wider reality and the stronger will either find something else to do with their lives or become increasingly frustrated. It is hard to live in a reality defined by *fachidiots* !

As Mike Lofgren said:

> English unfortunately doesn't have a precise word for the German "œFachidiot," a narrowly specialized person accomplished in his own field but a blithering idiot outside it.
> (Mike Lofgren, œGOP and the Rise of Anti-Knowledge, *Consortiumnews.com*, October 29, 2015)

In a follow up to 'The Rise of Anti-Knowledge' Lofgren has provided a brutally frank assessment of the anti-knowledge of many 'very serious people' in the US:

> It would be comforting to believe that somewhere in the commanding heights of our permanent government, there are important players who are serious grownups who know what they are doing. That, at least, is the impression they seek to convey with their sober demeanors, credentials from think tanks or prestigious universities, and the measured, almost soporific testimony they deliver to congressional committees.
>
> Think of Robert Gates, Ashton Carter, Timothy Geithner or Eric Holder. On the surface, they seem the very antithesis of the Tea Party fanatic, gibbering about ISIS training camps in America. The preferred pose of these establishment personages is that of the politically neutral technocrat offering well-considered advice based on their profound expertise.
>
> That pose is nonsense. They are deeply dyed in the hue of the official ideology of the governing class, an ideology that is neither specifically Democrat nor Republican. Domestically, whatever they might privately believe about essentially diversionary social issues ("rube bait") like abortion or gay marriage, they almost invariably believe in the "Washington Consensus": financialization, outsourcing, privatization, deregulation and the commodification of labor.
> (Mike Lofgren, œThe 'Anti-Knowledge' of the Elites, *Consortiumnews.com*, October 31, 2015)

For a study examining an example of this problem, see *How smart managers make dumb decisions and why shareholders encourage them*.

As the study says:

> From Enron in the United States to Satyam in India, there are plenty of examples of corporate managers lying about their companies' earnings and ultimately hurting themselves and the businesses they work for.
>
> Why do they do it?
>
> A limited capacity to see the whole picture - known as "bounded rationality" - combined with a faulty ethical compass are two big reasons....
> (University of Toronto, Rotman School of Management. "œHow smart managers make dumb decisions and why shareholders encourage them ", *ScienceDaily*, 14 November 2011)

388 Ronald Reagan, US president (1981-9), summed up the US post-1970s commitment to privatization in 1987:

> Today I am announcing my intention to appoint the 13 members of my Commission on Privatization. The Commission will help fulfill the commitment I made in my Economic Bill of Rights to end unfair government competition and return government programs and assets to the American people. Privatization follows in the great

> tradition of free enterprise and private ownership of property that has long been a part of American history, from the initial sale of government lands under the Northwest Ordinance to the homestead program that brought the pioneers to the American West over 100 years ago.
>
> There are many activities that are not the proper function of the Federal Government and that should simply be left to the private sector. The American people know that in many cases the Government is less efficient than private enterprise in providing certain services. Government agencies do not have the same incentives and interests that allow the private market to provide goods and services more efficiently and effectively.
>
> Privatization programs have the potential for bringing enormous benefits to all members of society.
> (Ronald Reagan: "œStatement on the President's Commission on Privatization ", September 3, 1987. Online by Gerhard Peters and John T. Woolley, The American Presidency Project.)

As Thom Hartmann has said:

> ...[W]hile much of the world moves to emulate the American experiment, contemporary America is moving in the direction of the corporate-state partnership. Executives from regulated industries are heading up the agencies that regulate them. Another symptom of increasing corporate control of the nation is widespread privatization - a euphemism for shifting control of a commons resource (like water supplies) from government agencies to corporations. And corporations and their agents have become the largest contributors to politicians, political parties, and so-called "think tanks" which both write and influence legislation.
>
> The distinction between corporate control and human control is absolutely pivotal: governments that derive their just powers from the governed are responsible to citizens and voters, and their agencies are created exclusively to administer and protect the resources of the commons used by citizens and voters. Corporations are responsible only to stockholders and are created exclusively to produce a profit for those stockholders. When aggressive corporations are in seats of power, the results are predictable.

389 There has been a great deal of discussion about and criticism of 'structural adjustment programs' devised by the International Monetary Fund and World Bank to ensure that the economies of countries requiring financial assistance are 'structurally adjusted' to minimize future problems.

Type the term into any search engine and you will have access to thousands of these.

Bill Mitchell, commenting on a 2011 report prepared by the *Independent Evaluation Office* of the IMF entitled œIMF Performance in the Run-Up to the Financial and Economic Crisis: IMF Surveillance in 2004-07, has summed it all up well:

> ...[T]he IMF is an organisation that goes into the poorest nations and bullies them into harsh policy agendas which the IEO has now found to be based on poor theory and inadequate model implementation.

> That makes the IMF more than an incompetent and biased organisation. In my view it makes them culpable. Who is going to pay?
>
> The world is still enduring the crisis that came to realisation in 2008, but was spawned many years before that as the neo-liberal financial and labour market deregulation set up the conditions that would explode sometime later.
>
> As the private debt was building up and the shonky (and criminal) bankers were increasingly defying responsible and ethical business practice, the IMF was part of the cheer squad - urging, no, bullying governments to deregulate further and undermine the working conditions further and to reduce the scope and quality of public services.
>
> They had already inflicted this madness on defenceless less developed countries - pushing huge levels of debt onto them and slashing public services. It is hard to find any evidence that the IMF involvement has improved the lot of the citizens other than that of the top-end-of-town.
>
> It is easy to find evidence of IMF disasters around the world over the last 40 years. First stop in your search might be the experience of Mali in the 1980s under IMF and World Bank structural adjustment programs where poverty and hardship was deliberately exacerbated by privatisation, cuts to government employment and wages, and decimination of its public education system.
>
> IMF austerity was at the forefront of years of political instability and eventually, once the IMF had the 'man' in place who would do their bidding without asking questions, it was declared a model nation by the Washington organisation....
> (Bill Mitchell, œIMF groupthink and sociopaths, *Billy Blog*, April 6, 2016;
> See also: œThe World Bank should be defunded, *Billy Blog*, 30 April, 2018)

Cristina Fróes de Borja Reis and Daniela Magalhäes Prates have described the World Bank's assessment of œthe efficiency and equity of public spending in Brazil, which, as they explain, endorses austerity in Brazil until 2030:

> Antonio Nucifora and Martin Raiser, Lead Country Economist and Director for the World Bank in Brazil, respectively, noted that the report finds that "much of Brazil's public spending benefits the relatively well-off more than the poor, so there is room for serious fiscal adjustment without harming those most in need of government programs."
>
> This raises the obvious question of how the World Bank concluded that the rich benefited more than the poor from public spending. Given that the report also admits that the deterioration of Brazil's fiscal situation is due principally to the recession and not growth in spending, its recommendations cast doubt on whether the Bank considered alternatives to fiscal adjustment, which, in Brazil, has consisted of austerity measures focused on a dramatic reduction of public spending.
>
> The report endorses austerity in Brazil until 2030, praising the cap on public spending growth, a dramatic change in the federal

> constitution adopted just after President Rousseff's impeachment in 2016 (see Observer Spring 2018). Public spending growth has been limited to that of inflation; amazingly, the cap's rule does not even consider the trajectory of GDP and population growth. Notwithstanding this obvious flaw, which would result in a decrease in spending per capita or as a percentage of GDP, it also advocated a change in the composition of spending, based on the assumption that social security spending is the main problem in Brazil, calling it the "unpayable bill".
>
> The report takes as its point of departure the highly dubious assumption that fiscal sustainability can only be achieved through austerity, thus ignoring more effective and equitable policies. This in turn not only results in policies that disadvantage the poor and erode gains made in the human rights of the marginalised; it threatens the legitimacy of the Bank's self-professed intellectual and normative leadership.

Paul Krugman, in a *New York Times* article (Nov. 9, 2018) entitled 'œWhat the Hell Happened to Brazil? (Wonkish): How did an up-and-coming economy suffer such a severe slump?', put it well:

> Brazil has big long-term solvency problems. But these require long-term solutions. What happened instead was that the Roussef government decided to impose sharp spending cuts in the middle of a slump. What were they thinking? Incredibly, it seems that they bought into the doctrine of expansionary austerity.

Here is Paul Krugman's assessment of the wisdom driving deregulatory, austerity-based, structural reform programs around the world, commenting particularly about a rating agency's decision to downgrade France's rating:

> ...[W]hy is France getting downgraded? Because, S&P says, it hasn't carried out the reforms that will enhance its medium-term growth prospects. What does that mean?
>
> OK, another dirty little secret. What do we know - really know - about which economic reforms will generate growth, and how much growth they'll generate? The answer is, not much! People at places like the European Commission talk with great confidence about structural reform and the wonderful things it does, but there's very little clear evidence to support that confidence. Does anyone really know that Hollande's policies will mean growth that is x.x percent - or more likely, 0.x percent - slower than it would be if Olli Rehn were put in control? No.
>
> So, again, where is this coming from?
>
> I'm sorry, but I think that when S&P complains about lack of reform, it's actually complaining that Hollande is raising, not cutting taxes on the wealthy, and in general isn't free-market enough to satisfy the Davos set.
> (Krugman, Nov. 8 2013, œIdeological Ratings)

See œ*Growth Forecast Errors and Fiscal Multipliers* (IMF Working Paper 13/1, Research Department, Prepared by Olivier Blanchard and Daniel Leigh, January 2013), for a frank assessment of the effectiveness of austerity programs devised and promoted by the IMF for the post-2007 Eurozone (though not of the effectiveness and impact of privatization

policies - I guess those, for ideological reasons, are simply assumed to be effective!). As Mark Whitehouse explained (Jan 5, 2013),

> Sharp spending cuts and tax increases have long played a central role in the International Monetary Fund's prescriptions for governments in financial distress - most recently for the struggling members of the euro area. Now, officials at the world's primary arbiter of fiscal prudence are recognizing that such austerity can do a lot more damage than previously thought.
>
> The first major indication of the IMF's change of heart came in October. In its World Economic Outlook, the fund published research showing that back in 2010, when Greece and other European countries embarked on severe austerity programs, its forecasters underestimated the negative impact spending cuts and tax increases would have on the broader economy.
>
> In a paper presented today at the annual meeting of the American Economic Association, two IMF officials - chief economist Olivier Blanchard and economist Daniel Leigh - elaborated on the findings and their implications. The paper contains the boilerplate statement that it "should not be reported as representing the views of the IMF." Nonetheless, given its authors, it provides a good indication of the zeitgeist at the fund.
> (œIMF Officials: We Were Wrong About Austerity, *Bloomberg*, The Ticker, Jan 5, 2013)

Among the major problems of these programs is the presumption by World Bank officials that fiscal and financial processes should be deregulated; that countries should be reorganized to fit seamlessly into the 'global economy' and can readily be refashioned to Western neoliberal economic understandings and forms of organization and practice. See Ideology and Reality for more on this.

390 See œWhy 'Third World'? for an explanation of the use of this term

391 Janet Yellen (2007), President and CEO, Federal Reserve Bank of San Francisco, described œthe Asian experience:

> At the time of the crisis, I was the Chair of President Clinton's Council of Economic Advisers, and, as you may imagine, it was definitely a "front-burner" issue for us. As the crisis spread from country to country, there was deep concern about how big the impact would be on the U.S. economy, and the markets certainly were jittery: that October, the Dow Jones Industrial Average plunged over 500 points.
>
> For the five Asian nations most associated with the crisis - Thailand, Korea, Indonesia, the Philippines, and Malaysia - the toll in both human and economic terms was enormous: in 1998, these countries saw their economies shrink by an average of 7.7 percent and many millions of their people lost their jobs.
>
> More broadly, there was concern that the crisis had revealed new sources of risk in the international financial architecture....
>
> The financial crisis in Asia was in many ways very different from others. For example, earlier in the 1990s, both Mexico and Argentina suffered financial crises, largely stemming from their unsustainably high budget deficits and soaring inflation. By contrast, in most of the affected Asian countries, during the years leading up to the crisis, growth in economic activity was strong, inflation was

> relatively tame, investment was robust, and, with their budgets in surplus, their fiscal houses appeared to be in order.
>
> Indeed, these countries had enjoyed extraordinarily fast growth for decades. As their success grew, the international community encouraged them to open their economies to foreign capital and to liberalize their financial sectors, and there was movement in that direction beginning in the late 1980s. With freer capital markets and fewer distortions in the financial sector, foreign capital flooded in, typically as short-term loans to banks; by 1996, capital inflows had grown to $93 billion.
>
> How, then, did 1997 become the year of the "sudden stop" in East Asia - that is, the year that foreign investors not only stopped flooding these countries with capital, but, in fact, reversed course and pulled capital out, in a dramatic way, as $93 billion of inflows became over $12 billion of outflows? ...
>
> In spite of the risky lending practices that prevailed before the crisis, foreign investors poured money into these countries at record rates. Their willingness to do so appears to have stemmed in part from a second area of vulnerability - a perception that the governments of these nations stood ready to intervene to forestall bank failures.
> [Accessed 9th May 2010]

392 As banking and investment strategies alter to circumvent the regulations, both become increasingly complex and convoluted. Then, rather than arguing for the reform of both, the focus is directed to the regulations which, it is claimed, stifle free enterprise. To the extent that such arguments are effective, one gets deregulation without reform.

James Greiff, writing on Bloomberg's *The Ticker* blog site provided a neat turn of phrase on all this:

> I remember once reading a car review about a beautiful Mercedes in which the author noted that he was able to count something like 48 moving parts in the fold-away ashtray, a sign of the German carmaker's penchant for over-engineering. The author noted that an ashtray with three moving parts would have worked as well and cost less.
>
> The same might be said of U.S. securities markets....
>
> Bats Chief Executive Officer Joseph Ratterman said the software snafus were a symptom of excessive complexity in market regulations. To which one might say, excessive market complexity begets excessively complex regulations.
> (James Greiff, "Why U.S. Securities Markets Should Have Fewer Moving Parts, *Bloomberg: The Ticker*, Jan 11, 2013)

Regulators can be left in the unenviable position of having to apply inadequate legislation to excessively convoluted market practice. At times the tangle of practices they find themselves having to unravel can be beyond either their expertise or their resources. Frank Partnoy and Jesse Eisinger explained part of the problem:

> Until the 1980s, bank rules were few in number, but broad in scope. Regulation was focused on commonsense standards. Commercial banks were not permitted to engage in investment-banking activity, and were required to set aside a reasonable amount of capital. Bankers were prohibited from taking outsize risks. Not every

> financial institution complied with the rules, but many bankers who strayed were judged, and punished.
>
> Since then, however, the rules have proliferated, the arguments about compliance have become ever more technical, and the punishments have been minor and rare. Not a single senior banker from a major firm has gone to prison for conduct related to the 2008 financial crisis; few even paid fines. The penalties paid by banks are paltry compared with their profits and bonus pools. The cost-benefit analysis of such a system tilts in favor of recklessness, in large part because of the complex web of regulation: bankers can argue that they comply with the letter of the law, even when they violate its spirit.
>
> In an important call to arms this past summer, Andrew Haldane, the Bank of England's executive director for financial stability, laid out the case for an international regulatory overhaul. "For investors today, banks are the blackest of boxes," he said. But regulators are their facilitators. Haldane noted that a landmark regulatory agreement from 1988 called Basel I amounted to a mere 18 pages in the U.S. and 13 pages in the U.K. Likewise, disclosure rules were governed by a statute that was essentially one sentence long.
>
> Basel II, the second iteration of global banking regulation, issued in 2004, was 347 pages long. Documentation for the new Basel III, Haldane noted, totals 616 pages. And federal regulations governing disclosure are even longer than that. In the 1930s, a bank's reports to the Federal Reserve might have contained just 80 entries. Yet by 2011, Haldane said, quarterly reporting to the Fed required a spreadsheet with 2,271 columns.
>
> The Glass-Steagall Act of 1933, which Haldane said was perhaps "the single most influential piece of financial legislation of the 20th century," was only 37 pages. In contrast, 2010's Dodd-Frank law was 848 pages and required regulators to create so many new rules (not fully defined by the legislation itself) that it could amount to 30,000 pages of legal minutiae when fully codified. "Dodd-Frank makes Glass-Steagall look like throat-clearing," Haldane said. (œWhat's Inside America's Banks? *Atlantic Magazine* January/February 2013)

And now we have œImplementation of Basel III which runs to 972 pages! As Matthew Klein says,

> on Tuesday, the Federal Reserve voted on new rules governing the minimum required ratios of bank equity to bank assets as part of its effort to become compliant with its Basel commitments. The complete document is 972 pages. Few have read the whole thing - I personally gave up after about 100 pages - but summaries prepared by the Fed are œavailable here and œalso, here. (The Federal Deposit Insurance Corp. and the Office of the Comptroller of the Currency will issue their own rules next week.)
> (Matthew C. Klein, *Bloomberg View*, Jul 4, 2013, œThe True Purpose of Bank Capital)

The Volker Alliance, in a report entitled *Reshaping The Financial Regulatory System: Long Delayed, Now Crucial* has provided an overview of the state of regulation in the United States in 2015:

> THE SYSTEM FOR REGULATING FINANCIAL INSTITUTIONS in the United States is highly fragmented, outdated, and ineffective. A

multitude of federal agencies, self-regulatory organizations (SROs), and state authorities share oversight of the financial system under a framework riddled with regulatory gaps, loopholes, and inefficiencies. Never coherently designed, the regulatory framework developed in a piecemeal fashion over the past 150 years, as Congress established a plethora of new agencies and eliminated others primarily in response to financial panics and periods of economic instability. Notably, while the regulatory structure has seen some modification in recent decades, its foundational elements have been in place since the 1930s.

Unlike the regulatory system, however, the financial system has experienced significant transformation in the past few decades. notably:

- Banking system assets have become concentrated in a handful of extremely large, exceedingly complex, globally active, and highly diversified institutions, with huge trading books and even, in some cases, ownership of industrial assets such as coal mines, oil tankers, and power plants;
- The less regulated market outside the traditional banking system, or shadow banking, has emerged as a bigger part of the whole financial system, with increased reliance on potentially unstable forms of short-term funding that create the risk of contagion and fire sales (notably, nonbank financial institutions hold two-thirds of all creditmarket assets);
- Financial products have rapidly and fundamentally changed, becoming exceedingly complex and substantially increasing the opacity of the financial system;
- Alternative investment funds, such as hedge funds and private equity funds, have become highly leveraged, including through the use of derivatives transactions;
- Assets under management have grown dramatically and become concentrated in the largest fund complexes; and
- equities markets have become fragmented, more complex, and less transparent, in part as a result of technological advances, with increasing participation from unregulated entities, such as high-frequency trading firms.

The transformation of the financial landscape placed the outmoded and fragmented regulatory framework under significant strain in the run-up to the financial crisis, exposing its shortcomings.
(Paul A. Volker *et al*, œ*Reshaping The Financial Regulatory System: Long Delayed, Now Crucial*, the Volcker Alliance project on Reform of the Federal Financial Regulatory Agencies, New York, 2015, p.1)

393 The following is an excerpt from the history of the first 50 years of the FDIC:

While the agency has grown and modified its operations in response to changing economic conditions and shifts in the banking environment, the mission of the FDIC over the past five decades has remained unchanged: to insure bank deposits and reduce the economic disruptions caused by bank failures.

At the time of its adoption in 1933, deposit insurance had a record of experiments at the state level extending back to 1829. New York

was the first of 14 states that adopted plans, over a period from 1829 to 1917, to insure or guarantee bank deposits or other obligations that served as currency.

The purposes of the various state insurance plans were similar: to protect communities from the economic disruptions caused by bank failures; and to protect depositors against losses. In the majority of cases the insurance plans eventually proved unworkable. By early 1930, the last of these plans had ceased operations.

A total of 150 proposals for deposit insurance or guaranty were made in Congress between 1886 and 1933. Many of these proposals were prompted by financial crises, though none was as severe as the crisis that developed in the early 1930s. The events of that period finally convinced the general public that measures of a national scope were needed to alleviate the disruptions caused by bank failures.

From the stock market crash in the fall of 1929 to the end of 1933, about 9,000 banks suspended operations, resulting in losses to depositors of about $1.3 billion. The closure of 4,000 banks in the first few months of 1933, and the panic that accompanied these suspensions, led President Roosevelt to declare a bank holiday on March 6, 1933. The financial system was on the verge of collapse, and both the manufacturing and agricultural sectors were operating at a fraction of capacity. œ(FDIC 1984)

394 In an article entitled 'Labor Unions in the United States' he summed up the post-1st World War experience:

Helped by a sharp post-war economic contraction, employers and state officials ruthlessly drove back the radical threat, purging their workforce of known union activists and easily absorbing futile strikes during a period of rising unemployment....

In Austria, France, Germany, and the United States, labor unrest contributed to the election of conservative governments...

The 1920s was an especially dark period for organized labor in the United States where weaknesses visible before World War I became critical failures. Labor's opponents used fear of Communism to foment a post-war red scare that targeted union activists for police and vigilante violence.

Hundreds of foreign-born activists were deported, and mobs led by the American Legion and the Ku Klux Klan broke up union meetings and destroyed union offices (see, for example, Frank, 1994: 104-5).

Judges added law to the campaign against unions. Ignoring the intent of the Clayton Anti-Trust Act 986 (1914) they used anti-trust law and injunctions against unions, forbidding activists from picketing or publicizing disputes, holding signs, or even enrolling new union members.

Employers competed for their workers' allegiance, offering paternalist welfare programs and systems of employee representation as substitutes for independent unions. They sought to build a nonunion industrial relations system around welfare capitalism (Cohen, 1990)....

After the promises of the war years, the defeat of postwar union drives in mass production industries like steel and meatpacking

> inaugurated a decade of union stagnation and decline. Membership fell by a third between 1920 and 1924.
>
> Unions survived only in the older trades where employment was usually declining. By 1924, they were almost completely eliminated from the dynamic industries of the second industrial revolution: including steel, automobiles, consumer electronics, chemicals and rubber manufacture.
> (œFriedman 2008)

As the following description outlines, unionization came under strong challenge following the First World War:

> The revolutionary trade union activism of the Industrial Workers of the World (IWW) began to challenge the reactionary "craft union" traditions of the American Federation of Labor (AFL).
>
> The US joined the First World War in 1917. The AFL fought to dampen down struggle in order to maintain "social peace".
>
> Dissent or protest against the war was banned under new laws. Socialist and union leaders were hounded and imprisoned.
>
> But the Russian Revolution that year also had a huge impact in the US. Strikes and revolt broke out across the country.
>
> Employers and government feared the spread of revolution. The IWW and the left were attacked as Bolsheviks. Conservative politicians demanded that the state suppress all resistance.
>
> In 1919 a dispute by shipyard workers in Seattle grew into a tremendous city-wide general strike of 60,000 workers as 110 local unions struck in solidarity.
>
> The mayor responded by arming the police and encouraging vigilantes to attack the strike. IWW and Socialist Party headquarters were raided and their leaders arrested.
>
> National papers screamed about the threat of revolution in Seattle. Within a few days, the strike was defeated.
>
> A strike by steel workers for union recognition in September 1919 proved to be a turning point. The US Steel Corporation refused to negotiate and 400,000 workers across 50 towns in ten states walked out.
>
> They were met with violent reaction. Meetings were outlawed and groups of more than three people were broken up.
>
> Martial law was declared in Gary, Indiana, and 26 union organizers and strikers were murdered at the hands of company police in Pennsylvania.
>
> The steel strike nevertheless managed to hold out for over three months in the face of sustained attack. But its eventual defeat in January 1920 was a massive blow for the workers' movement.
>
> After the steel strike the "red scare" escalated. The IWW fell victim to repression - and to its own political weaknesses.
>
> Its orientation on the new workforce often led it to abandon the "native" skilled working class, which allowed the AFL to drive a wedge into potential class unity.
>
> Crucially, the IWW's rejection of political parties meant it did not have a strategy for gaining political power or for confronting the state.

> The war spurred industrial production, and its expansion continued through the 1920s.
>
> The "Roaring 1920s" were symbolised by the motor car, the telephone and the hedonism of the rich as described by novelists such as F Scott Fitzgerald.
>
> Republican presidents Warren Harding and Calvin Coolidge presided over a period of intense repression of dissent and the enrichment of the few.
>
> J Edgar Hoover's Bureau of Investigation, the forerunner of today's FBI, collected information that led to thousands of suspected radicals being imprisoned or deported.
>
> Repression was savage. A miners' strike in West Virginia in 1921 became an armed uprising known as the "Battle of Blair Mountain". Bosses and state officials worked together, arranging aircraft to drop pipe bombs and tear gas on workers and their families.
>
> There were race riots in Chicago and St Louis as returning soldiers competed for jobs with the many black workers from the South who had migrated north to work in the war industries.
>
> The American Legion was founded to carry out anti-communist propaganda and vigilante violence.
>
> Reaction cleared the way for a massive employers' offensive as unions were smashed across the country.
>
> The combination of an economic boom and a labor movement in retreat saw unionization collapse from five million in 1920 to 3.5 million in 1923.
>
> Employers launched the "American Plan", which combined patriotic propaganda with company welfare plans and social activities to drum loyalty in their workforces.
>
> "Yellow dog" contracts were pushed through, which made workers promise never to join a union. Radicals were blacklisted and could not work.
>
> Meanwhile, the richest 1 percent of the population held a staggering 48 percent of the country's wealth into their hands.
>
> The 1920s was a decade of defeat for US workers.
> (œThe 1920s were a decade of defeat for working people)

395 The decade would see women's suffrage in the United States and elsewhere in the Western world.

396 (15/06/18) Kent Greenfield has sketched the worker welfare practices refined by Henry Ford during the 1st World War which the Michigan supreme court (Dodge v. Ford Motor Company, 170 N.W. 668 (Mich. 1919)), ruled to be 'an overtly socialist strategy'. As Greenfield explained of the resulting Michigan Supreme Court decision:

> The eventual decision was, and still stands for, an iconic statement that corporations have no obligations beyond the bottom line. In one of the most famous passages in the history of corporate law, the Michigan supreme court announced,
>
> > *A business corporation is organized and carried on primarily for the profit of the stockholders. The powers of the directors are to be employed for that end. The discretion of directors is to be exercised in the choice of means to attain that end, and does not*

> *extend to a change in the end itself, to the reduction in profits, or to the nondistribution of profits among stockholders in order to devote them to other purposes.*

> Courts, then and now, follow something called the "business judgment rule" - meaning that they did not, and still do not, typically overturn the considered decisions of corporate managers. But Ford's rhetoric of worker and customer protection was so radical that it moved the court to rule such motivation out of bounds. Dodge v. Ford was a pivotal moment in the development of corporate law. It defined the core purposes of corporations as being distinct from - even contrary to - the interests of workers, customers, and society. The case remains, a century later, as one of the first opinions law students read in their introductory business law course. It is corporate law's original sin.
> (Kent Greenfield œSIDEBAR: Corporate Law's Original Sin, *Washington Monthly*, January/February 2015)

For further commentary on the nature and importance of *Dodge v. Ford Motor Company, 170 N.W. 668* (Mich. 1919), see Macey, Jonathan R., "œA Close Read of an Excellent Commentary on Dodge v. Ford " (2008). Yale Law School Legal Scholarship Repository, Faculty Scholarship Series. Paper 1384 (Pp. 13).

Max Ehrenfreund has spelt out the danger for both companies and communities of that 'original sin': that corporations exist to make money for their shareholders:

> This is how most Americans think the stock market works: corporations exist to make money for their shareholders...
>
> [S]ome economists and legal experts have long argued that the principle of shareholder value is mistaken or at least an oversimplification. These critics blame all kinds of societal ills on shareholder value, from the erosion of middle-class wages to the seeming stagnation of technological process...
>
> In the decades after World War II, many corporate executives felt a duty to improve society as a whole, not just to earn profits for their shareholders. Friedman argued that on the contrary, according to the logic of capitalism by which the pursuit of self-interest contributes to the greater good, the best thing that executive officers could do for society was to maximize profits.
>
> The problem, some say, is that while the heads of corporations focus on immediate profits, they ignore their companies' prospects for expansion and vitality in the long term, whether by declining to pay for employees' training, neglecting research and development, or refraining from building new plants and factories. Over the decades, the results would be an economy that is less robust all around.
>
> "We need a corporate sector that is investing decades ahead - investing in infrastructure, investing in research, and investing in its employees," said Lynn Stout, a law professor at Cornell University and a prominent critic of the theory of shareholder value.
> (Max Ehrenfreund, œThe fringe economic theory that might get traction in the 2016 campaign, *Washington Post*, Wonkblog, March 2, 2015)

J. W. Mason, in a study of the post-Roosevelt era benign 'welfare capitalist' model of corporate governance and the post-1970s abandonment of that model in favor of 'corporate law's original sin',

> ...provides evidence that the strong empirical relationship of corporate cash flow and borrowing to productive corporate investment has disappeared in the last 30 years and has been replaced with corporate funds and shareholder payouts. Whereas firms once borrowed to invest and improve their long-term performance, they now borrow to enrich their investors in the short-run. This is the result of legal, managerial, and structural changes that resulted from the shareholder revolution of the 1980s. Under the older, managerial, model, more money coming into a firm - from sales or from borrowing - typically meant more money spent on fixed investment. In the new rentier-dominated model, more money coming in means more money flowing out to shareholders in the form of dividends and stock buybacks.
>
> These results have important implications for macroeconomic policy. The shareholder revolution - and its implications for corporate financing decisions - may help explain why higher corporate profits in recent business cycles have generally failed to lead to high levels of investment. And under this new system, cheaper money from lower interest rates will fail to stimulate investment, growth, and wages because, as we show here, additional funds are funneled to shareholders through buybacks and dividends.
>
> Key Findings:
>
> - In the 1960s and 1970s, an additional dollar of earnings or borrowing was associated with about a 40-cent increase in investment. Since the 1980s, less than 10 cents of each borrowed dollar is invested.
> - Since the 1980s, shareholder payouts have nearly doubled; in the second half of 2007, aggregate payouts actually exceeded aggregate investment. Today, there is a strong correlation between shareholder payouts and borrowing that did not exist before the mid-1980s.
> - This change in corporate finance, associated with the "shareholder revolution", means there is good reason to believe that the real economy benefits less from the easier credit provided by macroeconomic policy than it once did. (œDisgorge the Cash: The Disconnect Between Corporate Borrowing and Investment, *Roosevelt Institute*, February 25, 2015)

Steven Pearlstein in a *Washington Post* article entitled *Beware the 'mother of all credit bubbles'*, has spelt out the consequences of Mason's observation that corporations, in 2018, 'now borrow to enrich their investors in the short-run'.

> Let's recall those heady days of 2006 when home prices were rising 10, 15, even 20 percent a year, allowing millions of homeowners to refinance mortgages and collectively take out more than $300 billion in cash from the increased value of their properties. Some spent the money on furniture, appliances, cars and vacations, adding fuel to an already roaring economy. Others reinvested it in the already booming real estate and stock markets. When it finally

occurred to everyone that those houses and those stocks weren't really worth what the debt-fueled market said they were, markets crashed, banks flirted with insolvency, and the economy sank into a deep global recession.

Now, 12 years later, it's happening again. This time, however, it's not households using cheap debt to take cash out of their overvalued homes. Rather, it is giant corporations using cheap debt - and a one-time tax windfall - to take cash from their balance sheets and send it to shareholders in the form of increased dividends and, in particular, stock buybacks.

As before, the cash-outs are helping to drive debt - corporate debt - to record levels. As before, they are adding a short-term sugar high to an already booming economy. And once again, they are diverting capital from productive long-term investment to further inflate a financial bubble - this one in corporate stocks and bonds - that, when it bursts, will send the economy into another recession....

Finally, there is the debt that investors large and small take on to buy stocks, bonds, derivatives and other securities. That's also at an all-time high.

As Stephen Blumenthal of CMG Capital sees it, this is the "mother of all credit bubbles." And with the Federal Reserve and central banks now bringing the supply and cost of credit back to normal levels, and with demand for credit continuing to soar, heavily indebted businesses, governments and households will soon be hit with big increases in interest payments. As interest payments begin to crowd out spending on other things, the economy will slow. We've seen this self-reinforcing downward cycle before, and it invariably leads to market sell-offs, loan defaults, bankruptcies, layoffs and, quite likely, recession....
(Steven Pearlstein, œBeware the 'mother of all credit bubbles', *The Washington Post*, June 8, 2018)

397 See "œA Company Town Faces Starvation during the Pullman Strike " (accessed 9th October 2011), from the œCity University of New York, HERB database, for a description of the ways in which company towns could degenerate into exploitative traps for low-paid workers.

398 Employees were provided with commodities or paid in company tokens which were redeemable in company stores. Wikipedia has an excellent description of the system:

> While this system had long existed in many parts of the world, it became widespread in the 18th and 19th centuries, as industrialization left many poor, unskilled workers without other means to support themselves and their families. The practice has been widely criticised as exploitative and similar in effect to slavery, and has been outlawed in many parts of the world. Variations of the truck system have existed worldwide, and are known by various names.
>
> The practice is ostensibly one of a free and legal exchange, whereby an employer would offer something of value (typically goods, food, or housing) in exchange for labor, with the result being the same as if the laborer had been paid money and then spent the money on these necessities. The word truck came into the English language within this context, from the French *troquer*, meaning 'exchange' or 'barter'. A truck system differs from this kind of open barter or

> payment in kind system by creating or taking advantage of a closed economic system in which workers have little or no opportunity to choose other work arrangements, and can easily become so indebted to their employers that they are unable to leave the system legally. The popular song "Sixteen Tons" dramatizes this scenario, with the narrator telling Saint Peter (who would welcome him to Heaven upon his death) " ...I can't go; I owe my soul to the company store."
>
> (œWikipedia 2010)

399 Similar forms of human enslavement have, over the past decades, been grouped under the term 'human trafficking'. The practices are growing in frequency and number. As a Wikipedia entry puts it,

> Human trafficking is the illegal trade in human beings for the purposes of commercial sexual exploitation or forced labor: a modern-day form of slavery. It is the fastest growing criminal industry in the world, tied with the illegal arms industry as the second largest, after the drug-trade.
> (œWikipedia 2010)

In the 21st century, the clearly illegal versions of such practices are the tip of an iceberg. Its bulk comprises millions of people caught in a trap of low wages, appalling work conditions and sub-standard accommodation.

Indenture is a form of exploitation which can, superficially, sound benign. However, it lends itself to serious abuse of vulnerable people. The following letter from an English youth named Richard Frethorne who was indentured to the Virginia Company, written to his parents in 1623, gives a vivid picture of the kinds of conditions experienced by indentured laborers,

> Loveing and kind father and mother my most humble duty remembered to you hopeing in God of your good health, as I my selfe am at the making hereof, this is to let you understand that I your Child am in a most heavie Case by reason of the nature of the Country is such that it Causeth much sicknes [including scurvy and "the bloody flux"] ... and when wee are sicke there is nothing to comfort us; for since I came out of the ship, I never at anie thing but pease, and loblollie (that is water gruell)[.] as for deare or venison I never saw anie since I came into this land there is indeed some foule, but Wee are not allowed to goe, and get yt, but must Worke hard both earelie, and late for a messe of water gruell, and a mouthfull of bread, and beife[.] a mouthfull of bread for a pennie loafe must serve for 4 men which is most pitifull if you did knowe as much as I, when people crie out day, and night, Oh that they were in England without their lymbes and would not care to loose anie lymbe to bee in England againe, yea though they beg from doore to doore....
>
> I have nothing at all, no not a shirt to my backe, but two Ragges nor no Clothes, but one poore suite, nor but one paire of shooes, but one paire of stockins, but one Capp, but two bands, my Cloke is stollen by one of my owne fellowes, and to his dying hower would not tell mee what he did with it [although some friends saw the "fellowe" buy butter and beef from a ship, probably purchased with Frethorne's cloak]. ... but I am not halfe a quarter so strong as I was in England, and all is for want of victualls, for I doe protest unto

> you, that I have eaten more in a day at home than I have allowed me here for a Weeke....
>
> O that you did see may daylie and hourelie sighes, grones, and teares, and thumpes that I afford mine owne brest, and rue and Curse the time of my birth with holy Job. I thought no head had beene able to hold so much water as hath and doth dailie flow from mine eyes.
> (Richard Frethorne, "Letter to his Parents, March 20, April 2, 3, 1623," in *The Records of the Virginia Company of London*, vol. IV, ed. Susan M. Kingsbury.)

[400] The 21st century version of this would be "I owe my soul to the Credit Card company". Fifteen+ percent interest rates are truly an obscene exploitation of the vulnerable among us. Yet, in the neoliberal, globalized, free-market world of the 21st century, there is no shortage of apologists for such exploitation.

Norbert Michel, in a defense of high interest rates and payday lending practices, put the neoliberal, deregulatory case clearly:

> The 2010 Dodd-Frank Act authorized the Consumer Financial Protection Bureau (CFPB) to impose new regulations on payday lenders and other short-term credit providers, and these rules will likely harm millions of consumers. The act compounded this regulatory burden by effectively creating a variety of taxpayer-subsidized alternatives to private lenders in this market. Supporters of Dodd-Frank argue that these changes are necessary because private short-term lenders tend to "trap" consumers in high-cost debt. This view is fundamentally flawed, and the federal government has no need to regulate short-term lenders, all of whom are currently regulated by state governments.
>
> **Payday Lenders Provide Valuable Services**
> Advocacy groups have campaigned against payday (and other short-term) lenders for years, claiming that these companies systematically "trap" people in high-cost debt. Since Dodd-Frank passed in 2010, federal regulators are basing new regulations on this flawed premise. For instance, the director of the CFPB recently stated, "Too many short-term and longer-term loans are made based on a lender's ability to collect and not on a borrower's ability to repay." However, if lenders build their business on collecting money from people who cannot make good on their debts, they will soon find themselves out of business.
>
> Furthermore, the CFPB's own complaint database does not support the claim that there is a systematic problem in this industry. From July 2011 to August 2015, consumers lodged approximately 10,000 complaints against payday lenders. Ignoring the fact that these are unverified complaints, the figure pales in comparison to the more than 12 million people per year using payday loan services. Certainly, some customers have legitimate complaints, but four years of raw complaint totals represent less than one tenth of one percent of the number of annual payday loan customers.
>
> ...One common criticism of the industry is that payday lenders gouge customers by charging a high annual percentage rate (APR) - sometimes "upwards of 390%." This criticism is misplaced, in part because it misuses the APR concept. Properly used, the APR represents the actual rate of interest someone pays over the course

> of a year due to compounding, the process whereby interest is added to unpaid principal. However, in a typical case, payday loan customers do not borrow for a full year, and the interest charges do not compound. Thus, there usually is no APR on a payday loan.
>
> For example, if a customer borrows $100 for two weeks, for a fee of $15, then the only way to appropriately express this fee as a rate would be 15 percent ($15 divided by $100). When a payday loan customer rolls over a loan at payday, he has to pay a new $15 fee and is then responsible for repaying a total of $130; the fee could then be expressed as a rate of 30 percent, and so on. Thus, interest costs cannot "explode" exponentially as they can, for example, with a home mortgage, since there is no compounding.
> (Norbert J. Michel, œ'Dodd-Frank and the Consumer Financial Protection Bureau Put Squeeze on Private Payday Lenders, *The Heritage Foundation*, Issue Brief #4479 on Economy, November 4, 2015)

However, Michel's defense, above, seems somewhat disingenuous (ideology is indeed blinkered!). The US Federal Trade Commission, in a preamble to its website providing detailed information on payday lending practices, 'Payday Lending', explains:

> Many consumers who need cash quickly turn to payday loans - short-term, high interest loans that are generally due on the consumer's next payday after the loan is taken out. The annual percentage rate of these loans is usually very high - i.e., 390% or more. In recent years, the availability of payday loans via the Internet has markedly increased. Unfortunately, some payday lending operations have employed deception and other illegal conduct to take advantage of financially distressed consumers seeking these loans.
>
> The FTC enforces a variety of laws to protect consumers in this area. The agency has filed many law enforcement actions against payday lenders for, among other things, engaging in deceptive or unfair advertising and billing practices in violation of Section 5 of the FTC Act; failing to comply with the disclosure requirements of the Truth In Lending Act; violating the Credit Practices Rule's prohibition against wage assignment clauses in contracts; conditioning credit on the preauthorization of electronic fund transfers in violation of the Electronic Fund Transfer Act; and employing unfair, deceptive, and abusive debt collection practices. The FTC has also filed recent actions against scammers that contact consumers in an attempt to collect fake "phantom" payday loan debts that consumers do not owe. Further, the FTC has filed actions against companies that locate themselves on Native American reservations in an attempt to evade state and federal consumer protection laws.
> (œPayday Lending, *Federal Trade Commission*, Consumer Finance (accessed November 10 2015))

401 In a blog post sub-titled œ*'Welfare capitalism is dying. We're going to miss it'*, Daniel Gross has provided an excellent summary of the emergence of welfare capitalism in the early 20th century:

> Welfare capitalism is a term used by historians and economists to define the distinctive style of capitalism that emerged in the 20th century. Until the turn of the 20th century, fringe benefits, insurance, retirement plans, and health benefits - the perks we

have come to define as essential to employment - simply didn't exist. Employers had compensated employees solely with wages.

But that changed with the onset of industrial capitalism. In Europe, governments responded to industrialism by developing state-run systems of unemployment insurance, health care, and pensions. But - in yet another example for American exceptionalism - the private sector took the lead in the United States. After the age of the robber barons and various bitter strikes, forward-looking companies began to take action on their own. They were influenced by a range of factors: noblesse oblige, paternalism, and the emerging fields of industrial psychology and human resource management.

Henry Ford led the way. In January 1914, Ford Motor Co. instituted the $5 day. Over the next several years, Ford took steps to ensure that its employees remained healthy, loyal, and above all, efficient. It opened an infirmary and established the "Sociological Department" to both keep tabs on and look after the welfare of its workers. In 1922, Ford cut the work week from six days to five.

In the roaring 1920s, when other highly profitable companies began to emulate Ford, welfare capitalism began in earnest. Companies built cafeterias and health clinics, sponsored baseball and bowling leagues, and granted days off for the opening of deer season. Corning Glass Works began providing health insurance in 1923. The same year, U.S. Steel slashed its workday from 12 hours to eight. In 1927, International Harvester began offering two-week paid vacations. All this was all done without government mandates and largely without the influence of unions.

Welfare capitalism proved a phenomenal success - socially, economically, and politically. America's industrial complex was ultimately unionized, but with relatively little upheaval. Even with the rise of the welfare state in the '30s, corporations continued to assume responsibility for the well-being of their employees. It was part of a grand bargain between labor, capital, and government that allowed for remarkable growth, innovation, and rising standards of living for decades. It also served as a bulwark against socialism. By endowing labor with dignity, welfare capitalists made industrial work a ticket to the middle class.

But just as the New Deal Coalition started to fray in the 1960s, so too did welfare capitalism. American businesses - and workers - increasingly began to face competition from all over. They began to have difficulty competing with companies from countries where more robust welfare states bore the burden of providing pensions and health insurance (like Germany and Japan). They began to have difficulty competing with low-wage competitors in countries where welfare capitalism had yet to take hold, like Mexico, China, and India. And they began to face competition from newer domestic companies that never bought into the ideas of welfare capitalism.

In the 1920s, competitive pressures led companies to become more paternalistic to unskilled workers. But now, the pressure is all in the other direction. With each passing year, more and more retailers have to compete with Wal-Mart, and more and more manufacturers have to compete with China. Even enlightened employers like Starbucks can't ever hope to offer the sort of programs that International Harvester and Ford did back in the 1920s. And so welfare capitalism is slipping away. Health care insurance has

> increasingly become decoupled from work. According to this Kaiser Family Foundation study, 61 percent of workers are covered by employers' health insurance, down from 65 percent in 2001. And pension plans, which guaranteed a retirement income to employees, are being replaced by 401(Ks), which offer no such certainties.

402 These became beliefs which have been perpetuated amongst employers, right wing political organizations and conservative middle and working class people to the present.

Of course, the strong growth in urban wages was primarily due to President Coolidge's (and Hoover's) liberalization of investment regulation - which led to the explosion in speculative investment and consequent financial collapse. A Wikipedia entry has summarized US federal policies well:

> ...With the exception of favoring increased tariffs, Coolidge disdained regulation, and carried about this belief by appointing commissioners to the Federal Trade Commission and the Interstate Commerce Commission who did little to restrict the activities of businesses under their jurisdiction. The regulatory state under Coolidge was, as one biographer described it, "thin to the point of invisibility."

and

> ...Coolidge's taxation policy was that of his Secretary of the Treasury, Andrew Mellon, the ideal that "scientific taxation", lower taxes, actually increase not decrease government receipts. Congress agreed, and the taxes were reduced in Coolidge's term. In addition to these tax cuts, Coolidge proposed reductions in federal expenditures and retiring some of the federal debt. Coolidge's ideas were shared by the Republicans in Congress, and in 1924 Congress passed the Revenue Act of 1924, which reduced income tax rates and eliminated all income taxation for some two million people. They reduced taxes again by passing the Revenue Acts of 1926 and 1928, all the while continuing to keep spending down so as to reduce the overall federal debt. By 1927, only the richest 2% of taxpayers paid any federal income tax.
> (*Wikipedia*, œCalvin Coolidge [accessed 13 July, 2014])

The lowering of the prices of manufactured consumables was a consequence of both the assembly-line organization and electrification of industry, driven by wartime necessity. Once productive enterprise was refocused to peace-time needs, this resulted in mass production of cheap consumer goods.

The welfare capitalism of the period was funded by the boom conditions. Once those conditions collapsed, so did welfare capitalism.

Very similar sets of taxation and deregulatory policies were enacted in most Western nations from the 1980s and a similar fall in the price of consumer goods occurred with the globalization of labor-intensive production. As production moved to low-wage areas, the costs of consumables manufacturing dropped. This was quickly reflected, through competition, in retail prices in Western countries.

Even without any increase in wages, Western people found themselves able to afford previously luxury goods. It seemed in the 1980s that deregulation had indeed resulted in prosperity - free markets obviously worked!

[403] The Wall Street collapse of 2008 is merely the latest in a long line of burst capitalist bubbles. See 'When the Bubble burst, all of England wound up broke. (South Sea Bubble)' by Robert Wernick (1989) for a description of the 1720 collapse of The South Sea Company and subsequent collapse of credit in Britain. As Wernick described,

> At the beginning of September 1720, South Sea stock sagged to Bp830, then to 750, to 575, to 370. By the end of the month it stood at Bp180. Blunt's nephew Charles cut his throat with a razor. Blunt himself - Sir John, as he was now - narrowly escaped with his life when an angry speculator tried to shoot him down in the street. He had taken the precaution of selling out all his stock near the high in August,
>
> The collapse of the South Sea stock led to a collapse of all credit. By October it was clear that a financial crisis had erupted in England. No one wanted paper anymore. The real estate market collapsed. Unemployment, especially in the luxury trades, spread. So did bankruptcies. The government fell.
>
> Everyone who had had any dealings with the South Sea Company, and that meant almost everyone of consequence in Great Britain, was in a rage and a financial fix.

For a 19th Century derisive account of economic bubbles see œMemoirs of Extraordinary Popular Delusions and the Madness of Crowds, By Charles Mackay (1852).

For more on the history of the South Sea Company, see Carl Wennerlind (2011). As the author explained in a *Bloomberg Echoes: Dispatches From Economic History* summary (œThe Worst Debt-Crisis Solution a Country Ever Concocted, Jan 18, 2013),

> ... arguably no country can match either the ingenuity or despicableness of the British when they tackled their own fiscal woes in the early 1700s. Faced with a ballooning national debt, English policy makers combined a complex debt-for-equity swap with promotion of the trans-Atlantic slave trade.
>
> England pioneered the modern system of finance in the 1690s, by creating the Bank of England, developing a generally circulating credit currency, establishing sophisticated stock and bond markets, and introducing a long-term public debt secured by earmarked future tax receipts.
>
> This system enabled England to prevail in a 20-year military conflict against a more populous, resource-rich and battle-weary France. But by 1710, England's national debt had grown out of control and the new system of finance was stretched to its limit
>
> Much like today, the ruling party's ability to survive in office depended on its capacity to come up with a restructuring plan that would satisfy the bond market. The key was to restore investor confidence in the likelihood that the debt would be adequately serviced and eventually paid off.
>
> **Slave Trade**
>
> Recognizing that mere palliatives wouldn't suffice, the Tory minister Robert Harley started the South Sea Co. in the spring of 1711. The new company was given the right to create a capital stock of 10 million pounds, which it would issue to the public in return for the deeply discounted unsecured government bonds in circulation. To

make this public-for-private, debt-for- equity swap attractive to bondholders, Harley committed future tax receipts to pay interest on the debt the company absorbed. More importantly, he awarded the company England's monopoly rights to provide Spain's American colonies with African slaves - a contract obtained as a spoil of victory in the war against France.

Harley hoped that investors' dreams of great profits from the Atlantic slave trade would entice them to give up their bonds and accept stock in the South Sea Co.

Credit, as is often forgotten, is nothing more than belief, confidence and imagination. If enough people believe that a certain amount of value will be generated in the future or in a distant place, that value can be used today, either for consumption, investment or debt restructuring. It is this capacity to transfer value through time and space that gives credit an appearance of magic. It is also this capacity, of course, that makes credit precarious and subject to manipulation, well-intentioned and otherwise.

Harley's Tories and the Whig opposition clearly recognized that for the South Sea scheme to work a favorable perception of the slave trade was necessary. To move public opinion in the right direction, each side employed a series of authors to write propaganda journalism. While the Whig writers sought to undermine confidence in the scheme, Harley's side hired scribblers, including the novelists Daniel Defoe and Jonathan Swift, who extolled the plan's virtues and promises.
(Carl Wennerlind, *Casualties of Credit: The English Financial Revolution, 1620-1720*, 2011-11-30, Harvard University Press, 360 pages)

[404] Economists have a wonderful talent for mystifying the mundane and coining euphemisms. Instead of 'creating credit' we now have 'quantitative easing'!

[405] And, in the first decade of the 21st century, we did it all over again! See this piece by Barry Ritholtz (*Washington Post* November 20, 2011) 'Examining the big lie: How the facts of the economic crisis stack up' for a depressing picture of the consequences of unregulated capitalism:

➤ Nonbank mortgage underwriting exploded from 2001 to 2007, along with the private label securitization market, which eclipsed Fannie and Freddie during the boom. Check the mortgage origination data: The vast majority of subprime mortgages - the loans at the heart of the global crisis - were underwritten by unregulated private firms.

These were lenders who sold the bulk of their mortgages to Wall Street, not to Fannie or Freddie. Indeed, these firms had no deposits, so they were not under the jurisdiction of the Federal Deposit Insurance Corp or the Office of Thrift Supervision. The relative market share of Fannie Mae and Freddie Mac dropped from a high of 57 percent of all new mortgage originations in 2003, down to 37 percent as the bubble was developing in 2005-06.

➤ Private lenders not subject to congressional regulations collapsed lending standards. Taking up that extra share were nonbanks selling mortgages elsewhere, not to the GSEs. Conforming mortgages had rules that were less profitable than the newfangled loans.

Private securitizers - competitors of Fannie and Freddie - grew from 10 percent of the market in 2002 to nearly 40 percent in 2006. As a percentage of all mortgage-backed securities, private securitization grew from 23 percent in 2003 to 56 percent in 2006

These firms had business models that could be called "Lend-in-order-to-sell-to-Wall-Street-securitizers." They offered all manner of nontraditional mortgages - the 2/28 adjustable rate mortgages, piggy-back loans, negative amortization loans. These defaulted in huge numbers, far more than the regulated mortgage writers did.

Consider a study by McClatchy: It found that more than 84 percent of the subprime mortgages in 2006 were issued by private lending. These private firms made nearly 83 percent of the subprime loans to low- and moderate-income borrowers that year. And McClatchy found that out of the top 25 subprime lenders in 2006, only one was subject to the usual mortgage laws and regulations.

A 2008 analysis found that the nonbank underwriters made more than 12 million subprime mortgages with a value of nearly $2 trillion. The lenders who made these were exempt from federal regulations.

A study by the Federal Reserve shows that more than 84 percent of the subprime mortgages in 2006 were issued by private lending institutions. The study found that the government-sponsored enterprises were concerned with the loss of market share to these private lenders - Fannie and Freddie were chasing profits, not trying to meet low-income lending goals

[406] The following table from the U. S. Bureau of the Census (1975): Table 1.3 Unemployment in the United States 1929-1939 shows the extent of the unemployment problem during the decade of the 1930s.

Table 1.3 Unemployment in the United States 1929-1939
(In thousands of persons 14 years old and over. Annual averages)

Year	Unemployed	% of civilian labor force	Unemployed (1929=100)
1929	1,550	3.2	100.0
1930	4,340	8.9	280.0
1931	8,020	16.3	517.4
1932	12,060	24.1	778.1
1933	12,830	25.2	827.7
1934	11,340	22.0	731.6
1935	10,610	20.3	684.5
1936	9,030	17.0	582.6
1937	7,700	14.3	496.8
1938	10,390	19.1	670.3
1939	9,480	17.2	611.6

Source: Historical Statistics, Series D8-D9.
U.S. Bureau of the Census (1975)

This table does not include the millions involved in New Deal employment programs which were, during the period, not included in employment statistics. See Harry Kelber, "How Labor and the New Deal in the 1930s Were Able to Change the Face of America, *The Labor Educator*, May 4-16, 2008 for more on this.

407 As Josh Bivens has argued, both job guarantee (JG) programs and universal basic income (UBI) programs should be developed within all truly democratic capitalist societies. And, where 'work' is the focus, that work should contribute to the health and wellbeing of communities of people and of the nation as a whole.

Workers employed under the umbrella of programs of the US New Deal Emergency Conservation Work (EWC) Act of 1933, soon known as the Civilian Conservation Corps (CCC), found themselves involved in just such work. These were *never* 'make work' jobs. As the *Civilian Conservation Corps Legacy* site has explained:

> The 1932 Presidential election was more a desperate cry for help than it was an election. Accepting the Presidential nomination on July 1, 1932, New York Governor Franklin D. Roosevelt planned to fight against soil erosion and declining timber resources by utilizing unemployed young men from large urban areas.
>
> In what would later be called "The Hundred Days," President Roosevelt revitalized the faith of the nation by setting into motion a "New Deal" for America. One of these New Deal programs was the Emergency Conservation Work (EWC) Act, more commonly known as the Civilian Conservation Corps. With this action, he brought together two wasted resources: young men and land.
>
> The President wasted no time. He called the 73rd Congress into Emergency Session on March 9, 1933, to hear and authorize the program. He proposed to recruit thousands of unemployed young men, enroll them in a peacetime army, and send them into battle against destruction and erosion of our natural resources. Before the CCC ended, over three million young men engaged in a massive salvage operation described as the most popular experiment of the New Deal.
>
> The strongest reaction to the proposed CCC program came from organized labor. Union leaders feared a loss of jobs that could be filled with union members. Also, they were alarmed at the involvement of the Army and believed this might lead to regimentation of labor.
>
> **Emergency Conservation Work legislation passed on March 31, 1933**
>
> President Roosevelt promised if granted emergency powers he would have 250,000 men in camps by the end of July, 1933. The speed with which the plan moved through proposal, authorization, implementation and operation was a miracle of cooperation among all branches and agencies of the federal government. It was a mobilization of men, material and transportation on a scale never before known in time of peace. From FDR's inauguration on March 4, 1933, to the induction of the first enrollee on April 7, only 37 days had elapsed.
>
> Senate Bill S. 598 was introduced on March 27, passed both houses of Congress and was on the President's desk to be signed on March 31, 1933.
> (*Civilian Conservation Corps Legacy* site, œCCC Brief History, accessed 09 July 2018)
> (Lambert Strether has provided an interesting discussion of œThe Jobs Guarantee, "Make-Work," and FDR's Civilian Conservation Corps (CCC) on the *Naked Capitalism* site.)

408 This, too, is a consequence of the rhetoric of the 1920s and 1930s. The gutting of union power in the early 1920s was largely claimed to be not a

move against labor but a move against socialist revolution. As Friedman (2008) explained,

> Labor's opponents used fear of Communism to foment a post-war red scare that targeted union activists for police and vigilante violence.

Opposition to the New Deal was couched in very similar terms. Even from within the Democratic Party, opposition was expressed in these terms. A Wikipedia entry on the American Liberty League explains it:

> The American Liberty League was an American pressure group formed in 1934 by conservative Democrats to oppose the liberalism of President Franklin D. Roosevelt's New Deal. The League stated that it would work to "defend and uphold the Constitution" and to "foster the right to work, earn, save and acquire property." In its opinion, the Roosevelt Administration was leading the U.S. toward socialism, bankruptcy and dictatorship.
> (œWikipedia 2010)

[409] Of course this is illusory. The vast bulk of Western legislation relates to economic issues of one kind or another, primarily spelling out 'legitimate' and 'illegitimate' forms of organization, behavior and intent. Once one learns the maze, the rules appear invisible.

[410] See The Discovery of Natural Man for more on this.

[411] For a discussion of the *Summum Bonum* see In Search of the 'Greatest Good'.

[412] It would seem that, logically, contrary to common practice among US conservative evangelical Christians, evangelical Christians should reject the relevance of Aquinas's logic for the market place.

Since most forms of Christianity hold that human nature was warped through 'The Fall' in the Garden of Eden, the expression of unredeemed human nature should *not* produce the *Summum Bonum*. Those who rely on the metaphysical presumption that the expression of uninhibited human nature will produce the *Summum Bonum* must be assuming either that human beings are redeemed through the market place or that unredeemed human nature has not been warped.

[413]Staughton Lynd, in 1974, described the early, stuttering attempts by the new Roosevelt administration to work out what to do! It took most of their first term in office to develop a full-fledged response. Even then, there were many trial-and-error steps which had to be retraced and rethought. After all, Roosevelt inherited a catastrophic meltdown of the US economy and, instead of 'playing it safe' he and those advising him, decided to invent a New Deal which would provide a blueprint for Western nations in years to come. As Lynd says,

> It is important to recall that despite Roosevelt's great popularity when first inaugurated and again after the "second New Deal" of 1935-1937, in 1934 and 1935 there was much disillusionment with New Deal labor policy. The National Recovery Administration to which working people had enthusiastically responded in 1933 was renamed the "National Run Around".
> (Staughton Lynd,œThe United Front in America: a Note, *Radical America*, July-August 1974.)

See œFDR's Statements on Social Security (www.socialsecurity.gov/history) for succinct explanations of Roosevelt's

'New Deal' vision. As he said, in his Presidential Statement Signing The Social Security Act on August 14,1935,

> We can never insure one hundred percent of the population against one hundred percent of the hazards and vicissitudes of life, but we have tried to frame a law which will give some measure of protection to the average citizen and to his family against the loss of a job and against poverty-ridden old age.
>
> This law, too, represents a cornerstone in a structure which is being built but is by no means complete. It is a structure intended to lessen the force of possible future depressions. It will act as a protection to future Administrations against the necessity of going deeply into debt to furnish relief to the needy. The law will flatten out the peaks and valleys of deflation and of inflation. It is, in short, a law that will take care of human needs and at the same time provide the United States an economic structure of vastly greater soundness.

It has become fashionable to dwell on the New Deal's flaws. Of course there were flaws! This was the first time in Western history that a government had attempted to both regulate capitalism and provide a comprehensive safety net for vulnerable people. And it was being undertaken during and in reaction to an economic crisis of unprecedented dimensions.

To dismiss the New Deal because it was flawed seems a remarkably nescient reaction to its flaws. What the New Deal has always required has been intelligent review and shaping.

It is indeed sad that over the past forty years US politicians and planners have all-too-often seen fit to use the existence of perceived policy and implementation imperfection as reason enough for dismantling rather than shaping the measures introduced by Roosevelt and his team.

See this footnote for some of the sliding taxation consequences of Roosevelt's New Deal policies through the 1950s-1970s: Taxation consequences of The New Deal.

[414] I must confess that the ease with which political opportunists are able to reinvent history (even the history of six months earlier) and then successfully convince Western electorates of the 'truth' of their fables bemuses me. It must, surely, reflect on the quality of our educational institutions that people can so easily be misled.

[415] Demonstrating, once again, the truth of the adage 'There's nothing new under the sun' - see Free Markets Work!

[416] See Natural Law and Perfection for the origin of the western European belief that human beings have a duty to discover 'natural law' through understanding the 'nature' of human beings and to live by that inbuilt law once discovered.

[417] See Social Exchange Theory for more on this.

Of course, these presumptions are highly questionable and open to challenge. However, even accepting the premises, the presumption that uninhibited individualistic competitive activity as expressed in the marketplace will result in social good requires a remarkable leap of faith. There seems to be no evidence from either history or a study of trade dynamics that this is so.

See œDivided We Stand: Why Inequality Keeps Rising for an OECD overview of growing income inequalities in OECD countries. As the report says,

> In the three decades prior to the recent economic downturn, wage gaps widened and household income inequality increased in a large majority of OECD countries. This occurred even when countries were going through a period of sustained economic and employment growth. This report analyses the major underlying forces behind these developments.
> ((December 2011) See also œAn Overview of Growing Income Inequalities in OECD Countries: Main Findings)

As the physicists J. R. Iglesias and R. M. C. de Almeida have shown, (œEntropy and equilibrium state of free market models, *The European Physical Journal B - Condensed Matter and Complex Systems*, Volume 85 (2012), Number 3, 85-95), unregulated market exchange does not lead to fairer outcomes for all:

> ...all the available wealth is concentrated among only a few agents. This is represented by a tail-shaped graph that confirms previous studies showing that wealth distribution follows a power law. As a result, the free market is stalled with no subsequent possible exchanges of wealth, even if wealth were distributed evenly from the start.
>
> The authors concluded that regulations for the rules of wealth exchange are necessary to avoid concentration of wealth and stalling of market exchange. For example, systems in which regulations and taxes give the poorest agent a probability of wealth gain of over 50 percent may prevent wealth concentration and decrease inequalities.
> (œMarket exchange rules responsible for wealth concentration)

In an earlier version of the study (œEntropy and equilibrium state of free market models, published by arxiv.org 29 Aug. 2011), the authors concluded:

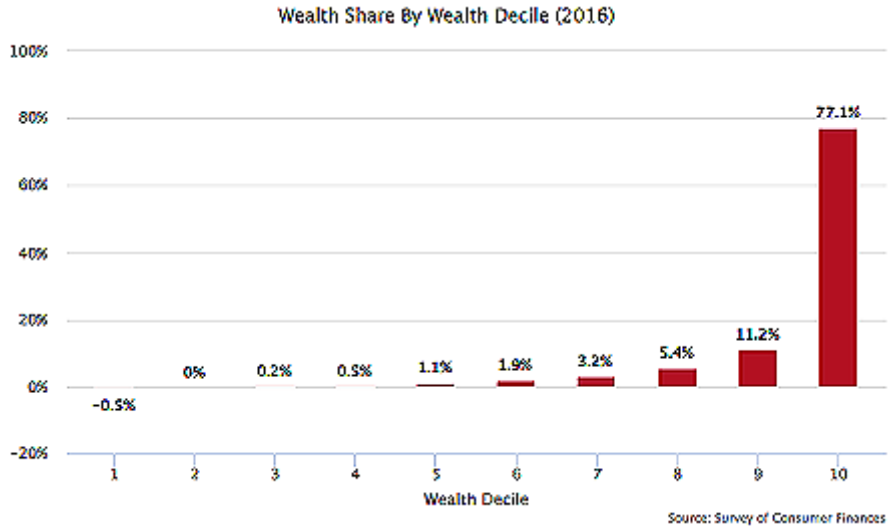
> Numerical results, as well as some analytical calculations, indicate that a frequent outcome in these models is *condensation*, i.e. concentration of all available wealth in just one or a few agents. This final state corresponds to a kind of equipartition of poverty: All agents (except for a set of zero measure) possess zero wealth while one, or a few ones, concentrate all available resources. In any case the final configuration is a stationary state of "equilibrium", since agents with zero wealth cannot participate in further exchanges.

Jake Johnson has summarized results of a 2016 survey of US wealth distribution by the *People's Policy Project* (3P):

> ...An œanalysis by the People's Policy Project (3P) published Wednesday found that the top 10 percent of the income distribution now owns a "stunning" 77 percent of America's wealth while those in the bottom ten percent are "net debtors," owning -0.5 percent of the nation's wealth.
>
> In response to the analysis, conducted by 3P president Matt Bruenig, Sen. Bernie Sanders (I-Vt.) wrote on Twitter: "Meanwhile, the Walton family of Walmart has a net worth of $144 billion. This is what a rigged economy looks like."

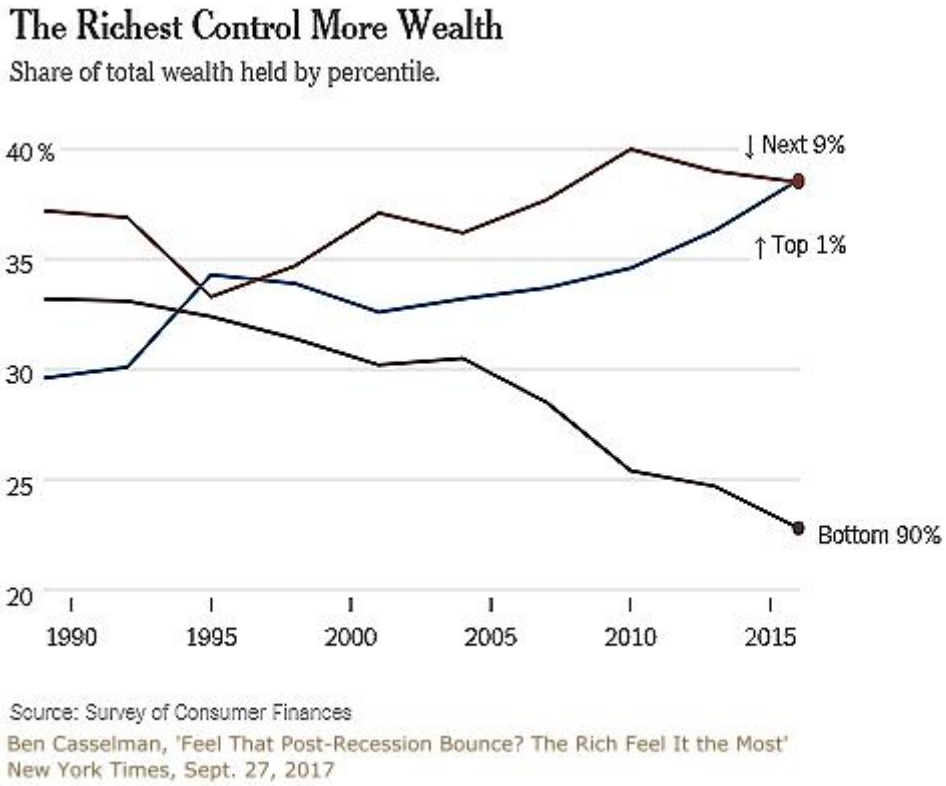
"We do not live in a democracy. We live in an oligarchy," added the progressive group Digital Left.

3P's examination of newly released Federal Reserve data also found that "[t]he bottom 38 percent of American families have an average net worth of $0." By contrast, the top one percent - set to œbenefit massively from Trump's tax agenda - owns 38.5 percent of the nation's wealth. In 1989, that number was 29.9 percent.



(Jake Johnson, staff writer, œ'What a Rigged Economy Looks Like': Top 10% Now Own 77% of American Wealth, *Common Dreams*, September 28, 2017)

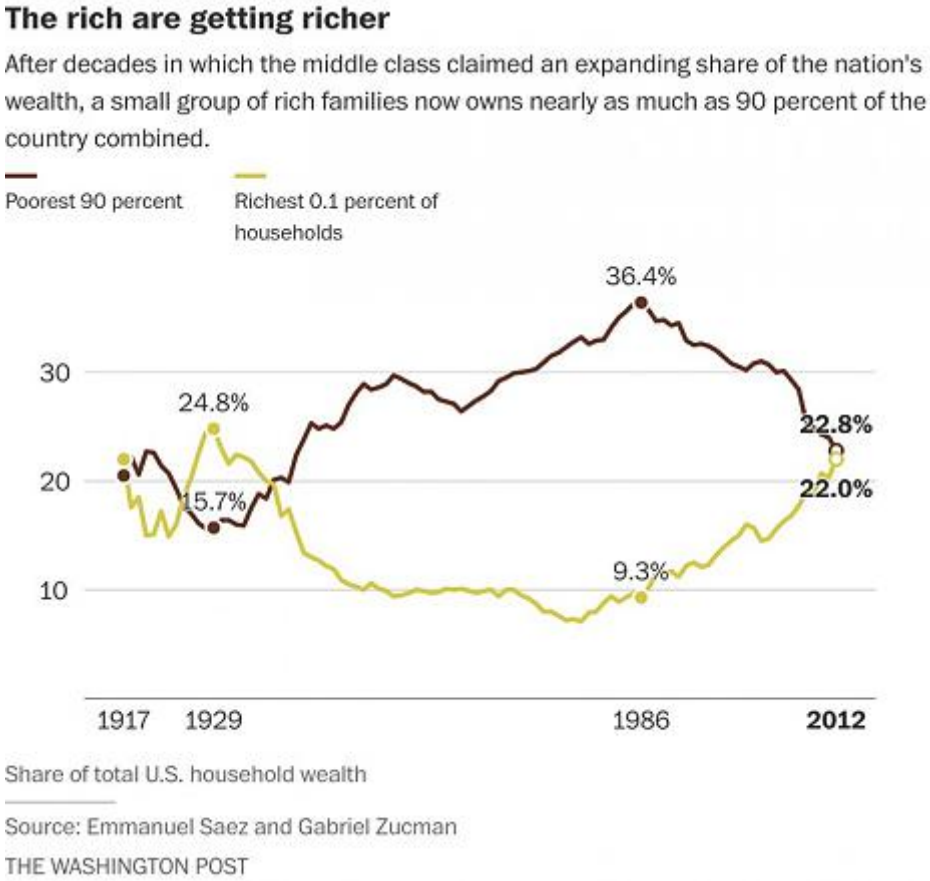
And this graph, adapted from data provided by the *Federal Reserve* œSurvey of Consumer Finances by œBen Casselman for the *New York Times*, Sept. 27, 2017:



In a study which "combines income tax with Flow of Funds data to estimate the distribution of household wealth in the United States since 1913", Saez and Zucman (2014) explained that:

> ...wealth inequality has considerably increased at the top over the last three decades. By our estimates, almost all of this increase is due to the rise of the share of wealth owned by the 0.1% richest families, from 7% in 1978 to 22% in 2012, a level comparable to that of the early twentieth century
> (Emmanuel Saez and Gabriel Zucman, œ*Wealth Inequality in The United States since 1913: Evidence from capitalized income tax data*, NBER Working Paper Series, Working Paper 20625, October 2014)

Max Ehrenfreund, in a *Washington Post* article, provided a graphic illustration of the different fortunes of the top 0.1% of the United States population relative to the bottom 90% of the population:



As Ehrenfreund has explained:

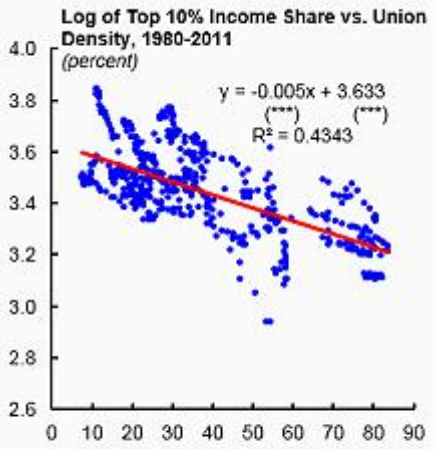
> As shown in the chart above, wealth was not always so unevenly distributed in the United States, but since the middle of the Reagan administration, wealth has gradually become concentrated in the hands of a few.
>
> Saez and Zucman write that the concentration has increased both because salaries have skyrocketed for a small group of Americans, and because that group has been able to earn more in interest and returns on their investments. The richest 0.1 percent of families today now own nearly as much as that same class did in 1929, on the eve of the Great Depression, when they controlled nearly a quarter of the nation's wealth.
> (Max Ehrenfreund, œBernie Sanders is right: The top 0.1 percent have as much as the bottom 90 percent, *Washington Post*, Wonkblog, November 19, 2015)

Florence Jaumotte and Carolina Osorio Buitron, in a study of the role of labor unions in minimizing inequality in 'Advanced Economies' (i.e.

Western nations plus Japan) provided a description of the growth in inequality between 1980 and 2010. As they say,

> The most novel aspect of our paper is the discovery of a strong negative relationship between unionisation and top earners' income shares (Figure 2). Although causality is always difficult to establish, the influence of union density on top income shares appears to be largely causal, as evidenced by our instrumental variable estimates. The set of instruments used for union density captures the fact that, although unionisation tends to decline in periods of high unemployment, the effect is weaker in countries where unemployment benefits are managed by unions (i.e. the Ghent system) or where collective bargaining is more centralised...

Figure 2. Top 10% income share and union density in advanced economies



Sources: OECD; and World Top Incomes Database.
Note: *** denote significance at the 1 percent level, ** at the 5 percent level, and * at the 10 percent level. Advanced Economies = USA, AUT, CAN, DNK, FIN, FRA, DEU, IRL, ITA, JPN, NLD, NZL, NOR, PRT, ESP, SWE, CHE, and GBR.

> The magnitude of the effect is also significant; the decline in union density explains about 40% of the average increase in the top 10% of income share in our sample countries.
> (Florence Jaumotte and Carolina Osorio Buitron, œUnion power and inequality, *VOX*, CEPR's Policy Portal, 22 October, 2015)

(see The Working Poor; Neoliberalism for more)

Lynn Rhinehart and Celine McNicholas, in a research study subtitled 'How workers and their unions build power and set standards for their industries', explain the US relationship between share of income going to the top 10% and strength of labor unions from 1917 to 2017:

> The National Labor Relations Act (NLRA or Act) - the primary law establishing organizing rights in the private sector - has as its premise a lofty and admirable goal: "encouraging the practice and procedure of collective bargaining" between workers and their employers.1 Since the Act's passage in 1935, millions of working men and women have won higher pay, better health care and retirement benefits, stronger health and safety protections on the job, and other important improvements through forming unions and using their collective strength in bargaining with their employers.2 Historically, strong unions have helped ensure that income growth is distributed broadly and not just to the richest households (see Figure A).

FIGURE A

As union membership declines, income inequality rises

Union membership and share of income going to the top 10%, 1917–2017

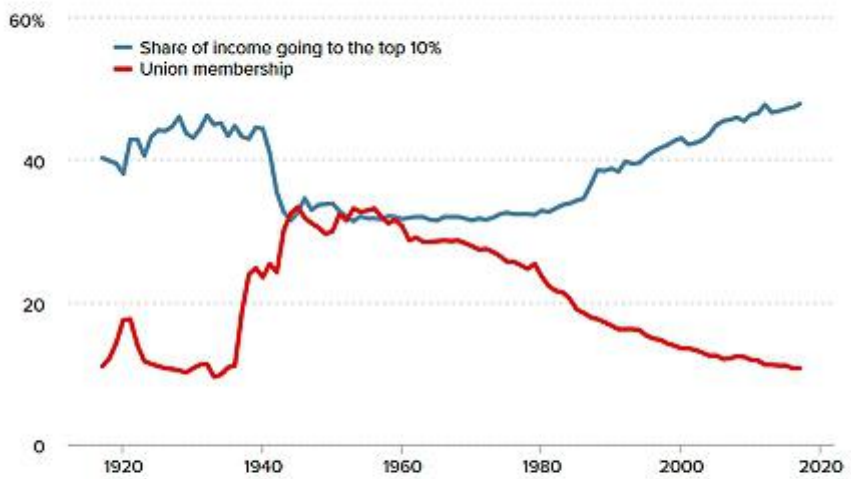


Chart Data

Sources: Data on union density follows the composite series found in Historical Statistics of the United States; updated to 2017 from unionstats.com. Income inequality (share of income to top 10%) data are from Thomas Piketty and Emmanuel Saez, "Income Inequality in the United States, 1913–1998," *Quarterly Journal of Economics* 118, no. 1 (2003), and updated data from the Top Income Database, updated March 2019.

Economic Policy Institute

(Lynn Rhinehart and Celine McNicholas, œCollective bargaining beyond the worksite, *Economic Policy Institute*, May 4, 2020)

[418] See Open-ended and Closed Utilization of the Material Environment for more on this.

[419] see Reciprocity and Exchange for more on this.

[420] or of the means for obtaining these - through accumulating money or resources which can directly or indirectly be converted into cash income.

[421] How much richer our lives would be if we could divest ourselves of the drive to self-promotional productivity and consumption but retain our will to cooperate in a quest for understanding and knowledge. The Writer of *The Proverbs* put it well:

> Wisdom is supreme; therefore get wisdom. Though it cost all you have, get understanding...
>
> How much better to get wisdom than gold, to choose understanding rather than silver!
> (Proverbs 4:7; 16:16 [New International Version of the Bible])

As it is, our creativity becomes harnessed to the capitalist drive to accumulation and consumption and directed not by the creative and the inquiring, but by the self-promoting accumulators and consumers in Western communities.
(see œEngineering Efficient Technology Transfer, *Science Translational Medicine* 23 November 2011: Vol. 3, Issue 110, p. 110, for a depressingly common view of the need for "Tighter Ties between Universities and the Corporate World".)

[422] See Teaching The Poor to Work; Teaching 'The Native' to work for more on this. Also, for a description of contemporary closures of 'The Commons' in non-Western regions of the world, see this EurekAlert summary (1-Feb-2012) of studies presented by the *Rights and Resources*

Initiative (RRI), œWarning of unrest, new study shows millions risk losing lands in Africa. As the authors say:

> "The new land rush increasingly looks like a final enclosure of the world's common lands," said panel moderator Fred Pearce, environment writer and author of the upcoming book, *The Landgrabbers: The New Fight Over Who Owns the Earth*. "Throughout the developing world, traditional rights to land and resources are being steamrollered in the name of a warped and outdated view of economic development."

423 One wonders how Thomas More would have described the consequences of the sub-prime mortgage fiasco in the US.

And, of course, that other Thomas - Jefferson. If he could write of late 18th century Western Europe that,

> ...they have divided their nations into two classes, wolves and sheep. I do not exaggerate. This is a true picture of Europe. ...man is the only animal which devours his own kind; for I can apply no milder term to the governments of Europe, and to the general prey of the rich on the poor.
> (Thomas Jefferson, 1787)

how would he have described the past several years, from 2007, in Western nations?

424 See Alienation of Property

425 See Emergence of commodified relationships in western Europe

As Marx claimed:

> The Roman slave was held by fetters: the wage-laborer is bound to his owner by invisible threads. The appearance of independence is kept up by means of a constant change of employers, and by the *fictio juris* of a contract.
> (Marx 1867, vol. 1, pt 7, ch. 23)

426 See The Virtuous Capitalist, The Poor and the Wasteland for more on this.

427 As Marx explained:

> To become a free seller of labor-power, who carries his commodity wherever he finds a market, he must ... have escaped from the regime of the guilds, their rules for apprentices and journeymen, and the impediments of their labor regulations.
>
> Hence, the historical movement which changes the producers into wage-workers, appears, on the one hand, as their emancipation from serfdom and from the fetters of the guilds, and this side alone exists for our bourgeois historians.
>
> But, on the other hand, these new freedmen became sellers of themselves only after they had been robbed of all their own means of production, and of all the guarantees of existence afforded by the old feudal arrangements. And the history of this, their expropriation, is written in the annals of mankind in letters of blood and fire.
> (Marx 1867, vol. 1, pt 8, ch. 26)

See Thomas More (1516) for a 16th Century account of the consequences of that expropriation

428 The text is as follows:

We rarely hear, it has been said, of the combinations of masters, though frequently of those of workmen. But whoever imagines, upon this account, that masters rarely combine, is as ignorant of the world as of the subject. Masters are always and everywhere in a sort of tacit, but constant and uniform combination, not to raise the wages of labor above their actual rate.

To violate this combination is everywhere a most unpopular action, and a sort of reproach to a master among his neighbors and equals. We seldom, indeed, hear of this combination, because it is the usual, and one may say, the natural state of things, which nobody ever hears of.

Masters, too, sometimes enter into particular combinations to sink the wages of labor even below this rate. These are always conducted with the utmost silence and secrecy, till the moment of execution, and when the workmen yield, as they sometimes do, without resistance, though severely felt by them, they are never heard of by other people.

Such combinations, however, are frequently resisted by a contrary defensive combination of the workmen; who sometimes too, without any provocation of this kind, combine of their own accord to raise the price of their labor.

Their usual pretences are, sometimes the high price of provisions; sometimes the great profit which their masters make by their work. But whether their combinations be offensive or defensive, they are always abundantly heard of.

In order to bring the point to a speedy decision, they have always recourse to the loudest clamour, and sometimes to the most shocking violence and outrage. They are desperate, and act with the folly and extravagance of desperate men, who must either starve, or frighten their masters into an immediate compliance with their demands.

The masters upon these occasions are just as clamorous upon the other side, and never cease to call aloud for the assistance of the civil magistrate, and the rigorous execution of those laws which have been enacted with so much severity against the combinations of servants, laborers, and journeymen.
(1776, pp.84-5)

[429] See The alienation of property and stress on legally bounded confrontation for more on this.

[430] See What shall we do with The Poor? for more on this.

[431] See Colonial Labor Practices for more on this

[432] See Subsistence and status; Teaching The Natives to Work for more on this. For an excellent, illustrated summary of the mono-agricultural reorganization of the African continent see:

œColonialism and Africa's Integration into the Global Economy

Primary Revenue Generating Products During Colonial Era

(Click for access to larger online map)

œ

[accessed 10 May 2010]

Also Victoria Tauli-Corpuz and Parshuram Tamang (œ2007 (MSWord Document)) for 'the impact of commercial tree plantations and monocropping on indigenous peoples' lands and communities'.

433 Since Western Europe had expanded into the world and now directly controlled more than 80% of the earth's surface, the available workforce in Western Europe was significantly reduced by the expansion of the armed forces and colonial administrations they required to ensure their control. This made labor scarce and gave workers' organizations increasing power to negotiate wages and conditions.

434 We must, of course, remember what this term refers to in economic parlance. It refers to the *removal of social restrictions* on the exploitation of labor and the deregulation of competitive exchange.

435 While production expanded during the period, consumption, which required an expanding base of consumers, lagged. This resulted in a period of readjustment as wages increased and people's needs and wants grew with their increasing purchasing power. In the lag-time, the economies of Western Europe experienced a period of over-production and consequent slow-down.

437 This is not competition within 'classes', since class, as a means of evaluating comparative social status is becoming less important as capitalism becomes the ideological lodestone of increasing numbers of people in Western communities. Class designation is the last of the feudal designations, warped by changes from co-operative to competitive hierarchical relationships, to succumb to the individualising forces of Western capitalism.

438 Discretionary income is income which is surplus to the provision of 'necessities'. The growth in perceived 'necessities' in Western communities tends to absorb discretionary income. When individuals find that there is a regular surplus income, they tend to commit that surplus to expenditure which becomes a part of future 'need provision'. If, at a later time, a person is no longer able to fund such a commitment, that person feels a genuine sense of deprivation, of impoverishment.

[439] See And... No Charity! for more on this.

[440] It needs to be remembered that any business, in order to ensure competitiveness, will, by definition, challenge any costs, attempting to reduce or eliminate them in the drive to competitive pricing and increased profit.

Challenges to 'social costs' are not, in fact, based on attempts to lower standards of living for community members, but on attempts to lower product prices and increase profits.

One need not assume some kind of conspiracy between 'owners of the means of production' to profit at the expense of less fortunate community members. That might be a consequence of the drive to lower costs, but it is not the purpose of that drive. Rather, attempts to lower or remove social costs of production are a consequence of the nature of 'free markets'. They are effects of the system, not evidence of class conspiracy.

[441] It has been common for critics to claim that the New Deal did not successfully tackle the problems of the Depression period. However, it is seldom acknowledged that it took the Roosevelt administration years to get its legislation ratified so that it could begin to grapple with the problems of the 1930s. The bulk of legislation was not passed until 1935 - for implementation from 1936 on - and the crucial *Fair Labor Standards Act* was not finalized until 1938, just before the outbreak of the 2nd World War.

See this speech for more on Supreme Court opposition to Roosevelt's New Deal programs. As Roosevelt explained:

> ...Congress passed a statute which, in 1803, the Court said violated an express provision of the Constitution. The Court claimed the power to declare it unconstitutional and did so declare it. But a little later the Court itself admitted that it was an extraordinary power to exercise and through Mr. Justice Washington laid down this limitation upon it: "It is but a decent respect due to the wisdom, the integrity and the patriotism of the legislative body, by which any law is passed, to presume in favor of its validity until its violation of the Constitution is proved beyond all reasonable doubt."
>
> But since the rise of the modern movement for social and economic progress through legislation, the Court has more and more often and more and more boldly asserted a power to veto laws passed by the Congress and State Legislatures in complete disregard of this original limitation.
>
> In the last four years the sound rule of giving statutes the benefit of all reasonable doubt has been cast aside. The Court has been acting not as a judicial body, but as a policy-making body.
>
> When the Congress has sought to stabilize national agriculture, to improve the conditions of labor, to safeguard business against unfair competition, to protect our national resources, and in many other ways, to serve our clearly national needs, the majority of the Court has been assuming the power to pass on the wisdom of these Acts of the Congress - and to approve or disapprove the public policy written into these laws.
> (œFranklin D. Roosevelt: "Fireside Chat - 46", March 9, 1937 (Online by Gerhard Peters and John T. Woolley, *The American Presidency Project*))

For a contemporary account of the implementation of the New Deal through the 1930s, see œSince Yesterday: The 1930s in America: September 3, 1929 - September 3,1939, Frederick Lewis Allen (1939). A contemporary account of the implementation of FDR's New Deal.

Of course, opposition to Roosevelt's attempts at regulation have been echoed since 2008 in opposition to US Administrative attempts to reregulate financial activity in the United States. As Matt Taibbi (2012) explained in examining the fate of the *Dodd-Frank Wall Street Reform and Consumer Protection Act* :

> This was supposed to be the big one. At 2,300 pages, the new law ostensibly rewrote the rules for Wall Street. It was going to put an end to predatory lending in the mortgage markets, crack down on hidden fees and penalties in credit contracts, and create a powerful new Consumer Financial Protection Bureau to safeguard ordinary consumers. Big banks would be banned from gambling with taxpayer money, and a new set of rules would limit speculators from making the kind of crazy-ass bets that cause wild spikes in the price of food and energy. There would be no more AIGs, and the world would never again face a financial apocalypse when a bank like Lehman Brothers went bankrupt.
>
> ...Two years later, Dodd-Frank is groaning on its deathbed. The giant reform bill turned out to be like the fish reeled in by Hemingway's Old Man - no sooner caught than set upon by sharks that strip it to nothing long before it ever reaches the shore.
>
> ...The fate of Dodd-Frank over the past two years is an object lesson in the government's inability to institute even the simplest and most obvious reforms, especially if those reforms happen to clash with powerful financial interests. From the moment it was signed into law, lobbyists and lawyers have fought regulators over every line in the rulemaking process. Congressmen and presidents may be able to get a law passed once in a while - but they can no longer make sure it stays passed. You win the modern financial-regulation game by filing the most motions, attending the most hearings, giving the most money to the most politicians and, above all, by keeping at it, day after day, year after fiscal year, until stealing is legal again. "It's like a scorched-earth policy," says Michael Greenberger, a former regulator who was heavily involved with the drafting of Dodd-Frank. "It requires constant combat. And it never, ever ends."
> (Matt Taibbi, May 10, 2012, œHow Wall Street Killed Financial Reform, *Rolling Stone*, Politics)

For more on this, see Ben Protess, *New York Times*, September 28, 2012, œJudge Strikes Down a Dodd-Frank Trading Rule. As Protess put it:

> Wall Street posted another victory in the battle over regulation on Friday after a federal judge struck down a central piece of the Obama administration's financial overhaul.
>
> The court decision dealt the latest blow to the Dodd-Frank Act, the regulatory crackdown passed in response to the financial crisis. The decision on Friday, aimed at the Commodity Futures Trading Commission's so-called position limits rule, is the second time a Dodd-Frank rule has suffered legal defeat....

> The case stems from a lawsuit that two Wall Street trade groups filed last year. The Securities Industry and Financial Markets Association and the International Swaps and Derivatives Association complained that the agency erred in writing the rule, saying it would have had the unintended effect of causing wild price swings.
>
> In a joint statement, the groups said they were "pleased with today's ruling" but are "committed to working with the commission and other regulators to promote safe, efficient markets."
>
> The ruling is sure to embolden Wall Street as it shifts the attack on Dodd-Frank from piecemeal lobbying to broader legal challenges. Industry groups are currently challenging another futures commission rule, while others are weighing lawsuits against the so-called Volcker Rule, a still-uncompleted plan to stop banks from trading with their own money.
>
> Companies have already seen some success. A federal appeals court last summer struck down the Securities and Exchange Commission's proxy access rule, a Dodd-Frank policy that would have empowered shareholders to oust company directors. The court, which also would hear an appeal to the position limits rule, is friendly turf for Wall Street, tossing out S.E.C. rules six times in seven years.
>
> The Commodity Futures Trading Commission, fearful of legal challenges, delayed its position limits rule on multiple occasions. It also tamed parts of the plan to accommodate concerns from traders.
>
> But the concessions failed to placate Wall Street....

See œThe Speculators Win a Round, (*New York Times*, October 14, 2012) for more on all this. As the writer says,

> If allowed to stand, the ruling will leave the economy exposed to continued distortions because derivatives are easily deployed as tools for vast speculation. When the bets pay off, the result is lush bank profits. When they crater, as they did during the financial crisis, the result is bailouts. Either way, Wall Street wins and everyone else loses....
>
> The defeat is also disturbing because it will embolden banks to challenge other new rules. Commodity derivatives are a relatively small part of Wall Street's derivatives business. Rules to regulate financial derivatives, like credit default swaps, have yet to be completed.

Also,œDespite Its Problems, Dodd-Frank Is Better Than the Alternatives, (*New York Times*, October 16, 2012); and œVolcker Rule, (*New York Times*, May 10, 2012) for another example of successful opposition to regulatory measures. As the article explains:

> The "Volcker Rule," a measure named for Paul A. Volcker, the former Federal Reserve chairman who proposed it, would restrict the ability of banks whose deposits are federally insured from trading for their own benefit.
>
> In January 2010, President Obama proposed that the Volcker rule be a part of a general financial regulatory reform push. Big losses by banks in the trading of financial securities, especially mortgage-backed assets, precipitated the credit crisis in 2008 and the federal bailout. Members of a House-Senate conference committee approved a final revision of the measure on June 24, 2010.

> The measure has been fiercely opposed by banks and large Wall Street firms, who view it as a major incursion on some of their most profitable activities.
>
> The measure's aim is to keep highflying traders and other gamblers inside banks from getting their hands on or putting at risk the federally-insured deposits of average banking customers. A main element of the plan would bar banks from making proprietary trades - using their own money to place directional market bets that are unrelated to serving customers. Another change would prevent institutions from investing their own money in hedge funds or private equity operations.

How sad that opposition to measures aimed at ameliorating the problems of the age could be so vigorously and successfully opposed despite the heartache and suffering being endured by so many!

442 David Cooper and Teresa Kroeger have described some key features and the subsequent history of the Act:

> The Fair Labor Standards Act (FLSA), enacted in 1938, established the basic protections that have governed work in the United States since the Great Depression. With regard to pay, the FLSA "put a floor under wages and a ceiling over hours" through the creation of the federal minimum wage and provisions for overtime pay - i.e., a limit on the hours per week employees may work without receiving additional compensation (Roosevelt 1938). Over the years, the law has been periodically updated to strengthen protections or expand coverage to new classes of workers - such as the 1966 amendments to the FLSA that extended coverage to service sector and hospitality workers, and the Department of Labor's extension of FLSA protections to home care workers in 2016.
>
> Unfortunately, over the past several decades, updates to the FLSA have been inadequate or too infrequent to keep pace with changes in the economy and employment. For example, as explained in œCooper (2015), the failure of federal lawmakers to adequately raise the federal minimum wage has left millions of workers being paid 25 percent less in inflation-adjusted terms than their counterparts almost 50 years ago. Similarly, œEisenbrey and Kimball (2016) describe how neglect of federal overtime rules has drastically reduced the share of the workforce that is eligible for overtime pay.
>
> Additionally, in recent decades, employers have increasingly adopted business practices that have weakened the scope of protection afforded by the law.
> (David Cooper and Teresa Kroeger, œEmployers steal billions from workers' paychecks each year, *Economic Policy Institute*, Report No. 125116, May 10, 2017)

443 President Franklin Roosevelt of the US summarized the New Deal objectives in a speech before the US Congress in 1941:

> ...[T]here is nothing mysterious about the foundations of a healthy and strong democracy. The basic things expected by our people of their political and economic systems are simple. They are:
>
> - Equality of opportunity for youth and for others.
> - Jobs for those who can work.

- Security for those who need it.
- The ending of special privilege for the few.
- The preservation of civil liberties for all.
- The enjoyment of the fruits of scientific progress in a wider and constantly rising standard of living.

> These are the simple, basic things that must never be lost sight of in the turmoil and unbelievable complexity of our modern world. The inner and abiding strength of our economic and political systems is dependent upon the degree to which they fulfill these expectations.
> (œFranklin Roosevelt's Annual Message to Congress on the State of the Union, January 6, 1941)

He spelt out the objectives of his New Deal in a 1944 speech outlining his vision of an 'Economic Bill of Rights' for the American people:

> ... the American people are resolved that when our men and women return home from this war, they shall come back to the best possible place on the face of this earth - to a place where all persons, regardless of race, color, creed or place of birth, can live in peace, honor and human dignity - free to speak, and pray as they wish - free from want - and free from fear.
>
> Last January, in my Message to the Congress on the state of the Union, I outlined an Economic Bill of Rights on which a new basis of security and prosperity can be established for all - regardless of station, race or creed:
>
> I repeat them now:
>
> - The right of a useful and remunerative job in the industries, or shops or farms or mines of the nation;
> - The right to earn enough to provide adequate food and clothing and recreation;
> - The right of every farmer to raise and sell his products at a return which will give him and his family a decent living;
> - The right of every business man, large and small, to trade in an atmosphere of freedom from unfair competition and domination by monopolies at home or abroad;
> - The right of every family to a decent home;
> - The right to adequate medical care and the opportunity to achieve and enjoy good health;
> - The right to adequate protection from the economic fears of old age, sickness, accident and unemployment;
> - The right to a good education.
>
> All of these rights spell security. And after this war is won we must be prepared to move forward, in the implementation of these rights, to new goals of human happiness and well-being.
>
> ... This Economic Bill of Rights is the recognition of the simple fact that, in America, the future of the worker and farmer lies in the well-being of private enterprise; and that the future of private enterprise lies in the well-being of the worker and farmer.

(Franklin D. Roosevelt, œCampaign Address on the "Economic Bill of Rights." October 28,1944)

[444] Free marketeers and those who believe 'that government is best which governs least' have vehemently opposed the inclusion of social costs as part of the base costs of production. However, there seems no logical reason why they should not be included. Such an inclusion does not herald the arrival of 'socialism'. *The economy remains in private hands*.

Social costs are of the same order as all other costs of extraction and processing borne by business. Once built into cost structures they become invisible and the economy continues as before.

I well remember the panic which ensued in Western countries with the first massive oil price increases of the early 1970s. Many were the dire predictions of imminent economic collapse and long-term damage. Yet, within three years of the rise, the new, unavoidable costs of petroleum based products became built into the economies of the world through a period of rapid inflation. Once that settled, everything proceeded as before[987].

The major effect of an inclusion of social costs into the base price of production is that the circulation of money through the society becomes far more broadly based. The economy becomes less insulated from the rest of social organization and activity (see Differences between increases in oil prices and increases in social welfare costs for more on this).

It seems that this is what perturbs free market promoters. They sense that 'the economy' is no longer being kept separate from other social environments and instinctively react to protect their primary ideological understandings. (See Ideology and Reality for more on this.)

[445] See Private Enterprise for more on this.

[446] While there are many problems in a Marxist understanding of reality (not least being its rather naive social evolutionary model), neo-Marxists have developed a clear explanation of the relation between capitalist and co-existing forms of community organization and activity.

In Marxist terms, pre-capitalist 'modes of production' supported the new capitalist 'mode of production'.

Workers from non-capitalist communities had all their social welfare needs met by the non-capitalist community from which they came (including family, old age and subsistence support and various needs of the communities within which they lived). This allowed businesses to exclude the non-employment needs of workers and the social requirements of the communities within which they operated in their calculation of production costs.

As those non-capitalist modes were eroded and displaced by capitalism, businesses rejected community demands for inclusion of their welfare and other costs as part of the costs of production.

They did not see themselves as intrinsic to the community within which they existed, as its means of supplying community needs and wants. They considered themselves external to it, living alongside it, and in competition with it as a supplier of the labor they employed.

Prominent community leaders were, almost inevitably, also prominent capitalists. In their felt need to keep business costs from rising, they accepted this separation of the economic environment from the

community in which it was placed. This led to a constantly diminishing community capacity to ensure the social welfare of its members.

[447] see Ideology and Reality for more on this.

[448] It is somewhat depressing to find that those who are most influential in molding public opinion at the start of the 21st century (whether on the 'left', 'right', in the 'center' or on one of the 'lunatic fringes') are, almost to a person, still deeply convinced that 'the economy' is a self-contained, self-correcting, self-justifying, objectively existing environment. They remain as convinced as their 18th and 19th century counterparts that 'the perfect accordance of the mind with the [economic] law is the supreme condition of the *Summum Bonum* '.[988]

So, even when they attempt to tackle the destructive social consequences of deregulated and internationalized economic organization and activity, they believe that these problems arise, not because the model is both amoral and asocial but because of inappropriate intervention and interference in its organization and activity. From their perspectives, one can only deal with such consequences through revisiting and better understanding the relevant economic laws and constructs.

With Kant, they continue to assert that

> All the culture and art which adorn humanity, the most refined social order, are produced by that unsociability which is compelled by its own existence to discipline itself, and so by enforced art to bring the seeds implanted by Nature into full flower.
> (Kant 1784 p. 147)

Their disputations perpetuate and strengthen such presumptions.

This mindset arises because Western people (and those who have learned their 'economics' in Western institutions) now intuitively accept that 'the economy' is indeed an isolable entity, an independently existing construct, designed by 'nature' or a deity to enable human progress, in an 'objective reality'.

Of course, it is not! It is a human construct which exists only because we believe that it does and have constructed our worlds to require it! If we organize our worlds around such an entity we should also realize that we have a responsibility to set the bounds and limitations within which it exists and the ways in which it is tied into and contributes to the rest of life. The 'nature' of the economy is determined by the ways in which it is or is not organized (by us) to contribute to the *Summum Bonum*.

(Yes, I know, I am suggesting something which requires that people are able to step back and see the contrived nature of the apparently objective realm they have committed their lives to serving - rather like asking believers to see their god(s) and the bulwarking ideologies they have developed as figments of their own imaginations! - but what else is a disillusioned earthling to do?)

For the origins of this deep, unquestioning belief in and commitment to a self-contained, self-justifying economic environment see The Economy: A New Environment.

[449](05/09/17) In most communities, what capitalist nations assume to be an independent environment - The Economy - is, as Polanyi argued, integrated into communal life. It is an *aspect* of communal life, not a separate area of life. So, very few communities have ever formally distinguished economic activity from other forms of communal activity.

However, with the Western formalization of economics in the 18th century, it became increasingly philosophically possible to argue that economic activity could be insulated from activity in other social 'environments' (see The Economy as a Separate Environment for more on this). This justified businesses in considering social costs as externally imposed, avoidable costs.

Economic activity assumes a bedrock of costs which must, always, inescapably, be included in production costs. In a drive to profit, businesses will always attempt to reduce these inescapable costs. Unfortunately, given the history of the relationship between capitalist activity and medieval communities[989], businesses have always seen social costs as externally imposed, avoidable costs.

In a very real sense, relativity not only relates to the physical universe, it relates just as certainly to economic pricings[990].

(14/09/17) Provided all nations and communities do so, there is no reason why communally determined and legislated base wage rates and all community responsibilities and costs related to education, health care, and all the pensions and annuities which any community might consider desirable, should not be built into the base costings of economic activity (as they were in most Western nations in the post-New-Deal period - safe-guarded through 'protectionist' policies).

Once they have been applied and the initial inevitable inflation of costs has been built into the economy they should have little effect on the ongoing inflation rates of economies (provided they are kept stable). Of course, businesses would have to accept that these basic costings are not avoidable in the interests of increased profitability or competitiveness.[991]

My personal view is that in the current neoliberal world of politics and economics the taxes and charges through which communally required funds (for health, education, pensions, annuities and other public expenditures) are collected should be levied as a direct cost on all transactions (both those of productive enterprise and those of financial institutions - providing means of generating community income from funds accumulating within various 'investment' portfolios and otherwise no longer accessible to fund community needs). Claims of "double dipping" can be addressed by adjusting the levies in various environments - as is currently done, often inequitably, in the various 'user pays' VAT, GST and similar retail taxation regimes (which could largely be displaced in favor of transaction taxation).

Since it is inevitable that various nations and communities will have different requirements, all forms of international trade could (as in the post 2nd World War era in Western countries) be subjected to charges in the receiving countries rather than in the exporting countries. Once again, fine tuning could be undertaken to ensure that internal economic activity remains competitive.

This would, of course, require a return of variations on the theme of 'protectionism'. To ensure that no countries are disadvantaged in this new era and that international trade is not impeded, the current WTO could be refocused to ensure equity between nations, while allowing each nation to set its own internal pricings. I'm sure that the complexities involved would be no greater than those currently accepted as 'necessary' by international trade and commerce.

[450] This has often been called a 'developmentalist' approach to economic activity. The government sets in place legislation to channel economic activity in directions thought to be appropriate to the needs of the community and to furthering the viability of business in order to ensure long-term social welfare.

In the light of the somewhat absurd insistence by many inhabitants in the United States that this amounts to 'socialism', the obvious needs to be restated.

Inclusion of social costs in the costs of production is *not* socialism! Economic ownership and management remains in private hands. One could privatize every responsibility of government and yet have social costs built into the basic costs of production. I apologise for this reiteration of the obvious!

[451] (08/12/16)(20/01/18)

(13/10/19) In order to understand the rationale for progressive taxation policies we need to clearly understand the nature of 'credit' and 'wealth' in *democratically organized* capitalist societies. This, in turn, requires an exploration of the nature of 'public' responsibility for ensuring the adequate and equitable availability of credit in sustaining optimal 'private' economic activity.

For more on all this see The Nature and Importance of Public and Private Credit

In democratically organized capitalist societies, taxation is not simply about withdrawing credit from the private sector (and certainly not about 'raising revenue' at the sovereign government level). It is, far more importantly, about ensuring an equitable redistribution of wealth through the society: quite literally taking from the rich and redistributing the wealth through the society to ensure continued credit circulation and consequent 'economic health'.

Progressive taxation policies, in the 2019 United States of America, have been dismantled. David Leonhardt, in a *New York Times* article (Oct. 6, 2019) entitled œThe Rich Really Do Pay Lower Taxes Than You, has explained 2019 US taxation realities:

> Almost a decade ago, Warren Buffett made a claim that would become famous. He said that he paid a lower tax rate than his secretary, thanks to the many loopholes and deductions that benefit the wealthy.
>
> His claim sparked a debate about the fairness of the tax system. In the end, the expert consensus was that, whatever Buffett's specific situation, most wealthy Americans did not actually pay a lower tax rate than the middle class. "Is it the norm?" the fact-checking outfit œPolitifact asked. "No."
>
> Time for an update: It's the norm now.
>
> For the first time on record, the 400 wealthiest Americans last year paid a lower total tax rate - spanning federal, state and local taxes - than any other income group, according to newly released data.

Fred Glass, in an essay subtitled: 'Five years ago, an eight-minute cartoon delightfully demolished all the conventional rationales for grand concentrations of private wealth', explained the rationale for reintroducing progressive taxation in the non-sovereign US state of California. The animated cartoon provides an excellent, simplified

explanation of the rationale for progressive taxation at the state level within a sovereign nation such as the United States. As he explains:

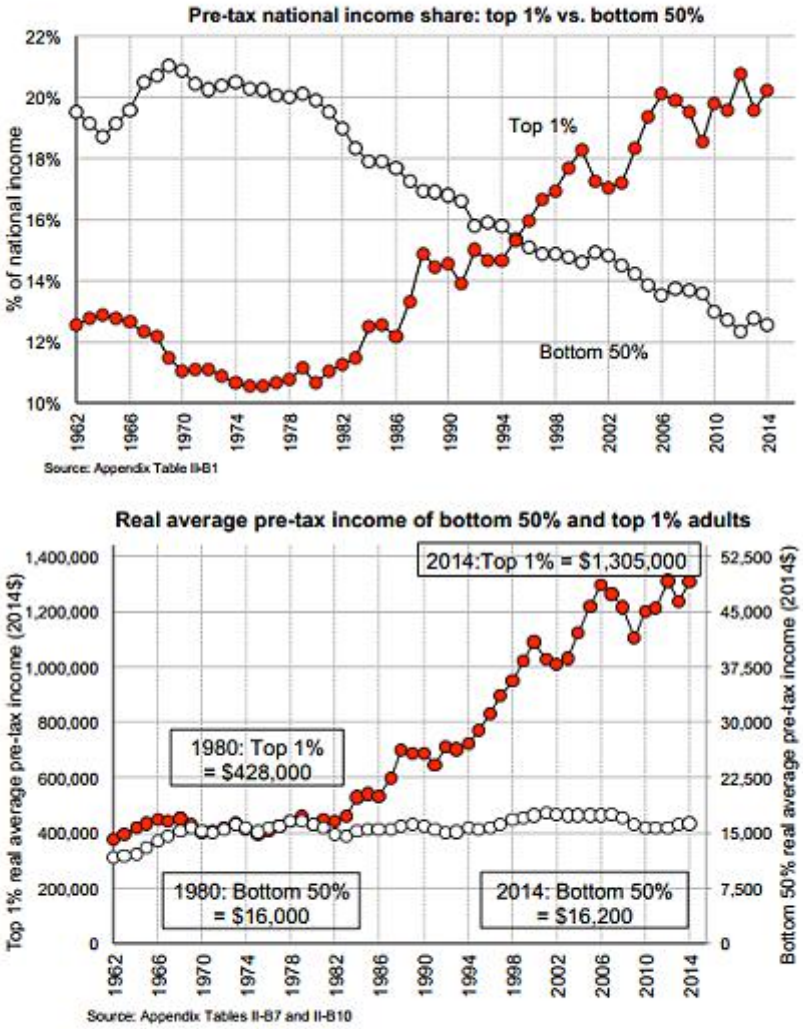
> In 2009 my union, the California Federation of Teachers, started a movement for progressive taxation to counter the terrible impact of the Great Recession. California was then suffering a spiraling budget deficit, 12 percent unemployment, and one of the nation's highest rates of home foreclosure.
>
> Our push for fair taxes had many moving parts, including opinion research, member education, public outreach and media work, coalition building with labor and community organizations, and finally a statewide ballot measure, Proposition 30, that passed by a 55-45 margin in 2012.
>
> Prop 30 imposed the highest income tax rates on top earners in the Golden State since World War II, raising some $7-8 billion a year through bumps of 1, 2, and 3 percent on family incomes of $500,000, $600,000, and $1 million.
>
> The state's voters extended this temporary tax increase in 2016 for twelve years. It won't sunset until 2030. In the meantime - and defying the dire predictions of anti-tax opponents that a Prop 30 victory would have all the "job creators" leaving California and taking all the jobs with them - California's public sector has recovered alongside its private sector, the state has thousands more millionaires and two million more jobs, and schools, public services, and the general welfare are in demonstrably better shape than in any of the tax-cutting Republican states like Kansas.
>
> One small moving part in all this: an eight-minute animated cartoon I wrote and directed, œTax the Rich: An Animated Fairy Tale, that my union released a month after Prop 30 passed.
> (Fred Glass, œThe Tax-the-Rich Animation that Riled the 1%'s Most Fervent Cheerleaders: Five years ago, an eight-minute cartoon delightfully demolished all the conventional rationales for grand concentrations of private wealth. *Inequality*, Research & Commentary, January 19, 2018)

As Iglesias and de Almeida suggest:

> ...in a large class of exchange models, the system converges to a very unequal condensed state, where one or a few agents concentrate all the wealth of the society while the wide majority of agents shares zero or almost zero fraction of the wealth. So, in those economic systems a minimum entropy state is attained... To avoid condensation and the thermal death of markets some regulation, or some minimum allowance is necessary....
> (Entropy and equilibrium state of free market models, *The European Physical Journal B - Condensed Matter and Complex Systems*, Volume 85 (2012), Number 3, 85-95)

Thomas Piketty, Emmanuel Saez and Gabriel Zucman, in a study of the *Distributional National Accounts: Methods and Estimates for the United States* (2016), have examined the evolution, in the US, of the pre-tax national income share of the top 1% versus the bottom 50%:

Figure 5: Bottom 50% vs. Top 1%



Notes: The figure contrasts the evolution of the top 1% vs. the bottom 50%. The top panel plots the top 1% pre-tax income share and the bottom 50% pre-tax income share since 1962. The bottom panel plots the top 1% real average pre-tax income (on the left y-axis) and the bottom 50% real average pre-tax income (on the right x-axis). The unit is the individual adult and incomes within married couples are split equally.

As they explain:

> The analysis of our US distributional national accounts yields a number of striking findings. First, our data show a sharp divergence in the growth experience of the bottom 50% and of the rest of the economy.
>
> The average pre-tax income of the bottom 50% has stagnated since 1980 at about $16,000 per adult (in constant 2014 dollars, using the national income deflator), while average national income has grown by 60% to $64,500 in 2014. As a result, the bottom 50% income share has collapsed from about 20% in 1980 to 12% in 2014.
>
> In the meantime, the average pre-tax income of top 1% adults rose from $420,000 to about $1.3 million, and their income share increased from about 12% in the early 1980s to 20% in 2014. The two groups have basically switched their income shares, with 8 points of national income transferred from the bottom 50% to the top 1%.
>
> The top 1% income share is now almost twice as large as the bottom 50% share, a group by defnition 50 times more numerous.

> In 1980, top 1% individuals earned on average 27 times more than bottom 50% individuals before tax while they earn 81 times more today.
> (Thomas Piketty, Emmanuel Saez and Gabriel Zucman, œDistributional National Accounts: Methods and Estimates for the United States, December 2, 2016)

Thomas Hungerford, in a report to the US Congress (September 14, 2012), examined the effects of the sliding taxation scales of the post-New Deal period and addressed 'whether or not there is an association between the tax rates of the highest income taxpayers and economic growth' in post-1940s United States. As he explained, failure to tax accumulations of capital and redistribute the proceeds to stimulate economic activity results in a reduction in both the GDP growth rate and GDP per capita:

> Throughout the late-1940s and 1950s, the top marginal tax rate was typically above 90%; today it is 35%. Additionally, the top capital gains tax rate was 25% in the 1950s and 1960s, 35% in the 1970s; today it is 15%.
>
> The real GDP growth rate averaged 4.2% and real per capita GDP increased annually by 2.4% in the 1950s. In the 2000s, the average real GDP growth rate was 1.7% and real per capita GDP increased annually by less than 1%.
>
> There is not conclusive evidence, however, to substantiate a clear relationship between the 65-year steady reduction in the top tax rates and economic growth. Analysis of such data suggests the reduction in the top tax rates have had little association with saving, investment, or productivity growth. However, the top tax rate reductions appear to be associated with the increasing concentration of income at the top of the income distribution.[see graphs here]
>
> The share of income accruing to the top 0.1% of U.S. families increased from 4.2% in 1945 to 12.3% by 2007 before falling to 9.2% due to the 2007-2009 recession. The evidence does not suggest necessarily a relationship between tax policy with regard to the top tax rates and the size of the economic pie, but there may be a relationship to how the economic pie is sliced.
> (Thomas L. Hungerford œ*Taxes and the Economy: An Economic Analysis of the Top Tax Rates Since 1945* September 14, 2012 Congressional Research Service 7-5700 www.crs.gov R42729)

For an examination of international correlations between top tax rates and economic performance, see œ*Optimal Taxation of Top Labor Incomes: A Tale of Three Elasticities* (Thomas Piketty, Emmanuel Saez, Stefanie Stantcheva, NBER Working Paper No. 17616, November 2011 [updated version (*American Economic Journal* : Economic Policy 2014, 6(1): 230 - 271) œavailable here]). As the authors say:

> The macro-evidence from 18 OECD countries shows that there is a strong negative correlation between top tax rates and top 1% income shares since 1960, implying that the overall elasticity is large. However, top income share increases have not translated into higher economic growth.

For information on the relationship between cutting tax rates on corporate profits and job growth, see Scott Klinger, Katherine McFate *et al*, œ*The Corporate Tax Rate Debate: Lower Taxes on Corporate Profits*

Not Linked to Job Creation , Center for Effective Government, Washington D. C., Dec. 2013 (www.foreffectivegov.org).

Warren Buffett (*New York Times*, November 25, 2012), œA Minimum Tax for the Wealthy, has explained some of the consequences of Roosevelt's New Deal policies through the 1950s-1970s and consequences of the neoliberal post-1970s years (and given a more realistic summation of the true wealth of those at the top in the 1950s-60s than given by *Fortune Magazine*, as paraphrased below by Paul Krugman). As Buffett says,

> Between 1951 and 1954, when the capital gains rate was 25 percent and marginal rates on dividends reached 91 percent in extreme cases, I sold securities and did pretty well. In the years from 1956 to 1969, the top marginal rate fell modestly, but was still a lofty 70 percent - and the tax rate on capital gains inched up to 27.5 percent. I was managing funds for investors then. Never did anyone mention taxes as a reason to forgo an investment opportunity that I offered.
>
> Under those burdensome rates, moreover, both employment and the gross domestic product (a measure of the nation's economic output) increased at a rapid clip. The middle class and the rich alike gained ground.
>
> So let's forget about the rich and ultrarich going on strike and stuffing their ample funds under their mattresses if - gasp - capital gains rates and ordinary income rates are increased. The ultrarich, including me, will forever pursue investment opportunities.
>
> And, wow, do we have plenty to invest. œThe Forbes 400, the wealthiest individuals in America, hit a new group record for wealth this year: $1.7 trillion. That's more than five times the $300 billion total in 1992. In recent years, my gang has been leaving the middle class in the dust.
>
> A huge tail wind from tax cuts has pushed us along. In 1992, the tax paid by the 400 highest incomes in the United States (a different universe from the Forbes list) averaged 26.4 percent of adjusted gross income. In 2009, the most recent year reported, the rate was 19.9 percent. It's nice to have friends in high places.
>
> The group's average income in 2009 was $202 million - which works out to a "wage" of $97,000 per hour, based on a 40-hour workweek. (I'm assuming they're paid during lunch hours.) Yet more than a quarter of these ultrawealthy paid less than 15 percent of their take in combined federal income and payroll taxes. Half of this crew paid less than 20 percent. And - brace yourself - a few actually paid nothing.
>
> This outrage points to the necessity for more than a simple revision in upper-end tax rates, though that's the place to start. I support President Obama's proposal to eliminate the Bush tax cuts for high-income taxpayers. However, I prefer a cutoff point somewhat above $250,000 - maybe $500,000 or so.
>
> Additionally, we need Congress, right now, to enact a minimum tax on high incomes. I would suggest 30 percent of taxable income between $1 million and $10 million, and 35 percent on amounts above that. A plain and simple rule like that will block the efforts of lobbyists, lawyers and contribution-hungry legislators to keep the ultrarich paying rates well below those incurred by people with

> income just a tiny fraction of ours. Only a minimum tax on very high incomes will prevent the stated tax rate from being eviscerated by these warriors for the wealthy.

For more on some of the consequences of Roosevelt's New Deal policies, see Paul Krugman, œThe Twinkie Manifesto (*New York Times*, November 18, 2012). As he says,

> ... in the 1950s incomes in the top bracket faced a marginal tax rate of 91, that's right, 91 percent, while taxes on corporate profits were twice as large, relative to national income, as in recent years. The best estimates suggest that circa 1960 the top 0.01 percent of Americans paid an effective federal tax rate of more than 70 percent, twice what they pay today.
>
> Nor were high taxes the only burden wealthy businessmen had to bear. They also faced a labor force with a degree of bargaining power hard to imagine today. In 1955 roughly a third of American workers were union members. In the biggest companies, management and labor bargained as equals, so much so that it was common to talk about corporations serving an array of "stakeholders" as opposed to merely serving stockholders.
>
> Squeezed between high taxes and empowered workers, executives were relatively impoverished by the standards of either earlier or later generations. In 1955 Fortune magazine published an essay, "How top executives live," which emphasized how modest their lifestyles had become compared with days of yore. The vast mansions, armies of servants, and huge yachts of the 1920s were no more; by 1955 the typical executive, Fortune claimed, lived in a smallish suburban house, relied on part-time help and skippered his own relatively small boat.
>
> ... Strange to say, however, the oppressed executives Fortune portrayed in 1955 didn't go Galt and deprive the nation of their talents. On the contrary, if Fortune is to be believed, they were working harder than ever. And the high-tax, strong-union decades after World War II were in fact marked by spectacular, widely shared economic growth: nothing before or since has matched the doubling of median family income between 1947 and 1973.

As Adam Smith explained in 1776:

> ... the rate of profit does not, like rent and wages, rise with the prosperity and fall with the declension of the society. On the contrary, it is naturally low in rich and high in poor countries, and it is always highest in the countries which are going fastest to ruin. (Adam Smith, *Wealth of Nations*, Book 1, CHAPTER XI, Conclusion of the Chapter)

[452] US corporations, since the 1960s, have, through their lobbyists and main stream media representatives, successfully managed to convince the US population that the vast majority of US citizens are strongly opposed to the progressive taxation regimes which emerged in the New Deal and post-New Deal periods.

Daniel Chomsky has explained:

> Over the last four decades, substantial majorities of Americans have consistently favored higher taxes when specifically asked whether businesses or the wealthy pay too little, too much, or the right amount. In contrast, the number favoring higher taxes on the

middle class has never reached even 10 percent. Yet, over the same time period, tax policy has moved decisively in the other direction, with lower taxes for businesses and the wealthy, and higher taxes on everyone else to make up for some of the lost revenue.

In my new INET paper, "œA Distorting Mirror: Major Media Coverage of Americans' Tax Policy Preferences," I examine the representation of public attitudes in two national newspapers, the *New York Times* and *USA Today*. I count all references to public preferences with respect to taxes in front page articles. And I concentrate on years associated with major tax policy change.

While the *Times* predictably devoted more attention to tax policy than *USA Today*, practices at both newspapers were otherwise nearly identical. Both newspapers highlighted public opposition to taxes. Both downplayed public support for higher taxes on businesses and the wealthy. And both privileged official and other elite sources over ordinary people. The persistent media misrepresentation of public preferences has effectively excluded the public from political discussion of tax policy and may contribute to the failure of democratic responsiveness on this issue.

The newspapers also reinforced the efforts of policy makers. As officials moved to reduce taxes, the national newspapers emphasized public support for tax cuts even more strongly. The *New York Times* advertised public opposition to taxes in 92 separate front page articles during 1981 as the Reagan tax cuts were debated and passed in 1981. In contrast, newspaper references to public support for progressive taxes vanished toward zero. (Daniel Chomsky, œWhy Americans' Hatred of Taxes Is Fake News, *Institute for New Economic Thinking*, April 13, 2018)

[453] Sebastian Mallaby on the ways in which 'crises can drive change, but sometimes it takes two crises to cement a transformation'

Crises can drive change, but sometimes it takes two crises to cement a transformation. Alone, the Great Depression ushered in the New Deal, roughly tripling U.S. federal spending as a share of output. But it took World War II to push federal spending much higher, solidifying the role of the state in the U.S. economy. If federal interventions such as the creation of the interstate highway system felt natural by the mid-1950s, it was the result of two compounding shocks, not a single one.

American history offers many such examples. Alone, the Vietnam War might have triggered a decline of trust in the government. It took the compounding shock of Watergate to make that decline precipitous. Alone, the collapse of the Soviet Union would have enhanced U.S. power. It took the strong performance of the U.S. economy in the 1990s to spark talk of a "unipolar moment." Alone, technological advances would have fueled inequality in the first decade of this century. Globalization reinforced that fracturing.

Today, the United States and other advanced countries are experiencing the second wave of an especially powerful twin shock. Taken individually, either the global financial crisis of 2008 or the global pandemic of 2020 would have been enough to change public finances, driving governments to create and borrow money freely. Combined, these two crises are set to transform the spending power

> of the state. A new era of assertive and expansive government beckons. Call it the age of magic money.
>
> The twin shocks will change the balance of power in the world, because their effects will vary across countries, depending on the credibility and cohesion of each country's economic institutions. Japan, with a long history of low inflation and a competent national central bank, has already shown that it can borrow and spend far more than one might have predicted given its already high levels of public debt. The United Kingdom, which has a worrisome trade deficit but strong traditions of public finance, should be able to manage an expansion of government spending without adverse consequences. The eurozone, an ungainly cross between an economic federation and a bickering assemblage of proud nation-states, will be slower to exploit the new opportunities. Meanwhile, emerging economies, which weathered the 2008 crisis, will enter a hard phase. Weaker states will succumb to debt crises.
> (Sebastian Mallaby, œThe Age of Magic Money: Can Endless Spending Prevent Economic Calamity? *Foreign Affirs*, May 29, 2020)

454 Thom Hartmann has given a free-wheeling, readable historical account of 'free trade' and 'protectionism'. As he says,

> For about 200 years, we understood well the benefits of tariffs, subsidized exports and protectionist policies in the United States. Had the fathers of the United States like Abraham Lincoln, George Washington, Andrew Jackson or Ulysses Grant applied for IMF loans, they would have been denied: All of them believed in high tariffs and a heavy control of foreign investment, and considered "free trade" to be absurd.
> (œPicking Apart One of the Biggest Lies in American Politics: 'Free Trade': It just enriches huge companies at everyone else's expense, Thom Hartmann, *AlterNet*, August 19, 2015)

Douglas Irwin has summarized US protectionist history well: "For most of U.S. history, the United States imposed fairly substantial barriers to imports in an effort to protect domestic producers from foreign competition."

455 Since the mid 1970s this 'protectionism' has been blamed by neoliberal commentators for most of the economic problems facing businesses, since it made business 'internationally uncompetitive'.

Of course, that was precisely the point of the legislation. The argument for 'international competitiveness' was, in fact, an argument for the removal of social costs as basic production costs.

456 See œRussell (1916 page 81) for a short history of the first run on a bank in England in 1667 and the subsequent establishment of the Bank of England in 1694.

457 As Barry Eichengreen (œWhy No Glass-Steagall II? *Project Syndicate*, Jan. 10, 2013) has described,

> ... the Pecora Commission [œJanuary 1933 - June 1934] featured many sensational revelations about the practices that led to the 1930's financial crisis. More than that, the Commission's investigation led to far-reaching reform - most famously, the Glass-Steagall Act, which separated commercial and investment banking. But Glass-Steagall didn't stop there. It created federal insurance for bank deposits. With unit banking (in which all operations are carried

> out in self-standing offices) viewed as unstable, banks were now permitted to branch more widely. Glass-Steagall also strengthened regulators' ability to clamp down on lending for real-estate and stock-market speculation.
>
> The hearings also led to passage of the Securities Act of 1933 and the Securities Exchange Act of 1934. Securities issuers and traders were required to release more information, and were subjected to higher transparency standards. The notion that capital markets could self-regulate was decisively rejected.
>
> ... Ultimately, the explanation for the passage of far-reaching financial reform can only be the severity of the crisis. In the 1930's, the Great Depression brought the entire economy to its knees. The need for root-and-branch reform was undeniable. After 2008, by contrast, policymakers succeeded in preventing the worst, which ruled out the sense of urgency that surrounded the Pecora Commission hearings. The ultimate irony is that this very success led to less reform.

The Pecora Commission Final Report (1934) summed up its findings in this way:

> In the field of banking, three major principles have been dealt with in recent legislation, namely, the separation of monetary policy from banking, the creation of deposit insurance, and the separation of investment banking and the securities business from commercial banking. There remain for our immediate consideration, however, vital matters relating to the conduct and management of banking institutions such as truthful and adequate financial statements, nature and diversification of loans and security, proper banking reserves, trust function of banks, effective governmental examination of banks, employment of bank examiners, window-dressing activities of banking officers and other similar problems.
>
> Investment trusts conducted in accordance with the underlying principles responsible for their creation, diversification of investment with the view to investment return rather than capital appreciation may have a place in our investment system. The facility of perverted uses of these companies requires that these trusts be circumscribed with protective safeguards. The record indicates that it may be necessary to simplify the capital structure of investment trusts to prevent the organizers from usurping control and a disproportionate part of the equity and yield of these trusts; to limit and prescribe the concentration of securities in a particular industry to prevent the diversion of these trusts from their normal channels of diversified investment to the abnormal avenues of control of industry; to prohibit pyramiding of investment trusts; to completely divorce investment trusts from investment banking; to eliminate the conflict of interest between investment managers and the public; to compel full and complete disclosure of the organization, capital structure, and management of the conduct of investment trusts.
>
> The magnitude of a corporation is no justification for its existence or propagation, nor reason for its abolition or curtailment. Holding companies serving no productive function, but organized merely to pervert the use of controlled companies and to evade their legal limitations are detrimental to the public welfare. Holding companies are a major problem meriting immediate consideration and action. (*Stock Exchange Practices: Report of the Committee on Banking*

and Currency, Chapter VII: Conclusions, Pp. 393-4, US Senate Report No. 1455, 1934)

458(27/11/17) Paul Krugman has provided a brief summary of the impact of New Deal measures (and their post-1970s erosion) on global financial crises:

> For a generation after World War II, the world financial system was, by modern standards, remarkably crisis-free - probably because most countries placed restrictions on cross-border capital flows, so that international borrowing and lending were limited. In the late 1970s, however, deregulation and rising banker aggressiveness led to a surge of funds into Latin America, followed by what's known in the trade as a "sudden stop" in 1982 - and a crisis that led to a decade of economic stagnation.
>
> Latin America eventually returned to growth (although Mexico had a nasty relapse in 1994), but, in the 1990s, a bigger version of the same story unfolded in Asia: Huge money inflows followed by a sudden stop and economic implosion. Some of the Asian economies bounced back quickly, but investment never fully recovered, and neither did growth.
>
> Most recently, yet another version of the story has played out within Europe, with a rush of money into Greece, Spain and Portugal, followed by a sudden stop and immense economic pain.
>
> As I said, although the outline of the story remains the same, the effects keep getting worse...
> (œTalking Troubled Turkey, *New York Times*, January 30, 2014)

Bill Mitchell has dealt with the consequences of private borrowing denominated in foreign currencies:

> ...Australia's net foreign debt has risen significantly over the last few decades... Most of it is non-government and the private banks have been at the forefront of the increase as they have been racking up loans from foreign wholesale funding markets....
>
> ...When does the private sector, which is holding most of the debt find the rising interest burden to be a problem?
>
> The answer is when the economy enters a recession or a significant slowdown and the capacity of the private sector to repay the debt becomes impaired.
>
> If the non-government, foreign debt is denominated in a foreign currency, then the problem is extended and requires export growth to continue.
>
> Argentina encountered its debt crisis in late 2001 because a significant portion of its debt was denominated in foreign currencies (particularly US dollars) and repayment was reliant on export revenue to generate stockpiles of these foreign currencies.
>
> The peg against the dollar exacerbated matters and further drained foreign currency reserves.
> (Bill Mitchell, œA credit rating agency spinning its usual nonsense, *Billy Blog*, June 1, 2017)

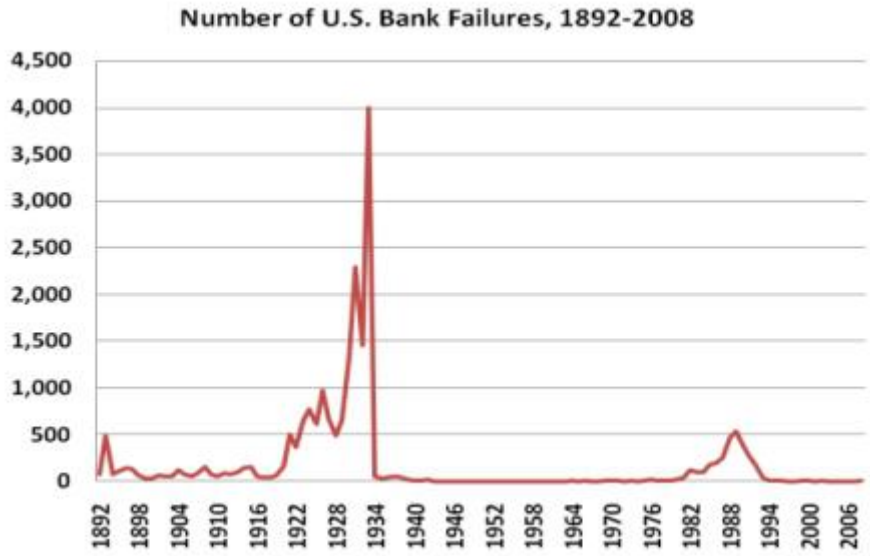
As Krugman has explained, in the post-New Deal era of strong bank regulation which included restrictions on cross-border capital flows so that international borrowing and lending were limited, the world financial system was, by modern standards, remarkably crisis-free.

Unquestionably, private speculators, indulging in foreign exchange borrowing to fund speculation, should *never* be bailed out by sovereign governments. Speculators must accept the consequences of their conduct and, if their borrowings prove unsustainable, they should be allowed to fail.

Sovereign governments should take responsibility for regulating cross-border capital flows and should not become the guarantors of private speculation in foreign currencies and markets.

Gary Gorton (2009), has described and graphically illustrated the post-1934 "Quiet Period" in U.S. banking and the post-1970s erosion of bank regulation which led to the 2007-9 crisis. As he says,

> The period from 1934, when deposit insurance was enacted, until the current crisis is somewhat special in that there were no systemic banking crises in the U.S. It is the "Quiet Period" in U.S. banking. See the figure below. The figure shows the Great Depression very dramatically, but this event was very special, as discussed below. Looking at the figure, the Quiet Period in banking following the Great Depression is also clear. This Quiet Period led to the view that banking panics were a thing of the past.

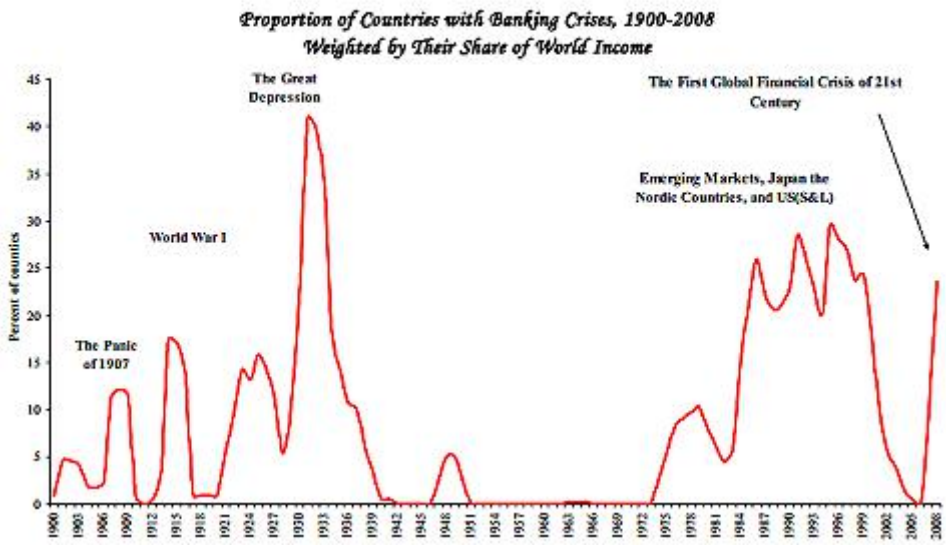


> (œSlapped in the Face by the Invisible Hand: Banking and the Panic of 2007, May 9, 2009, (Prepared for the Federal Reserve Bank of Atlanta's 2009 Financial Markets Conference: Financial Innovation and Crisis, May 11-13, 2009))

The post 1934 'quiet period' was an era of well-regulated bank stability across the 'developed' world. Here is a graph showing the percentage of all independent countries during 1900-2008 having a banking crisis in any given year. The tally weighs countries by their share of global GDP. As the authors observed:

> Since the early 1970s, financial and international capital account liberalization took root worldwide. So, too, have banking crises.

Figure 1

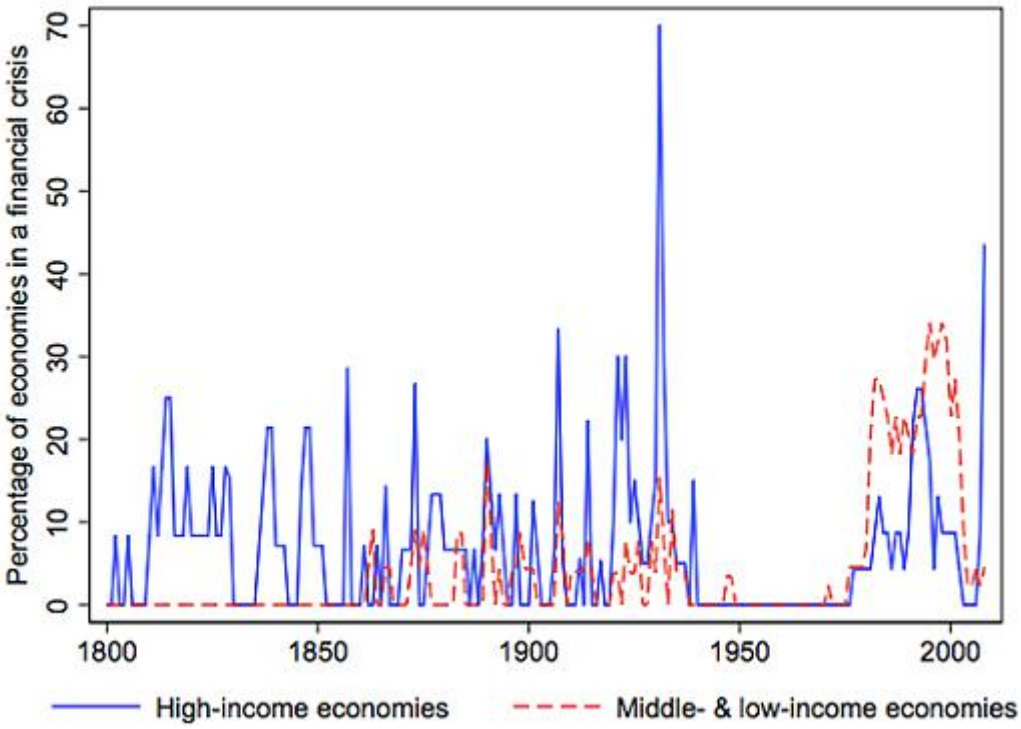


(see [oe]Banking Crises: An Equal Opportunity Menace (Carmen M. Reinhart and Kenneth S. Rogoff, NBER Working Paper No. 14587, December 2008) for more on this.)

Paul Krugman, in a *New York Times* article entitled 'Voodoo Too: The GOP Addiction to Financial Deregulation', has underscored the necessity for proper financial regulation in a modern capitalist economy. Though, one should not assume that this is a partisan political issue in the United States. Deregulation has been a central neoliberal mantra (a sacred incantation needing no justification) for over half a century.

Here is his version of an illustration of the 'Quiet Period' resulting from reasonable regulation, and the surrounding instability caused by 'a combination of free-market ideology and big money (with the latter helping to feed the former):

Figure 1 The Frequency of Banking Crises

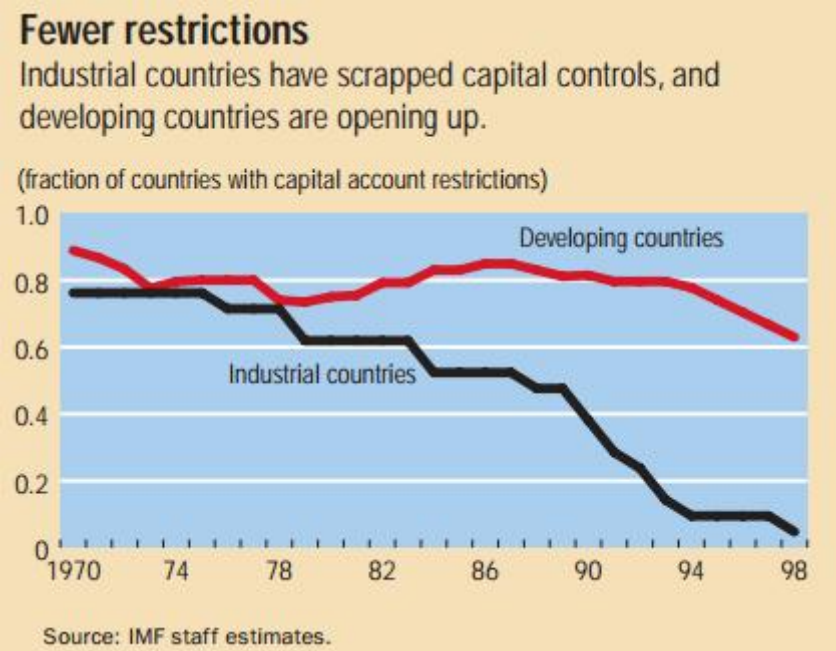


[From: Alan M. Taylor. [oe]Credit, financial stability and the macroeconomy, *National Bureau of Economic Research*,Working Paper 21039, March 2015]

> Think about it: what would it take to persuade the right that financial deregulation is a bad idea, and some kinds of regulation are very good for the economy?
>
> Modern financial regulation came about in the aftermath of the Great Depression, and - as you can see from the figure - the era of effective regulation was also an era of historically unprecedented financial stability. Did this stability come at the expense of economic growth? Hardly: the era of effective regulation was also the era of the great postwar boom in America, the thirty glorious years in Europe.
>
> Nonetheless, by the 1970s a combination of free-market ideology and big money (with the latter helping to feed the former) produced a widespread belief among policymakers that those old regulations were pointless and harmful. Regulations were lifted, and, maybe even more important, malign neglect allowed unregulated shadow banking to expand rapidly. (The Trump Treasury department wants global regulators to stop using the term "shadow banking", which it says conveys the impression that there is something wrong with such institutions. Funny how causing the worst crisis since the 1930s can give you a bad reputation.)
>
> Anyway, at this point the results of the great rise of deregulatory ideology are all too clear: banking crises returned with a vengeance, culminating (so far) in the 2008 crisis. And it's not as if 2008 came out of nowhere: we'd already had the S&L crisis of the 80s, the Long-Term Capital Management/Asian crisis of the 1990s, both of which were clear signals of the growing risks. Add in 2008, and you have a remarkable record of disaster.
>
> Why has financial deregulation been, literally, such a bust?... (Paul Krugman, 'œVoodoo Too: The GOP Addiction to Financial Deregulation', *New York Times*, Opinion Pages, November 26, 2017)

Ayhan Kose and Eswar Prasad (2004) described and graphically illustrated the post-1970s erosion of bank regulation which ultimately led to the 2007-9 crisis,

> As the forces of globalization advance, it becomes harder for countries to maintain closed capital accounts. Increasing openness to international trade expands opportunities for the avoidance of capital account restrictions through under-and overinvoicing of trade transactions. And the increasing sophistication of investors and global financial markets makes it much easier to move capital around under different guises.



(œLiberalizing Capital Account Restrictions, *Finance & Development* September 2004. See Eswar S. Prasad, Kenneth Rogoff, Shang-Jin Wei, and M. Ayan Kose, œ*Effects of Financial Globalization on Developing Countries: Some Empirical Evidence* , Occasional Paper 220, 2003, International Monetary Fund, for greater detail.)

See, also, Kenji Aramaki & Shunji Karikomi, œ*Capital Account Liberalization and International Capital Flows: Cases of Korea, Thailand, and Indonesia* (June 12, 2007, Policy Research Institute, Ministry of Finance, Japan) for an examination of the

> consequences of capital account liberalization by investment type in 3 crisis countries (Korea, Thailand, and Indonesia) from mid-1980's to mid-1990's, to identify crucial regulatory changes that might have created favorable regulatory environments for the massive inflow of volatile capital, in the period leading to the [1997-1999] crisis,which later acted as a major factor causing the crisis..

For a discussion of the relation between bank deregulation and capital account liberalization (in this context, of course, 'liberalization' is a euphemism for 'deregulation'), see this Wikipedia article: œCapital Control. As Peter Henry explained in 2007:

> Capital account liberalization was once seen as an inevitable step along the path to economic development for poor countries. Liberalizing the capital account, it was said, would permit financial resources to flow from capital-abundant countries, where expected returns were low, to capital-scarce countries, where expected returns were high. The flow of resources into the liberalizing countries would reduce their cost of capital, increase investment, and raise output (Fischer, 1998; Summers, 2000). The principal policy question was not whether to liberalize the capital account, but when- before or after undertaking macroeconomic reforms such as inflation stabilization and trade liberalization (McKinnon, 1991). Or so the story went.
>
> In recent years intellectual opinion has moved against liberalization. Financial crises in Asia, Russia and Latin America have shifted the focus of the conversation from when countries should liberalize to if they should do so at all. Opponents of the process argue that capital account liberalization does not generate greater efficiency. Instead,

> liberalization invites speculative hot money flows and increases the likelihood of financial crises with no discernible positive effects on investment, output, or any other real variable with nontrivial welfare implications (Bhagwati, 1998; Rodrik, 1998; Stiglitz 2002).
> (Peter Blair Henry, *Capital Account Liberalization, the Cost of Capital, and Economic Growth*, CDDRL Working Papers (Stanford), Number 75, January 2007.
> Also: Peter Blair Henry, œCapital Account Liberalization: Theory, Evidence, and Speculation, *Journal of Economic Literature*, Vol. XLV, pp. 887-935, December 2007;
> See Debt-Equity Conversion Programs - Swapping the Family Farm!.)

For an introduction to the debate on capital controls, explanation of the purposes and costs of controls and advocacy for their reintroduction, see Christopher J. Neely, œAn Introduction to Capital Controls, *Federal Reserve Bank of St. Louis Review*, November/December 1999, pp. 13-30.

See œ*The Lender of Last Resort: Lessons from the Fed's First 100 Years* for responses of the Federal Reserve to financial crises over the past 100 years. As the authors explain (p. 13),

> Several pieces of New Deal legislation modified the structure and authority of the Federal Reserve System, and the environment in which it operated. The Banking Acts of 1933 and 1935 gave the Fed new powers to regulate banks and credit flows, and consolidated many existing System authorities within the Federal Reserve Board. (Mark A. Carlson and David C. Wheelock, Federal Reserve Bank Of St. Louis, Working Paper 2012-056B, November 2012, Revised February 2013)

See œThe History of the FDIC for more on post-1933 US bank regulation.

459 As a Wikipedia entry entitled 'œFixed exchange-rate system ' explains:

> A fixed exchange-rate system (also known as pegged exchange rate system) is a currency system in which governments try to maintain their currency value constant against one another. In a fixed exchange-rate system, a country's government decides the worth of its currency in terms of either a fixed weight of gold, a fixed amount of another currency or a basket of other currencies. The central bank of a country remains committed at all times to buy and sell its currency at a fixed price. The central bank provides foreign currency needed to finance payments imbalances.
> (Accessed 23 December 2013)

One of the aims in controlling currency exchange rates was to limit the commoditization of national currencies and consequent possibilities of speculative manipulation. (See Paul Krugman, œBalance Sheets, the Transfer Problem, and Financial Crises (*International Tax and Public Finance*, 6, 459-472 (1999)) for a discussion of a "world of high capital mobility" where "the threat of speculative attack becomes a central issue...".)

For a picture of the kind of speculative activity this control was aimed at limiting, see Eugene Linden, *Time Asia* November 3, 1997 Vol. 150 No. 18, pp. 26-7 œ'How to Kill a Tiger: Speculators Tell the Story of Their Attack against the Baht, The Opening Act of an Ongoing Drama '. The currency speculation which precipitated the 1997 Asian economic crisis

was not an isolated event. Similar speculation has occurred on numerous occasions since the 1970s.

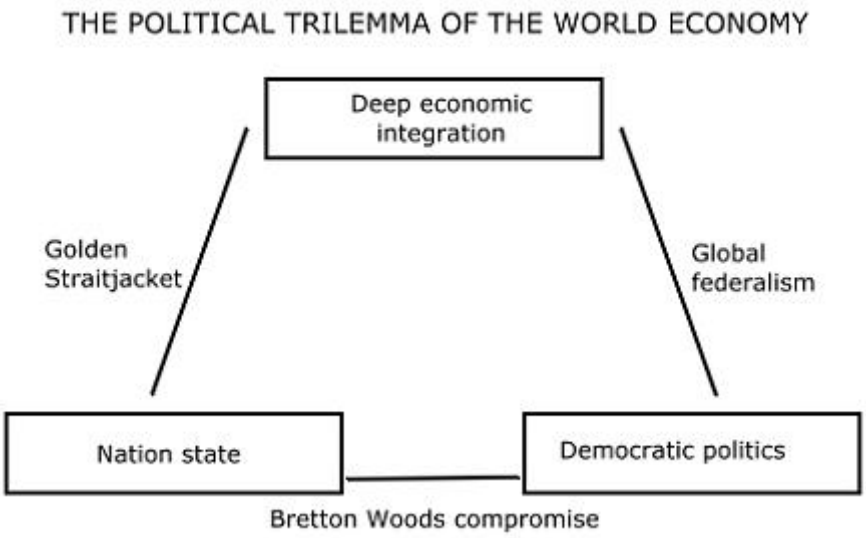
Linden described the speculative attack on the Thai baht,

> Currency speculators love a bubble economy because bubbles always pop. The billion-dollar question is When?...
>
> Sensing that their prey had been cornered by their own venality, the wolves began to circle in early 1997. ... Drawing from multibillion-dollar war chests, hedge-fund operators ... intensified their attack on the baht.
>
> One way the speculators bet against the currency was by entering into contracts with dealers who would give dollars in return for an agreement to repay a specific amount of bahts some months in the future. If the baht rose in value, the seller of the contract made money; but if it fell, the buyer profited because he could repay the contract with cheaper bahts.
>
> Demand for such contracts started to drive up interest rates, and the Bank of Thailand began issuing many of these so-called forward contracts itself. This action turned out to be a fatal misstep that placed in the hands of speculators the perfect weapon with which to attack the currency.
>
> "It's as though an unarmed gunslinger walked into town and the sheriff handed him a pistol," remarked a beneficiary of the central bank's unintended largesse. Now speculators had access to an estimated $15 billion in forward contracts issued in February and March that they would not have to cover for as much as a year. An estimated 80% to 90% of these forward contracts ended up in the hands of speculators....
>
> Sensing blood, traders began moving in for the kill and in mid-May flooded the market with orders to sell bahts... And on July 2, the baht was devalued, setting off a chain reaction throughout the region's currency markets and then, last week, around the world's stock exchanges. While no hard number is available, the wolves who started all this turmoil were very well fed, probably with profits in excess of $3 billion.
> (see œHow to kill a Tiger for the full text of the article with article image of the original)

(19/02/16) Dani Rodrik, in a 2007 blog posting, summed up the problem:

> Sometimes simple and bold ideas help us see more clearly a complex reality that requires nuanced approaches. I have an "impossibility theorem" for the global economy that is like that. It says that democracy, national sovereignty and global economic integration are mutually incompatible: we can combine any two of the three, but never have all three simultaneously and in full.

Here is what the theorem looks like in a picture:



To see why this makes sense, note that deep economic integration requires that we eliminate all transaction costs traders and financiers face in their cross-border dealings. Nation-states are a fundamental source of such transaction costs. They generate sovereign risk, create regulatory discontinuities at the border, prevent global regulation and supervision of financial intermediaries, and render a global lender of last resort a hopeless dream. The malfunctioning of the global financial system is intimately linked with these specific transaction costs.

So what do we do?

One option is to go for global federalism, where we align the scope of (democratic) politics with the scope of global markets. Realistically, though, this is something that cannot be done at a global scale. It is pretty difficult to achieve even among a relatively like-minded and similar countries, as the experience of the EU demonstrates.

Another option is maintain the nation state, but to make it responsive only to the needs of the international economy. This would be a state that would pursue global economic integration at the expense of other domestic objectives. The nineteenth century gold standard provides a historical example of this kind of a state. The collapse of the Argentine convertibility experiment of the 1990s provides a contemporary illustration of its inherent incompatibility with democracy.

Finally, we can downgrade our ambitions with respect to how much international economic integration we can (or should) achieve. So we go for a limited version of globalization, which is what the post-war Bretton Woods regime was about (with its capital controls and limited trade liberalization). It has unfortunately become a victim of its own success. We have forgotten the compromise embedded in that system, and which was the source of its success.

So I maintain that any reform of the international economic system must face up to this trilemma. If we want more globalization, we must either give up some democracy or some national sovereignty. Pretending that we can have all three simultaneously leaves us in an unstable no-man's land.

(Dani Rodrik, œThe inescapable trilemma of the world economy, Dani Rodrik's weblog, June 27, 2007)

Bill Mitchell provides a cautionary critique of Rodrik's 'trilemma'. He cogently argues that,

> The trilemma has been skillfully sold as a narrative by right-wing think tanks and others who serve the interests of capital. The so-called progressive politicians have fallen into the trap and have shifted their political parties closer and closer to their right-wing opponents, such that now it is hard to distinguish between the major parties in most nations. The reality is that while the impossibility theorem beguiles the Left - its applicability as a binding constraint on government is limited...
>
> ...[I]n fact, this trilemma is just a notional construct. The actual reality that we face is that we still can elect politicians in most countries (mass politics), these politicians still have legislative capacity to restrict economic activity across borders, and global capitalism still requires local markets to realise the surplus value they produce within these global productive processes.
>
> The actual challenge is not to cede national sovereignty to some mythical state of international economic integration but to resist the corruption of the national policy-making process by shifts to technocracies and to ensure that the voting systems, both by citizens for their elected representatives and by the representatives themselves in the legislative domain, is not corrupted by lobbyists working in the interests of specific capital elites.
>
> ...[T]he currency-issuing government with the power to enforce legislative decisions can act broadly in the interests of the well-being of all citizens and can stand tall against the powerful capitalist interests that are continually attempting to skew the power of such a government in their favour.
>
> The fact that billions are pumped into the lobbying industry each year by the major industrial and financial capitalist interests and that these efforts are supported by massive funding of think tanks and marketing agencies, which are designed to skew the opinions of ordinary voters, is testament that global capital, however concentrated, understands the power of the elected nation-state.
>
> The problem is that the stupidity of the Left politicians has bought the myth that international economic integration is so advanced and inevitable that they had to abandon the traditional progressive goals and, instead, serve the interests of capital. Their differentiating narrative is the implausible claim that they somehow will maintain that policy position to deliver fairer outcomes. It's laughable really. (Bill Mitchell, œThe impossibility theorem that beguiles the Left, *Billy Blog*, February 17, 2016)

460 Comments included in a œ*Naked Capitalism (February 10, 2024)* discussion of a blog posting by Desai and Hudson on the nature and 'dangers' of *digital currencies* put it very well:

> Eclair
>
> > Thank you, Radhika and Michael! So much to think about...
>
> JonnyJames
>
> > Wow, a lot to process here. Thank you for posting.

> One thing I noticed that profs Desai and Hudson seem to disagree on central bank digital currencies. When Desai starts to talk about it, Hudson says " ok, next topic". My gut reaction is to oppose digital currencies in general, but I have no expertise on this, it would be great to explore this aspect further

korual

> My impression is that this gut reaction is common to those who get the huge potential of a CBDC [Central Bank digital currency], but then recoil at the idea of trusting their government with that. The corollory, though, is that this power remains in the hands of privatized banks. If you can't trust your government with fiscal and monetary policy then you have a political problem, not a technical problem.

This is, of course, the 'Catch-22' situation in which Western populations find themselves in the 21st Century.

In a neoliberal world, the private realm is in control with public authorities safeguarding private dominance. Any attempt to make the private realm servant to the public realm will, therefore, be opposed by both the private and the public sectors. Any attempt to change the focus of private activity to ensure its obligations to society will be opposed by the public realm. And, any attempt to change the focus of the public realm will be opposed by the private realm.

The *status quo* is, in all societies, safeguarded against disruption!

[461] See Feinman (1993) "Reserve Requirement: History, Current Practice, and Potential Reform for a description of U.S. FDIC monetary policy; Meltzer (2003) for a history of U.S. monetary policy to 1951

[462] While Western nations had imposed protectionist legislation to safeguard their own economies from unfair competition, they had little compunction about accepting resource imports from Third World countries without such protection. So, even if Third World governments had wanted to provide similar welfare provisions to those emerging in Western countries, they would not have been able to do so.

[463] Although with booming economic conditions, this did not prevent the development of immigration programs which brought low-skilled, low-paid labor into Western countries to provide workers for those positions considered menial by Western people.

[464] (20/04/16) The 2012 woes of Greece are a consequence of entering into partnership with a Eurozone which is travelling down the path of deregulation[992], erosion of working/ living conditions and reduction of welfare provisions to the lowest common denominators of member states (see Germany and *lowest common denominators* for more). Greece has attempted to retain its protection era commitments in a post-protection era. The consequences of such an attempt can be grim. As Michael Birnbaum (2012), in a *Washington Post* article, described:

> ...many Greeks question whether the terms of the bailout will do much to help their economy in the coming years, and the "troika" of the International Monetary Fund, European Union and European Central Bank acknowledged that the recession would worsen in the short run, even as unemployment has already spiked to 21 percent - 49 percent for those younger than 25 - and the economy contracted by 7 percent in the third quarter of 2011.

> Europe has demanded that the public sector shrink by 150,000 people, that the minimum wage be lowered by 22 percent, that pensions be cut and that Greece do more to sell off its publicly owned companies, among other measures that filled a 50-page booklet.
>
> When the Greek parliament started implementing them last week, 43 of the deputies in the ruling coalition rebelled, and rioters in Athens set dozens of buildings on fire.
>
> (See Michael Birnbaum, œDeal reached on $170 billion Greek bailout, *Washington Post*, February 21 2012)

465 (18/08/17) (24/06/20) Lewis Powell, in 1971, spelt out what he considered to be an anti-business attack on 'free enterprise' in a memo to the Director of the U.S. Chamber of Commerce entitled œConfidential Memorandum: Attack of American Free Enterprise System, which began:

> No thoughtful person can question that the American economic system is under broad attack. This varies in scope, intensity, in the techniques employed, and in the level of visibility.
>
> There always have been some who opposed the American system, and preferred socialism or some form of statism (communism or fascism). Also, there always have been critics of the system, whose criticism has been wholesome and constructive so long as the objective was to improve rather than to subvert or destroy.
>
> But what now concerns us is quite new in the history of America. We are not dealing with sporadic or isolated attacks from a relatively few extremists or even from the minority socialist cadre. Rather, the assault on the enterprise system is broadly based and consistently pursued. It is gaining momentum and converts.

This memo, now known as the 'Powell Manifesto' spelt out what he considered to be the responsibilities of corporate executives and Free Enterprise organizations to not merely counter this attack but, to mount a counter-offensive in order to 'reclaim' the United States for free enterprise. As he wrote,

> ...It is long overdue - for the wisdom, ingenuity and resources of American business to be marshalled against those who would destroy it.

The catch-cry of neoliberalism has, for more than fifty years, been 'let's deregulate!'. Regulation, it is argued, is government acting as 'Big Brother'; straitjacketing the natural entrepreneurial instincts of the populace and imposing its own self-interested agenda on a people who yearn to be 'free'. From the mid-1970s, this 'free market' agenda became the rationale for political 'reform' within Western nations.

In the comments attached to a œ*Naked Capitalism* posting (August 14, 2017), a number of commenters, starting with Yves Smith, have discussed the deregulatory activities of US Democratic president, Jimmy Carter (1977-81). As in other Western countries, both sides of US politics became infected by those neoliberal ideological understandings which have dominated Western economic and political discourse and practice over the past fifty and more years[993].

One of the commenters, pseudonymed *Nonclassical*, has provided a link to an excellent summation by George Monbiot of the 20th century fashioning of neoliberalism. As Monbiot says,

> The ideology that dominates our lives has, for most of us, no name. Mention it in conversation and you'll be rewarded with a shrug. Even if your listeners have heard the term before, they will struggle to define it. Neoliberalism: do you know what it is?
>
> ...So pervasive has neoliberalism become that we seldom even recognise it as an ideology. We appear to accept the proposition that this utopian, millenarian faith describes a neutral force; a kind of biological law, like Darwin's theory of evolution. But the philosophy arose as a conscious attempt to reshape human life and shift the locus of power.
>
> Neoliberalism sees competition as the defining characteristic of human relations. It redefines citizens as consumers, whose democratic choices are best exercised by buying and selling, a process that rewards merit and punishes inefficiency. It maintains that "the market" delivers benefits that could never be achieved by planning.
>
> Attempts to limit competition are treated as inimical to liberty. Tax and regulation should be minimised, public services should be privatised. The organisation of labour and collective bargaining by trade unions are portrayed as market distortions that impede the formation of a natural hierarchy of winners and losers. Inequality is recast as virtuous: a reward for utility and a generator of wealth, which trickles down to enrich everyone. Efforts to create a more equal society are both counterproductive and morally corrosive. The market ensures that everyone gets what they deserve.
>
> We internalise and reproduce its creeds. The rich persuade themselves that they acquired their wealth through merit, ignoring the advantages - such as education, inheritance and class - that may have helped to secure it. The poor begin to blame themselves for their failures, even when they can do little to change their circumstances.
>
> Never mind structural unemployment: if you don't have a job it's because you are unenterprising. Never mind the impossible costs of housing: if your credit card is maxed out, you're feckless and improvident. Never mind that your children no longer have a school playing field: if they get fat, it's your fault. In a world governed by competition, those who fall behind become defined and self-defined as losers....
> (George Monbiot, œNeoliberalism - the ideology at the root of all our problems, *The Guardian*, Friday 15 April 2016)

466 Neoliberally oriented 'experts', like Anne Krueger, a former *World Bank* chief economist and former first deputy managing director of the *International Monetary Fund*, have, since the 1970s, displayed a wanton blindness to the social and ecological consequences of the neoliberally driven remaking of the capitalist world.

Little has changed in the understanding of 'free marketeers' since Thomas Huxley's 19th century description of their position.

Here is Krueger's assessment of the wondrous consequences of 'free market' policies inflicted on the world since the 1970s:

> According to today's populists, "good jobs" in US manufacturing have been "lost" to competition from imports and preferential

trading arrangements. But this narrative does not fit the facts, because imports create jobs, too.

For starters, many jobs are directly connected to trade. Think of the longshoremen who load and unload cargo, the pilots and crews who transport goods by air, the truckers who do so by land, and the wholesale and retail workers who stock and sell those goods.

Second, imports often provide cheaper inputs than what is available in the United States, which enables American manufacturers to compete better with foreign firms in export markets, and to maintain their share of domestic markets. Third, foreign direct investment (FDI) helps American companies acquire some inputs at less cost, while engaging in more research and development and other activities.

Last but not least, exporting to the US gives foreigners more income with which to buy imports from the US and other countries. Because export-industry jobs usually require more valuable skills, and thus pay more than jobs in industries that compete with imports, the additional exports generated by imports create better jobs overall.

Without imports, many jobs that exist today would disappear. According to some estimates, the jobs that service an imported consumer good account for more than half of its retail price. Many imports require local service facilities with American workers. Foreign automobiles, for example, would not be sold if the parts and mechanics for servicing them were unavailable.

For any manufactured good or line of goods, the production process typically involves several steps. Some steps require considerable engineering and technical skills, and others entail relatively low-skilled employment. Because the US labor force is highly skilled overall, American companies have an advantage over their foreign competitors.

But US firms that rely on components produced by unskilled labor must either make those components themselves, or buy them from high-cost domestic sources. This can put them at a cost disadvantage if they are competing with companies in other industrial countries that can import the same inputs for less, or with companies in countries where unskilled labor is cheaper.

On the other hand, when US firms can import low-skill inputs for less than it would cost to produce those inputs themselves, they can reduce the price of their final product. This allows them to fend off foreign competitors at home and compete more effectively abroad. Germany and Japan have expensive skilled labor forces, but their firms are able to compete in world markets precisely because they can outsource high-cost, low-skill production stages.

Low-cost imports, rather than "destroying" Americans' jobs, actually sustain them. And when companies can expand as a result of their improved competitiveness at home and abroad, they create even more jobs. But if firms must purchase higher-cost domestic inputs, they will have to reduce their profits or raise the price of their products. With reduced profits, they will be less likely to expand and hire more workers; and if they lose money, they may have to shed workers. But raising prices is likely to mean losing market share, implying fewer employees to meet demand.

(Anne Kreuger, œHow Imports Boost Employment, *Project Syndicate*, February 25, 2017)

467 Unfortunately, costs related to maintaining the integrity of the environment from which raw materials are extracted have usually also been excluded from consideration. The environmental deterioration has far-too-often been accepted as 'collateral damage' of capitalist enterprise.

Costs related to maintaining the integrity of the community from which labor is drawn and within which capitalist enterprise is conducted are similarly ignored in the interests of 'profitability' and 'competitive advantage'.

It is only possible to do this if 'the economy' and 'economic activity' are considered entirely separate from other 'environments', an independently existing, self-regulating domain (see People and recognized Environments).

468 As Rubén Hernández-Murillo and Christopher Martinek explained in 2009:

> Milton Friedman, in particular, doubted that CSR [Corporate Social Responsibility] was socially desirable at all. He maintained that the only social responsibility of a business is to maximize profits (conducting business in open and free competition without fraud or deception). He argued that the corporate executive is the agent of the owners of the firm and said that any action by the executive toward a general social purpose amounts to spending someone else's money, be it reducing returns to the stockholders, increasing the price to consumers or lowering the wages of some employees.
>
> Friedman pointed out that the stockholders, the customers or the employees could separately spend their own money on social activities if they wished to do so. Friedman, however, also noted that there are many circumstances in which a firm's manager may engage in actions that serve the long-run interest of the firms' owners and that also have indirectly a positive social impact. (Rubén Hernández-Murillo and Christopher J. Martinek, œCorporate Social Responsibility can be Profitable, *The Regional Economist*, (www.stlouisfed.org) April 2009, Pp. 4, 5)

469 Jonathan Macey (2008) has explained it well:

> ...*Dodge v. Ford* still has legal effect, and is an accurate statement of the form, if not the substance, of the current law that describes the fundamental purpose of the corporation. By way of illustration, the American Law Institute's ("ALI") œ*Principles of Corporate Governance ("Principles")*, considered a significant, if not controlling, source of doctrinal authority, are consistent with *Dodge v. Ford*'s core lesson that corporate officers and directors have a duty to manage the corporation for the purpose of maximizing profits for the benefit of shareholders. Specifically, section 2.01 of the *Principles* makes clear that "a corporation should have as its objective the conduct of business activities with a view to enhancing corporate profit and shareholder gain."
>
> Significantly, the *Principles* specify that the goal of the corporation is shareholder wealth maximization. According to Professor Mel Eisenberg, Reporter for the ALI's Principles of Corporate Governance Project, shareholder wealth maximization is used because "the

> market is usually more accurate" and is less susceptible to manipulation than other measures of corporate performance. Moreover, the ALI expressly emphasizes shareholder wealth rather than corporate wealth, and specifically excludes labor interests as something that should be maximized....
>
> The Principles contain only three rather minor exceptions to the shareholder wealth maximization norm. Corporations can ignore shareholder wealth maximization in order to: (1) comply with the law; (2) make charitable contributions; and (3) devote a "reasonable amount of resources to public welfare, humanitarian, educational, and philanthropic purposes."
> (Macey, Jonathan R., "œA Close Read of an Excellent Commentary on Dodge v. Ford" (2008). *Yale Law School Faculty Scholarship Series*. Paper 1384)

[470] British Prime Minister Margaret Thatcher, talking to *Women's Own* magazine, October 31 1987:

> I think we've been through a period where too many people have been given to understand that if they have a problem, it's the government's job to cope with it. 'I have a problem, I'll get a grant.' 'I'm homeless, the government must house me.' They're casting their problem on society. And, you know, there is no such thing as society. There are individual men and women, and there are families. And no government can do anything except through people, and people must look to themselves first. It's our duty to look after ourselves and then, also to look after our neighbour. People have got the entitlements too much in mind, without the obligations. There's no such thing as entitlement, unless someone has first met an obligation.

[471] As we observed elsewhere, under capitalism, the logic of the marketplace effectively emasculates (or spays) morality. It also guts 'society' and inclusive, caring communities.

Just as the end result of Aquinas's model was the secularization of western European populations, so the end result of Adam Smith's model has been the dismembering of society and self-interested individualization of populations (see The Economy: A New Environment for more on this).

Keynes (1930), seeing the post-1929 consequences of rampant free-market capitalism, provided an interesting, if unrealistically optimistic, vision of a post-capitalist Western future where old fashioned morality, at last, triumphs over the asocial and amoral logic of the capitalist free-market:

> When the accumulation of wealth is no longer of high social importance, there will be great changes in the code of morals. We shall be able to rid ourselves of many of the pseudo-moral principles which have hag-ridden us for two hundred years, by which we have exalted some of the most distasteful of human qualities into the position of the highest virtues.
>
> We shall be able to afford to dare to assess the money-motive at its true value. The love of money as a possession -as distinguished from the love of money as a means to the enjoyments and realities of life -will be recognised for what it is, a somewhat disgusting morbidity, one of those semicriminal, semi-pathological propensities

> which one hands over with a shudder to the specialists in mental disease.
>
> All kinds of social customs and economic practices, affecting the distribution of wealth and of economic rewards and penalties, which we now maintain at all costs, however distasteful and unjust they may be in themselves, because they are tremendously useful in promoting the accumulation of capital, we shall then be free, at last, to discard.
> (Keynes (1930) œEconomic Possibilities for Our Grandchildren (pp.5-6), in John Maynard Keynes (1963) *Essays in Persuasion*, W. W. Norton & Co., New York, pp. 358-373)

Little wonder that free-market capitalists consider Keynesian economics a threat!

472 (03/07/16)(05/12/16) My introduction to the realities of the neoliberal future into which we were all heading was demoralizing. I had been immersed in anthropological research in a non-Western community for some years in the early 1980s and returned to Australia in 1984. Shortly after my return I heard a knock at my front door and on opening it found a middle aged acquaintance standing there. He was a simple man with no educational achievements to his name but had successfully held down a job as a sweeper at a Ford Motors factory for the previous decade. Now, with tariff barriers being lowered and deregulation gathering steam, he had been informed that he was being 'let go'. His union could (or would) do nothing about it and he vainly hoped that perhaps I would be able to do something to help him.

(22/07/16) I have seldom felt so impotent as I did that afternoon. The prime minister of Australia, responsible for overseeing Australia's neoliberal reorganization, had been president of the Australian Council of Trade Unions for 10 years prior to moving into politics. I knew that, with most politicians convinced of both the inevitability and desirability of deregulation and 'opening up' Australia to international competition, there was no point in appeals to the company, to the trade union movement or to members of parliament. This friend was just one sad example of a burgeoning unemployment disaster which was being treated as an 'unfortunate' but 'necessary' consequence of the evolutionary changes taking place. Herbert Spencer (1884) had put it in a sociopathic nutshell:

> The state of transition will of course be an unhappy state. Misery inevitably results from incongruity between constitutions and conditions. All these evils which afflict us, and seem to the uninitiated the obvious consequences of this or that removable cause, are unavoidable attendants on the adaptation now in progress.
>
> Humanity is being pressed against the inexorable necessities of its new position - is being molded into harmony with them, and has to bear the resulting unhappiness as best it can. The process must be undergone, and the sufferings must be endured.
>
> No power on earth, no cunningly-devised laws of statesmen, no world-rectifying schemes of the humane, no communist panaceas, no reforms that men ever did broach or ever will broach, can diminish them one jot.

In the long-run, apparently, we would all be better off!

(06/01/17) As Thomas Carlyle wrote of the Poor in the aftermath of the 1834 revision of the Poor laws:

> The New Poor-Law is an announcement, sufficiently distinct, that whosoever will not work ought not to live. Can the poor man that is willing to work, always find work, and live by his work?
>
> ... A man willing to work, and unable to find work, is perhaps the saddest sight that Fortune's inequality exhibits under this sun.

(08/07/16) Graham never found another job. And, sadly, there have been thousands of others just like him!

(22/12/16) Across the neoliberal Western World, they and their dependents number in their millions. People with shattered dreams and broken lives, sacrificed on tear- (and all-too-often blood-) stained alters of neoliberalism by men in fine-woven suits and matching ties, the sociopathic priests and aficionados of neoliberal capitalism. There are no gulags, no concentration camps, no piles of rotting corpses, just millions of dispossessed, discarded, desperate human beings sacrificed to that perennial neoliberal bottom line![994]

The Economic Policy Institute's œ*State of Working America* Data Library gives a breakdown of wage changes and share of employment by education level from 1973-2011:

Hourly wages by education, 1973–2011 (2011 dollars)

	Less than high school	High school	Some college	College degree
Real hourly wage				
1973	$14.93	$17.11	$18.43	$24.96
1979	14.85	16.67	17.82	23.36
1989	12.69	15.47	17.37	24.36
1995	11.46	15.15	16.93	25.16
2000	11.92	16.04	18.23	27.99
2007	12.34	16.24	18.31	28.65
2011	11.82	15.89	17.57	27.99
Annual percent change				
1973–1979	-0.1%	-0.4%	-0.6%	-1.1%
1979–1989	-1.6	-0.7	-0.3	0.4
1989–2000	-0.6	0.3	0.4	1.3
1989–1995	-1.7	-0.3	-0.4	0.5
1995–2000	0.8	1.1	1.5	2.2
2000–2007	0.5	0.2	0.1	0.3
2007–2011	-1.1	-0.5	-1.0	-0.6
Share of employment				
1973	28.5%	38.3%	18.5%	10.1%
1979	20.1	38.5	22.8	12.7
1989	13.7	36.9	26.0	15.6
2000	10.8	31.9	29.8	18.8
2007	9.8	29.6	29.6	20.9
2011	8.4	28.0	30.4	21.9

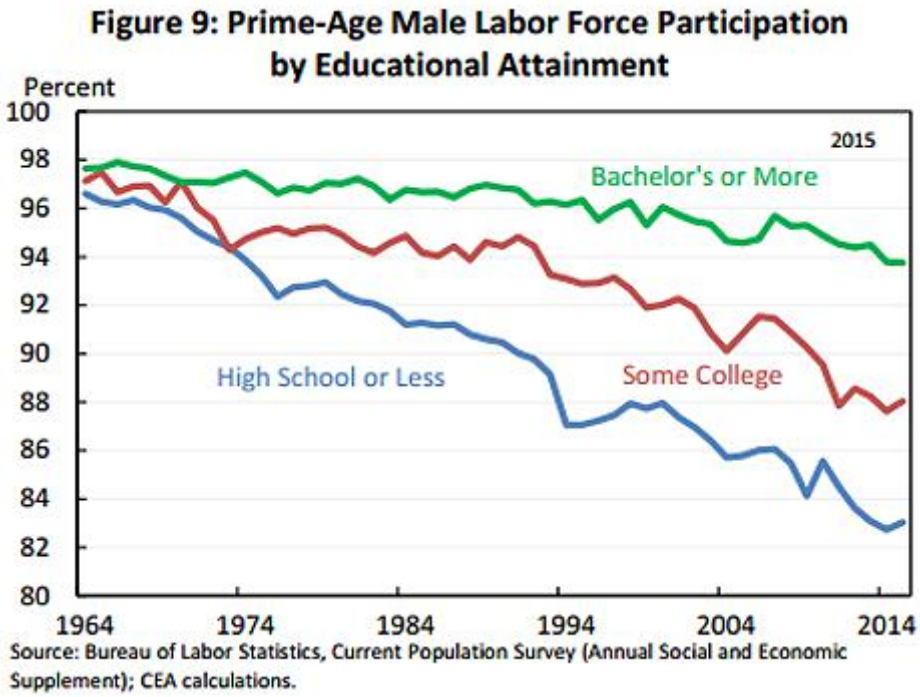
Source: Authors' analysis of Current Population Survey Outgoing Rotation Group microdata

The share of employment by workers with less than High School education in the US fell from 28.5% to 8.4%. As Dean Baker has said,

> ...While the impact of automation over a long enough period of time certainly swamps the impact of trade, over the last 20 years there is little doubt that the impact of the exploding trade deficit has had more of an impact on employment. To make this one as simple as possible, we currently have a trade deficit of roughly $460 billion (@ 2.6 percent of GDP). Suppose we had balanced trade instead, making up this gap with increased manufacturing output.
>
> Does the NYT want to tell us that we could increase our output of manufactured goods by $460 billion, or just under 30 percent, without employing more workers in manufacturing? That would be pretty impressive. We currently employ more than 12 million workers in manufacturing, if moving to balanced trade increase employment by just 15 percent we would be talking about 1.8 million jobs. That is not trivial...
>
> The average hourly wage of men with just a high school degree was 13 percent less in 2000 than in 1973. For workers with some college it was down by more than 2.0 percent. In fact, stagnating wages for men without college degrees is not something new and different, it has been going on for more than forty years.
> (Dean Baker, œWhat's Different About Stagnating Wages for Workers Without College Degrees?, *Beat the Press*, 21 December 2016)

An anodyne US White House report on œThe Long-term Decline In Prime-age Male Labor Force Participation (US White House, June 2016) in the United States has illustrated the labor force participation decline for prime-age male workers with high school or less between 1964 and 2015:

> In 1964 participation rates were similar for different education levels - with 98 percent of primeage men with a college education participating in the workforce as compared to 97 percent of prime-age men with a high school degree or less, as shown in Figure 9. In 2015, every education group had lower participation rates than in previous decades, but the decline was modest for more-educated workers. In contrast, those with a high school degree or less saw their participation rates fall to 83 percent, a 14 percentage point reduction from 1964.



[473] See The Growth in Third World Debt for more on this.

[474] Oxfam International, in 2016, claimed that:

> Across the world, impoverished countries are being forced to repay debts far bigger than original loans, instead of spending precious cash on essentials like schools and hospitals.
>
> Bangladesh, for example, has to make crippling debt repayments, when it desperately needs to use money to pay for better health care and education - especially for the 50 million Bangladeshis who survive on under a dollar a day.
> (See also: œNo country should be forced to choose between paying back debts or providing health care, Oxfam International (accessed 06 January 2023))

The United Nations Development Programme, in a Policy Note on Heavily Indebted Poor Countries (HIPC) in 2003 claimed:

> There are 42 HIPC countries - 34 in Sub-Saharan Africa, 4 in Latin America, 3 in East Asia and 1 in the Middle East. Thirty-one of them are among the 59 countries identified as priority countries in the 2003 Human Development Report...
>
> Countries with unsustainable external debt are those whose 'net present value' of external debt exceeds 150 per cent of the export revenues...
>
> The World Bank has identified severely indebted low-income countries (SILIC) as countries whose 'net present value' of external debt is higher than 220 per cent of exports and/or more than 80 per cent of gross national income.
>
> At the end of 2001 (latest year for which data are available), the SILIC countries not included in the HIPC list include Indonesia, Kyrgyz Republic, Moldova, Nigeria, Pakistan and Tajikistan. Jubilee Research claims that there is arbitrariness to the picking of countries for inclusion in the HIPC list.
> (œHeavily Indebted Poor Countries (HIPC) Initiative, UNDP Policy Note October 2003; updated January 11, 2018)

[475] See Import Substitution in Third World Countries for more on this.

[476] Like genies in bottles, it's so much easier to deregulate than to regulate! The recent attempts to re-regulate banking and investment practices in a globalized economic world show how difficult it is to coordinate legislation and re-establish any genuinely effective controls.

[477] Groups committed to *laissez faire* economics or more simply to getting back to the way things were in the 1920s. These groups had long sought effective arguments for the dismantling of the 'welfare state' and reestablishment of 1920s economic conditions.

[478] A commenter on a blog posting by Dean Baker put it succinctly:

> In modern economies demand comes from mass consumption by the 99%, not the 1% buying yachts and hiring servants. How could the increasing inequality in income and wealth not reduce aggregate demand? Does the medieval, aristocratic economy really represent overall efficiency?
>
> When corporations take advantage of low-cost foreign labor this raises profits, reduces domestic wages directly and affects the power of unions. As we have been seeing recently, a "free market" in labor does not ensure that workers get what they consider to be fair wages, despite what are claimed to be labor shortages. Workers need to act collectively to get improvements in wages and benefits.
> (skeptonomist, commenter on Dean Baker, œNo One Told Greg Mankiw About the Great Recession, *Beat The Press*, 06 October 2018)

[479] Steven Greenhouse and Julfikar Ali Manik have summed up the international drivers of hyperglobalization which lead to constant downward pressure on wages and conditions 'as individual production stages are located where the costs of production are lowest':

> ...[F]actory closings can have immediate economic impact. Some factory owners worry about losing large and profitable orders to other companies and countries, and garment workers themselves fear losing their jobs. In one of the first closings after an Accord inspection, workers took to the streets in a raucous demonstration, protesting that their wages might not be paid...
>
> Worsening tensions, the Bangladeshi commerce minister and the head of the Bangladesh Garment Manufacturers and Exporters Association accused Bangladeshi union leaders this week of undermining the nation's image and garment industry by asserting that some labor leaders and pro-union workers have been tortured, beaten and harassed...
>
> The remediation process, garment industry experts say, could lead to clashes between the Bangladeshi factory owners and the Western brands about who should pay for needed safety improvements - especially because many factory owners are expected to say they cannot afford to make the repairs.
> (Steven Greenhouse and Julfikar Ali Manik, œStalemate Over Garment Factory Safety in Bangladesh, *New York Times*, June 25 2014)

See Globalization, Free Trade Zones and Definitions of Employment for more on all this.

Arvind Subramanian and Martin Kessler, in a paean to the process of hyperglobalization, have described the growing intensity of this shift:

> The period between 1914 and the end of World War II witnessed the Great Reversal of globalization... World trade plunged to a low of 5.5 percent of world GDP just before World War II began (O'Rourke and Williamson 1999; Frieden 2006; Irwin 2011).
>
> A third era, starting after World War II, saw the restoration of world trade, aided by declines in transport costs and trade barriers. Only by about the mid- to late 1970s did world trade revert to the peaks seen before World War I.
>
> The world is now in a fourth era, of hyperglobalization, in which world trade has soared much more rapidly than world GDP. Merchandise exports-to-GDP ratios soared from 15 percent to 26 percent, and goods and services exports to about 33 percent, over the course of the last two decades. This rapid increase is somewhat surprising, because transport costs do not appear to have declined as rapidly as in earlier eras (Hummels, Ishii, and Yi 2001; Baldwin 2011a). The cost of information and communications did decline significantly, however.

> Part of the increase in trade reflects the fragmentation of manufacturing across borders - the famous slicing up of the value-added chain - as individual production stages are located where the costs of production are lowest. This phenomenon, whereby technology no longer requires that successive stages of manufacturing production be physically contiguous or proximate, has been dubbed the "second unbundling" (Baldwin 2011a) (Arvind Subramanian and Martin Kessler, œ*The Hyperglobalization of Trade and Its Future*, Working Paper Series 13-6, p. 4, July 2013, Peterson Institute for International Economics)

A UN Food and Agriculture Organization (FAO) report described some of the problems in Third World countries and a few of the reasons why Western nations lowered protectionist barriers:

> The reality of global interdependence was called to the attention of policy-makers by the oil crises of 1973 and 1979 and the debt crises [in 3rd World countries] of the 1980s.The debt problem, not yet resolved despite numerous debt relief and reduction initiatives, has deleterious implications for food security.
>
> Debt-servicing obligations reduce the ability to import food, as well as other items that could increase domestic food production and consumption, and constrain resources for development and social welfare. The most recommended cure consisted of macroeconomic stabilization, enacting structural reforms (liberalization and privatization) and an increasing emphasis on international trade.
>
> A combination of policies, inter alia, reforming exchange rates, privatizing state-owned enterprises, reducing the public payroll and public spending generally, dampening inflation and cutting subsidies, was employed.

> In the process of adjustment the inward-oriented industrialization strategies of the 1960s and 1970s were replaced by more outward-looking ones. At the same time, a new institutional structure for trade was being constructed. The Uruguay Round of the General Agreement on Trade and Tariffs (GATT) negotiations, dedicated to reducing protection according to a predefined schedule, were concluded [in 1994] and the World Trade Organization (WTO) was founded.
> (œFAO 1996, p. 2)

480 Thomas Palley has given a clear, concise account of "mainstream economics' celebratory stance toward globalization" and the theoretical gymnastics through which 'mainstream economists' attempt to justify their enthusiasms:

> Prior to the 2008 financial crisis there was much debate about global trade imbalances. *Prima facie*, the imbalances seem a significant problem. However, acknowledging that would question mainstream economics' celebratory stance toward globalization. That tension prompted an array of theories which explained the imbalances while retaining the claim that globalization is economically beneficial. This paper surveys those new theories. It contrasts them with the structural Keynesian explanation that views the imbalances as an inevitable consequence of neoliberal globalization. The paper also describes how globalization created a political economy that supported the system despite its proclivity to generate trade imbalances.
> (Thomas Palley (Policy Advisor, AFL-CIO Washington DC, August 2014) œThe theory of global imbalances: mainstream economics vs. structural Keynesianism, *Review of Keynesian Economics*, 2015, vol. 3, issue 1, 45-62)

The curiously naive principles underlying moves to 'free' international trade from the disadvantages of 'protectionism' are well spelt out in the World Trade Organization (WTO) statement of purpose:

> The economic case for an open trading system based upon multilaterally agreed rules is simple enough and rests largely on commercial common sense. All countries, including the poorest, have assets-human, industrial, natural, financial-which they can employ to produce goods and services for their domestic markets or to compete overseas.
>
> 'Comparative advantage' means that countries prosper by taking advantage of their assets in order to concentrate on what they can produce best. This happens naturally for firms in the domestic market, but that is only half the story. The other half involves the world market.
>
> Most firms recognize that the bigger the market the greater their potential-in terms of achieving efficient scales of operation and having access to large numbers of customers. In other words, liberal trade policies which allow the unrestricted flow of goods, services and productive inputs multiply the rewards that come with producing the best products, with the best design, at the best price ...
>
> The alternative of import protection and perpetual government subsidies leads to bloated, inefficient companies supplying consumers with outdated, unattractive products. Ultimately,

factories close and jobs are lost despite protection and subsidies. If other governments pursue such policies overseas, markets contract and world economic activity is reduced.

One of the objectives of the WTO is to prevent such a self-defeating and destructive drift into protectionism.
(œWTO)

481 See The Economy: A New Environment for more on this.

482 This is, of course, a nonsense. The material resource base upon which communities rely for *all* their needs is, by definition, subsumed within 'the economy'.

483 Dennis Snower, in an optimistic (dare one say marginally heretical?) paper entitled 'œA Copernican Revolution in Economics', claims that:

> This is probably the most exciting and fruitful time ever to become an aspiring economist. Why? Because economics is reaching its Copernican Moment - the moment when it is finally becoming clear that the current ways of thinking about economic behavior are inadequate and a new way of thinking enables us to make much better sense of our world. It is a moment fraught with danger, because those in power still adhere to the traditional conventional wisdom and heresy is suppressed.

Yves Smith, in a comment on the paper, more realistically, gives a succinct summation of the purpose and focus of mainstream economics, influenced by the 'Cold War' concerns of the post-1950s, and the likelihood of the imminent arrival of that 'Copernican Moment' (after all, the delusions of mainstream economics are obvious for those not trapped in ideological confusion):

> The purpose of mainstream economics is to defend free enterprise against Communism by depicting market economies as generating full employment if left alone. That's obviously false but the essential political role means that the notion that conventional economics is on its last legs is wildly overstated.
> (Yves Smith, œEconomist Dennis Snower Says Economics Nears a New Paradigm, *NakedCapitalism*, January 2, 2021)

A commenter œpseudonymed 'Ping' has put it very well:

> Alarms have long been sounded about the glaring travesty of Ivory Tower economics. The global financial system is a black box enabling massive corruption, impossible for the citizen to discern, and dependent on wholesale environmental destruction. Our political establishment is owned wholesale by sinister special interests whose unofficial slogan is IBG-YBG - I'll be gone You'll be gone. - by the time the Sh** hits the fan as they imagine then sequestering in some idyllic location untouched by collapse.
>
> What about "true cost economics"? A simple concept that cost to the environment must be factored into production. Of course it's cheaper to treat the environment like a waste dump and produce copious amounts of non-essential "forever" plastics and forever war for toxic weaponry production.

484 Economic efficiency arguments are usually based on a presumption of the separation of an economic environment from other 'social' environments. The 'welfare' generated through economic activity is assumed to be a consequence of activity within this insulated environment.

The definition of economic efficiency is usually spelt out as the situation in which (with the given state of technology) it is impossible to generate a larger welfare total from the available resources. In other words, the situation where some people cannot be made better-off by reallocating the resources or goods, without making others worse-off. Also called allocative efficiency, it indicates that a "just the right balance between pain and gain" has been achieved.

This 'balance between pain and gain' is usually explained through reference to the *Pareto Optimum*: "a state of allocation of resources in which it is impossible to make any one individual better off without making at least one individual worse off". Any attempt to improve the lot of workers through redistribution of wealth from elites renders those elites 'worse off': the *Pareto Optimum* is breached and 'economic efficiency' is threatened.

Any move to build a welfare component into cost structures is regarded as a move to economic inefficiency.

All this is based, of course, on a presumption that human beings are all, at heart, pre-social, independent, self-interested, self-promoting, competitive and acquisitive beings, intent on conserving and expanding their possessions and furthering their own well-being and independence, if necessary, at the expense of others around them (see Independent individualism).

The real issue in considering social welfare, however, is not the equitable reallocation of resources within the economy (the Pareto Optimum), but the expansion of the circulation of money. Either circulation is limited to activity within 'the economy' (a strict neoliberal approach) or it is expanded to include community requirements.

485 A willingness to mindlessly pillage the environments of non-Western communities has long been central to the activities of Western governments and corporations. Nor is there any indication that Western capitalism is any more willing to accept responsibility for the looming environmental consequences of unregulated capitalism in the 21st century. Donald Trump, newly elected president of the United States of America, in a budget blueprint for the 2017 fiscal year has decided to slash the US Environmental Protection Agency's budget by 31 percent. As a *New York Times* commentary on Trump's budget priorities has explained,

> The E.P.A. is, arguably, the hardest-hit agency under Mr. Trump's budget proposal: He wants to cut spending by nearly a third - $2.6 billion from its current level of $8.2 billion, according to a person who had been briefed on the proposal but was not authorized to speak publicly about it.
>
> That would take the budget down to about $5.7 billion, its lowest level in 40 years, adjusted for inflation. In an initial draft, the White House had proposed cutting about $2 billion from the agency's budget, taking it down to just over $6 billion, according to an aide familiar with the plan.
>
> The E.P.A. administrator, Scott Pruitt, who has himself spoken out against some of the core missions of the agency he leads, went to the White House to request a smaller cut after the White House budget office first presented him its preferred spending level. He pressed for about $7 billion, according to the person. Instead, the

> White House slashed his budget down even further, to about $5.7 billion.
>
> Mr. Trump's proposed cuts to the E.P.A. are a magnitude greater even than those envisioned by congressional Republicans, many of whom forcefully oppose the agency's regulatory agenda.
> (Glenn Thrush and Coral Davenport, œDonald Trump Budget Slashes Funds for E.P.A. and State Department, *New York Times*, March 15, 2017)

486 Effectively, money is removed from general circulation, accumulating within various 'investment' portfolios. Vast sums are employed in securities, derivatives, currency and equities trading, entering an illusory realm of internationalized electronic wealth creation and manipulation, decoupled from the realities of the stimulation and maintenance of both employment and social welfare; much of it no longer accessible to fund community needs.

As a Wikipedia entry on the œSize of the global fund management industry in 2010 explained:

> Conventional assets under management of the global fund management industry increased by 10% in 2010, to $79.3 trillion. Pension assets accounted for $29.9 trillion of the total, with $24.7 trillion invested in mutual funds and $24.6 trillion in insurance funds. Together with alternative assets (sovereign wealth funds, hedge funds, private equity funds and exchange traded funds) and funds of wealthy individuals, assets of the global fund management industry totalled around $117 trillion. Growth in 2010 followed a 14% increase in the previous year and was due both to the recovery in equity markets during the year and an inflow of new funds.
> (Accessed 8 June 2012)

A great deal of that asset accumulation is a consequence of an inevitable concentration of wealth and stalling of market exchange resulting from apparently equitable market exchanges.

Many current models of wealth generation and flow assume a cyclic process, with created wealth invested to fund new productive growth, ensuring both employment and social welfare. An unregulated system however, appears more closely to resemble a spiral than recyclic model.

Wealth injected into the system spirals upward to pool within global fund management portfolios. The recycling which occurs at this level is, far-too-often, a process which remains trapped within the global fund management industry.

Wealth exchange and growth become insulated within a kaleidoscopic virtual realm, creating a world of virtual wealth manipulation with its own experts, entrepreneurs, risk and profit takers, far removed from the mundane world of productive material enterprise, employment and social welfare.

Since, in most recyclic models of wealth generation and flow, no distinction is made between the health of such global funds and the health of productive enterprise, it is easy to confuse the two, assuming that, in order to ensure the health of productive enterprise, one must ensure the health of global fund management portfolios[995].

This has resulted in massive bailouts of the global fund management industry, with the funds absorbed into that realm having a marginal or negative impact on employment and social welfare conditions. Under

these conditions, the injected 'quantitative easing' funds by-pass their intended targets and move directly into the global fund management pool.

It seems essential, in order to ensure a true recycling of funds from the global fund management industry back into the real-world realms of employment and social welfare, that processes be established through which wealth can be redirected back into both employment and community needs.

See John Fullerton, œWhy We Need a Financial Transactions Tax (*Huff Post: Business*, 25 August 2011) for a discussion of

> ... high frequency trading and other "quant" trading strategies that now comprise an astonishing 70 percent of vastly bloated trading volume. The truth is simple: A modest financial transactions tax of less than 1 percent would serve as a remarkably efficient tool to achieve needed reform....
>
> The financial markets are responding to short-term speculative financial interests rather than the long-term fundamental interest of real economic investment essential for creating productive jobs in the real economy. ...
>
> More money, improved market resiliency we desperately need, and a reallocation of capital to productive long-term investment that fuels sustainable growth, creates jobs, and in the process reduces government deficits makes a financial transactions tax a win-win-win.

As Iglesias and de Almeida (2012) suggest: "To avoid condensation and the thermal death of markets some regulation, or some minimum allowance is necessary...".

All this has been explained by Iglesias and de Almeida in a study of the œEntropy and equilibrium state of free market models, (*The European Physical Journal B - Condensed Matter and Complex Systems*, Volume 85 (2012), Number 3, 85-95):

> ...in a large class of exchange models, the system converges to a very unequal condensed state, where one or a few agents concentrate all the wealth of the society while the wide majority of agents shares zero or almost zero fraction of the wealth. So, in those economic systems a minimum entropy state is attained.....
>
> Numerical results..., as well as some analytical calculations..., indicate that a frequent outcome in these models is *condensation*, i.e. concentration of all available wealth in just one or a few agents. This final state corresponds to a kind of equipartition of poverty: all agents (except for a set of zero measure) possess zero wealth while one, or a few ones, concentrate all available resources. In any case the final configuration is a stationary state of "equilibrium", since agents with zero wealth cannot participate in further exchanges.
>
> ...Making a parallel between physics and markets, if the second law of thermodynamics, when applied to the whole universe, has as a corollary the "thermal death of the universe", the concentration - or condensation - of wealth leads to a "thermal death of markets", since markets need exchanges, or flux of capital, to survive.
>
> If all agents, with a few exceptions, have zero wealth, there are no exchanges.... What seems to be a fair exchange rule has the implication of spreading misery.

> To avoid condensation and the thermal death of markets some regulation, or some minimum allowance is necessary to favor the poorer agents. Even the introduction of a risk-aversion factor, as discussed in the introduction does not impede the condensation. When there are no regulations and/or when no one can win more than he has, the dynamics leads to a condensed state and to a frozen economy.
> (2012, pp. 85, 87, 90-93)

See œCapitalism: Sovereign Debt, Quantitative Easing (QE) and the Vortex Economy for more on this.

487 This has been clearly demonstrated in the shift in taxation towards income and away from business through the last thirty years in Western countries. 'User Pays' taxation schemes, including

- moves to lower business tax rates (consumption taxes have usually been removed from business costs);
- toward flat personal income tax rates;
- and to broad based 'consumption' taxes such as 'value added' (VAT) and 'goods and services' (GST) tax regimes

all focus on individualising social costs, shifting 'social welfare' costs to personal incomes and advantaging those who are economically successful.

488 This naive view of the difference between 'politics' and 'economics' assumes that special interest groups do not form and sustain themselves and each other in economic activity. This is something which Adam Smith readily acknowledged two hundred and fifty years ago,

> We rarely hear, it has been said, of the combinations of masters, though frequently of those of workmen. But whoever imagines, upon this account, that masters rarely combine, is as ignorant of the world as of the subject. Masters are always and everywhere in a sort of tacit, but constant and uniform combination, not to raise the wages of labor above their actual rate. To violate this combination is everywhere a most unpopular action, and a sort of reproach to a master among his neighbors and equals.
>
> We seldom, indeed, hear of this combination, because it is the usual, and one may say, the natural state of things, which nobody ever hears of.
> (1776, pp. 84-5)

For an example of this kind of collusion, see Laura Macomber (Okapi Productions, May 30, 2013, œTracking the ALEC Law-Making Machine). As Macomber explains,

> Last year, Moyers & Company aired the "œUnited States of ALEC," a report on the American Legislative Exchange Council, a corporate-backed political powerhouse that's bringing profit-driven legislation to a statehouse near you. ALEC brings together lobbyists and state legislators to create "model legislation" that could benefit corporate interests - laws, for example, that would serve to weaken collective bargaining rights, limit corporate liability and increase the populations at for-profit prisons. And it all takes place behind closed doors. The goal is to get ALEC legislators to pass versions of model laws in their home states. And pass them they do - ALEC boasts that some 200 of its bills become law each year.

489 (15/02/16) Dean Baker has summed up the consequences of President Clinton's (1993-2001) policies for the US:

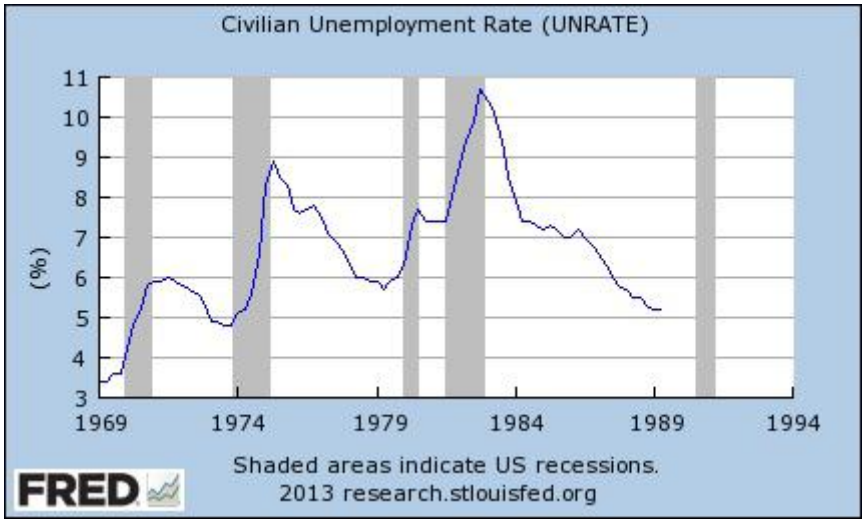
> ...There were many positive things that can be said about the economy in President Clinton's second term, but the problem was that it was not sustainable. The stock bubble that generated the demand that made low unemployment possible would inevitably burst. There is a limit to the number of fools with the money to pay billions of dollars for the stock of companies that will never make a profit.
>
> When the bubble did burst in the years 2000-2002 it gave us a recession, which was very severe from the perspective of the labor market. We didn't get back the jobs lost in the downturn until January of 2005. Until the collapse of the housing bubble this was the longest period without net job growth since the Great Depression.
>
> It is important to note that the problem was on the demand side. There was no evidence of serious supply side constraints when the unemployment rate fell to 4.0 percent in 2000. In other words, there is no reason to think that if we got enough demand in the economy, we could not again see the sort of strong and broadly shared growth of the late 1990s.
>
> However it is precisely on this issue of generating demand that Clinton left us with an enormous problem. When he was Clinton's Treasury Secretary, Robert Rubin explicitly advocated a high dollar. This was a sharp departure from his predecessor as Treasury Secretary, Lloyd Bentsen, who was willing to let the dollar fall as a way of reducing the trade deficit. A lower dollar, and therefore a lower trade deficit, was supposed to be one of the fruits of Clinton's deficit reduction program.
>
> The dollar did in fact rise after Rubin became treasury secretary, but really took off following the East Asian financial crisis. Robert Rubin and the rest of the Clinton team directed the bailout from the crisis through the I.M.F. Instead of requiring debt write-downs by creditors (i.e. banks), they demanded that the crisis countries repay their loans in full.
>
> The route to repayment involved a sharp devaluation of their currencies against the dollar, which allowed them to run large trade surpluses with the United States. Several other developing countries also begin to rapidly accumulate foreign exchange reserves (i.e. dollars) to avoid ever being in the same position as the East Asian countries. The result was a sharp rise in the value of the dollar and an explosion in the size of the trade deficit. It went from just over 1.0 percent of GDP in the mid-1990s to almost 4.0 percent of GDP by the end of the Clinton administration ($720 billion a year in today's economy).
>
> The U.S. has had a large and persistent trade deficit ever since Clinton left office. This deficit creates a huge gap in demand in the economy since it amounts to demand that is being generated by the United States in other countries rather than the United States. The stock bubble filled this demand gap in the 1990s. The housing bubble filled the demand gap until it burst in 2007-2009.
> (Dean Baker, œRoss Douthat Has Trouble Remembering the 1990s,

Center for Economic and Policy Research, Beat the Press, 14 February 2016)

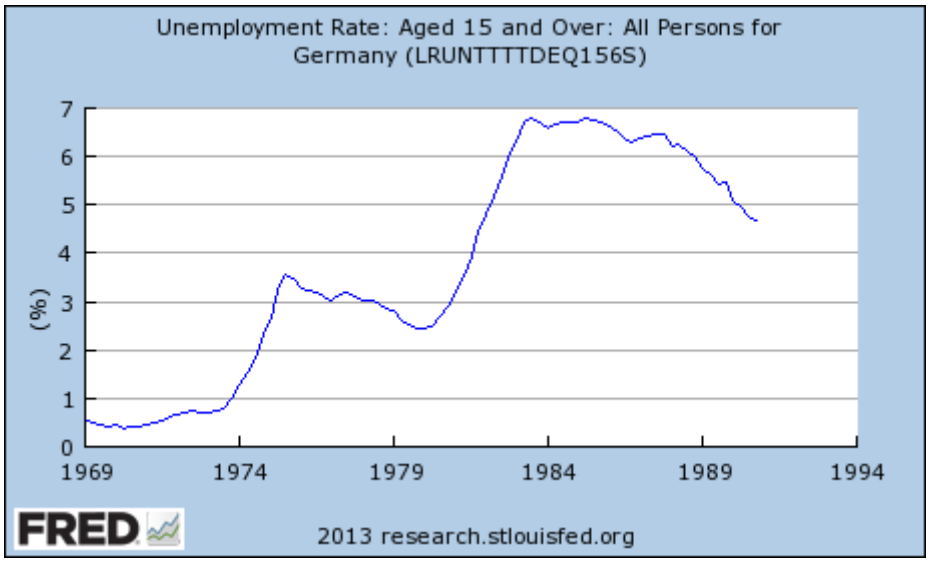
491 Bill Mitchell has addressed the ways in which concepts of 'full employment' have been revised within both economics and in mainstream media 'explanations' of the issue. Focusing on unemployment in Australia in 2016, he explains,

> ...[O]ver the years ... mainstream economists have revised the concept of full employment. We now read that Australia, for example, is at "full employment" when its official unemployment rate is 5.7 per cent (1.7 per cent above its previous low in February 2008), underemployment is 8.4 per cent, and the participation rate is still a full 1 percentage below its November 2010 peak (meaning some 190 thousand workers have dropped out of the labour force). By any stretch, the total labour underutilisation rate (that is, idle but willing labour) is in excess of 16 per cent. But to some smug journalists who cannot even get their facts straight, that is 'full employment'. Mainstream economics - detaching language from meaning and misleading a nation as a result.
>
> We have many examples in the recent past of this capacity to detach language from meaning...
> (Bill Mitchell, œFull employment = mass idle labour - detaching language from meaning, *Billy Blog*, June 20, 2016)

One needs to be very careful about comparisons in unemployment rates in different periods. The definition of unemployment in the post-1980 period varies from the definitions used both earlier in the post WW2 period and in the 1920s and 30s. With that caution in mind, here is a US Bureau of Labor Statistics graph of unemployment rates between 1969 and 1989:



And the unemployment rate for Germany 1969-1990



See œUS and International Unemployment Rates and Employment Indexes, *Federal Reserve Economic Data, St Louis*, for information on other regions.

Phineas Baxandall (*Constructing Unemployment: The Politics of Joblessness in East and West*. Hoboken, NJ, John Wiley & Sons, Inc., 2004) provides a detailed examination of the issues. As he explained:

> The following pages are both an in-depth study of the reinvention of unemployment, as well as a broader inquiry into the politics of joblessness and the social construction of constraints on policy-making. The American and West European cases provide the original inspiration and insight for this analysis. ...
>
> Unemployment is a socially-constructed benchmark for evaluating the competency of economic rule. In different places and in different times the category of "unemployment" has included different kinds of joblessness and excluded others. It has implied different kinds of commitments or accountability by the state.
>
> New Meanings of unemployment are more than a byproduct of economic change. They are the result of changing politics and changing policy.
> (2004, p. 4)

Jack Reardon has given a, brief, review of the book. As he says, Baxandall:

> ... argues that since its construction more than one hundred years ago, unemployment has been continuously re-conceptualized and redefined by governments-socialist and capitalist alike-to further their own interests. Although Baxandall concedes that "the basic definition of unemployment is almost universally accepted and standardized," it nevertheless obfuscates an understanding of the evolving nature of unemployment and prevents devising efficacious solutions.
> (œDefining unemployment... *Monthly Labor Review Online*, July 2011, Vol. 134, No. 7)

For discussions on the problems of definition see:

- œUnemployment (Wikipedia);
- œILO Department of Statistics: Main statistics (annual) - Unemployment;

- œILO-Comparable annual employment and unemployment estimates.

490 Robert Skidelsky has described the process:

> ...In our own time, the emigration of capital has led to the emigration of jobs, as technology transfer has made possible the reallocation of domestic production to foreign locations - thus compounding the potential for job losses.
>
> The economist Thomas Palley sees the reallocation of production abroad as the distinguishing feature of the current phase of globalization. He calls it "barge economics." Factories float between countries to take advantage of lower costs. A legal and policy infrastructure has been built to support offshore production that is then imported to the capital-exporting country. Palley rightly sees offshoring as a deliberate policy of multinational corporations to weaken domestic labor and boost profits.
>
> The ability of companies to allocate jobs globally changes the nature of the discussion about the "gains from trade." In fact, there are no longer guaranteed "gains," even in the long run, to those countries that export technology and jobs.
> (Robert Skidelsky, œProtectionism for Liberals, *Project Syndicate*, Aug 14, 2018)

492 Michael Hudson (MH) explained the early 21st century consequences of all this in an interview with Ross Ashcroft (RA):

> ...[In 2008] The banks were saved, not the economy. Tim Geithner, who was a protégé of Robert Rubin, was moved on behalf of Citibank into the Treasury, and he bailed out the banks - leaving all the debts in place, not writing them down. Banks stopped lending mortgage money, and began to call in their credit card loans by about 100 billion dollars, from one trillion to about 900 [billion]. Mortgages were not written off, so homeowners had to pay so much money to pay off the debts that had been built up during the bubble economy that they didn't have enough income left to buy goods and services.
>
> RA: You make a distinction between the real economy and Wall Street or the financialized economy and when you say that the debt has built up since World War II, year on year. Are you're saying that when the real economy can no longer service that debt, we have a financial crisis?
>
> MH: That's when you have a crisis.
>
> ...It is inevitable. The magic of compound interest means that interest grows and the debt accumulates. When you add in new money creation, debts grow faster than the economy at large. So the situation that existed in 2008 remains the case today: Debt in almost every country is equal to the entire GDP, the entire national income. Now, if debt is equal and the interest rate on debt that people have to pay is 4 percent, then if economies only grow at 1 or 2 percent (as they are today), then all their economic growth has to be devoted to paying the financial sector.
>
> ...On interest alone - not mentioning the repayments of principal to pay down the debt. This is the phenomenon of debt deflation that was discussed in the 1930s. It's a phenomenon that is inherent in

the mathematics of compound interest. In fact, this should be the focus of the economic curriculum.

...If you're teaching economics, you should begin with the relationship between finance and the economy - between the buildup of debt and the ability to pay. That should be the starting point if you realize that the problem of our time is how can society cope with the debt buildup that has occurred. That is what is keeping the economy from recovering.

... I taught money in banking at the New School for Social Research in the 60s and 70s. Bob Heilbroner, the department chairman, wanted to conform to the mainstream and teach the Chicago School monetarism that treats the economy as if it operates on barter. If you look at almost any economic textbook, all the way through the Ph.D., they treat the economy as being barter. They then factor in money creation as if money ... directly affects prices proportionally - and claim that this doesn't change basic relationships, even between debtors and creditors.

This kind of tunnel vision led people to call the bubble economy's lead-up stage "the Great Moderation." It was a Great Moderation in the sense that the banks were able to lend homeowners and companies and governments enough money to pay the interest. There has been the largest increase in credit creation in history since 2008, with almost no increase in consumer prices or wages. All the money creation has gone to buy stocks and bonds into the financial sector.

RA: So just let's define the Great Moderation. Which years would you put the great moderation between?

MH: About 1995 to 2008. As Alan Greenspan explained it, he said that it was moderate because labour didn't complain. Productivity was soaring and wage rates did not go up in the American economy. He explained this before the Senate committee, as what has been called the "Traumatized Worker Effect." He said that workers are so deeply in debt that they're afraid to strike. They're afraid to complain about working conditions, because they could be walked out the door, and if they are fired, if they don't have a job, then suddenly the interest rates they pay on their credit cards go up to 29 percent. They're one month away from insolvency, one month away from homelessness." So Greenspan said, in effect, "We've hooked them. We've got them."

RA: And his view is that's the optimum state for workers, why?

MH: Because that's what he calls a "free market." It's a free market where the 1% get to smash the 99% without any ability of the 99% to fight back. A free market in which people do what they're told. That is the opposite of what Adam Smith and John Stuart Mill and other classical economists meant by a free market. They meant a market free from rentiers, free from landlords, free from banks - so that where everybody got only what they deserved and produced. But under Greenspan and modern economics, a market is "free" from government regulation, free from throwing the bankers in jail when they commit crime, free from any kind of policymaking by government, by labor unions, or by society. So a free market today is a centrally planned economy, but it's not planned by government. The planning is shifted out of government to the banks.

(œMichael Hudson: Economists' Deadly but Innocuous-Seeming Proclamations, Yves Smith, *Naked Capitalism*, December 10, 2016)

493 As Paul Roberts concludes:

> ...[D]uring the first decade of the 21st century "the US lost 54,621 factories, and manufacturing employment fell by 5 million employees. Over the decade, the number of larger factories (those employing 1,000 or more employees) declined by 40 percent. US factories employing 500-1,000 workers declined by 44 percent; those employing between 250-500 workers declined by 37 percent, and those employing between 100-250 workers shrunk by 30 percent. These losses are net of new start-ups. Not all the losses are due to offshoring. Some are the result of business failures"....
>
> In other words, to put it in the most simple and clear terms, millions of Americans lost their middle class jobs not because China played unfairly, but because American corporations betrayed the American people and exported their jobs. "Making America great again" means dealing with these corporations, not with China. When Trump learns this, assuming anyone will tell him, will he back off China and take on the American global corporations?
> (Paul Craig Roberts, œHow Long Can The Federal Reserve Stave Off the Inevitable? *Institute for Political Economy*, June 28, 2018)

494 James Mittleman described the 1980s-1990s scene:

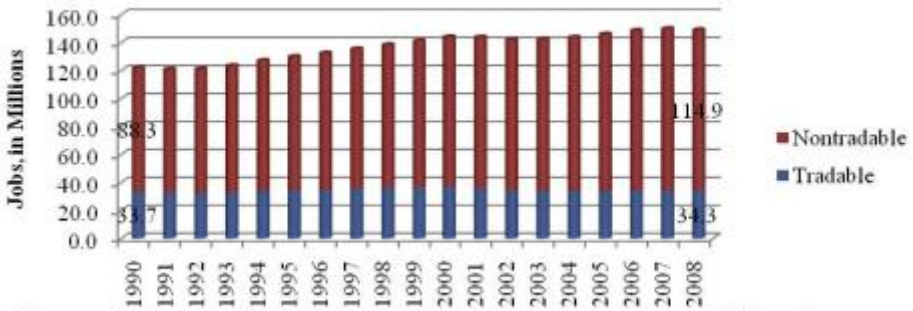
> In the early and mid-20th century, industrial organization in the USA and other Western countries centered on mass production and the assembly line staffed by semi-skilled workers who could easily be replaced.
>
> In the last decades of the 20th century, the Fordist system of mass production and mass consumption has tended to give way to another structure. Post-Fordism entails a more flexible, fragmented and often geographically dispersed labor force. The new model is based on greater specialisation - batch production in small firms linked through dense networks and niche marketing.
>
> Accompanying the movement from Fordism to post-Fordism is a shift from vertical integration of production to vertical disintegration, especially as enterprises seek to establish distinct niches ...
>
> An integral part of this restructuring process is the weakening of trade unions based in the old Fordist industries. The strength of organized labor has clearly declined in the West, and workers are docile in some other regions, notably so in East Asia ...
>
> Whereas capital is forming large unregulated markets, Labor is less capable of transnational reorganization. Capital is increasingly globalized, but Labor unions and the collective rights of workers still primarily delimit their reference point as the nation-state. The changing relations between capital and labor - the one clearly on the ascent and the other markedly defensive - are linked to the tension between the economic globalization trend and the Westphalian territorial mode of political organization.
>
> (Mittleman 1994, pp. 283-4)

Michael Spence and Sandile Hlatshwayo (2011) have provided a description of employment trends in the US from 1990-2008. The growth in employment since the 1980s has come through an expansion in

government-related services. As they explained, 'Government at all levels is the largest employer in the nontradable sector':

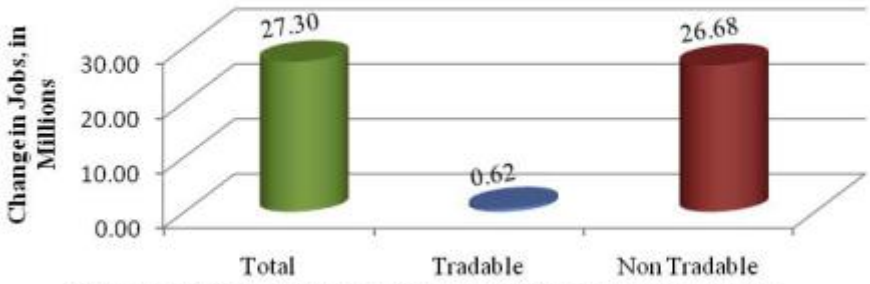
> In the global economy, some goods and services trade internationally and some do not. The tradable sector consists of the goods and services that can be produced in one country and consumed in another, or, as in tourism or education, consumed by people from another country. The nontradable sector is the set that must be produced and consumed in the same country...
>
> When a certain kind of activity declines in our economy, normally it does not just disappear from the global economy, but instead moves to another location. These powerful market forces operate directly on the tradable sector, and indirectly on the nontradable portion through wage and price effects and shifting opportunities in labor markets...
>
> Between 1990 and 2008, jobs have seen a net increase of 27.3 million on a base of 121.9 million in 1990...
>
> Almost all of those incremental jobs (26.7 of 27.3 million) were created in the nontradable sector. In the aggregate, tradable sector employment growth was essentially flat: some industries grew and others declined. Within the period considered, employment rose for about a decade and then fell back to its 1990 starting level. As is clear in figure 4, the nontradable sector is large, and, in terms of share of total employment, became larger over time...
>
> The large nontradable sectors are government, health care, retail, accommodation/food service (i.e., hotels, restaurants, and hospitality), and construction (see figure 6). In 2008, these accounted for 73.5 million jobs, 64 percent of employment in the nontradable sector and just under 50 percent in the whole economy. Together, the top five nontradable sectors contributed 65 percent of the total increment in jobs from 1990 to 2008.
>
> Government at all levels is the largest employer in the nontradable sector and accounts for more than 22.5 million jobs in 2008. Health care is a close second, with an end of period total of 16.3 million. In terms of increments, health care's growth of 6.3 million jobs tops the list and the government's addition of 4.1 million comes in second. These two increments combined produced almost 40 percent of the total net incremental employment in the economy since 1990.

Figure 4. Tradable/Nontradable Jobs, 1990–2008



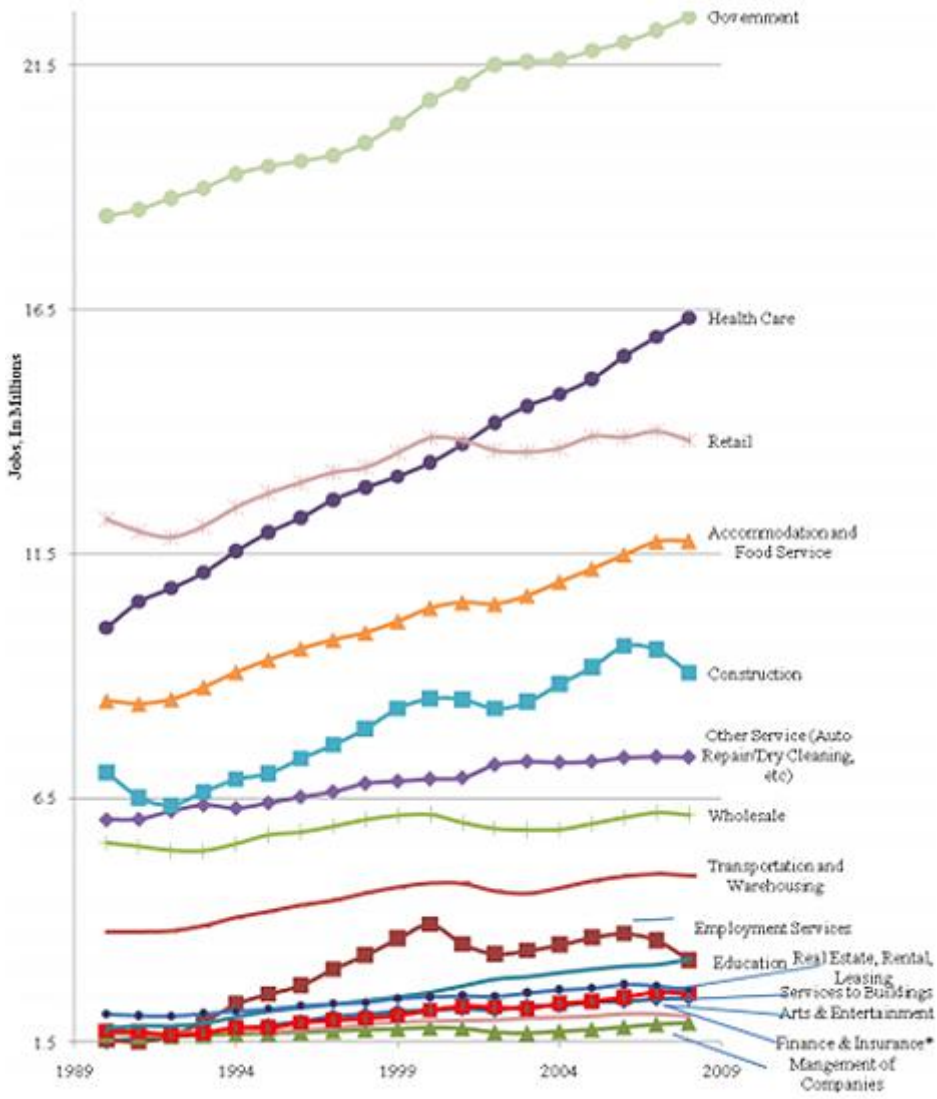
Source: Authors' calculations using Bureau of Labor Statistics historical data series

Figure 5. Total Change in Jobs, 1990–2008



Source: Authors' calculations using Bureau of Labor Statistics historical data series

Figure 6. Nontradable Industry Jobs, 1990-2008



Source: Authors' calculations using Bureau of Labor Statistics historical data series
*Industries that are not predominantly or entirely nontradable include an asterisk.

(Michael Spence and Sandile Hlatshwayo, "The Evolving Structure of the American Economy and the Employment Challenge, Working Paper 13, The Council on Foreign Relations, March 2011, pp. 9, 12-13)

495 Josh Bivens has explained how job losses through both automation and globalization proliferate through communities and why workers oppose trade agreements:

> In textbook trade models, using policy levers (lower tariffs, for example) to boost trade with poorer countries will indeed cause total national income in the United States to rise. But these same textbooks also predict that the resulting expansion of trade will

redistribute far more income than it creates. And the direction of this redistribution is upward. So it is perfectly possible to have policy efforts to expand trade lead to higher national income yet leave the majority of workers worse off. Importantly, the losers in these textbook models are not just workers directly displaced by imports - they're all the workers in the entire economy who resemble the trade-displaced in terms of education and credentials.

To put it simply, landscapers might not lose their jobs to rising imports, but their wages are hurt if they have to compete for jobs with workers who were laid-off from apparel factories as imports replaced domestic clothing. In the end, for many trade flows (particularly, say, trade flows between the United States and countries like Mexico and China) the common formulation is exactly backwards. The losers are the majority of American workers who still lack a 4-year college degree, while the winners are the minority of workers who do have these degrees.

In the NPR story, Arnold and MIT's David Autor provide some intuition behind the effects of trade. Their example has two countries (France and the United States) and two goods (cars and cheese). What it's missing is two kinds of workers - those with and those without substantial human capital (think a 4-year college degree). After all, if there is only one kind of worker, then worrying about redistribution makes no sense. With two kinds of workers, the intuition gets clearer.

Take another example, one that swaps out cars and cheese for two goods that will sharpen the intuition a bit. In this example, the United States produces and exports more human capital-intensive goods (say airplanes) and imports more labor-intensive goods (say apparel). By focusing on what we're relatively better at producing (capital-intensive airplanes) and trading this extra output for what our trading partners are relatively better at producing (labor-intensive apparel), we can see total national incomes rise in both countries. This specialization in the United States requires shifting resources (i.e., workers and capital) out of apparel production and into airplane production. But each $1 in apparel production lost requires more labor and less capital than the $1 in airplane production gained - causing an excess supply of labor and an excess demand for capital. Capital's return rises while labor's wage falls.

What's particularly striking in so many of these trade-explainer articles are the claims that wage pressures stemming from policy efforts to expand trade are some huge surprise. They shouldn't be - again, textbook economics says clearly that the likely outcome of efforts to expand trade with lower-wage nations should be a redistribution of income to highly credentialed workers from the rest...
(Josh Bivens, œIt's not a puzzle if American workers oppose trade agreements, *Economic Policy Institute*, Working Economics Blog, April 19, 2016)

496 (09/04/17) Didem Tüzemen and Jonathan Willis have discussed job polarization in the US. As they say,

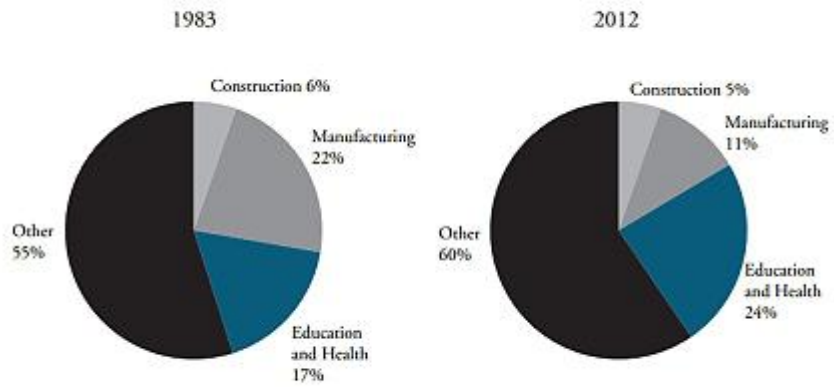
Over the past three decades, the share of middle-skill jobs in the United States has fallen sharply. Middle-skill jobs are those in which workers primarily perform routine tasks that are procedural and repetitive. The decline in the employment share of middle-skill jobs

> has been associated with a number of sweeping changes affecting the economy, including advancement of technology, outsourcing of jobs overseas, and contractions that have occurred in manufacturing. As the share of middle-skill jobs has shrunk, the share of high-skill jobs has grown, and that trend has drawn considerable attention. Less well known is the fact that the share of low-skill jobs has also risen. This employment phenomenon where job opportunities have shifted away from middle-skill jobs toward high- and low-skill jobs is called "job polarization." (œThe Vanishing Middle: Job Polarization and Workers' Response to the Decline in Middle-Skill Jobs (*Economic Review*, Federal Reserve Bank of Kansas City, First Quarter 2013 pp. 5-32))

They provide graphic illustration of the changes:

Chart 3

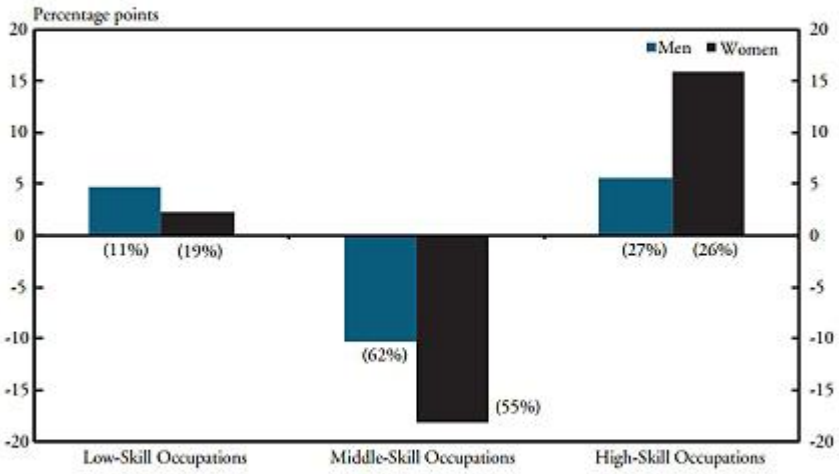
EMPLOYMENT SHARES BY SECTOR



Note: Data are restricted to workers ages 16 to 64 who are not self-employed and are not employed in military or agricultural occupations.
Source: Current Population Survey and authors' calculations.

Chart 5

CHANGES IN EMPLOYMENT SHARES BY SKILL LEVEL AND GENDER BETWEEN 1983 AND 2012



Note: The chart reports the percentage point change in the employment share for each skill group, where employment shares are computed separately for each respective gender. Data are restricted to workers ages 6 to 64 who are not self-employed and are not employed in military or agricultural occupations. For each group, the employment share in 1983 is shown in parentheses.
Source: Current Population Survey and authors' calculations.

Nir Jaimovich and Henry Siu (2012) examined the relationship between job polarization and jobless recoveries. As they explained:

> In the past 30 years, the US labor market has seen the emergence of two new phenomena: "job polarization" and "jobless recoveries." Job polarization refers to the increasing concentration of employment in the highest- and lowest-wage occupations, as job

> opportunities in middle-skill occupations disappear. Jobless recoveries refer to periods following recessions in which rebounds in aggregate output are accompanied by much slower recoveries in aggregate employment. We argue that these two phenomena are related.
> (œThe Trend is the Cycle: Job Polarization and Jobless Recoveries, *Federal Reserve Bank*, St Louis, August 14, 2012)

A *Pew Research Center* report entitled *Digital Life in 2025: AI, Robotics, and the Future of Jobs* focused on "advances in artificial intelligence (AI) and robotics, and their impact on jobs and employment". Their summary:

> **Key Findings**
>
> The vast majority of respondents to the 2014 Future of the Internet canvassing anticipate that robotics and artificial intelligence will permeate wide segments of daily life by 2025, with huge implications for a range of industries such as health care, transport and logistics, customer service, and home maintenance. But even as they are largely consistent in their predictions for the evolution of technology itself, they are deeply divided on how advances in AI and robotics will impact the economic and employment picture over the next decade.
>
> We call this a canvassing because it is not a representative, randomized survey. Its findings emerge from an "opt in" invitation to experts who have been identified by researching those who are widely quoted as technology builders and analysts and those who have made insightful predictions to our previous queries about the future of the Internet. (For more details, please see the section "About this Canvassing of Experts.")
>
> **Key themes: reasons to be hopeful**
>
> 1. Advances in technology may displace certain types of work, but historically they have been a net creator of jobs.
> 2. We will adapt to these changes by inventing entirely new types of work, and by taking advantage of uniquely human capabilities.
> 3. Technology will free us from day-to-day drudgery, and allow us to define our relationship with "work" in a more positive and socially beneficial way.
> 4. Ultimately, we as a society control our own destiny through the choices we make.
>
> **Key themes: reasons to be concerned**
>
> 1. Impacts from automation have thus far impacted mostly blue-collar employment; the coming wave of innovation threatens to upend white-collar work as well.
> 2. Certain highly-skilled workers will succeed wildly in this new environment-but far more may be displaced into lower paying service industry jobs at best, or permanent unemployment at worst.
> 3. Our educational system is not adequately preparing us for work of the future, and our political and economic institutions

are poorly equipped to handle these hard choices.

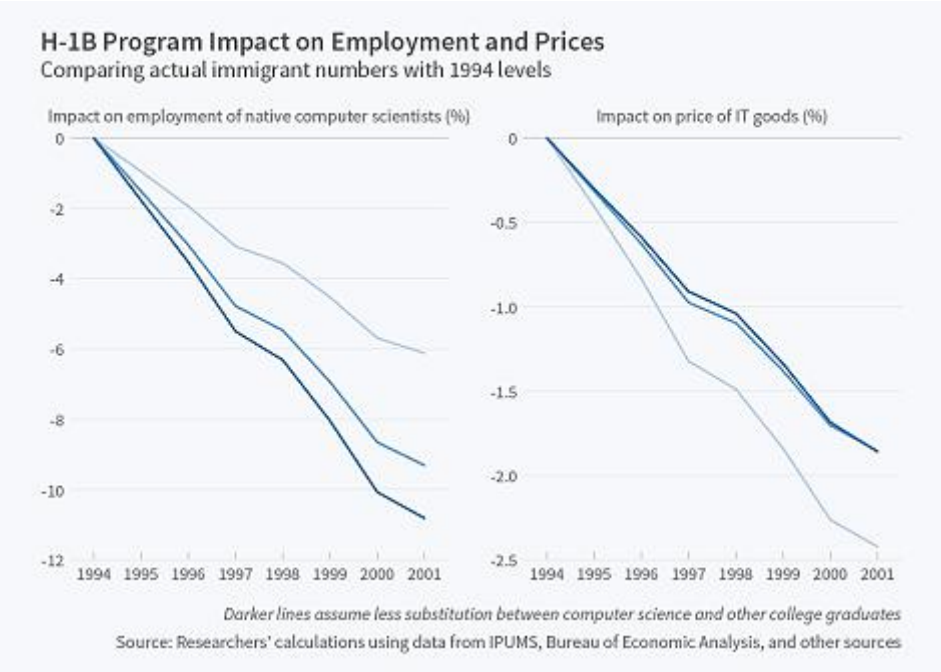
(Pew Research Center, August 2014, "AI, Robotics, and the Future of Jobs" Available at: http://www.pewinternet.org/2014/08/06/future-of-jobs/)

It is easy to forget that a change in the percentage of high-skill jobs does not necessarily equate with increased remuneration. The most striking aspects of this shift have been that:

- as skill requirements have increased, relatively high-skill jobs have become more numerous;
- increasing numbers of people have been urged to 're-skill' to take advantage of this shift;
- 'Skilled Worker' immigration and 'non-immigrant temporary foreign worker' schemes have proliferated;
- and wage rates for such jobs have come under increasing pressure.

Steve Maas has summarized an NBER Working Paper examination of the 'Winners and Losers from the US H-1B Visa Program':

> Who are the winners and losers in the special visa program that enables U.S. companies to employ high-skilled foreign workers on a temporary basis in specialized occupations? In *Understanding the Economic Impact of the H-1B Program on the U.S.* (NBER Working Paper No. 23153 [February 2017]), John Bound, Gaurav Khanna, and Nicolas Morales explore how the availability of such workers has affected the welfare of domestic workers, firms, and consumers.



> Based on their model, the researchers calculate that the influx of foreign-born computer scientists enabled by the H-1B program had a positive effect on the U.S. IT sector, and consequently the U.S. economy, but had significant distributional effects. They estimate that absent the influx of foreigners, U.S. computer scientists would have earned between 2.6 and 5.1 percent more in 2001.
>
> Moreover, some U.S. workers switched to other occupations, lowering the number of domestic computer scientists by between 6

> and 11 percent. The picture is brighter in other respects: Foreign scientists were found to be strong contributors to innovation and productivity. That translated into wage and job gains in related fields, and into more choice and lower prices for consumers. The research focuses on the Internet boom years, when workers in computer-related occupations became the largest share of H-1B visa holders.
> (Steve Maas, œWinners and Losers from the H-1B Visa Program, *NBER Digest*, April 2017)

Julia Preston, in a *New York Times* Op Ed described the process. As she explains,

> ... about 250 Disney employees were told in late October that they would be laid off. Many of their jobs were transferred to immigrants on temporary visas for highly skilled technical workers, who were brought in by an outsourcing firm based in India. Over the next three months, some Disney employees were required to train their replacements to do the jobs they had lost.
>
> "I just couldn't believe they could fly people in to sit at our desks and take over our jobs exactly," said one former worker, an American in his 40s who remains unemployed since his last day at Disney on Jan. 30. "It was so humiliating to train somebody else to take over your job. I still can't grasp it."...
>
> ... the layoffs at Disney and at other companies, including the Southern California Edison power utility, are raising new questions about how businesses and outsourcing companies are using the temporary visas, known as H-1B, to place immigrants in technology jobs in the United States. These visas are at the center of a fierce debate in Congress over whether they complement American workers or displace them.
>
> According to federal guidelines, the visas are intended for foreigners with advanced science or computer skills to fill discrete positions when American workers with those skills cannot be found. Their use, the guidelines say, should not "adversely affect the wages and working conditions" of Americans. Because of legal loopholes, however, in practice, companies do not have to recruit American workers first or guarantee that Americans will not be displaced.
>
> Too often, critics say, the visas are being used to bring in immigrants to do the work of Americans for less money, with laid-off American workers having to train their replacements.
>
> "The program has created a highly lucrative business model of bringing in cheaper H-1B workers to substitute for Americans," said Ronil Hira, a professor of public policy at Howard University who studies visa programs and has testified before Congress about H-1B visas...
> (Julia Preston, œPink Slips at Disney. But First, Training Foreign Replacements, *New York Times*, June 3, 2015)

Ronil Hira, in a hearing before The Judiciary Committee, U.S. Senate, March 17, 2015, summarized the problem in the US (replicated in many high-wage regions around the world) in a paper entitled œ"Immigration Reforms Needed to Protect Skilled American Workers":

> Congress and multiple Administrations have inadvertently created a highly lucrative business model of bringing in cheaper H-1B workers

> to substitute for Americans. There are mainframesized loopholes built into the H-1B program's design - the statutory law, regulations, administrative law, and policy guidance - and a complete disinterest on the part of multiple Administrations in enforcing the current rules, however weak they may be. Some of these loopholes are intentional, some are not, but they all add up to a system that encourages employers to exploit the H-1B program for cheap labor. Given the extraordinarily high profits involved in using guestworkers instead of Americans, it should surprise no one that many employers are taking advantage of this business model and lobbying to expand it.

Daniel Costa and Ron Hira expanded on this theme in a blog entry on the consequences of "TiSA: A Secret Trade Agreement That Will Usurp America's Authority to Make Immigration Policy":

> ... the competitive advantage foreign companies will get from TiSA is the ability to provide cheaper services by importing much cheaper labor to supplant American workers. They'll do this by paying their workers the much lower salaries they would earn in their home countries (as they often already do in the L-1 and B-1 visa programs), and the United States might even be prohibited in future from imposing minimum or prevailing wage standards (at present, neither the L-1 or B-1 visa program has a minimum or prevailing wage rule).
> ('œTiSA: A Secret Trade Agreement That Will Usurp America's Authority to Make Immigration Policy ' (*Economic Policy Institute*, Working Economics Blog, Posted June 11, 2015))

As Jefferson described for the early 19th century:

> ... those of great dexterity only can keep their ground, while those of less must sink into the class of paupers. Nor is it manual dexterity alone, but the acutest resources of the mind also which are impressed into this struggle for life; and such as have means a little above the rest, as the master-workmen, for instance, must strengthen themselves by acquiring as much of the philosophy of their trade as will enable them to compete with their rivals, and keep themselves above ground
>
> Hence the industry and manual dexterity of [England's] journeymen and day-laborers, and the science of their master-workmen, keep them in the foremost ranks of competition with those of other nations...

See Adam Davidson (*New York Times*, November 20, 2012), œIt's the Economy: Skills Don't Pay the Bills for a picture of the downward pressure on skilled wages and conditions in the US in the first decade and more of the 21st century.

Paul Beaudry, David Green and Ben Sand (2013) have explored rather different forces at work in the US since 2000. As they explain:

> ...we argue that in about the year 2000, the demand for skill (or, more specifically, for cognitive tasks often associated with high educational skill) underwent a reversal. Many researchers have documented a strong, ongoing increase in the demand for skills in the decades leading up to 2000. In this paper, we document a decline in that demand in the years since 2000, even as the supply of high education workers continues to grow. We go on to show that, in response to this demand reversal, high-skilled workers have

> moved down the occupational ladder and have begun to perform jobs traditionally performed by lower-skilled workers. This deskilling process, in turn, results in high-skilled workers pushing low-skilled workers even further down the occupational ladder and, to some degree, out of the labor force all together.
> (Paul Beaudry, David A. Green, Benjamin M. Sand, œThe Great Reversal in the Demand for Skill and Cognitive Tasks, NBER Working Paper No. 18901, Issued in March 2013, updated November 2013)

[497] While Just-in-Time organizational processes might superficially appear benign, they rely not only on the minimization of material inventories but also on the manipulation of employees' work times and durations. Employees become cogs in an industrial complex which makes little distinction between the manipulation of employees and other 'production inputs'. As a report by Lambert, Henly and Haley-Lock (2010) explains,

> Hourly workers - the majority of the wage and salary workforce - are especially susceptible to reduced, irregular and fluctuating hours, and the myriad of challenges associated with them.
> (see Hourly Workers for more on this).

David Wessel (*Wall Street Journal July 27, 2011*) put it succinctly:

> Over the past 10 years:
>
> - The U.S. economy's output of goods and services has expanded 19%.
> - Nonfinancial corporate profits have risen 85%.
> - The labor force has grown by 10.1 million.
> - But the number of private-sector jobs has fallen by nearly two million.
> - And the percentage of American adults at work has dropped to 58.2%, a low not seen since 1983.
>
> What's wrong with the American job engine? As United Technologies Corp. Chief Financial Officer Greg Hayes put it recently: "Sales have come back, but people have not.''
>
> That's largely because the economy is growing much too slowly to absorb the available work force, and industries that usually hire early in a recovery - construction and small businesses - were crippled by the credit bust.
>
> Then there's the confidence factor. If employers were sure they could sell more, they would hire more. If they were less uncertain about everything from the durability of the recovery to the details of regulation, they would be more inclined to step up their hiring.
>
> Something else is going on, too, a phenomenon that predates the recession and has persisted through it: Changes in the way the job market works and how employers view labor.
>
> Executives call it "structural cost reduction" or "flexibility." Northwestern University economist Robert Gordon calls it the rise of "the disposable worker," shorthand for a push by businesses to cut labor costs wherever they can, to an almost unprecedented degree.
> (What's Wrong With America's Job Engine? Wary Companies Rely on Temps, Part-Timers, Hire Overseas, *Wall Street Journal* July 27, 2011)

Cesar Perez and Alix Gould-Werth spell out the 2019 conditions endured by US retail and food workers in a paper entitled 'How U.S. workers' just-in-time schedules perpetuate racial and ethnic inequality':

> In an attempt to minimize labor costs, employers in today's U.S. economy saddle workers with last-minute and low-quality schedules. These schedules, sometimes referred to as "just-in-time schedules," are unpredictable, unstable, and often provide workers with an insufficient number of hours. Today, sociologists Kristen Harknett at the University of California, San Francisco and Daniel Schneider at the University of California, Berkeley released œnew analyses drawing from surveys with 30,000 retail and food workers at 120 of the largest retail and food service companies in the United States to show who suffers from these schedules, and how.
> (Cesar Perez and Alix Gould-Werth, œHow U.S. workers' just-in-time schedules perpetuate racial and ethnic inequality, *Washington Center for Equitable Growth*, October 16, 2019)

498 In the early 21st century, the process has become refined. Dan Lyons has described conditions at a software company at which he was employed:

> At HubSpot, the software company where I worked for almost two years, when you got fired, it was called "graduation." We all would get a cheery email from the boss saying, "Team, just letting you know that X has graduated and we're all excited to see how she uses her superpowers in her next big adventure." One day this happened to a friend of mine. She was 35, had been with the company for four years, and was told without explanation by her 28-year-old manager that she had two weeks to get out. On her last day, that manager organized a farewell party for her.
>
> It was surreal, and cruel, but everyone at HubSpot acted as if this were perfectly normal. We were told we were "rock stars" who were "inspiring people" and "changing the world," but in truth we were disposable.
>
> Many tech companies are proud of this kind of culture. Amazon keeps getting called out for its bruising environment, most notably in a œlong exposé in this newspaper last year. On Tuesday, Jeff Bezos, the founder of Amazon, said that people who didn't like the company's grueling environment were free to work elsewhere. "We never claim that our approach is the right one - just that it's ours - and over the last two decades, we've assembled a group of like-minded people," he wrote in œa letter to shareholders.
>
> Some viewed the statement as a sign that Mr. Bezos at least seems to recognize that it's not normal for employees to cry at their desks. But it was also a defiant message that he had no intention of letting up.
> (Dan Lyons, œCongratulations! You've Been Fired, *New York Times*, Sunday Review, April 9, 2016)

499 Davidson gives a clear description of a few of the pressures being brought to bear on skilled employment in this new 'flexible' world of stripped-down, ultimately self-defeating, profiteering. As he explains of the apparent 'skills shortage' of the early 21st century:

> The secret behind this skills gap is that it's not a skills gap at all. I spoke to several other factory managers who also confessed that they had a hard time recruiting in-demand workers for $10-an-hour

jobs. "It's hard not to break out laughing," says Mark Price, a labor economist at the Keystone Research Center, referring to manufacturers complaining about the shortage of skilled workers. "If there's a skill shortage, there has to be rises in wages," he says. "It's basic economics." After all, according to supply and demand, a shortage of workers with valuable skills should push wages up. Yet according to the Bureau of Labor Statistics, the number of skilled jobs has fallen and so have their wages.

In a recent study, the Boston Consulting Group noted that, outside a few small cities that rely on the oil industry, there weren't many places where manufacturing wages were going up and employers still couldn't find enough workers. "Trying to hire high-skilled workers at rock-bottom rates," the Boston Group study asserted, "is not a skills gap."

The study's conclusion, however, was scarier. Many skilled workers have simply chosen to apply their skills elsewhere rather than work for less, and few young people choose to invest in training for jobs that pay fast-food wages. As a result, the United States may soon have a hard time competing in the global economy. The average age of a highly skilled factory worker in the U.S. is now 56. "That's average," says Hal Sirkin, the lead author of the study. "That means there's a lot who are in their 60s. They're going to retire soon." And there are not enough trainees in the pipeline, he said, to replace them.
(Adam Davidson, œSkills Don't Pay the Bills (*New York Times*, November 20th 2012))

500 As the Alberta Labor Report explained:

Increasing use of temporary workers has been a major change in the workplace. Temporary workers may be hired on a contract, through a temporary agency or they may be placed on a company's payroll.

They are different from other employees in that companies make no commitment to these employees; they are expendable. This 'contingent workforce' includes part-time employees, temps, contract employees and freelancers.

Traditionally temporary workers filled mainly low-skilled jobs; these days skilled technical, professional and executive positions may also be filled on a temporary basis. Many sources estimate that 20 to 25 per cent of the U.S. workforce are contingent workers. The Canadian situation is similar. Most predict that this trend towards relying on temporary workers will grow, forecasting that up to one half of all workers could be employed on this basis by the year 2000.

The largest private employer in the U.S., by number of employees, is Manpower Inc. with 500,000 workers. Manpower Inc. supplies other companies with temporary workers. Several factors have contributed to this significant change in human relations practices.

A key factor is the corporate downsizing of the past ten years. Many companies including blue chip firms have laid off staff. Some companies have had several rounds of layoffs. Even as business improves companies remain reluctant to hire on more employees in case the recovery is temporary. For some companies it makes more sense to operate with a core group of regular employees whose

> skills are critical to the business, and then expand and contract the work force as needed.
>
> (Alberta Labor 1994, pp.3-4)

501 In 2015, the growth of 'digital job platforms' has led to an exponential growth in the 'contingent workforce'. Laura Tyson and Lenny Mendonca have explained:

> ...[D]igital platforms are emerging, linking workers with customers or companies for specific tasks or services. Such platforms play a growing role in the market for "contingent" or "on-demand" workers, broadly defined as workers whose jobs are temporary and who do not have standard part-time or full-time contracts with employers. Well-known digital platforms that link contingent workers directly to customers include Lyft, TaskRabbit, Uber, and Angie's List. Freelancer.com and Upwork are examples of platforms that help companies find and hire contingent workers for a range of specialized tasks such as software or website development. Freelancer.com has more than 17 million users worldwide.
>
> The trouble is that even as these sites provide new opportunities for workers and companies, they are bypassing the traditional channels through which the US and many countries deliver benefits and protections to their workforce. In the US, in particular, the "social contract" has long relied on employers to deliver unemployment insurance, disability insurance, pensions and retirement plans, worker's compensation for job-related injuries, paid time off, and protections under the Fair Labor Standards Act. Although the Affordable Care Act has made it easier for workers to acquire health insurance on their own, most workers continue to receive health insurance through their employers
>
> With the proliferation of digital job platforms, the social safety net for workers in the US - threadbare to begin with - is at risk of unraveling for a growing share of the workforce. This is because most individuals who find work through digital job platforms operate as independent contractors, leaving them without the benefits and protections provided in standard employment contracts for full-time and part-time workers. The difference between the cost of a full-time employee with benefits and an independent contractor can be 30% or more, so there is a strong incentive for companies to replace workers on standard full-time employment contracts with independent contractors as long as companies can attract the talent they need.
>
> Digital job platforms also make it easier for businesses to hire and fire workers on temporary contingent contracts. This creates the potential for a race to the bottom, with employers competing on labor costs through regulatory arbitrage.
> (Laura Tyson and Lenny Mendonca, "Worker Protection in the Gig Economy, *Project Syndicate*, November 28, 2015)

Erin Hatton ("The Rise of the Permanent Temp Economy, *New York Times*, January 26, 2013) explained the problem at the start of 2013:

> Politicians across the political spectrum herald "job creation," but frightfully few of them talk about what kinds of jobs are being created. Yet this clearly matters: According to the Census Bureau, one-third of adults who live in poverty are working but do not earn enough to support themselves and their families.

> A quarter of jobs in America pay below the federal poverty line for a family of four ($23,050). Not only are many jobs low-wage, they are also temporary and insecure. Over the last three years, the temp industry added more jobs in the United States than any other, according to the American Staffing Association, the trade group representing temp recruitment agencies, outsourcing specialists and the like.
>
> Low-wage, temporary jobs have become so widespread that they threaten to become the norm. But for some reason this isn't causing a scandal. At least in the business press, we are more likely to hear plaudits for "lean and mean" companies than angst about the changing nature of work for ordinary Americans.
>
> ... By peddling products like the "Semi-Permanent Employee," the "Never-Never Girl" and more, temp industry leaders promoted a model in which permanent employees were a "costly burden," a "headache" that needed relief. "Stop paying help you don't use," Western Services advised in 1969. It even urged employers to convert their own permanent employees to temps, as in a 1971 advertisement in The Personnel Journal: "Just say goodbye... then shift them to our payroll and say hello again!"
>
> According to the temp industry, workers were just another capital investment; only the product of the labor had any value. The workers themselves were expendable.

The following is one of dozens of similar explanations of the activities of businesses which manage the contingent workforce requirements of other companies:

> Procuring and managing your contingent workforce (temporary workers, contractors and consultants) needn't be costly and time consuming.
>
> In this increasingly complex and regulated world, some things seem daunting. ...We have been designing, deploying and managing complex multi-location, multi-geography, multi-worker category, Contingent Workforce Sourcing & Management Programmes for over a decade.
>
> Our approach
> It might not be surprising to learn that AMS solutions are ever-evolving and are bespoke for each client, carefully taking into consideration your short, medium and long term needs and desired outcomes.
>
> For some it's a one-off health-check to assess and assure their existing model, recommending changes and highlighting areas of risk. For others, it's a multi-geographic, online enablement of their entire non-permanent workforce, introducing visibility, control, efficiency where required and regulatory compliance for peace of mind.
>
> To compliment our bespoke approach there are some elements we never ever compromise on - risk and compliance are at the core of those.
>
> Our approach to tenure management, co-employment risks, contractual protection for our clients and workers, liability and insurance levels, legislative compliance, background checking and screening is unwavering.

> These elements are core to our proposition, are shared between our clients and via AMS's network of Global Customer Service centers, are replicable and repeatable which delivers certainty and assurance to all AMS's clients
> (œAlexander Mann Solutions)

502 Jonas Prising (Chairman and CEO of *ManpowerGroup*), is a prominent player in the management of corporate contingent workforce requirements worldwide. In the lead-up to the Davos *World Economic Forum Annual Meeting* (20-23 January 2016, Davos-Klosters, Switzerland), he has given an optimistic summation of where this has led the world in the past four decades.

> ...Rather than attempting to hang on to a job for life, the goal today is to remain employable - to develop the skills, experience, and expertise necessary to move on or up, regardless of the employer.
>
> As a result, wages and opportunities are increasingly being dictated by skills, rather than tenure. Those with sought-after talents have more bargaining power, are better able to manage their careers, and command higher salaries. Those without in-demand skills are struggling and feel disposable.
>
> So far, this abundance of choice has discouraged companies from spending resources on training employees, who might, after all, soon decide to join a competitor. However, as talent shortages loom, the need to retain employees could tip the balance back toward greater investment in professional development. Employers that provide learning opportunities will become a destination for talent.
>
> The third trend reshaping labor markets is rapid technological change. Few industries are safe from disruption. Automation, facilitated by better artificial intelligence, is poised to have a major impact on jobs. Up to 47% of the jobs that existed in the US in 2010 are highly likely to be computerized out of existence in the next two decades. If history is a guide, new industries and opportunities will replace those that are lost; nonetheless, the transition will be painful and could last decades.
>
> And yet, there is reason for optimism. Even as technology sweeps away industries, it is facilitating the emergence of new models that could help solve some of the problems in the labor market. PricewaterhouseCoopers estimates that the five main sectors of the sharing economy - peer-to-peer finance, online staffing, peer-to-peer accommodation, car sharing, and music video streaming - could grow from around $15 billion in revenue today to $335 billion by 2025. To be sure, the industry is small. But it has nonetheless unleashed a torrent of creativity focused on the basic question of how better to align supply and demand for labor in a faster-paced world.
>
> A fourth global trend evident in today's labor market is the rapid embrace among technologically sophisticated employers of data-based approaches to human resources. Talent management has gone from being an art to a science, as organizations have applied big data and supply-chain techniques to recruiting and retention. With the proliferation of so-called people analytics - behavioral and intelligence tests, digital performance scorecards, and better information systems - companies know their workers like never

> before. It is easier to see where the best talent resides within a company, or where the gaps might be.
>
> Companies are using these data to think more strategically about how to source talent. For example, given the difficulty of staying up to speed with changing technology, firms are increasingly outsourcing information-technology management to third-party experts. This, in turn, creates new efficiencies, allowing cyber-security providers to monitor attacks against a wide range of clients and share strategies and solutions. Recruitment is another area in which companies are turning to outsourcing in order to obtain expertise and increase efficiency.
> (Jonas Prising, œReshaping the Labor Landscape, *Project Syndicate*, January 18, 2016)

As one of the commenters on the article has said:

> A very nice analysis. But this column reflects the vision of Davos people. The working people (non Davos) could be selected, "reshaped", worked over, finished and polished and put in the exact place in the mechanisms which produce enrichment of the Davos people. The Romans used to call slaves ...talking tools. Today Davos people call modern slaves thinking tools.
> (portocala mechanica, JAN 18, 2016)

503 I first became acutely aware of this problem in the late 1980s. I was sitting at the hospital bedside of a friend who was dying of cancer. On the other side of the bed sat a workmate of his from the Ford Motors automotive plant (since closed and moved to East Asia). Our friend was drifting in and out of consciousness as a large dose of morphine took effect.

More for something to fill the silence than anything, I asked him whether he was working any overtime. He replied that he was but that it was unpaid work. When I asked why he would do this, he replied that he was worried about losing his job and believed that if he could show himself committed to the company he would be less likely to be 'let-go' at the next downturn in the economy.

Twenty years earlier, no union would have allowed this to happen. By the late 1980s, with their authority seriously undermined and in the face of threats of plant closure, they were powerless to do anything about it.

As Miana, González-Morales *et al* (2011) explained,

> Insecurity at work is directly and negatively linked to satisfaction in work and life, as well as affecting performance and commitment....the feeling that one is going to lose their job worsens satisfaction levels in other areas of life, such as family, health, financial circumstances and the work-free time balance.
>
> As the fear of unemployment increases "the level of work insecurity rises, people are less satisfied with their personal, work and family lives and they are less committed to their work"
> (Beatriz Sora Miana, M. Gloria González-Morales, Amparo Caballer y José M. Peiró. "Consequences of Job Insecurity and the Moderator Role of Occupational Group". *The Spanish Journal of Psychology*. 2011. 14, (2), 820-831 - Here is a *EurekAlert (* 23-Feb-2012) summary of the findings: Fear of job loss causes dissatisfaction and a lack of commitment at work)

504 This form of surveillance, of course, is merely a 21st century upgrading of Jeremy Bentham's (1748-1832) pernicious plans for a panopticon. As a œCARTOME description puts it:

> The Panopticon ("all-seeing") functioned as a round-the-clock surveillance machine. Its design ensured that no prisoner could ever see the 'inspector' who conducted surveillance from the privileged central location within the radial configuration. The prisoner could never know when he was being surveilled - mental uncertainty that in itself would prove to be a crucial instrument of discipline.

To quote Bentham himself from a "series letters written in the year 1787, from Crecheff in White Russia to a friend in England". The Panopticon was:

> A new mode of obtaining power of mind over mind, in a quantity hitherto without example:... No matter how different, or even opposite the purpose... whether it be applied to the purposes of perpetual prisons in the room of death, or prisons for confinement before trial, or penitentiary-houses, or houses of correction, or work-houses, or manufactories, or mad-houses, or hospitals, or schools.
>
> It is obvious that, in all these instances, the more constantly the persons to be inspected are under the eyes of the persons who should inspect them, the more perfectly will the purpose X of the establishment have been attained. Ideal perfection, if that were the object, would require that each person should actually be in that predicament, during every instant of time. This being impossible, the next thing to be wished for is, that, at every instant, seeing reason to believe as much, and not being able to satisfy himself to the contrary, he should conceive himself to be so.
> (Bentham, Jeremy, œ*The Panopticon Writings*. Ed. Miran Bozovic (London: Verso, 1995). p. 29-95)

In such a climate, as Sewell and Wilkinson described of a British factory in the early 1990s:

> ... the operators at Kay work in the knowledge that their basic work activity is subject to constant scrutiny, a factor which, when combined with the certainty of immediate public humiliation which will accompany the exposure of their divergences, invokes a powerful disciplinary force ...
>
> Up to the point when a member finally absents themselves [sic] from the shop floor at Kay they are, at least tacitly, acceding to being constantly subjected to close surveillance of an *Electronic Panopticon* which has the ability to penetrate to the very core of an individual's work activities, providing a mechanism of *Power/Knowledge* which can bring out the minutest distinctions between individuals.
>
> Thus, in attending work, members simultaneously submit themselves to 'the direction of their tasks, their nature, method, pace and quality of work [by management] ... [and] a system of worker evaluation, punishment and reward'.
>
> (Sewell & Wilkinson 1992, pp. 283-4, 287)

New technologies have given employers increasingly sophisticated surveillance tools through the 21st century. Hannah Kuchler (2014) has sketched the direction in which surveillance techniques are moving:

> ...More than half of human resources departments around the world report an increase in the use of data analytics compared with three years ago, according to a recent survey by the Economist Intelligence Unit. But many employees are still blissfully unaware of how information they may deem private is being analysed by their managers.
>
> For its part, Evolv analyses more than half a billion "employee data points" from across 13 countries, seeking to identify patterns across companies and industries. These data points range from how often employees interact with their supervisor to how long it takes a worker to get to the office.
>
> Evolv's clients use them to help guide their hiring decisions, as well as to evaluate an employee's performance throughout his or her career.
>
> The company has so far focused on customer-facing industries such as retailers and call centres. One client is Kelly, an employment agency. It says it has seen a 7 per cent improvement in employee efficiency across the board by incorporating Evolv's insights into its hiring policy.
> (Hannah Kuchler, œData pioneers watching us work, *Financial Times* /Management, February 17, 2014)

Simon Head has sketched staff management practices at Amazon's center at Rugeley, England in 2014:

> In a fine piece of investigative reporting for the London Financial Times, economics correspondent Sarah O'Connor describes how, at Amazon's center at Rugeley, England, Amazon tags its employees with personal sat-nav (satellite navigation) computers that tell them the route they must travel to shelve consignments of goods, but also set target times for their warehouse journeys and then measure whether targets are met.
>
> All this information is available to management in real time, and if an employee is behind schedule she will receive a text message pointing this out and telling her to reach her targets or suffer the consequences. At Amazon's depot in Allentown, Pennsylvania (of which more later), Kate Salasky worked shifts of up to eleven hours a day, mostly spent walking the length and breadth of the warehouse. In March 2011 she received a warning message from her manager, saying that she had been found unproductive during several minutes of her shift, and she was eventually fired. This employee tagging is now in operation at Amazon centers worldwide...
> (Simon Head, œWorse than Wal-Mart: Amazon's sick brutality and secret history of ruthlessly intimidating workers, *Salon*, Sunday, Feb 23, 2014)

505 As Adam Smith explained of the motivations of 'Merchants and master manufacturers':

> Merchants and master manufacturers are... the two classes of people who commonly employ the largest capitals, and who by their wealth draw to themselves the greatest share of the public consideration. ...
>
> As their thoughts, however, are commonly exercised rather about the interest of their own particular branch of business, than about

> that of the society, their judgment, even when given with the greatest candour (which it has not been upon every occasion) is much more to be depended upon with regard to the former of those two objects than with regard to the latter. Their superiority over the country gentleman is not so much in their knowledge of the public interest, as in their having a better knowledge of their own interest than he has of his.
>
> It is by this superior knowledge of their own interest that they have frequently imposed upon his generosity, and persuaded him to give up both his own interest and that of the public, from a very simple but honest conviction that their interest, and not his, was the interest of the public. The interest of the dealers, however, in any particular branch of trade or manufactures, is always in some respects different from, and even opposite to, that of the public.
>
> To widen the market and to narrow the competition, is always the interest of the dealers. To widen the market may frequently be agreeable enough to the interest of the public; but to narrow the competition must always be against it, and can serve only to enable the dealers, by raising their profits above what they naturally would be, to levy, for their own benefit, an absurd tax upon the rest of their fellow-citizens.
>
> The proposal of any new law or regulation of commerce which comes from this order ought always to be listened to with great precaution, and ought never to be adopted till after having been long and carefully examined, not only with the most scrupulous, but with the most suspicious attention. It comes from an order of men whose interest is never exactly the same with that of the public, who have generally an interest to deceive and even to oppress the public, and who accordingly have, upon many occasions, both deceived and oppressed it.
> (Adam Smith, 1776, œ*An Inquiry Into the Nature and Causes of the Wealth of Nations*, Book 1, Chapter XI, Conclusion of Chapter)

[506] See Dew-Becker and Gordon (2005) for more on the divergence between productivity gains and both employment numbers and incomes in Western countries (and, of course, everywhere else) over the past forty years. As the authors explain:

> A basic tenet of economic science is that productivity growth is the source of growth in real income per capita. But our results raise doubts by creating a direct link between macro productivity growth and the micro evolution of the income distribution.
>
> We show that over the entire period 1966-2001, as well as over 1997-2001, only the top 10 percent of the income distribution enjoyed a growth rate of real wage and salary income equal to or above the average rate of economy-wide productivity growth.
>
> Growth in median real wage and salary income barely grew at all while average wage and salary income kept pace with productivity growth, because half of the income gains went to the top 10 percent of the income distribution, leaving little left over for the bottom 90 percent. Half of this inequality effect is attributable to gains of the 90th percentile over the 10th percentile; the other half is due to increased skewness within the top 10 percent.
> (Ian Dew-Becker and Robert J. Gordon œWhere Did the Productivity Growth Go? Inflation Dynamics And The Distribution Of Income,

(NBER Working Paper Series, Working Paper 11842, National Bureau Of Economic Research, December 2005))

Here is a US Bureau of Labor Statistics graph of the labor share in the nonfarm business sector 1947-2013:

œ

The original chart can be found in an essay by Susan Fleck, John Glaser, and Shawn Sprague, œThe compensation-productivity gap: a visual essay, (US Bureau of Labor Statistics *Monthly Labor Review*, January 2011, p. 63 - œupdated charts and associated data can be found here). As they explain:

> Labor share is the portion of output that employers spend on labor costs (wages, salaries, and benefits) valued in each year's prices. Nonlabor share-the remaining portion of output-includes returns to capital, such as profits, net interest, depreciation, and indirect taxes.
>
> Labor share averaged 64.3 percent from 1947 to 2000. Labor share has declined over the past decade, falling to its lowest point in the third quarter of 2010, 57.8 percent. The change in labor share from one period to the next has become a major factor contributing to the compensation-productivity gap in the nonfarm business sector.

(see Paul Krugman, œHuman Versus Physical Capital, *New York Times,* December 11, 2012 for more on this)

Also, for a comparison of labor productivity and real hourly compensation in the US, see this graph and accompanying explanation:

1. Productivity and real hourly compensation, nonfarm business sector, first quarter 1947–third quarter 2010

Note: The shaded bars denote National Bureau of Economic Research (NBER)-designated recessions.

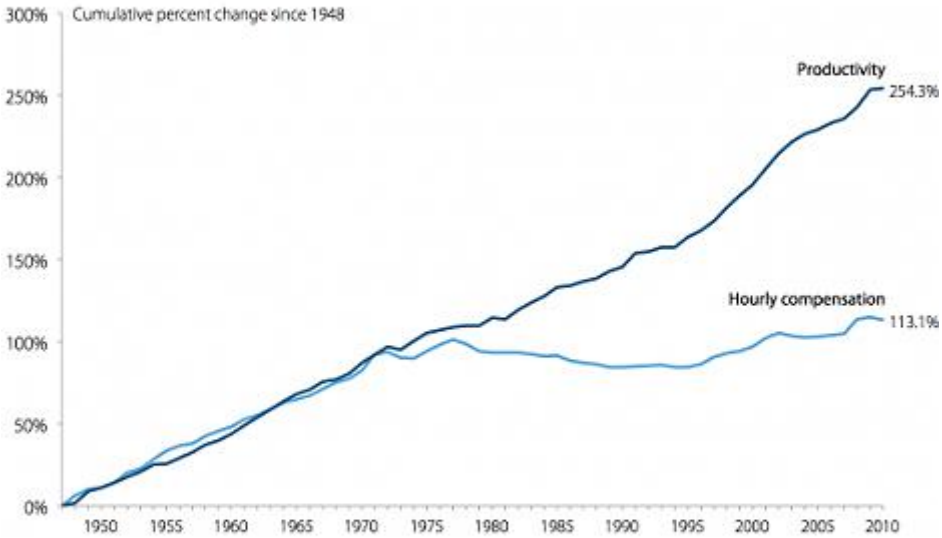
(Labor productivity is output, adjusted for price changes, divided by hours worked at all jobs. Productivity in the U.S. nonfarm business sector grew an average of 2.2 percent per year over the past 63 years, despite a pro-longed slowdown from 1973 to 1995.

Real hourly compensation is the hourly cost to businesses, adjusted for price changes, of wages, salaries, and benefits paid to workers. Real hourly compensation grew at an average annual rate of 1.7 percent over the 63-year period. Since the 1970s, real hourly compensation has grown more slowly than productivity.)
(œ*Monthly Labor Review January 2011 p. 59*)

See Lawrence Mishel, œThe wedges between productivity and median compensation growth (*Economic Policy Institute,* Issue Brief #330, April 26, 2012) for more on this:

Figure A

Growth of real hourly compensation for production/nonsupervisory workers and productivity, 1948–2011

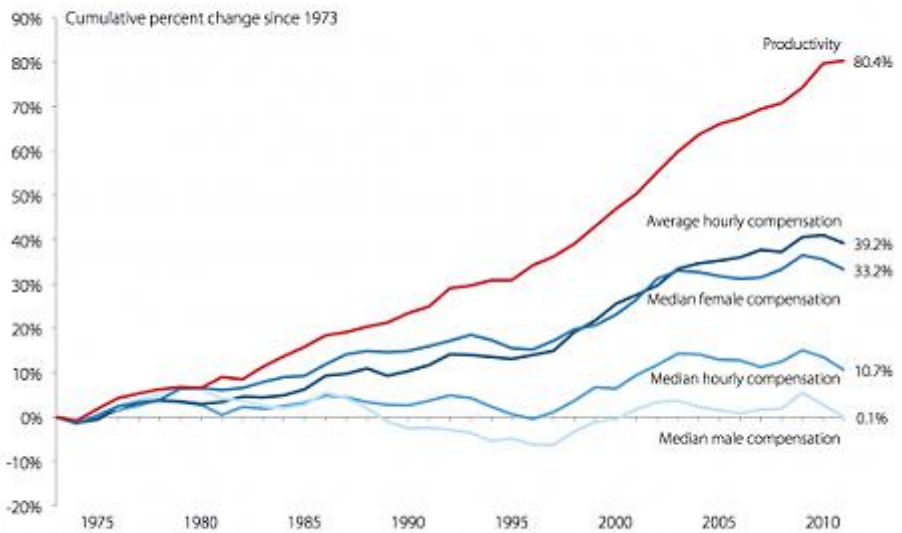


Note: Hourly compensation is of production/nonsupervisory workers in the private sector and productivity is for the total economy.

Source: Author's analysis of unpublished total economy data from Bureau of Labor Statistics, Labor Productivity and Costs program and Bureau of Economic Analysis, National Income and Product Accounts public data series

Figure B

Growth of hourly productivity, real average hourly compensation, and real median hourly compensation (overall and by gender), 1973–2011

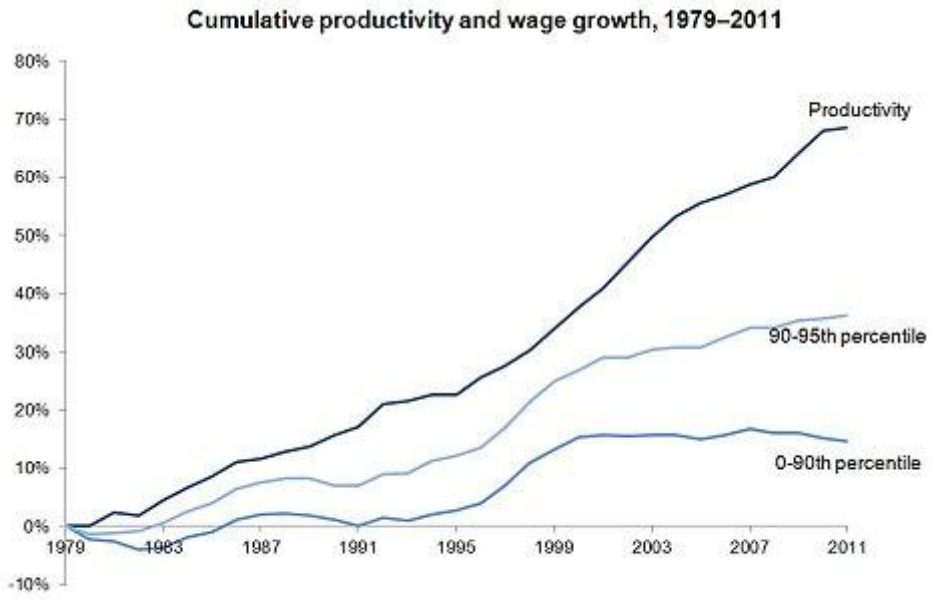


Note: Compensation is for production/nonsupervisory workers in the private sector, and productivity is for the total economy.
Source: Author's analysis of unpublished total economy data from the Bureau of Labor Statistics, Labor Productivity and Costs program and Bureau of Economic Analysis, National Income and Product Accounts public data series

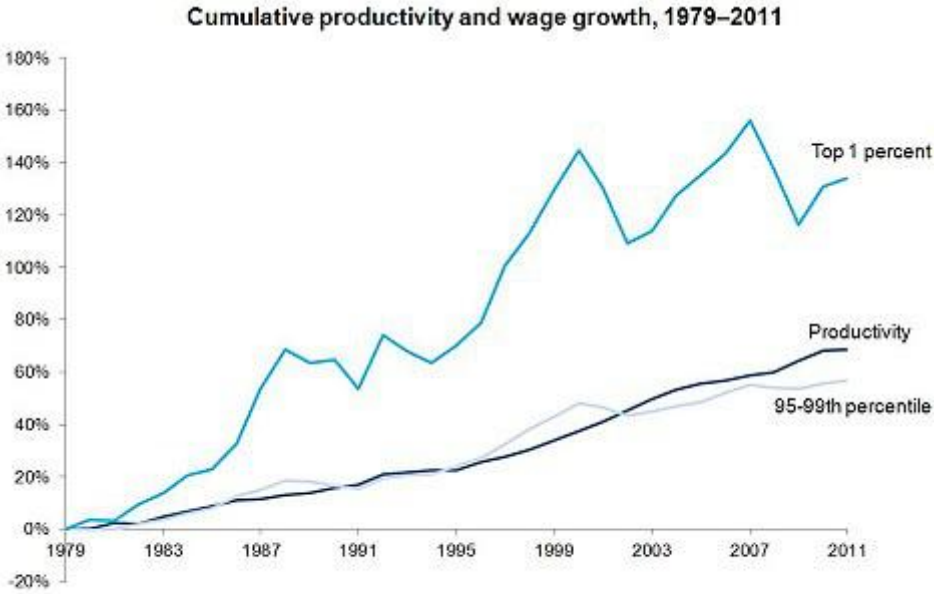
As Mishel explains:

> Income inequality has grown over the last 30 years or more driven by three dynamics: rising inequality of labor income (wages and compensation), rising inequality of capital income, and an increasing share of income going to capital income rather than labor income. As a consequence, examining market-based incomes one finds that "the top 1 percent of households have secured a very large share of all of the gains in income-59.9 percent of the gains from 1979-2007, while the top 0.1 percent seized an even more disproportionate share: 36 percent. In comparison, only 8.6 percent of income gains have gone to the bottom 90 percent" (Mishel and Bivens 2011).
>
> ... the experience of the vast majority of workers in recent decades has been that productivity growth actually provides only the potential for rising living standards: Recent history, especially since 2000, has shown that wages and compensation for the typical worker and income growth for the typical family have lagged tremendously behind the nation's fast productivity growth.

Josh Bivens, "The Compensation/Productivity Link Is Indeed Broken for the Vast Majority of American Workers (*Economic Policy Institute,* Blog, July 19, 2013) provides a further breakdown:



Source: Author's analysis ofunpublished Total Economy Productivity data from the Bureau of Labor Statistics (2012) and Kopczuk, Saez, and Song (2010) and Social Security Administration wage statistics



Source: Author's analysis ofunpublished Total Economy Productivity data from the Bureau of Labor Statistics (2012) and Kopczuk, Saez, and Song (2010) and Social Security Administration wage statistics

Josh Bivens and Lawrence Mishel have provided an updated version of the above graphs. As they explain:

> This paper updates and explains the implications of the central component of the wage stagnation story: the growing gap between overall productivity growth and the pay of the vast majority of workers since the 1970s. A careful analysis of this gap between pay and productivity provides several important insights for the ongoing debate about how to address wage stagnation and rising inequality.
>
> First, wages did not stagnate for the vast majority because growth in productivity (or income and wealth creation) collapsed. Yes, the policy shifts that led to rising inequality were also associated with a slowdown in productivity growth, but even with this slowdown, productivity still managed to rise substantially in recent decades. But essentially none of this productivity growth flowed into the paychecks of typical American workers.

Second, pay failed to track productivity primarily due to two key dynamics representing rising inequality: the rising inequality of compensation (more wage and salary income accumulating at the very top of the pay scale) and the shift in the share of overall national income going to owners of capital and away from the pay of employees.

Third, although boosting productivity growth is an important long-run goal, this will not lead to broad-based wage gains unless we pursue policies that reconnect productivity growth and the pay of the vast majority.

Ever since EPI first drew attention to the decoupling of pay and productivity (Mishel and Bernstein 1994), our work has been widely cited in economic analyses and by policymakers. It has also attracted criticisms from those looking to deny the facts of inequality. Thus in this paper we not only provide an updated analysis of the productivity-pay disconnect and the factors behind it, we also explain why the measurement choices we have made are the correct ones. As we demonstrate, the data series and methods we use to construct our graph of the growing gap between productivity and typical worker pay best capture how income generated in an average hour of work in the U.S. economy has not trickled down to raise hourly pay for typical workers.
(Josh Bivens and Lawrence Mishel, œ*Understanding the Historic Divergence Between Productivity and a Typical Worker's Pay: Why It Matters and Why It's Real* (*Economic Policy Institute*, Briefing Paper #406, September 2 2015))

(See also Lawrence Mishel and Kar-Fai Gee œWhy Aren't Workers Benefiting from Labour Productivity Growth in the United States? *International Productivity Monitor*, No. 23, Spring 2012 pp. 31-43)

507 *The Independent Commission for the Reform of International Corporate Taxation*, in a statement of principles, has addressed the problems of nation-state exploitation and tax evasion which are at the root of these developments:

1. States must reject the artifice that a corporation's subsidiaries and branches are separate entities entitled to separate treatment under tax law, and instead recognize that multinational corporations act as single firms conducting business activities across international borders.
2. States should develop model bilateral and multilateral agreements to enable participating jurisdictions to apportion revenues and costs attributable to a multinational corporation operating in those jurisdictions.
3. Instead of attributing income from the control or ownership of intellectual property to a low tax jurisdiction, the income should be apportioned to the jurisdictions where the intellectual property was developed or, if sold, apportioned according to objective economic factors such as sales and employment.
4. States should treat a company affiliate of a resident multinational corporation that carries out business activity in a jurisdiction as a presumptive permanent establishment with tax nexus in that jurisdiction.

5. States should revise the permanent establishment rules to provide that when a corporation sells or provides downloads of products from the internet to customers in a jurisdiction, exceeding a specified threshold, that business activity creates a permanent establishment.
6. In the long term, the system for taxing a multinational corporation's subsidiaries as separate entities should be replaced by a system of taxing multinational corporations as single and unified firms, using formulary apportionment based upon objective factors, such as sales and employment, and with adequate consideration of the source principle.
7. International cooperation for reform must go beyond the current OECD's BEPS initiative and begin to research and negotiate the specific elements of an international consolidation and apportionment system, including what rules would apply to determine the tax base and apportion profits among countries where multinational firms operate, and how to avoid the vertical disintegration to which it may give rise. (The Independent Commission for the Reform of International Corporate Taxation, œ*Declaration: of the Independent Commission for the Reform of International Corporate Taxation*, Statement of Principles, June 2015; see: George Turner, œFixing the international tax system, *the Tax Justice Network*, November, 2017, for more on all this)

See Joseph E. Stiglitz, œAmerica in the Way (*Project Syndicate*, August 6, 2015) for discussion of some of the related issues.

508 For more on foreign direct investment (FDI) flows and cross-border mergers and acquisitions (M & As) over the past three decades, see this United Nations Conference on Trade and Development (UNCTAD) site: œResearch on FDI and TNCs.

509 In the 21st century, hyper-globalization has led to increasingly complex multi-national and multi-continental management requirements in major industrial conglomerates. A commenter on an article entitled 'Boeing Might Represent the Greatest Indictment of 21st-Century Capitalism' has explained it well:

> ...The reality is that I see more and more engineers with poor management and people skills, and this is why it becomes difficult to manage these teams as systems become more complex and engineers require more technical skill, but increasingly lack the corresponding necessary parallel improvement in interpersonal skills...
>
> When one works on multi-continent teams, it also takes a special dedication: you are working on a 24 hour cycle, regularly doing midnight/2am conference calls, working on your vacation days, and to be frank, not having a family around becomes a necessity. A lot of the guys I work with live with their family on the weekends and fly into a work location during the week and don't see them. Six years ago I was working in San Francisco for a guy that lived in Georgia on the weekend and flew across the country on Monday morning to make the weekly commute. It just takes this level of intensity and commitment to the vision of your project to do it. (Which is worse - bankers or terrorists, Commenter on Marshall

Auerback, œBoeing Might Represent the Greatest Indictment of 21st-Century Capitalism, *Naked Capitalism*, April 27, 2019)

And, a comment on this comment by 'a different chris':

> "...that lived in Georgia on the weekend and flew across the country on Monday morning to make the weekly commute. It just takes this level of intensity and commitment to the vision of your project to do it."
>
> You talk "intensity and commitment". I see a tired person very likely to make mistakes. Because a human only has so much to give before they crash, and if much of that is devoted to flying across the US weekly and living away from your family, then that's not going to doing your job.
>
> Can't you see somebody at Boeing, technically accomplished and maybe respected enough to change or call halt on the 737 Max re-work, being too tired to actually see that it was necessary? Nominally with the skill set, but too tired to see the forest for the trees he is harvesting?

[510]Dani Rodrik (2015) has described some of the problems associated with agreements such as the Trans-Pacific Partnership (TPP), Transatlantic Trade and Investment Partnership (TTIP) and the Trade in Services Agreement (TiSA):

> Perhaps most worrisome are the Investor-State Dispute Settlement (ISDS) provisions of the two agreements. These provisions establish a separate judicial track, outside a country's own legal system, that allows firms to sue governments for apparent violations under trade treaties. Proponents defend ISDS by saying that it will not have much consequence for countries, such as the US, where there is good rule of law, and that it will promote investment in countries, such as Vietnam, where there is not. In that case, it is unclear why ISDS provisions are needed for the TTIP, which covers the advanced economies of North America and Europe.
>
> In all of these areas, the TPP and TTIP seem to be about corporate capture, not liberalism.
> (Dani Rodrik, œThe Muddled Case for Trade Agreements, *Project Syndicate*, June 11 2015)

(For more information on the nature and possibilities of Investor-State dispute settlement (ISDS) mechanisms see [996].)

For the composition of "The Obama administration's corporate-heavy network of official trade advisers" involved in the TPP negotiations, see this *Washington Post* breakdown. As the authors illustrate:

> Private industry and trade groups represent the lion's share of committee members - 480, or 85% of the total [566]
>
> ...The industry make-up of each of the 28 advisory committees differs as well. But most committees are devoted primarily or exclusively to business interests and related trade associations.
> (Christopher Ingraham and Howard Schneider, œIndustry voices dominate the trade advisory system, *The Washington Post*, Feb. 27, 2014)

For an introduction to the debate on the nature and importance of the Trans-Pacific Partnership, see Joseph Stiglitz and Adam Hersh, œThe Trans-Pacific Free-Trade Charade (*Project Syndicate*, October 2, 2015)

and the associated comments on the pros and cons of the TPP. The authors set the tone for this debate:

> You will hear much about the importance of the TPP for "free trade." The reality is that this is an agreement to manage its members' trade and investment relations - and to do so on behalf of each country's most powerful business lobbies. Make no mistake: It is evident from the main outstanding issues, over which negotiators are still haggling, that the TPP is not about "free" trade.

As one of the commenters, Douglas Ungredda, put it:

> ...[T]he question at the end of the day, it seems to me, is: can I trust the government of my country to defend MY interests when they are in conflict with others within the polis? And if the answer to that is no - and most of the comments below seem to offer that answer - then TPP is (or in my view ought to be) the least of the common citizen's worries.

While the TPP and TTIP negotiations have attracted attention, of possibly great importance for the future of democracy is the Trade in Services Agreement (TiSA), currently being negotiated.

Lambert Strether has re-stressed the dangers of complacency. The *apparent* demise of the Trans-Pacific Partnership following US President Trump's 2017 decision not to ratify the agreement does not signal the demise of its intentions; nor has it significantly affected the continued development of The Trade in Services Agreement (TiSA):

> Trade activists may regard the defeat of TPP - its (no doubt feigned) rejection by Democrat candidate Clinton, and its deep-sixing by President Trump on his third day in office - as a victory, and they're not wrong.
>
> But it's a mistake to regard the defeat of a deal as the defeat of the deal-makers: The forces and drivers behind the deal, which, if unchecked, will simply emerge with a [cough] new deal serving the same objectives.
>
> In this post I want to look briefly at the state of play in "trade," and then begin to look at the Trade in Services Agreement (TiSA) - that lowercase "i" gets me every time; I suppose it's meant to make the acronym seem friendlier - because, unlike the regional TPP, TiSA is a global agreement, because it's far less undead than TPP, and because it provides great insight into the future world our globalist elites would like us to live in.
> (Lambert Strether, œSleeping Monster: The Trade in Services Agreement (TiSA) and the Supply Chain, *Naked Capitalism*, July 19, 2017)

WikiLeaks, in 2015, provided a timely introduction to the framing of the Trade in Services Agreement (TISA):

> Since 2013, 51 nations have been conducting closed-door negotiations on a Trade in Services Agreement (TISA) whose text has been kept secret, despite that the pact, as proposed, would impose binding constraints on a broad swath of domestic safeguards, including financial regulations.... On July 2, 2015, leaked copies of several draft TISA texts, including an Annex on Financial Services, were posted online.
>
> The leaked TISA texts reveal the dangers of sweeping, so-called "trade" agreements that are negotiated outside of public scrutiny,

providing a cautionary tale for the controversial Trans-Pacific Partnership and Trans-Atlantic Free Trade Agreement that are also being negotiated in secret. As governments around the world implement the lessons of the 2008 financial crisis by re-regulating financial firms to prevent another crisis, the leaked TISA rules could require countries - including the world's largest financial centers - to halt and even roll back financial regulations.

Indeed, the leaked TISA Annex on Financial Services makes clear that TISA restrictions on financial regulations would apply to virtually the entire financial sector - including derivatives, banking, stocks and bonds, foreign exchange, life and non-life insurance, credit cards, financial data processing, credit-rating, reinsurance and other financial services (Annex, Art. X.2(a))...
(Ben Beachy, Public Citizen's Global Trade Watch, œTISA Leak Reveals 10 Key Threats to Commonsense Financial Regulations, PublicCitizen, July 2, 2015)
(See WikiLeaks œTrade in Services Agreement for more information on TiSA negotiations.)

Don Quijones, an editor at *Wolf Street*, has provided a summary of some of the key issues being addressed in TISA negotiations:

...[T]hanks to whistle blowing sites like WikiLeaks, the Associated Whistleblowing Press and Filtrala, crucial details have seeped to the surface. Here's a brief outline of what is known to date...:

1. ***TiSA would "lock in" the privatization of services*** - even in cases where private service delivery has failed - meaning governments can never return water, energy, health, education or other services to public hands.

2. ***TiSA would restrict signatory governments' right to regulate stronger standards in the public's interest***. For example, it will affect environmental regulations, licensing of health facilities and laboratories, waste disposal centres, power plants, school and university accreditation and broadcast licenses.

3. ***TiSA would limit the ability of governments to regulate the financial services industry***, at a time when the global economy is still struggling to recover from a crisis caused primarily by financial deregulation. More specifically, if signed the trade agreement would:

- Restrict the ability of governments to place limits on the trading of derivative contracts - the largely unregulated weapons of mass financial destruction that helped trigger the 2007-08 Global Financial Crisis.
- Bar new financial regulations that do not conform to deregulatory rules. Signatory governments will essentially agree not to apply new financial policy measures which in any way contradict the agreement's emphasis on deregulatory measures.
- Prohibit national governments from using capital controls to prevent or mitigate financial crises. The leaked texts prohibit restrictions on financial inflows - used to prevent rapid currency appreciation, asset bubbles and other macroeconomic problems - and financial outflows, used to prevent sudden capital flight in times of crisis.

- Require acceptance of financial products not yet invented. Despite the pivotal role that new, complex financial products played in the Financial Crisis, TISA would require governments to allow all new financial products and services, including ones not yet invented, to be sold within their territories.

4. ***TiSA would ban any restrictions on cross-border information flows and localization requirements for ICT service providers***. A provision proposed by US negotiators would rule out any conditions for the transfer of personal data to third countries that are currently in place in EU data protection law. In other words, multinational corporations will have carte blanche to pry into just about every facet of the working and personal lives of the inhabitants
(Don Quijones, œUruguay Does Unthinkable, Rejects Global Corporatocracy, *Wolf Street*, September 22, 2015)

511 (11/02/16) Jeronim Capaldo and Alex Izurieta, provide an assessment of projected benefits of the TPP agreement claimed in a number of existing analyses[997] :

According to its proponents, the TPP will generate higher economic growth throughout the area by eliminating tariffs and other obstacles to international trade and investment.

With its coverage of a large share of the world economy, potential implications for several policy areas and a fairly large membership, the TPP bears a close resemblance with the Trans-Atlantic Trade and Investment Partnership (TTIP) discussed by the European Union and the United States. As with its trans-Atlantic homologue, much political emphasis has been placed on the TPP's prospective economic effects.

Several analyses have highlighted potential advantages and risks of the TPP for trade flows, industrial output, wages, international investment and financial stability. Calculating the net effects of these factors on economic growth, employment and income distribution requires making assumptions about how economies adjust to external shocks. Different theories exist to explain these processes. The standard model assumes full employment and invariant income distribution, ruling out the main risks of trade and financial liberalization. Subject to these assumptions, it finds positive effects on growth. An important question, therefore, is how this conclusion changes if those assumptions are dropped.

In this paper, we review existing projections of the TPP and propose alternative ones based on more realistic assumptions about economic adjustment and income distribution. We start from the trade projections put forward in the main existing study and explore their macroeconomic consequences using the United Nations Global Policy Model.

We find negative effects on growth in the United States and in Japan. We also find increasing inequality and job losses in all participating economies. Overall, we project the loss of 770,000 jobs, with the largest losses occurring in the United States. Furthermore, we project negative effects on growth and employment in non-TPP countries. This increases the risk of global

> instability and a race to the bottom, in which labor incomes will be under increasing pressure.
>
> This paper takes no position on the overall desirability of the TPP, and makes no policy recommendation. Instead, it seeks to provide policymakers with the most realistic projections of how the TPP would impact macroeconomic performance.
> (Jeronim Capaldo and Alex Izurieta with Jomo Kwame Sundaram, œTrading Down: Unemployment, Inequality and Other Risks of the Trans-Pacific Partnership Agreement, *Global Development and Environment Institute*, Tufts University, Working Paper No. 16-01, January 2016, pp. 1-2)

Public Citizen website has provided a œsummary of key features of the released Trans-Pacific Partnership text, slanted toward United States concerns. Many of the issues they raise are of importance to all partners in the negotiated agreements. In a preamble to their findings, entitled *Secret TPP Text Unveiled: It's Worse Than We Thought, With Limits on Food Safety and Controversial Investor-State System Expanded, Rollback of Bush-Era Medicine Access and Environmental Terms*, they say:

> Today's long-awaited release of the text of the Trans-Pacific Partnership (TPP) reveals that the pact replicates many of the most controversial terms of past pacts that promote job offshoring and push down U.S wages while further expanding the scope of the controversial investor-state system and rolling back improvements on access to affordable medicines and environmental standards that congressional Democrats forced on the George W. Bush administration in 2007.
>
> "Apparently, the TPP's proponents resorted to such extreme secrecy during negotiations because the text shows that the TPP would offshore more American jobs, lower our wages, flood us with unsafe imported food and expose our laws to attack in foreign tribunals," said Lori Wallach, director of Public Citizen's Global Trade Watch. "When the administration says it used the TPP to renegotiate NAFTA, few expected that meant doubling down on the worst job-killing, wage-suppressing NAFTA terms, expanding limits on food safety and rolling back past reforms on environmental standards and access to affordable drugs."...
>
> Today's text release confirms concerns about the TPP that were based on earlier leaks and reveals ways in which the TPP rolls back past public interest reforms to the U.S. trade model and expands anti-public interest provisions demanded by the hundreds of official U.S. corporate trade advisers:
>
> **Worse anti-public-interest provisions relative to past U.S. trade pacts**
>
> - The TPP Intellectual Property Chapter would roll back the "May 2007" reforms for access to medicines.
> - The TPP Environment Chapter would roll back the "May 2007" reforms by eliminating most of the seven Multilateral Environmental Agreements that past pacts have enforced.
> - The TPP Investment Chapter would expand the scope of policies that can be challenged and the basis for such challenges, including for the first time ever allowing investor-state dispute settlement (ISDS) enforcement of World Trade

Organization intellectual property terms and new challenges to financial regulations.

- With Japanese, Australian and other firms newly empowered to launch ISDS attacks against the United States, the TPP would double U.S. ISDS exposure with more than 9,200 additional subsidiaries operating here of corporations from TPP nations newly empowered to launch ISDS cases against the U.S. government. (About 9,500 U.S. subsidiaries have ISDS rights under ALL existing U.S. investor-state-enforced pacts.)
- The TPP E-Commerce chapter would undermine consumer privacy protections for sensitive personal health, financial and other data when it crosses borders by exposing such policies to challenge as a violation of the TPP limits on regulation of data flows.
- TPP "Sanitary and Phytosanitary" chapter terms would impose new limits on imported food safety relative to past pacts. This includes new challenges to U.S. border inspection systems that can be launched based on extremely subjective requirements that inspections must "limited to what is reasonable and necessary" as determine by a TPP tribunal. New language that replicates the industry demand for a so-called Rapid Response Mechanism that requires border inspectors to notify exporters for every food safety check that finds a problem and give the exporter the right to bring a challenge to that port inspection determinations - meaning new rights to bring a trade challenge to individual border inspection decisions (including, potentially, laboratory or other testing) that second-guesses U.S. inspectors and creates a chilling effect that would deter rigorous oversight of imported foods.

Anti-public interest provisions that are the same as past U.S. pacts

- The TPP Investment Chapter would eliminate many of the risks and costs of relocating American jobs to low-wage countries, incentivizing more American job offshoring.
- The TPP procurement chapter would offshore our tax dollars to create jobs overseas instead of at home by giving firms operating in any TPP nation equal access to many U.S. government procurement contracts, rather than us continuing to give preference to local firms to build and maintain our public libraries, parks, post offices and universities.
- Contrary to Fast Track negotiating objectives, the TPP would grant foreign firms greater rights than domestic firms enjoy under U.S. law and in U.S. courts. One class of interests - foreign firms - could privately enforce this public treaty by skirting domestic laws and courts to challenge U.S. federal, state and local decisions and policies on grounds not available in U.S. law and do so before extrajudicial ISDS tribunals authorized to order payment of unlimited sums of taxpayer dollars.
- There are no new safeguards that limit ISDS tribunals' discretion to issue ever-expanding interpretations of

governments' obligations to investors and order compensation on that basis. The text reveals the same "safeguard" Annexes and terms that were included in U.S. pacts since the 2005 Central America Free Trade Agreement (CAFTA) that have failed to rein in ISDS tribunals. CAFTA tribunals have simply ignored the "safeguard" provisions that are replicated in the TPP, and as with past pacts, in the TPP such tribunal, conduct is not subject to appeal.

- The TPP would ban the use of capital controls and other macroprudential financial regulations used to prevent speculative bubbles and financial crises.
(Nick Florko and Valerie Holdford, œSecret TPP Text Unveiled: It's Worse Than We Thought, *Public Citizen*, November 5, 2015)

512 Thom Hartmann, in an important and insightful essay, has described the fragility of democratic government and the importance of never-failing vigilance as a prerequisite for its survival:

> We think of our civilization as having a democratic heritage, but that's a mirage. For most of these thousands of years, kings, emperors, Caesars, Popes, and warlords have ruled the lives of ordinary people. Democracy was tried for just 185 years, from 507 BCE to 322 BCE, on the Greek island of Athens; the experiment came to a bloody end with the conquest of the area by warlord Alexander the Great.
>
> The idea lay dormant for two thousand years. The rule of kings and warlords resumed, until the American experiment birthed it again - in the midst of an economic crisis. There have been just three of these 75-year economic cycles in our history, and both of the previous ones threatened the very foundations of human liberty.
>
> Yet as rare as democracy is in history, the concept is immensely compelling to the human spirit, and American expressions of the ideal have been the beacon that has lit the path. From the French Revolution in 1789 to the people's uprising in Beijing in 1989, people around the world have used language and icons from the pen of Thomas Jefferson and his peers. The Greek-Roman-Masonic-Iroquois-American idea of a government "deriving its just powers from the consent of the governed" is one of the most powerful and timeless ideas in the world - even if we didn't quite get it right at first (it was only true for propertied white males), and even if it's been strained since its inception....
>
> But while much of the world moves to emulate the American experiment, contemporary America is moving in the direction of the corporate-state partnership. Executives from regulated industries are heading up the agencies that regulate them. Another symptom of increasing corporate control of the nation is widespread privatization - a euphemism for shifting control of a commons resource (like water supplies) from government agencies to corporations. And corporations and their agents have become the largest contributors to politicians, political parties, and so-called "think tanks" which both write and influence legislation.
>
> The distinction between corporate control and human control is absolutely pivotal: governments that derive their just powers from the governed are responsible to citizens and voters, and their

agencies are created exclusively to administer and protect the resources of the commons used by citizens and voters. Corporations are responsible only to stockholders and are created exclusively to produce a profit for those stockholders. When aggressive corporations are in seats of power, the results are predictable.

We have recently seen, all too often, the strange fruits borne by placing a corporate sentry where a public guardian should stand: for instance, we now know that the California energy crisis was manipulated into existence by Enron and a few other Texas energy companies. The cost to humans, for this corporate plunder, was horrific; but who was accountable, and who will go on trial? And more to the point, how did it come to be that corporations had the ability to do such things while the public protested vigorously?

It turns out, says the Supreme Court, that they have human rights. In several different decisions, all grounded in an 1886 case, the Court has ruled that corporations are entitled to a voice in Washington, the same as you and me.

But that is a peculiar thought. Our nation is built on equal protection of people (regardless of differences of race, creed, gender, or religion), and corporations are much bigger than people, much more able to influence the government, and don't have the biological needs and weakness of people. And therein lies the rub - a subtle shift that happened 136 years ago, which put us on this road.

The path from government of, by, and for the people to government of, by, and for the corporations was paved largely by an invented legal premise that corporations are, in fact, people - a premise called "corporate personhood." This states not just that people make up a corporation, but that each corporation, when created by the act of incorporation, is a full-grown "person" - separate from the humans who work for it or own stock in it - with all the rights granted to persons by the Bill of Rights.

This idea would be shocking to the Founders of the United States. James Madison, often referred to as "the father of the Constitution," wrote, "There is an evil which ought to be guarded against in the indefinite accumulation of property from the capacity of holding it in perpetuity by...corporations. The power of all corporations ought to be limited in this respect. The growing wealth acquired by them never fails to be a source of abuses."...
(Thom Hartmann, œDemocracy and Economic Cycles, *Thom's Articles*, November 2, 2007)

513 (05/04/16) Edward Morris has provided a clear explanation of the reasons for the fiscal and financial regulations developed during the 1930s in the US and the consequences of the repeal of those regulations in the post-1970s neoliberal age. In an article entitled 'Why Bernie's right about Glass-Steagall', he explains:

> Bernie Sanders is advocating a reprise of the 1933 Glass-Steagall Act, specifically that section of the Depression-era act that had prohibited commercial banks and investment banks from operating under the same roof. Sanders believes that the repeal of Glass-Steagall in 1999 led to the formation of banks that became "too big to fail," contributed to the financial crisis in 2008 - and will lead to another crisis without corrective legislation...

> Sanders has a strong argument, one that can be effectively made using Citigroup, the two-century old bank that, along with other Wall Street banks, has a history of wreaking havoc on itself and the economy when it mixes commercial banking with investment banking
>
> The first instance occurred in the 1920s when Charles "Sunshine" Mitchell became president of what was then National City Bank. The bank was the largest in the U.S. and its securities affiliate, under his aggressive management, had also become the country's largest investment operation, with sixty-nine sales offices in fifty-eight cities. Much of National City Bank's growth, however, was at the expense of its growing clientele of unwary investors, who became victims of shoddy securities offerings the bank originated and, most famously, the notorious investment pools the bank sponsored in the Roaring Twenties.
>
> In 1933, long after the 1929 stock market crash and in the depth of the Great Depression, Mitchell was brought before the Senate Banking and Currency Committee to explain how investment pools worked and how National City Bank played a role. First, it turned out, the bank loaned money to a "pool manager" to facilitate the purchase of a selected "story stock" by a small group of initial investors. Then the pool manager planted rumors and bogus news accounts to entice the general public to purchase the stock at ever increasing prices. National City's investment affiliate further aided the pool manager in its efforts by authorizing the payment of "premium" commissions to tout the targeted stock. When the stock's price reached some level judged unsustainable by the pool manager, the early investors quietly bailed out, leaving smaller and less informed investors holding the bag. If those chump investors had purchased their stock on margin, they likely owed large sums of money in addition to holding the deflated stock.
>
> And buying stocks on margin was a practice greatly encouraged by National City Bank, a major supplier of "broker loans." When the Federal Reserve tried to tamp down stock market speculation in 1929 by limiting the amount of margin debt, Mitchell - himself a member of the Fed's board of governors - instructed National City to go directly counter to the central bank's wishes by increasing the high volume of broker loans it was already providing. During the Senate hearings on the collapse of the stock market, Senator Carter Glass (the Glass in Glass-Steagall) proclaimed that Mitchell "more than forty others is responsible for the present situation." (Edward Morris, œWhy Bernie's Right About Glass-Steagall, *History News Network*, April 3, 2016)

By the 1990s, in the US, Glass-Steagall and other New Deal legislation was under siege by those who believed in the virtues of free markets, globalization and the removal of 'obstacles' which prevented American banks from growing larger so that they could "better compete on the world stage".

Peter Conti-Brown, in a discussion of Bank of England proposals "to provide a ring-fence of protection and business continuity for retail banking units of large banks, effectively shielding them from problems their investment banking arms may face", spelt out the process by which Glass-Steagall legislation was progressively dismantled over the years:

> Enacted as a response to the Great Depression of the 1930s, Glass-Steagall originally also sought separation of banking activities, but was progressively watered down before being repealed in 1999. " [Former Federal Reserve chairman] Alan Greenspan hated Glass-Steagall and he subjected it to 10,000 cuts in terms of regulatory waivers and loopholes and such," Black said. "By the time it was effectively repealed in 1999 under Bill Clinton, there wasn't a whole lot left of Glass-Steagall."
> (œCan the Bank of England's New 'Ring-fencing' Rules Work?, *Knowledge@Wharton*, The Wharton School, University of Pennsylvania, Oct 20, 2015)

As President Obama summed it all up in 2008:

> "By the time the Glass-Steagall Act was repealed in 1999, the $300 million lobbying effort that drove deregulation was more about facilitating mergers than creating an efficient regulatory framework," Mr. Obama said in a speech on the economy at Cooper Union in New York in March 2008. "Instead of establishing a 21st century regulatory framework, we simply dismantled the old one," thereby encouraging "a winner take all, anything goes environment that helped foster devastating dislocations in our economy."
> (Cyrus Sanati, œ10 Years Later, Looking at Repeal of Glass-Steagall, *New York Times*, November 12, 2009)

Simon Johnson has provided a compelling case for a 21st century version of Glass-Steagall legislation. As he says,

> The best argument for a modern Glass-Steagall act is the simplest. We should want a lot more loss-absorbing shareholder equity. And, to reinforce this, we should want to make the largest banks simpler and more transparent, with "strong structural firewalls" as Dennis Kelleher, of Better Markets, puts it. Of course, in that context, we should ensure that various activities by "shadow banks" (structures that operate with bank-like features, as Lehman Brothers did) are properly regulated.
>
> Building support for legislation to simplify the biggest banks would greatly strengthen the hand of those regulators who want to require more shareholder equity and better regulation for the shadows. These policies are complements, not substitutes.
> (Simon Johnson, œResurrecting Glass-Steagall, *Project Syndicate*, October 29, 2015)

514 Martin Baily and Susan Lund (œFinancial Globalization in Reverse?, *Project Syndicate*, Apr. 12, 2013) have summed up the scene in the early 21st century:

> New information technologies made it possible to conduct transactions halfway around the world in the blink of an eye. Savers gained the ability to diversify, while the largest borrowers could tap global pools of capital. As national financial markets grew more intertwined, cross-border capital flows rose from $0.5 trillion in 1980 to a peak of $11.8 trillion in 2007.
>
> But the 2008 crisis exposed the dangers, with the globalized financial system's intricate web of connections becoming a conduit for contagion. Cross-border capital flows abruptly collapsed. Almost five years later, they remain 60% below their pre-crisis peak.

> This pullback in cross-border activity has been accompanied by muted growth in global financial assets (despite the recent rallies in stock markets around the world). Global financial assets have grown by just 1.9% annually since the crisis, down from 7.9% average annual growth from 1990 to 2007.

Summing up the 1980s, Strange concluded:

> No one who knows anything about international finance is in any doubt that it has grown rather phenomenally in the last quarter century. There is, however, the problem of measurement and, connected with it, the problem of definition. The numbers that are available are only rough indicators, not precise indices. Here are a few of them:
>
> Transactions in the Eurocurrency markets had risen to over US$ 1,000 billion - 1 trillion - in the year 1984, compared with US$75 billion in 1970 and only US$3 billion in the early 1960s.
>
> Trading in the foreign exchange markets worldwide in the late 1980s amounted to over US$600 billion *a day,* no less than 32 times the volume of international commercial transactions worldwide.
>
> Between the mid-1960s and the mid-1980s, international banking grew at a compound rate of 26 per cent a year on average, compared with an average growth in output of a little over 10 per cent.
>
> The issue of bonds is a credit instrument traditionally associated with international finance since the last century. Equal in value to 2 per cent of world exports in 1980, their total value had risen to 9 per cent of world exports by 1985 and they have continued to grow in popularity since. ECU-dominated bond issues, which totalled ECU 1.9 billion in 1982, totalled nearly ECU 17 billion in 1988.
>
> Transnational trading in shares was comparatively rare even by 1980. Most national stock exchanges dealt only in the shares of nationally registered companies within the state. By 1989, more than 18 per cent of all share trading was in the shares of foreign corporations-only the major multinationals. Among the significant numbers, we should also note the growth of trading in futures and options in some of the main international financial centers like London, Paris, and Frankfurt.
>
> (Strange 1994, pp. 233-4)

515 As Robert Guttman described:

> Deregulation of money has turned many Americans into investors (see especially the role of pension plans and mutual funds), and has allowed the middle class to join the rentier class (the 'money class'). This change in class composition is reinforced by aging baby boomers going from being debtors in the 1970s (favoring inflation) to becoming savers (favoring low inflation and high 'real' interest rates). This gives the Federal Reserve a political constituency for the 'hard money' course of the last fifteen years, which favors financial investors.
>
> Deregulation of money has also led to much more volatile interest rates and exchange rates, which in turn have dramatically accelerated the use of hedging and speculative investments for capital gains as the new profit-centre of MNCs and TNBs, and with a

concomitant wave of innovations to facilitate this activity (e.g., financial futures and other derivatives).

The trend toward the dominance of a new kind of financial capital, which I characterise as *fictitious capital,* has also been profoundly deepened by the rapid *securitization* of credit (as a now more attractive form of financial capital for both sides, as opposed to the traditional loan capital mediated by commercial banks), which has helped to promote securities trading as a profitable, high-risk activity. This leads to an unprecedented combination of financial explosion and industrial stagnation, with ST-oriented shareholder capital combining with international competition battles and the labor-saving information revolution to enforce global 'downsizing'.

Electronic money is entirely global in nature, composed of an unregulated worldwide Euro-banking network, global investment portfolios, and interconnected financial markets.

(Guttman 1995)

516 Joseph Stiglitz (2011), summed up the consequences in the early 21st century:

It's no use pretending that what has obviously happened has not in fact happened. The upper 1 percent of Americans are now taking in nearly a quarter of the nation's income every year.

In terms of wealth rather than income, the top 1 percent control 40 percent. Their lot in life has improved considerably. Twenty-five years ago, the corresponding figures were 12 percent and 33 percent. One response might be to celebrate the ingenuity and drive that brought good fortune to these people, and to contend that a rising tide lifts all boats. That response would be misguided. While the top 1 percent have seen their incomes rise 18 percent over the past decade, those in the middle have actually seen their incomes fall.

For men with only high-school degrees, the decline has been precipitous-12 percent in the last quarter-century alone. All the growth in recent decades-and more-has gone to those at the top. In terms of income equality, America lags behind any country in the old, ossified Europe that President George W. Bush used to deride. Among our closest counterparts are Russia with its oligarchs and Iran. While many of the old centers of inequality in Latin America, such as Brazil, have been striving in recent years, rather successfully, to improve the plight of the poor and reduce gaps in income, America has allowed inequality to grow.

Economists long ago tried to justify the vast inequalities that seemed so troubling in the mid-19th century-inequalities that are but a pale shadow of what we are seeing in America today. The justification they came up with was called "marginal-productivity theory." In a nutshell, this theory associated higher incomes with higher productivity and a greater contribution to society. It is a theory that has always been cherished by the rich. Evidence for its validity, however, remains thin.

The corporate executives who helped bring on the recession of the past few years-whose contribution to our society, and to their own companies, has been massively negative-went on to receive large bonuses. In some cases, companies were so embarrassed about

> calling such rewards "performance bonuses" that they felt compelled to change the name to "retention bonuses" (even if the only thing being retained was bad performance).
>
> Those who have contributed great positive innovations to our society, from the pioneers of genetic understanding to the pioneers of the Information Age, have received a pittance compared with those responsible for the financial innovations that brought our global economy to the brink of ruin.
> (Of the 1%, by the 1%, for the 1% *Vanity Fair*, May 2011)

The following excerpt from George Soros' self-promoting book *The Crash of 2008*, gives a picture of what happens when speculators, presuming public underwriting of their 'commercial paper', are left to their own devices:

> The bankruptcy of Lehman Brothers on Monday, September 15, 2008, was a game-changing event. As I have noted, until then, whenever the financial system came close to a breakdown, the authorities intervened. This time they did not. The consequences were disastrous. CDSs (credit default swaps) went through the roof, and American International Group (AIG), which carried a large short position in CDSs, was facing imminent default. By the next day, Tuesday, Treasury Secretary Henry Paulson had to reverse himself and come to the rescue of AIG, albeit on extremely punitive terms. But worse was to come.
>
> Lehman was one of the main market-makers in commercial paper and a major issuer. An independent money market fund held Lehman paper, and, since it had no deep pocket to turn to, it had to "break the buck" - stop redeeming its shares at par. This caused panic among depositors, and by Thursday a run on money market funds was in full swing. The panic spread to the stock market. The Federal Reserve had to extend a guarantee to all money market funds, short selling of financial stocks was suspended, and the Treasury announced a $700 billion rescue package for the banking system. This provided some temporary relief to the stock market.
> (Soros 2009 p. 161)

[517] Steven Rattner addressed the problem in the US betwen 2000 and 2015:

> A few days ago, I visited the shiny headquarters of the Peterson Institute for International Economics on "think tank row" in Washington - basically, the locker room of the Team Globalization and Free Trade cheering squad....
>
> ...I emphasized that I had paid attention in economics class and understood that globalization incontrovertibly has benefited not only the world but also the United States. That's in part because trade permits Americans to buy goods at lower prices; the added purchasing power helps our economy expand faster.
>
> But I soon pivoted to my experience working in the Obama administration on the auto rescue, an experience that had seared into me the sense that intermingled among the many winners from globalization were a substantial number of losers.
>
> So far, so good. Then I went rogue and uttered two blasphemous words: "Ross Perot." He had a point, I said heretically, when he campaigned in 1992 against the landmark North American Free

Trade Agreement, saying that it would result in a "giant sucking sound" of jobs headed south to Mexico.

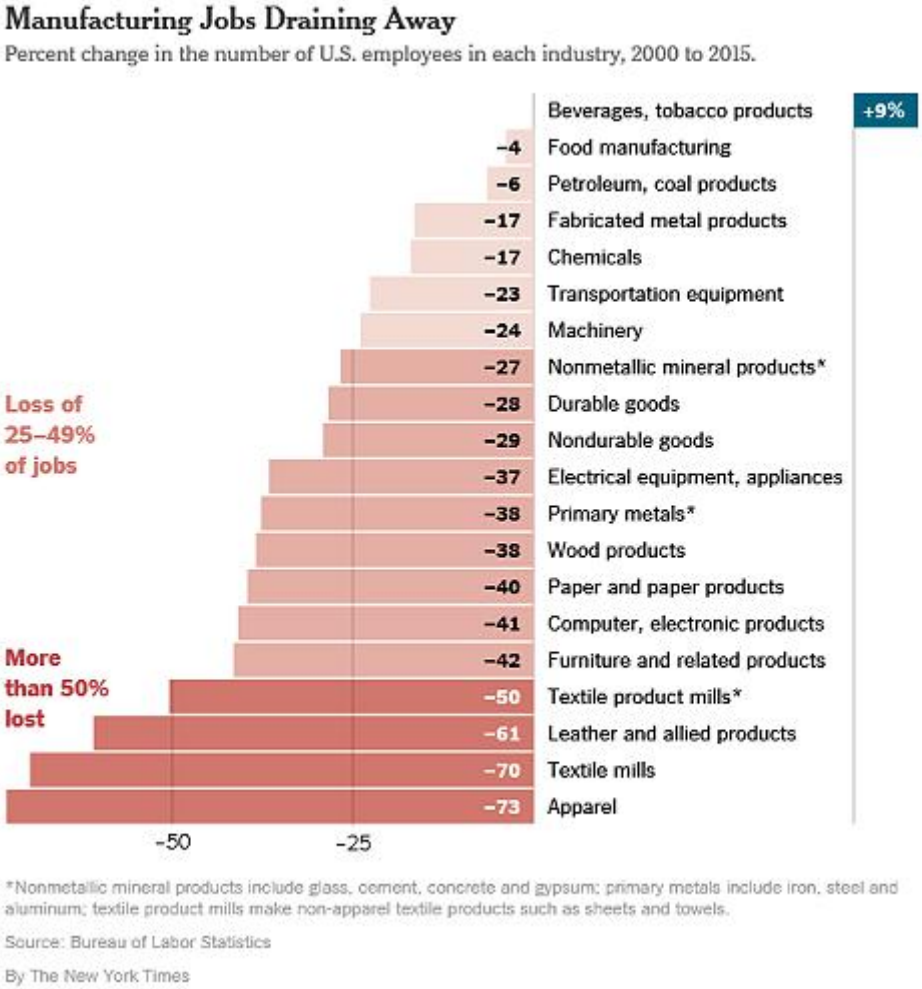
A cool breeze drifted toward me.

As I looked out at my audience, I realized that the room was filled with winners - folks who, from all appearances, earned their livings from intellectual labor. Neither their jobs nor their wages were in jeopardy as countries ranging from Vietnam to Colombia became more competitive with us.

I pressed on.

Last year, according to the recent figures, our nation added 2.65 million new jobs. Just 30,000 of them were in manufacturing. So much for the widely trumpeted renaissance of Made in America.

At first glance, the automobile industry looks to be in better shape. From the depths of the crisis in 2009 through 2013, employment in the auto manufacturing sector in the United States rose by 23 percent, to 690,000 from 560,000.



...My central argument was not that we should close our borders or retreat from the world; it was that we need to be sensitive to the losers and try to help. The point - well illustrated in Steve's book - is that globalization is not only an economic matter but also a moral one.

Presently, the institute's blunt director, Adam Posen, used his final moments to shut me down, declaring that the "fetishization" of any industry was "immoral." The problem of manufacturing is technology, he declared flatly.

> Blaming technology is a common refrain from economists who hate the thought that globalization is not the world's unambiguous salvation.
> (Steven Rattner, œWhat's Our Duty to the People Globalization Leaves Behind? *New York Times*, Opinion Pages, Jan. 26, 2016)

Autor, Dorn and Hanson (2012) explained the consequences for the US in a study sub-titled 'Local Labor Market Effects of Import Competition in the United States':

> We analyze the effect of rising Chinese import competition between 1990 and 2007 on local U.S. labor markets, exploiting cross-market variation in import exposure stemming from initial differences in industry specialization while instrumenting for imports using changes in Chinese imports by industry to other high-income countries.
>
> Rising exposure increases unemployment, lowers labor force participation, and reduces wages in local labor markets. Conservatively, it explains one-quarter of the contemporaneous aggregate decline in U.S. manufacturing employment. Transfer benefits payments for unemployment, disability, retirement, and healthcare also rise sharply in exposed labor markets.
> (David H. Autor, David Dorn, Gordon H. Hanson, œThe China Syndrome: Local Labor Market Effects of Import Competition in the United States, NBER Working Paper No. 18054, May 2012)

For a recent updating and expansion of these issues see: David H. Autor, David Dorn, Gordon H. Hanson, œThe China Shock: Learning from Labor Market Adjustment to Large Changes in Trade, NBER, Working Paper No. 21906, January 2016; David Autor, David Dorn, Gordon Hanson, Kaveh Majlesi, œImporting Political Polarization? The Electoral Consequences of Rising Trade Exposure, NBER Working Paper No. 22637, September 2016, updated: December 2016.

As Mishel and Bivens (2011) show, while the richest 5 percent of households obtained roughly 82 percent of all the nation's gains in wealth between 1983 and 2009; the bottom 60 percent of households actually had less wealth in 2009 than in 1983, meaning they did not participate at all in the growth of wealth over this period.

See œThe high price of losing manufacturing jobs (*EurekAlert* 23-Feb-2012) for an assessment of the impact of the removal of tariff barriers in the 1980s on U.S. manufacturing jobs in the 21st century. As the report explains:

> In the study, published as a working paper by the *National Bureau of Economic Research*, Autor, along with economists David Dorn and Gordon Hanson, examined the effect of overseas manufacturing competition on 722 locales across the United States over the last two decades....
>
> "Trade tends to create diffuse beneficiaries and a concentration of losers," Autor says. "All of us get slightly cheaper goods, and we're each a couple hundred dollars a year richer for that." But those losing jobs, he notes, are "a lot worse off." For this reason, Autor adds, policymakers need new responses to the loss of manufacturing jobs: "I'm not anti-trade, but it is important to realize that there are reasons why people worry about this issue."

[518] See Alice H. Amsden and Rolph Van Der Hoeven, œManufacturing output, employment and real wages in the 1980s: labour's loss until the century's end. *Journal of Development Studies*, April 1, 1996 for more on this. As the authors explained:

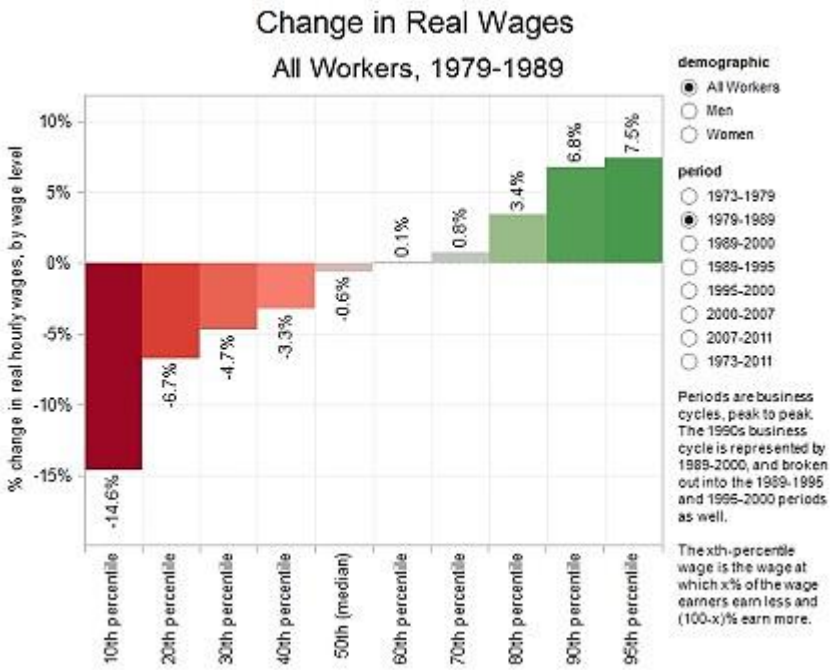
> ... there is a stark difference between growth in GDP and growth in manufacturing wages in the 1960s and the 1980s: whereas in the 1960s, for all countries with reliable information, growth in real manufacturing wages was, on average, equal to growth in real GDP per capita, growth in real wages started to lag behind GDP growth per capita in the 1970s and was considerably lower than it in the 1980s. We observe also that, in the 1980s, real wages rose more slowly (or fell faster) than GDP per capita growth for all groups of countries whatever their per capita growth, while in the 1960s and the 1970s wages grew faster in slow-growing countries and were more or less equal to GDP growth in the moderate- and fast-growing countries in the 1960s.

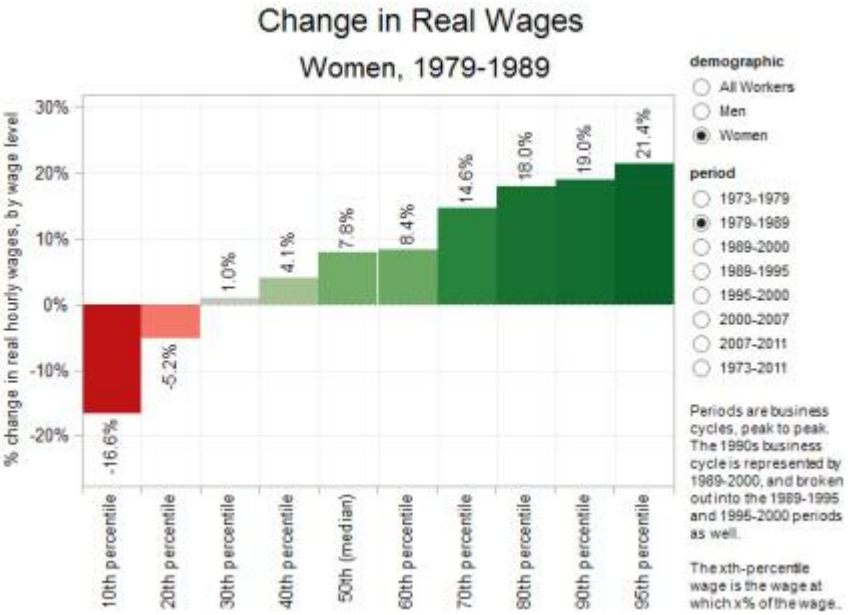
Lawrence Mishel and Colin Gordon provide excellent graphic illustration of the changes: œReal hourly wage growth: The last generation, *The Economic Policy Institute Blog*, Posted October 10, 2012.

Here are 3 graphs of changes in real wages for the period: the first for all workers; the second for men only; the third for women only, obtained from their *Tableau* data set (Economic Policy Institute, œ*State of Working America 2012*, tables 4.4, 4.5, and 4.6; Colin Gordon, updated June 2013).

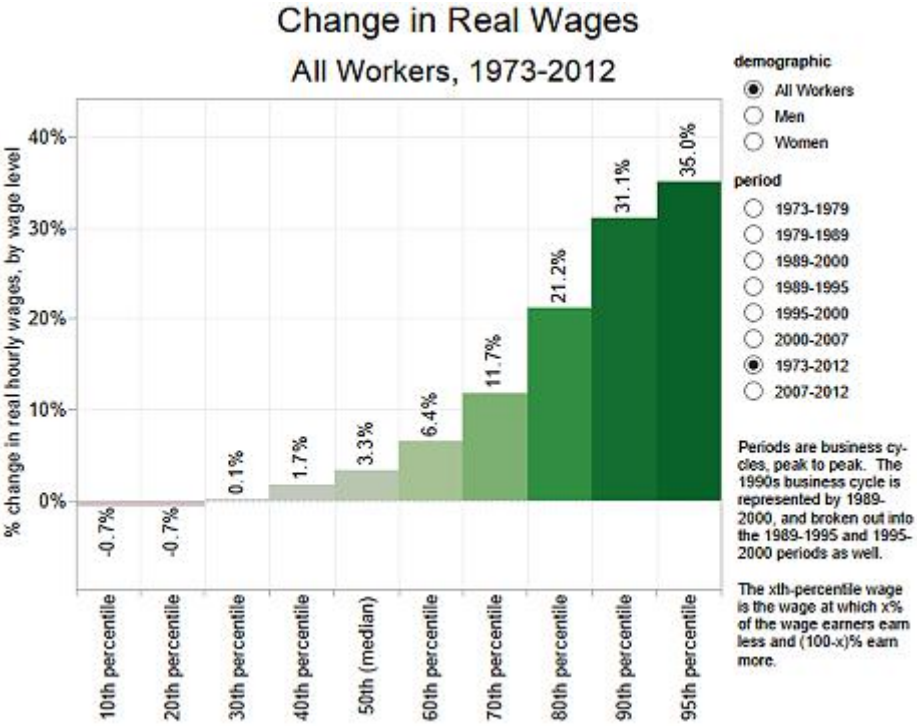
The increase in women's wage rates over the period should be balanced against the decrease in men's wage rates. This was a period of 'equal opportunity': a period when lower women's wage rates could be used to justify decreasing men's wage rates through competition (see: *Median Earnings of Full-Time, Year-Round Workers 15 Years and Older by Sex: 1960 to 2012*, below, for more on this).

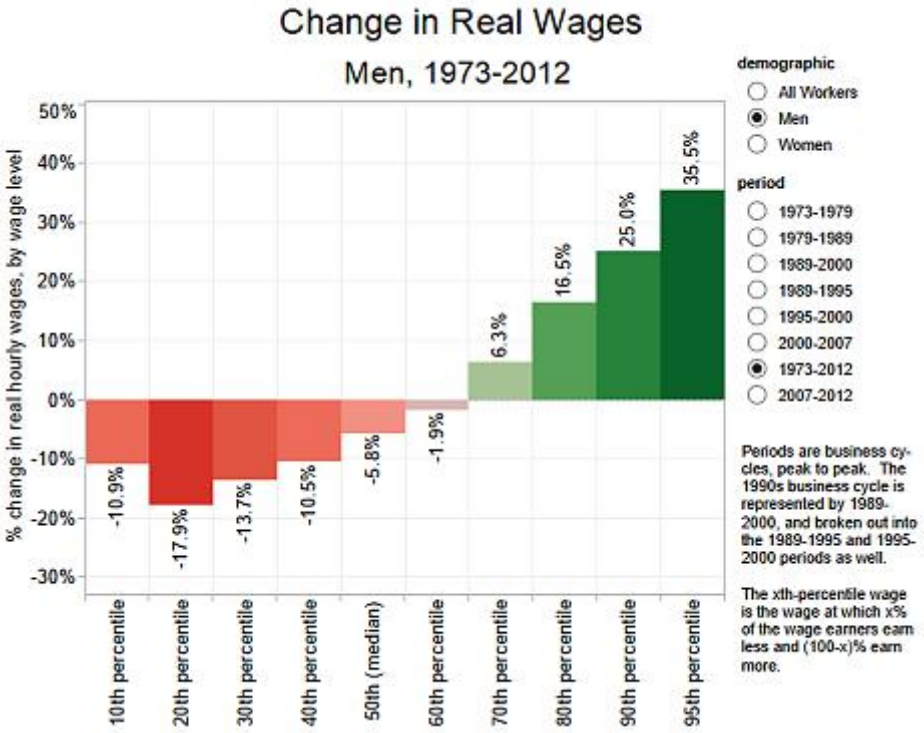
Real Wage Changes 1979-1989:

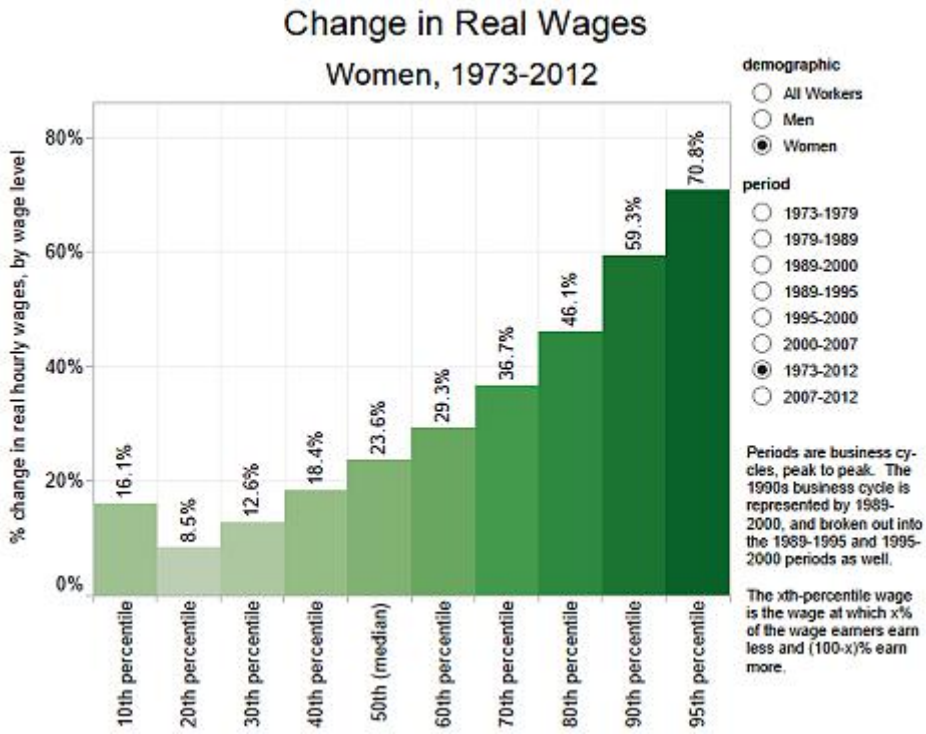




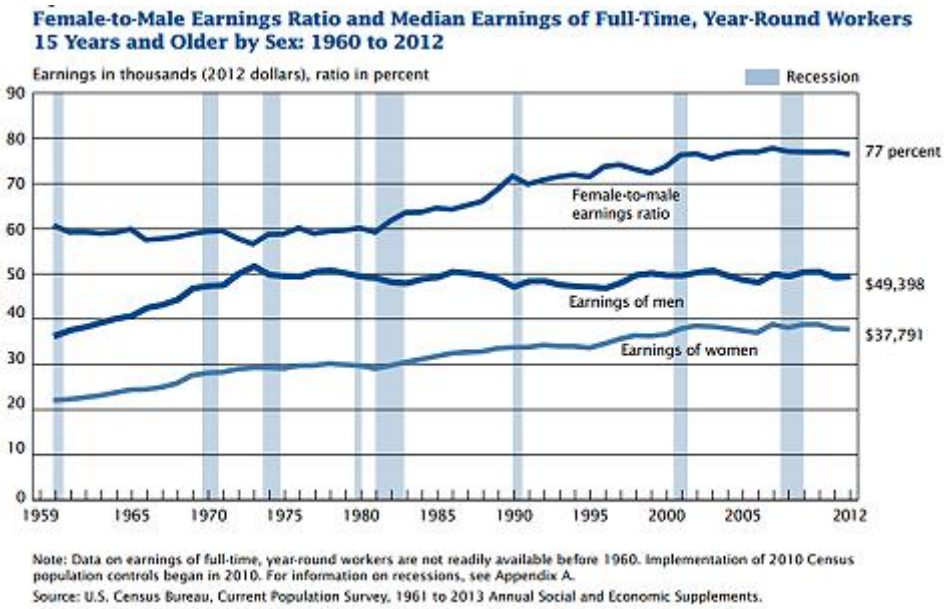
Real Wage Changes 1973-2012:







Here is a comparison, for the US, of the Female-to-Male Earnings Ratio and Median Earnings of Full-Time, Year-Round Workers 15 Years and Older by Sex: 1960 to 2012



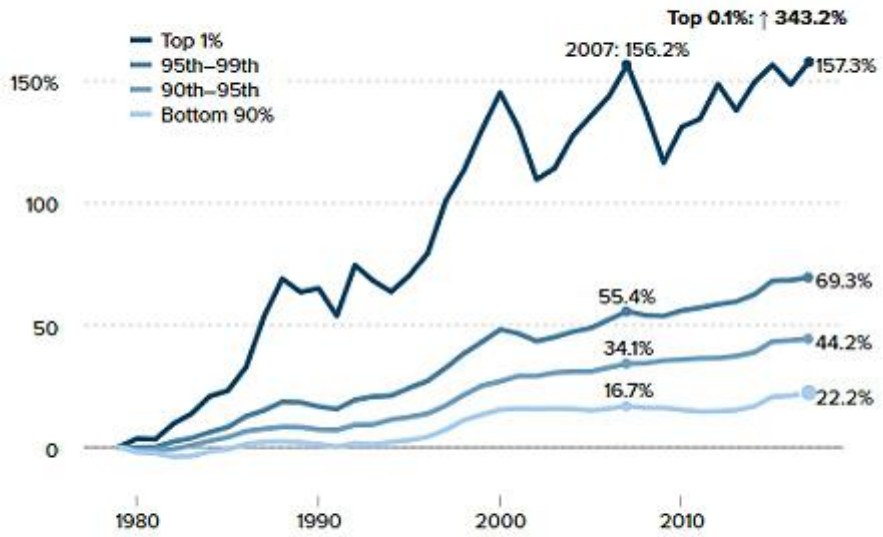
(From p.11 of: DeNavas-Walt, Carmen, Bernadette D. Proctor, and Jessica C. Smith, U.S. Census Bureau, Current Population Reports, P60-245, *Income, Poverty, and Health Insurance Coverage in the United States: 2012* , U.S. Government Printing Office, Washington, DC, 2013.)

519 In 2018 the growth in inequality in the US shows no signs of slowing down. Lawrence Mishel and Julia Wolfe have documented the continued growth in US wage inequality:

> Newly available œwage data for 2017 show that annual wages grew far faster for the top 1.0 percent (3.7 percent) than for the bottom 90 percent (up only 1.0 percent). The top 0.1 percent saw the fastest growth, up 8.0 percent - far faster than any other wage group. This fast wage growth for the top 0.1 percent reflects the sharp œ17.6 percent spike upwards in the compensation of the CEOs of large firms: executives comprise the largest group in both the top 1.0 and top 0.1 percent of earners. The fast wage growth of the top 1.0 percent in 2017 brought their wages to the highest level ever, $719,000, topping the wage levels reached before the Great Recession of $716,000 in 2007. The wages of the top 0.1 percent reached $2,757,000 in 2017, the second highest level ever, roughly only 4 percent below their wages in 2007.

FIGURE A

Cumulative percent change in real annual wages, by wage group, 1979–2017



Source: EPI analysis of Kopczuk, Saez, and Song (2010, Table A3) and Social Security Administration wage statistics

Economic Policy Institute

(Lawrence Mishel and Julia Wolfe, œTop 1.0 percent reaches highest wages ever - up 157 percent since 1979, *Economic Policy Institute*, Working Economics Blog, October 18, 2018)
(See Lawrence Mishel and Jori Kandra, œWages for the top 1% skyrocketed 160% since 1979 while the share of wages for the bottom 90% shrunk, *Economic Policy Institute* Working Economics Blog, December 1, 2020 for an updating on it all)

Paul Volker, former Chairman of the Federal Reserve put it well:

> ...[T]here is something more worrisome affecting policy than fear... Money....
>
> The central issue is we're developing into a plutocracy. We've got an enormous number of enormously rich people that have convinced themselves that they're rich because they're smart and constructive. And they don't like government, and they don't like to pay taxes.
> (Andrew Ross Sorkin, œPaul Volcker, at 91, Sees 'a Hell of a Mess in Every Direction', DealBook, *New York Times*, October 22, 2018)

Chuck Collins and Josh Hoxie, in an *Institute for Policy Studies* report entitled œ*Billionaire Bonanza 2018: Inherited Wealth Dynasties in the 21st-Century United States* (October 2018), summarized it:

> **Key Findings**
>
> Wealth in the United States is concentrating into fewer and fewer hands, a trend we tracked in two previous Billionaire Bonanza reports in 2015 and 2017. This year's edition focuses primarily on "dynastic" wealth that has passed from one generation to another within families. Our analysis is based on the Forbes magazine list of the 400 wealthiest individuals in the United States and the Federal Reserve Survey of Consumer Finances.

- Three dynastic wealth families - the Waltons, the Kochs, and the Mars - have seen their wealth increase nearly 6,000 percent since 1982. Meanwhile, median household wealth over the same period went down by 3 percent.
- These three wealth dynasties own a combined fortune of $348.7 billion. That's more than four million times the median wealth of U.S. families.
- The dynastic wealth of the Walton family grew from $690 million in 1982 (or $1.81 billion in 2018 dollars) to $169.7 billion in 2018, a mind-numbing increase of 9,257 percent.
- Three individuals - Jeff Bezos, Bill Gates, and Warren Buffett - still own more wealth than the bottom half of the country combined.
- A third of the members of the Forbes 400 own fortunes derived from companies that were founded by earlier generations.
- The 15 wealthiest multi-generational dynastic families on the Forbes 400 own a combined $618 billion. Their parents or other ancestors founded all of the companies from which their wealth is derived.
- The Forbes 400 combined own $2.89 trillion dollars, more than the combined wealth of the bottom 64 percent of the United States. It's also more than the GDP of Britain, the 5th-largest economy in the world. Just 45 individuals own half of this wealth.
- The median family in the United States owns just over $80,000 in household wealth. The richest person in the United States (and the world), Jeff Bezos, has accumulated a fortune nearly 2 million times that amount.
- The Bezos fortune expanded by $78.5 billion just in the last year to $160 billion. Even at the recently increased wage of $15/hour, a full-time Amazon worker would need to toil for 2.5 million years to generate this much money.

520 (07/06/16)(18/09/16) It needs to be remembered that 'economic efficiency' and 'social equity' are not necessarily linked. As I suggest elsewhere, unless democratic capitalist societies pursue effective redistributive policies, they inevitably, over time, devolve from democracy to plutocracy.

It is perfectly possible to have great inequality in social/economic outcomes across a society and yet have a well-tuned, 'efficient' economy. Increasing inequality might, in the long-term, lead to social unrest but, in the absence of effective political outcomes, it is equally likely to lead to resignation and acceptance of the *status quo*. One needs to be cautious about assuming that economic stability somehow equates with social equity. Alexis de Tocqueville (1835) described the nature of 19th century capitalism after his visit to Manchester:

> ...[H]ere is the slave, there the master; there the wealth of some, here the poverty of most; there the organized effort of thousands produce, to the profit of one man, what society has not yet learned to give. Here the weakness of the individual seems more feeble and

> helpless even than in the middle of a wilderness; here the effects, there the causes...
>
> From this foul drain the greatest stream of human industry flows out to fertilise the whole world. From this filthy sewer pure gold flows. Here humanity attains its most complete development and its most brutish; here civilization works its miracles, and civilized man is turned back into a savage.
> (œ1958 p. 107)

The conditions outlined in de Tocqueville's description were not those of a brief period in Western European history. They had existed through most of the 18th century and would persist through most of the 19th.

Historically determined presumptions of what is 'socially equitable', held by the effective social and political hegemonies of communities, determine economic, and consequent social, conditions. That is, social equity is not economically, but socially and politically determined and cannot be achieved through manipulating economic factors. Such manipulation merely preserves the *status quo*. As Keynes explained,

> I am now no longer of the opinion that the concept of a 'natural' rate of interest, which previously seemed to me a most promising idea, has anything very useful or significant to contribute to our analysis. It is merely the rate of interest which will preserve the *status quo*; and, in general, we have no predominant interest in the *status quo* as such.
> (*The General Theory of Employment, Interest, and Money*, 1936, Chapter 17, The Essential Properties Of Interest And Money, Section 6)

Jefferson described conditions in England through the 1700s and early 1800s:

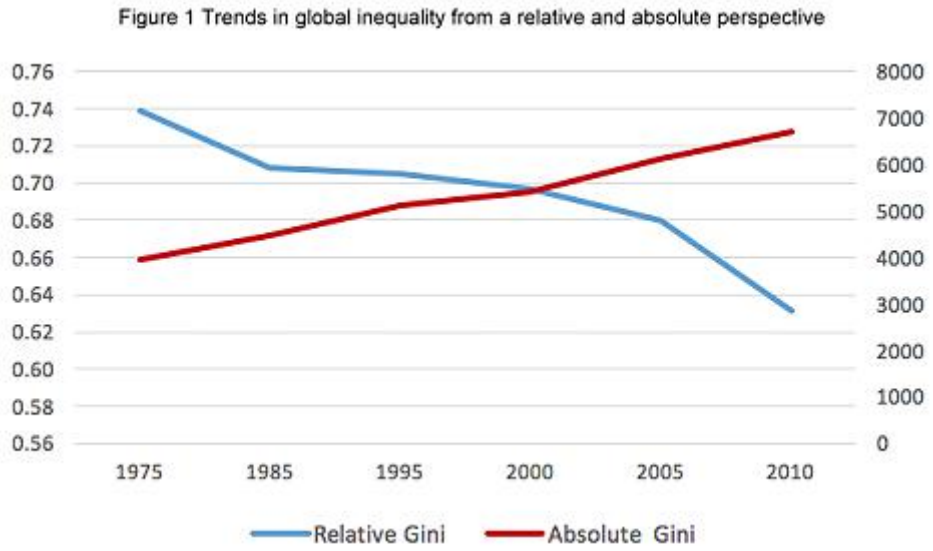
> The population of England is composed of three descriptions of persons (for those of minor note are too inconsiderable to affect a general estimate). These are,
>
> 1. The aristocracy, comprehending the nobility, the wealthy commoners, the high grades of priesthood, and the officers of government.
> 2. The laboring class.
> 3. The eleemosynary class, or paupers, who are about one-fifth of the whole.
>
> The aristocracy, which have the laws and government in their hands, have so managed them as to reduce the third description below the means of supporting life, even by labor; and to force the second, whether employed in agriculture or the arts, to the maximum of labor which the construction of the human body can endure, and to the minimum of food, and of the meanest kind, which will preserve it in life, and in strength sufficient to perform its functions.

(20/09/16)(24/09/16) Through the 20th century, conditions for the 'laboring' and 'eleemosynary' populations of Western democracies steadily improved (this was, of course, not true for most Third World peoples). Largely as a consequence of the New Deal, Western economies were reorganized to ensure the welfare of Western populations.

(12/06/17) Then, since memories are sadly short, from the mid-1960s neoliberalism reared what can only be described as its ugly head and began to attack the safeguards and communal empowerments of the post-New Deal period.

Miguel Niño-Zarazúa, Laurence Roope and Finn Tarp have examined income inequality in a globalizing world. As they say:

> Since the turn of the century, inequality in the distribution of income, together with concerns over the pace and nature of globalisation, have risen to be among the most prominent policy issues of our time...
>
> So what has actually happened to global inequality? Has global income inequality gone up (or down) in recent decades?
>
> ...[R]elative global inequality, as measured by the Gini coefficient, declined steadily over the past few decades from 0.739 in 1975 to 0.631 in 2010 (Niño-Zarazúa et al. 2016). The relative Gini takes the value zero for a society where all are equal, and the value of one for a society where all income goes to one person.
>
> The fall over the past 35 years (i.e. the blue line in Figure 1) was driven primarily by declining inequality between countries, arising from the extraordinary economic progress observed in fast developing countries such as China and India. And this overall trend was achieved despite an increasing trend of inequality within countries. In contrast, absolute inequality, as measured by the absolute Gini coefficient, which is based on absolute changes in income, and depicted by the red line in Figure 1, has increased dramatically since the mid-1970s.

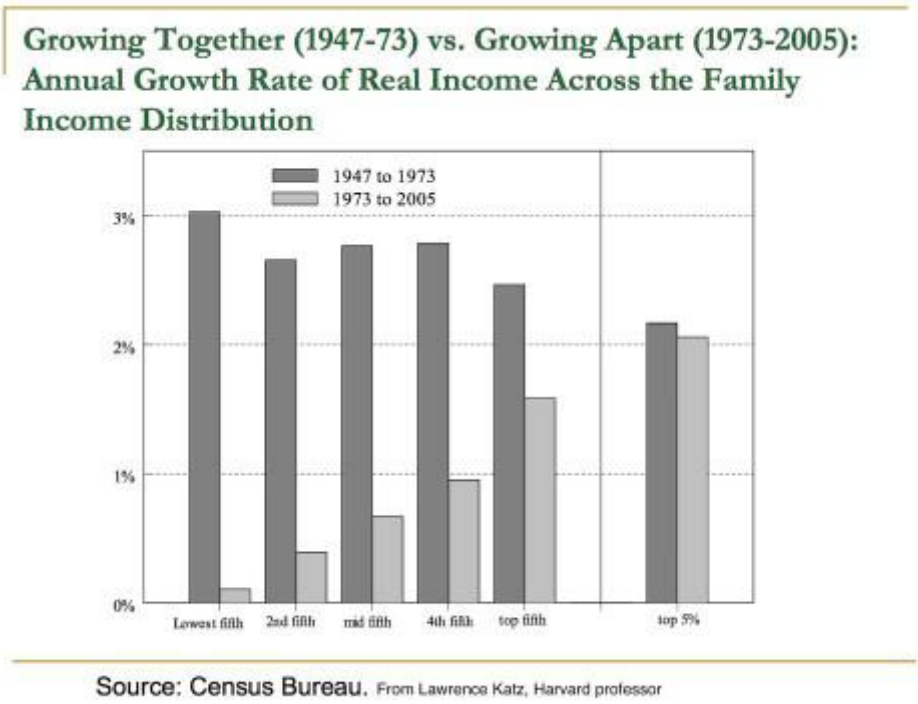


(Miguel Niño-Zarazúa, Laurence Roope, Finn Tarp, "Income inequality in a globalising world, *Vox*, 20 September 2016)

It has taken fifty years for the consequences to become inescapably obvious (despite the deliberate distortion of evidence and denial of those consequences by neoliberally oriented ideologues[998]). Without determined political and social revolution, neoliberal forces will continue to dismantle those New Deal and post-New Deal structures and supports. The future, without revolution, is indeed written into Western European history!

Zachary Goldfarb has provided a graphic illustration of growing inequality in economic outcomes in the US between 1973 and 2005. As he explained,

> Obama came of age when something dramatic was changing in the U.S. economy. During his grandparents' generation - a period for which he has expressed deep nostalgia - incomes at all levels of the economy grew at roughly the same pace. But around the time Obama moved to Chicago to start his adult life, the prospects of the top earners and most Americans had started to wildly diverge. Here's a chart documenting the trend from Harvard professor Lawrence Katz.



> (Zachary A. Goldfarb *Washington Post* November 28 2012, Obama's economic philosophy, in 8 charts)

Richard Reeves has described (and many of the reader comments on his description illustrate) the self-serving 21st century myopia of the beneficiaries of that upward redistribution of wealth in the self-proclaimed 'classless' United States:

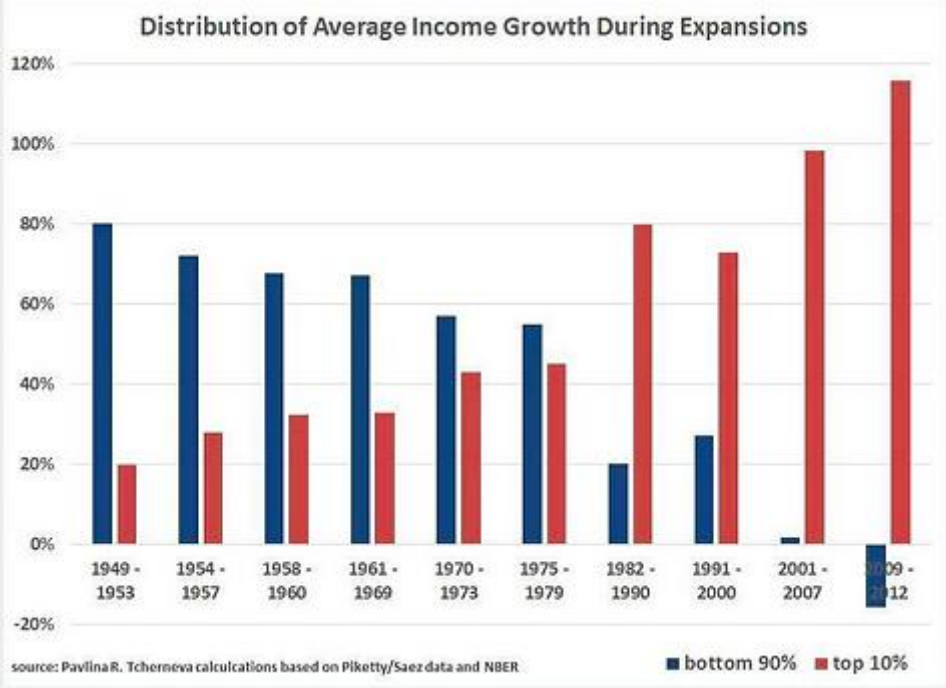
> ...[I]magine my horror at discovering that the United States is more calcified by class than Britain, especially toward the top. The big difference is that most of the people on the highest rung in America are in denial about their privilege. The American myth of meritocracy allows them to attribute their position to their brilliance and diligence, rather than to luck or a rigged system. At least posh people in England have the decency to feel guilty.
>
> In Britain, it is politically impossible to be prime minister and send your children to the equivalent of a private high school. Even Old Etonian David Cameron couldn't do it. In the United States, the most liberal politician can pay for a lavish education in the private sector. Some of my most progressive friends send their children to $30,000-a-year high schools. The surprise is not that they do it. It is that they do it without so much as a murmur of moral disquiet.
>
> Beneath a veneer of classlessness, the American class reproduction machine operates with ruthless efficiency. In particular, the upper middle class is solidifying. This favored fifth at the top of the income distribution, with an average annual household income of $200,000, has been separating from the 80 percent below. Collectively, this top fifth has seen a $4 trillion-plus increase in pretax income since

> 1979, compared to just over $3 trillion for everyone else. Some of those gains went to the top 1 percent. But most went to the 19 percent just beneath them.
>
> The rhetoric of "We are the 99 percent" has in fact been dangerously self-serving, allowing people with healthy six-figure incomes to convince themselves that they are somehow in the same economic boat as ordinary Americans, and that it is just the so-called super rich who are to blame for inequality.
>
> Politicians and policy wonks worry about the persistence of poverty across generations, but affluence is inherited more strongly. Most disturbing, we now know how firmly class positions are being transmitted across generations. Most of the children born into households in the top 20 percent will stay there or drop only as far as the next quintile. As Gary Solon, one of the leading scholars of social mobility, put it recently, "Rather than a poverty trap, there seems instead to be more stickiness at the other end: a 'wealth trap,' if you will."
> (Richard V. Reeves, œStop Pretending You're Not Rich, *New York Times*, Sunday Review, Opinion, June 10, 2017)

Pavlina Tcherneva has provided a clear illustration of the changing fortunes of the lower 90% of the US population over the past sixty years. As she explained:

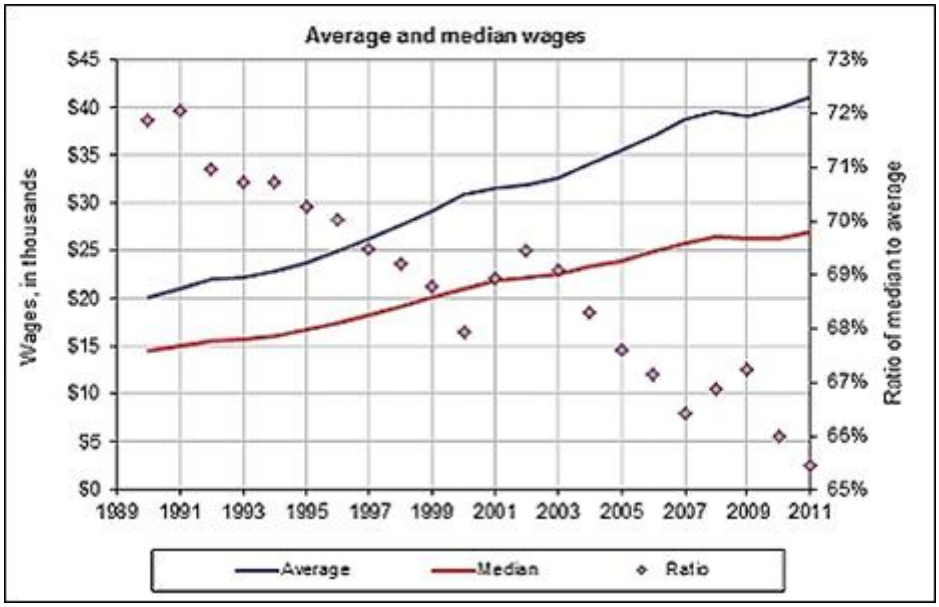
> An examination of average income growth during every postwar expansion (from trough to peak) and its distribution between the wealthiest 10% and bottom 90% of households reveals that income growth becomes more inequitably distributed with every subsequent expansion during the entire postwar period (Figure 2).
>
> Only during the 1950-53 expansion did the bottom 90% capture all of the average income growth in the economy. Since then, the top 10% of households have been capturing greater and greater share of the income growth and, in the first two expansions of the 21st century, they have captured all of the income growth.
>
> Note that income distribution still eroded during the "Golden Age" of American economy, at a time when the government heavily relied on conventional pump priming methods to stabilize the business cycle. With the advent of supply-side fiscal measures, income inequality worsened much faster, and in the age of New Consensus fiscal policy stabilization, the economy has witnessed the largest transfer of income to the top in American history (ibid).
> (Pavlina R. Tcherneva, *Reorienting Fiscal Policy: A Critical Assessment of Fiscal Fine-Tuning* , Working Paper No. 772, Levy Economics Institute of Bard College, August 2013, pp. 13-14)

Figure 2 Inequality worsens with every expansion in the postwar era



Another way to illustrate the shift in income between low wage earners and middle and high wage earners is to examine the difference between average and median net wage compensation through time. Here is such a comparison for the United States between 1989 and 2011 provided by the US Social Security Administration (similar results can be shown for most Western communities over the same period). As they explain:

> An average is just one measure of central tendency for any set of data. Another measure is a median. For our wage data, the median wage (or net compensation) is the wage "in the middle." That is, half of the workers earned below this level. The table below shows that the median wage is substantially less than the average wage. The reason for the difference is that the distribution of workers by wage level is highly skewed.
>
> Average and median net compensation are shown in the graph below. Also shown is the ratio of median to average amounts:

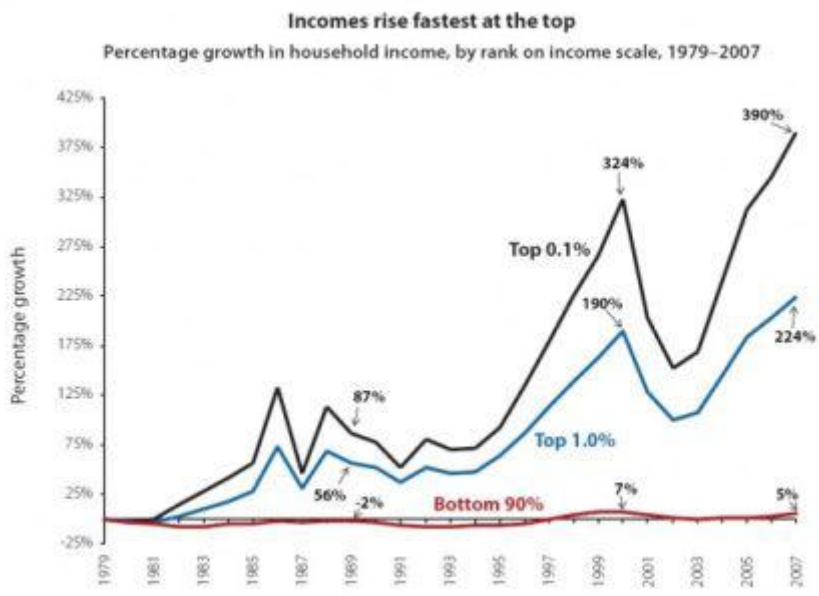


(U. S. Social Security Administration, œMeasures of Central Tendency for Wage Data, 16th October 2012)

For an example of the use of median and mean values in determining Changes in U.S. Family Finances between 2010 and 2013, see this US Federal Reserve Bulletin: September 2014 Vol 100, No 4, œ*Changes in U.S. Family Finances from 2010 to 2013: Evidence from the Survey of Consumer Finances*.

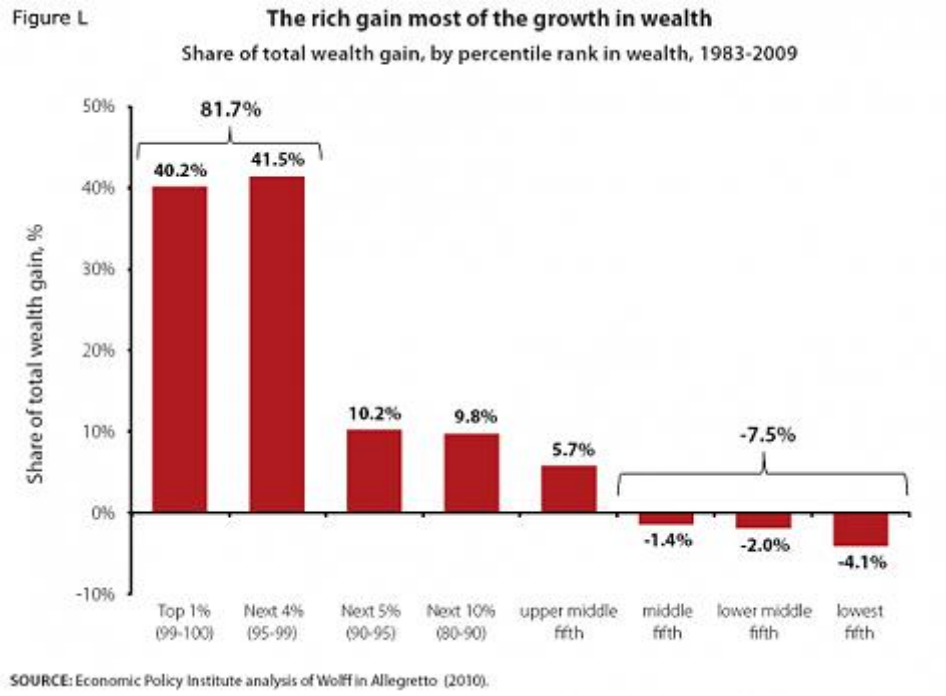
For a discussion of the widening income gap between the top 10% and the rest in the US see Mishel and Bivens (2011). As they explain:

> In the long period before the current recession, from 1979 to 2007, inflation-adjusted average annual incomes of the highest-income 1 percent of households grew by 224 percent.... Those even better off, the top 0.1 percent (the highest-income one one-thousandth of households), saw their incomes grow by 390 percent.
>
> In contrast, incomes of the bottom 90 percent grew just 5 percent between 1979 and 2007-and all of that growth occurred in the unusually strong income growth that occurred from 1997 to 2000, a period followed by declining income from 2000 to 2007.
>
> These data include all sources of market-based incomes such as wages and salaries, dividend and interest income, and realized capital gains, but do not include government transfer income (such as Social Security income or unemployment benefits).



SOURCE: Economic Policy Institute analysis of data from Piketty and Saez (2010).

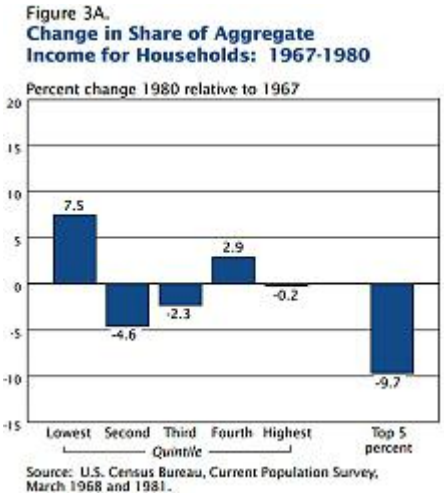
> ... Perhaps more startlingly, more than 94 percent of the gains in wealth from 1983 to 2009 accrued to the top fifth of wealthiest households, with 40.2 percent of the gains going to the wealthiest 1 percent and 41.5 percent going to the next wealthiest 4 percent of households (Figure L). This translated to gains among the wealthiest 1 percent of $4.5 million per household and gains among the next wealthiest 4 percent of roughly $1.2 million per household.

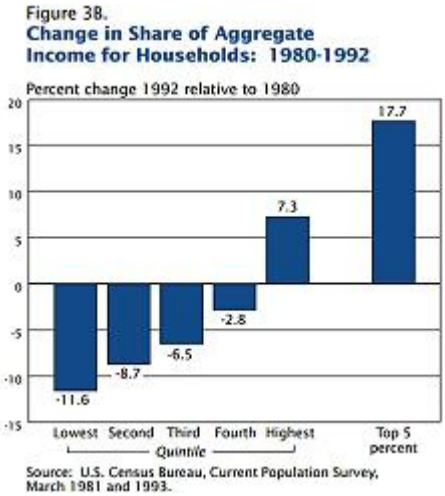


> In other words, the richest 5 percent of households obtained roughly 82 percent of all the nation's gains in wealth between 1983 and 2009. The bottom 60 percent of households actually had less wealth in 2009 than in 1983, meaning they did not participate at all in the growth of wealth over this period.
> (Mishel, Lawrence and Josh Bivens. 2011. "Occupy Wall Streeters are Right About Skewed Economic Rewards in the United States. *Economic Policy Institute* Briefing Paper No.331)

See: Arthur F. Jones Jr. and Daniel H. Weinberg, "The Changing Shape of the Nation's Income Distribution 1947-1998, (June 2000, P60-204, Current Population Reports, Demographic Programs, U.S. Census Bureau) for an examination of changing US household income distributions between 1967 and 1998. As they explained and illustrated:

> Whereas the data on household income inequality between 1967 and 1980 are ambiguous, it is clear that the household income distribution became increasingly unequal beginning in 1981...
>
> these changes signified the beginning of a period marked by rising household income inequality. The 1980s have been widely characterized as a period of rising income inequality. While true, some of the measures presented here suggest that the rise in inequality started earlier-in the mid-1970s.





For a comparative set of graphs on these issues, see this set of 'charts prepared for a speech by Alan B. Krueger, Chairman of the Council of Economic Advisers, on January 12, 2012 at the Center for American Progress': œThe Rise and Consequences of Inequality in the United States: charts.

For Krueger's explanation of the significance of the charts he presents, see: œ*The Rise and Consequences of Inequality in the United States* , Alan B. Krueger.

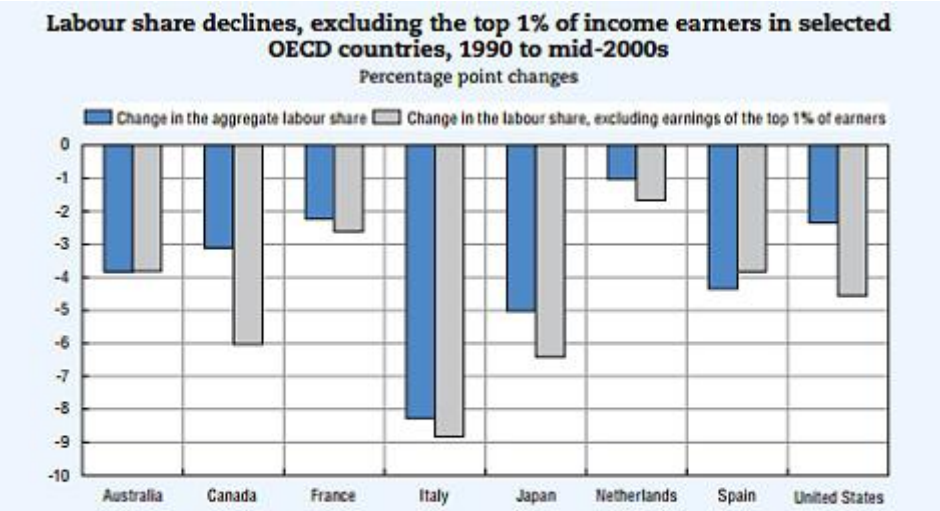
See also: œ*Trends in the Distribution of Household Income Between 1979 and 2007* , The Congress of the United States, Congressional Budget Office, October 2011.

For the picture in OECD countries from 1990 to the mid 2000s, see œ*OECD Employment Outlook 2012* (OECD (2012), OECD Publishing. http://dx.doi.org/10.1787/empl_outlook-2012-en). As the report explains:

Box 3.1. Trends in the labour share excluding top-income earners [pp.115-6]

In recent years, long time series on income of top earners have become available for many countries (see e.g. Atkinson et al., 2011). This evidence shows a general upward trend for the share of top income earners on total income. For example, in OECD countries for which data are available, the share of the top 1% of earners has increased on average from 6.7% to 10.3% between the mid-1970s and the mid-2000s. This stylised fact has fuelled much of the recent debate on inequality (see OECD, 2011a)...

Therefore, subtracting [the labour share of the top 1% of income earners] from the aggregate labour share yields an estimate of the labour share of the bottom 99% of earners (see OECD, 2012, for more details). The results from this exercise are summarised in the chart below.



Note: Three-year averages, starting and ending with indicated initial and end years. Initial year is 1990 for all countries, except for Japan (1991); mid-2000s data refer to 2007 for Australia, 2000 for Canada, 2005 for France and Japan, 2004 for Italy, 1999 for the Netherlands, 2008 for Spain and the United States.

Source: OECD (2012), "Labour Losing to Capital", supporting material for Chapter 3 of the 2012 OECD Employment Outlook, OECD Publishing, Paris, available online at www.oecd.org/employment/outlook.

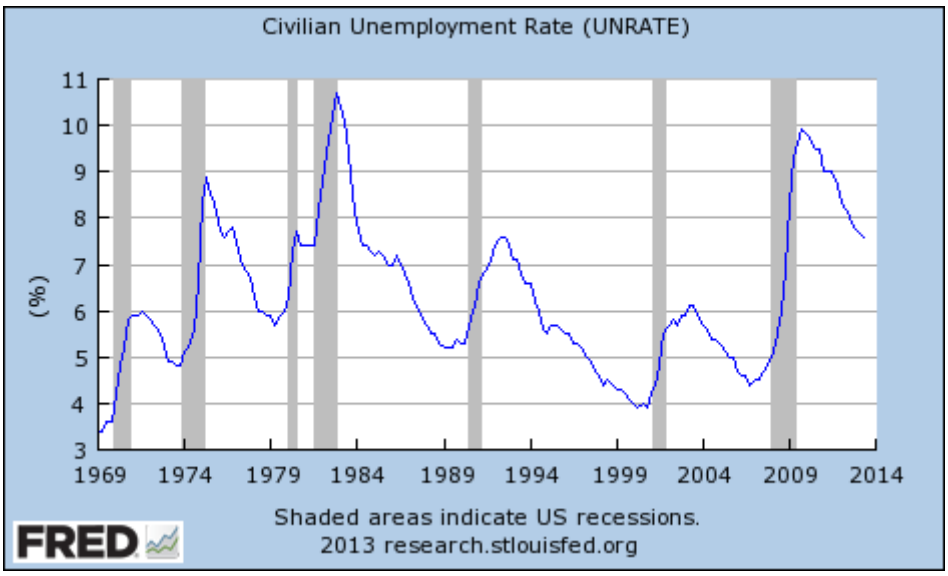
StatLink http://dx.doi.org/10.1787/888932651788

Once top earners' income is excluded from the computation of the wage bill, the drop of the labour share appears somewhat greater, especially in Canada and the United States. In 1990s and 2000s, the decline in the adjusted labour share in these two countries (6 and 4.5 percentage points, respectively) was substantially greater

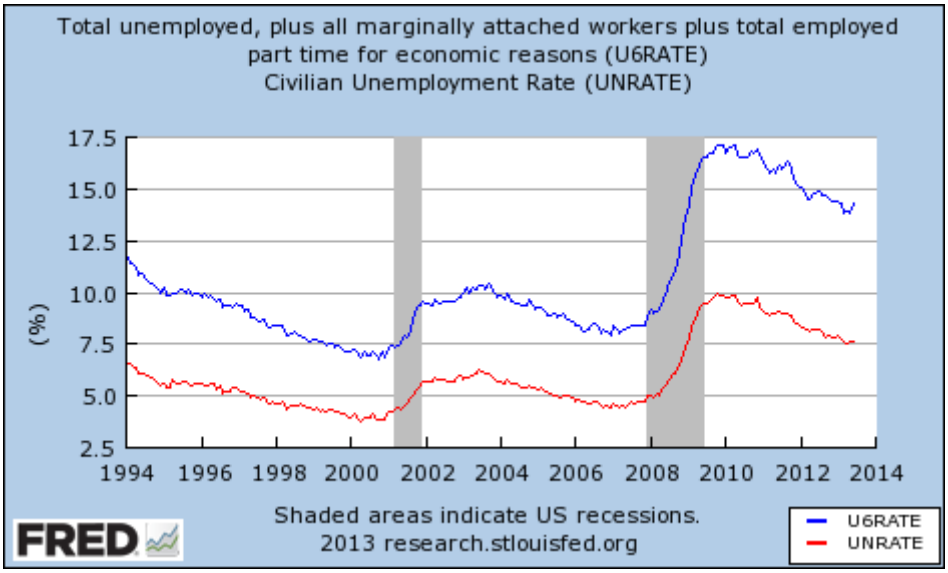
than that of the unadjusted labour share, due to an increase in the share of wage income in total income of top earners (2.9 and 2.2 percentage points in Canada and the United States, respectively; see OECD, 2012). In most other countries, the difference is smaller: on average, the cumulated labour income of the bottom 99% of earners expressed as a fraction of national income decreased by 0.9 percentage points more than the unadjusted aggregate labour share. Conversely, the top 1% of earners saw their labour share increasing by the same amount.* The only exception is Spain, where the adjusted labour share fell less than the unadjusted one, mostly due to a minor decrease in the share of labour income in top earners' income.

* Note that, as the labour share of the top 1% of earners is about 5% on average, this implies that the labour income of the top 1% of earners as a percentage of national income has increased by about 20% on average.

521 The graph below shows the US unemployment rates (by %) for the 1969-2013 period:



The next graph compares both unemployed and underemployed for the period 1994-2013 (the earliest available information for this selection):



(One needs to treat graphs of this kind, which compare 'unemployment rates' through time, with some caution. Official definitions of 'unemployment' have varied, often considerably,

through time (see Definition of Unemployment for more). See œUS BLS Labor Force Statistics from the Current Population Survey for details of US unemployment rates.)

522 (26/02/16) (28/04/16) By the early 1980s, neoliberals were able to point to the early consequences of their policies in Thatcher's Britain. This resulted in a large number of converts, including politicians who had come out of the labor movement.[999]

They seemed not to understand the income redistribution and threat to government welfare programs implied in the changes.

In Australia, the move to deregulation in the 1980s was undertaken by the Labor government under Bob Hawke - who had come out of the labor movement. He had been president of the Australian Council of Trade Unions (ACTU) for ten years before moving into parliament and becoming prime minister of Australia.

Labor leaders, in many Western regions, are now very often conspicuously 'middle class' in their attitudes and lifestyles - which sometimes seems to result in an ambivalence toward 'working class' issues.

Many previously 'working class' people in Western regions, in the post-Second World War era, were transformed into a new 'middle class ' with, as American politicians are wont to put it, "middle class aspirations". See the US report *Middle Class In America* for an explanation of what this means in the United States. As the report says:

> Most Americans consider themselves middle class. This raises the question, what does it mean to be middle class?
> (Middle Class In America, Office of the Vice President of the United States Middle Class Task Force, January 2010)

The 'middle classes', in Western countries, traditionally identified with managers and their staff - who negotiated with labor unions but did not belong to unions themselves. The newly transformed, upwardly mobile, 'working class' people of the 1950s and 1960s, now seeing themselves as 'middle class', similarly identified themselves with that managerial group and so felt that they had 'outgrown' unionization. Many people also felt that they had outgrown the need for the guarantees of the New Deal!

The most obvious consequence of this shift has been the loss of a coherent 'center' in US political life. As Ezra Klein (There's no such thing as 'the center', July 25 2013, *Washington Post*) has put it, 'the concept of "the center" has been completely hollowed out'. The 'working class' constituency to which Roosevelt appealed in the 1930s, when he promised the US population a 'New Deal' (see FDR's New Deal), has largely evaporated. Anyone attempting a similar set of reforms in the early 21st century would be hard-pressed to gain an electoral majority in support of the legislation.

Daniel Gross (2004) (Goodbye, Pension. Goodbye, Health Insurance. Goodbye, Vacations. Welfare capitalism is dying. We're going to miss it) described the process through which the former 'working classes' became members of the 'middle class'. As he says, "welfare capitalists made industrial work a ticket to the middle class".

523 Neil Irwin, in an essay on the validity of the Phillips Curve in determining US Federal Reserve policies on interest rate moves, raised the question of its applicability in the post 1980s world:

> Next week, when Federal Reserve officials meet to decide whether to raise interest rates for the first time in nine years, one question will be front and center: How much faith should be placed in a line on a graph first drawn by a New Zealand economist nearly six decades ago, based on data on wages and employment in Britain dating to the 1860s?
>
> That would be the Phillips curve, one of the most important concepts in macroeconomics. It shows how inflation changes when unemployment changes and vice versa. The intuition is simple: When joblessness is low, employers have to pay ever higher wages to attract workers, which feeds through into higher prices more broadly. And inflation is particularly prone to rise when the unemployment rate falls below the "natural rate" at which pretty much everybody who wants a job either has one or can find one quickly.
>
> As the Fed's chairwoman, Janet L. Yellen, put it in a 2007 speech, the Phillips curve "is a core component of every realistic macroeconomic model."...
>
> Except it doesn't work. Or at least, it hasn't worked very well in the last few decades in the United States. And it has proved particularly problematic to try to use that historical relationship to predict where inflation is going.
> (Neil Irwin, œThe 57-Year-Old Chart That Is Dividing the Fed, *New York Times*, Upshot: Monetary Policy, October 24, 2015)

The Phillips Curve, of course, relies on a relatively closed system, with wage rates negotiated between employees and employers, based on changing bargaining power as unemployment falls or rises. A naive acceptance of employment/unemployment statistics can lead to misleading presumptions about the consequences of increasing 'labor participation rates'. Phineas Baxandall (2004) explained the problem:

> Unemployment is a socially-constructed benchmark for evaluating the competency of economic rule. In different places and in different times the category of "unemployment" has included different kinds of joblessness and excluded others. It has implied different kinds of commitments or accountability by the state.
>
> New Meanings of unemployment are more than a byproduct of economic change. They are the result of changing politics and changing policy.

Disguised unemployment decreases workers' bargaining power[1000]. Further, as labor organization is undermined and enabling legislation gutted, it becomes possible for employers to move (or threaten to move) offshore when wage demands rise.

Disguised unemployment, globalization and deregulation all undermine the preconditions for successful Phillips Curve predictions. The Phillips Curve then becomes decreasingly reliable as a predictor of likely wage shifts and consequent inflation rates. In such conditions, it becomes "particularly problematic to try to use that historical relationship to predict where inflation is going". As Irwin put it,

> ... [T]his month, two Fed governors, Lael Brainard and Daniel K. Tarullo, argued against a rate move. Ms. Brainard said that the Phillips curve relationship was "at best, very weak at the moment." Mr. Tarullo said that it was "probably wise not to be counting so

much on past correlations, things like the Phillips curve, which haven't been working effectively for 10 years now."

It's only a slight exaggeration to say that the Fed's rate decision this year will be based on whether its leaders really believe that the Phillips curve is useful in describing how the economy works in 2015.

[524] Since welfare costs had been excluded from basic production costs, this was an inevitable consequence of neoliberal policies.

[525] *Investopedia* has summed it up:

"There is no alternative," often abbreviated "TINA," is a phrase that originated with the Victorian philosopher Herbert Spencer and became a slogan of British Prime Minister Margaret Thatcher in the 1980s. Today it is often used by investors to explain a less-than-ideal portfolio allocation, usually to stocks, since other asset classes offer even worse returns. Such decisions by investors can lead to the "Tina Effect," in which stocks rise only because investors have no viable alternative....

Herbert Spencer, who lived from 1820 to 1903, was a British intellectual who strongly defended classical liberalism. He believed in laissez-faire government and positivism - the ability of technological and social progress to solve society's problems - and thought Darwin's theory of "survival of the fittest" should apply to human interactions. To critics of capitalism, free markets and democracy, he frequently responded, "There is no alternative."

Margaret Thatcher, a Conservative, served as Britain's prime minister from 1979 to 1990. She used the phrase in a similar way to Spencer, responding to critics of her market-oriented policies of deregulation, political centralization, spending cuts and a rollback of the welfare state. Alternatives to this approach abounded, from the policies advocated by Labour to those in place in the Soviet Union. To Thatcher, though, free-market neoliberalism had no alternative. (*Investopedia*, œTINA: There Is No Alternative [accessed 24-02-2018])

[526] (23/12/16) It has been fashionable over recent years to suggest that minimum wages should be dictated by market forces, with government providing a 'tax credit' (a neoliberal rendition of 'let them eat cake'[1001]) or some other wage readjustment to ensure a living wage. We should, however, never forget the 19th century consequences of allowing wage rates to be driven solely by 'market forces'. The 1795 Speenhamland decrees, which topped up inadequate wages from the 'public purse', resulted in the 1834 Poor Law Amendment which made the, now woefully inadequate, market wage the only income and reduced hundreds of thousands to destitution.

The argument that increasing the minimum wage would make businesses less competitive and so cost jobs is, of course, inevitably true in an internationalized free market. But, such an argument is based on the inevitability of an international race to the bottom, in which the lowest wage becomes the necessary wage. As Arvind Subramanian and Martin Kessler (2013) have described

The world is now in a fourth era, of hyperglobalization, in which world trade has soared much more rapidly than world GDP... Part of the increase in trade reflects the fragmentation of manufacturing

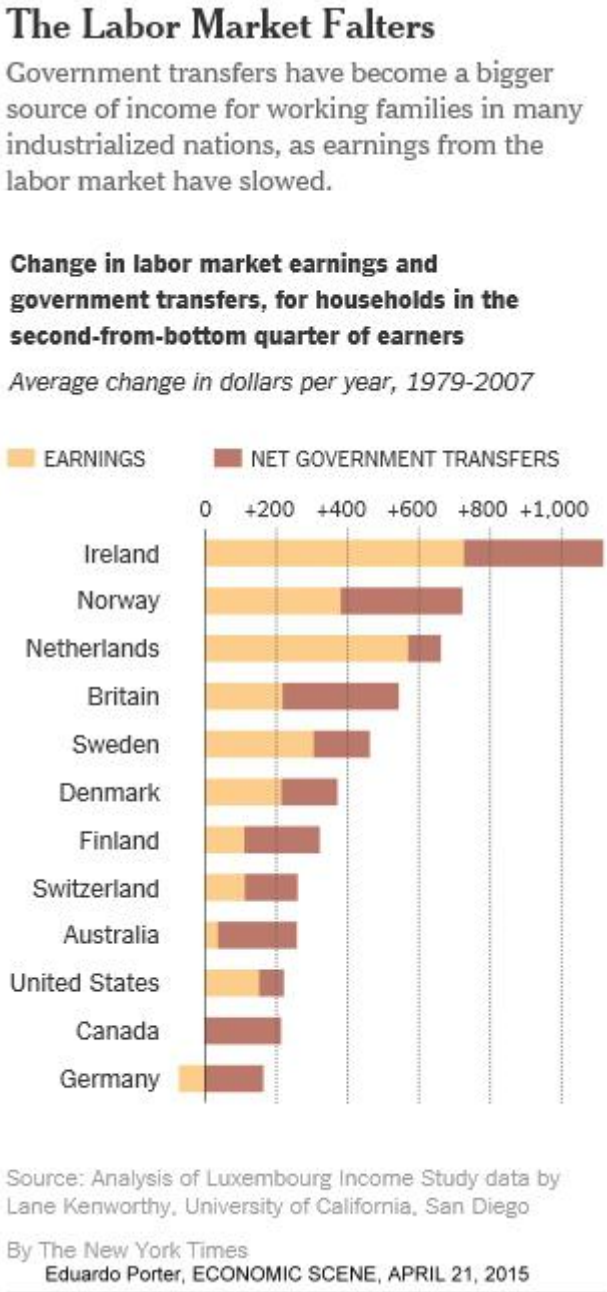
> across borders - the famous slicing up of the value-added chain - as individual production stages are located where the costs of production are lowest. This phenomenon, whereby technology no longer requires that successive stages of manufacturing production be physically contiguous or proximate, has been dubbed the "second unbundling"

One need look no further than Thomas Jefferson's description of England in 1814 for the consequences of such a race.

Paul Krugman[1002] (1998), in a review of the book *The Living Wage: Building a Fair Economy* (Robert Pollin and Stephanie Luce, The New Press, 1998), spelt out the common case for favoring subsidy over minimum wage adjustment (though he has modified his view since then):

> Now to me, at least, the obvious question is, why take this route [of a higher minimum wage]? Why increase the cost of labor to employers so sharply, which...must pose a significant risk of pricing some workers out of the market, in order to give those workers so little extra income? Why not give them the money directly, say, via an increase in the tax credit?
>
> One answer is political: What a shift from income supports to living wage legislation does is to move the costs of income redistribution off-budget. And this may be a smart move if you believe that America should do more for its working poor, but that if it comes down to spending money on-budget it won't. Indeed, this is a popular view among economists who favor national minimum-wage increases: They will admit to their colleagues that such increases are not the best way to help the poor, but argue that it is the only politically feasible option.
>
> But I suspect there is another, deeper issue here-namely, that even without political constraints, advocates of a living wage would not be satisfied with any plan that relies on after-market redistribution. They don't want people to "have" a decent income, they want them to "earn" it, not be dependent on demeaning handouts.
> (quoted in a *Washington Monthly* blog posting (February 14, 2013) by Ed Kilgore
> See Matthew Yglesias, Paul Krugman on the Minimum Wage (*Slate*, Feb. 14 2013) for the text of the review.)

For a discussion of why "the job market - that most critical institution of capitalist societies, the principal vehicle to distribute the nation's wealth among its people - is not working properly", see Eduardo Porter, 'Big Mac Test Shows Job Market Is Not Working to Distribute Wealth' (*New York Times*, April 21, 2015). As he illustrates, "Government transfers have become a bigger source of income for working families in many industrialized nations, as earnings from the labor market have slowed":



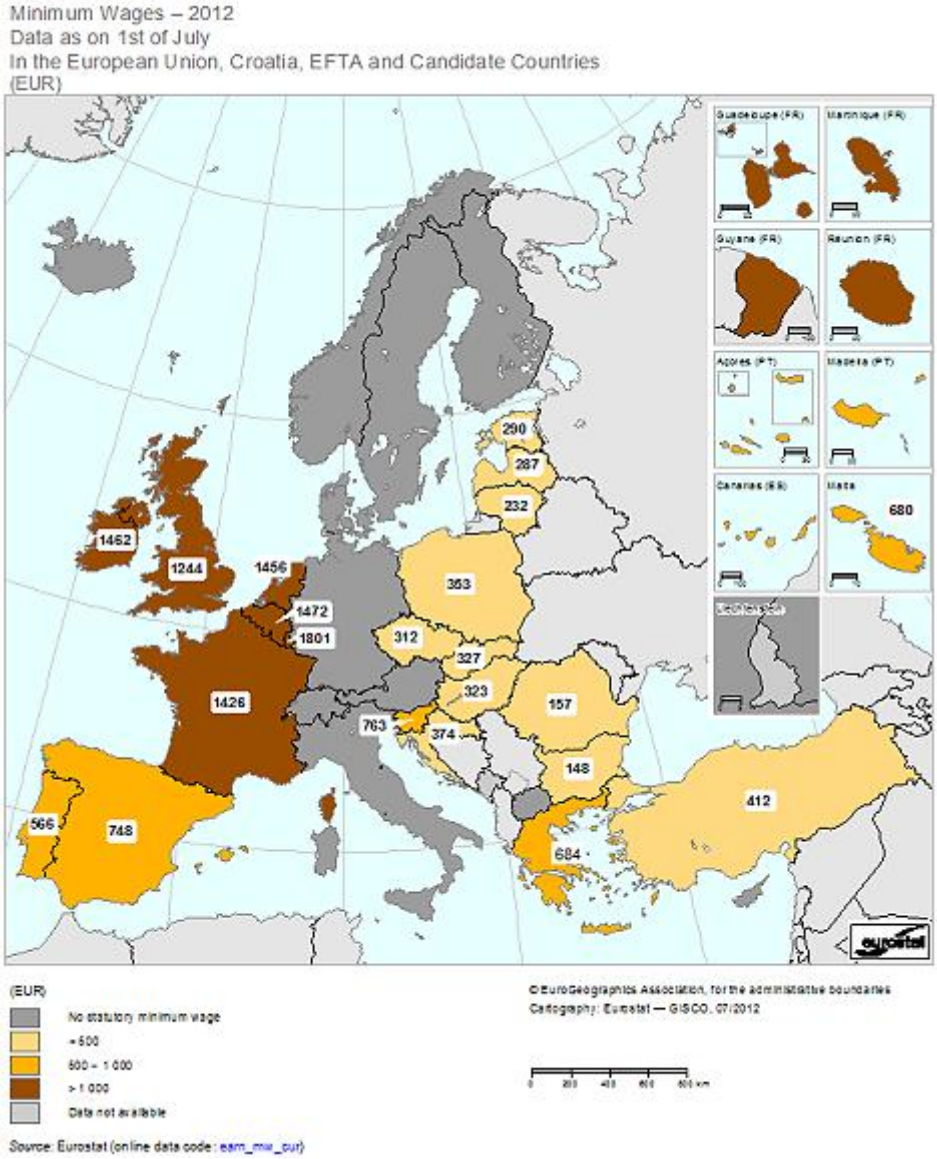
(26/12/16) As Lane Kenworthy's analysis of œLuxembourg Income Study Data (above) has illustrated, the European Union brings countries with very different wage policies into 'partnership'. In such circumstances, those with 'more competitive' wage profiles gain an edge in intra-European trade.

The European Commission report Eurostat, Minimum wage statistics provides a clear picture of the mismatch between minimum wage rates in various European Union countries and the US (see Rosner 2012, below, for a graphic illustration of this mismatch). As van Treeck and Sturn (2012, see below) show, "nominal unit labour costs stagnated completely in Germany before the Great Recession". All that is required for real wage reduction is that nominal unit labor costs stagnate over time, with wage increases failing to match inflation. The report lists countries not covered by the minimum wage data collection:

> Germany, Cyprus and the Former Yugoslav Republic of Macedonia have statutory minimum wages that do not apply to all or the large majority of employees but are restricted to specific groups which are defined e.g. by sectors or by professions. These are excluded from the data collection. Also excluded are countries where there

> are no statutory national minimum wages: Denmark, Italy, Austria, Finland, Sweden, Iceland, Norway and Switzerland. In these countries, wages are either determined by negotiations between the social partners, at company level or at the level of each individual contract.

As the map below shows, Germany, Italy and a number of other 'competitive' countries in the EU have no statutory minimum wage.



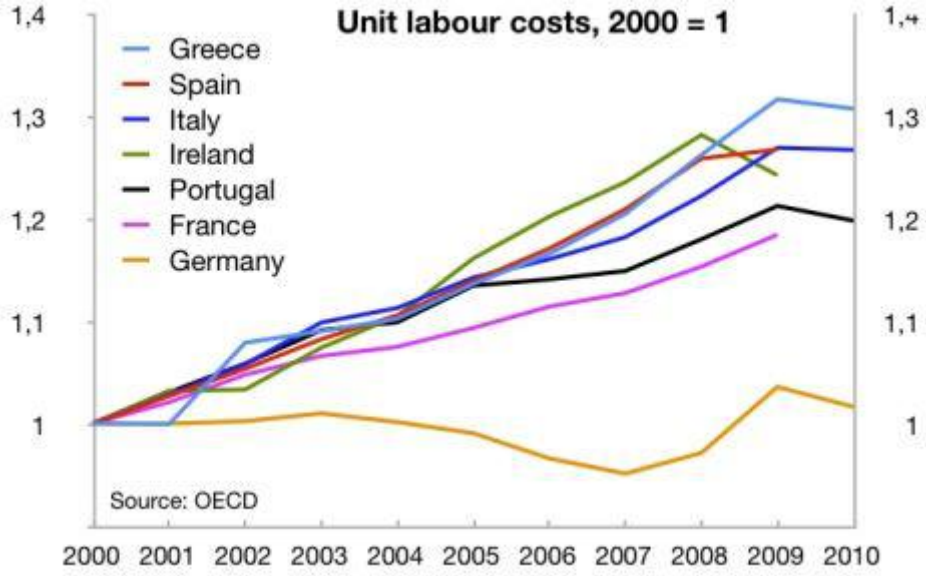
An article in *The Economist* (Nov. 5th 2011) gave a picture of what this means for Germany in the early 21st century:

> Germany is one of the few European countries to lack a statutory minimum wage. Unions and employers negotiate wages sector by sector. In ten sectors agreed minimums apply to all. But jobs are growing in fragmented services not in manufacturing.
>
> Just over half of workers in western Germany are now covered by central agreements; in the east it is only a third. In 2007, 3.7m workers earned under €7 ($9) an hour and 1.2m under €5.

Some reader comments on the minimum wage appended to the above article seem sadly in tune with similar comments made by middle ranking Western Europeans in the 18th and 19th centuries.

See *The Virtuous Capitalist, The Poor and the Wasteland* for more on this.

(28/05/17) Joshua Rosner (œGraham Fisher & Co, July 17 2012) summed up German experience since 2000:

> Past Eurozone growth, particularly in Germany, did not come from meaningful improvements in productivity, but rather on the back of household wage reductions and industry friendly reforms to the labor market - the Hartz reforms - which transferred wealth from the people to the banking and export driven sectors of the economy....
>
> Under Hartz's leadership the commission redefined the German workforce, reducing traditional full-time employment and introducing the concept of "minijobs." These so-called "minijobs" provided German companies with the ability to hire short-term workers without restrictions on hours worked and who were terminable at will.
>
> While "minijob" workers did not pay taxes on earnings; the earnings maxed out at a meager €400.... From 2002 to 2005, the German public and private sectors embarked on a series of massive Hartz reform austerity measures focused on using the high levels of unemployment to extract meaningful wage reductions from public and private labor.
>
> Eurozone Unit Labor Costs 2000-2010
>
> 
>
>
> Unfortunately for the German population, while German business profited handsomely, and German Banks exported capital to the rest of the world, the costs were borne by German workers who faced wage pressure. German households never reaped the fruits of their labor. The imbalances that Delors warned about were being built into the very structure of the Eurozone by the German government's sole focus on protecting domestic business interests at the expense of their own population....
>
> The German population has been led to believe, over the past decade, that they are frugal and that frugal is good. Germans are indeed frugal, but not entirely by choice. This is a perverse spin on the real situation, the German people have been deprived of wage increases and therefore of consumption of goods.

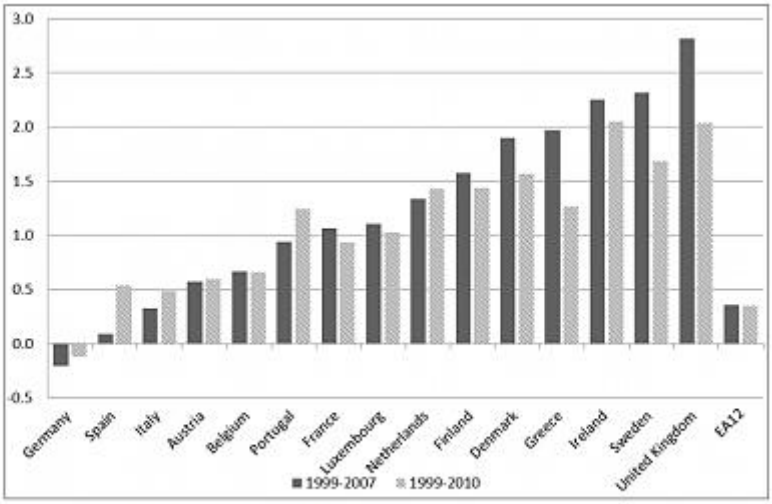
John Miller has given an account of German wage policies and practice since 1990:

> Following the adoption of the euro, Germany instituted a set of "labormarket flexibility" policies intended to further improve its international competitiveness. Known as the "Agenda 2010 Reforms," the new policies reduced pensions, cut medical benefits, and slashed the duration of unemployment benefits from nearly three years to just one. They made it easier to fire workers, while encouraging the creation of parttime and short-term jobs. The Organisation for Economic Co-operation and Development (OECD) reports that, from the mid-1990s to 2008, the incomes of the poorest 30% of Germans actually declined in real (inflation-adjusted) terms. Germany's repressive labor policies kept a lid on wage growth. In every year from 2000 through the onset of the financial crisis in 2009, German compensation per employee increased more slowly than the eurozone average, and less even than in the United States.
> (John Miller, German Wage Repression: Getting to the Roots of the Eurozone Crisis, *TripleCrisis*, 21 August, 2015)

Till van Treeck and Simon Sturn explained the problem for countries which are economically tied into a union with Germany:

> [p. 46]... as nominal unit labour costs stagnated completely in Germany before the Great Recession, firms were able to increase their profit margins, resulting in a strong decline in real compensation per employee (Figure 40), which in turn depressed private consumption.
>
> ILO ([Global Employment Trends 2012. Preventing a Deeper Jobs Crisis], p. 46) argues that the wage deflation policies in Germany during the 2000s have contributed in an important way to the rising inequality and weak domestic demand in Germany and put pressure on the other member countries of the European Monetary Union which "increasingly see only even harsher wage deflation policies as a solution to their lack of competitiveness."

Figure 40: Real compensation per employee, average annual growth rate, selected countries

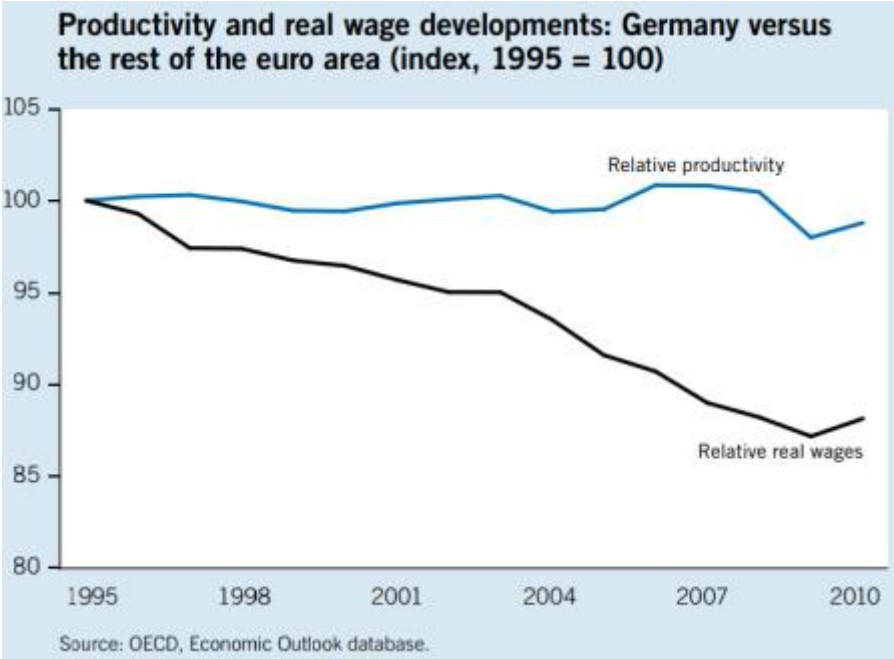


Note: Deflated with price deflator for private final consumption expenditure.
Source: AMECO; authors' calculations

> (Till van Treeck and Simon Sturn, *Conditions of Work and employment* , series no. 39, International Labour Organization 2012)

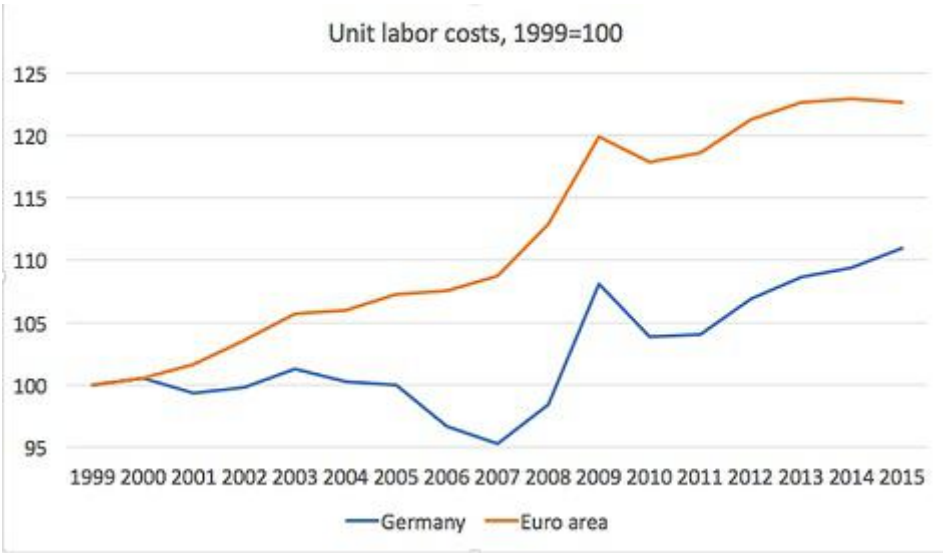
Here is an ILO graph, showing a comparison of both productivity and real-wage developments in Germany relative to the rest of Europe since 1995. As Rosner (2012) argued, Germany has been practicing a particularly unpleasant form of wage austerity for the past 18 years or

more. Its status as the 'economic powerhouse' of Europe is built "on the back of household wage reductions and industry friendly reforms to the labor market".



Ekkehard Ernst *et al* 2012, p. 46 (Global Employment Trends 2012. Preventing a Deeper Jobs Crisis ILO, Geneva)

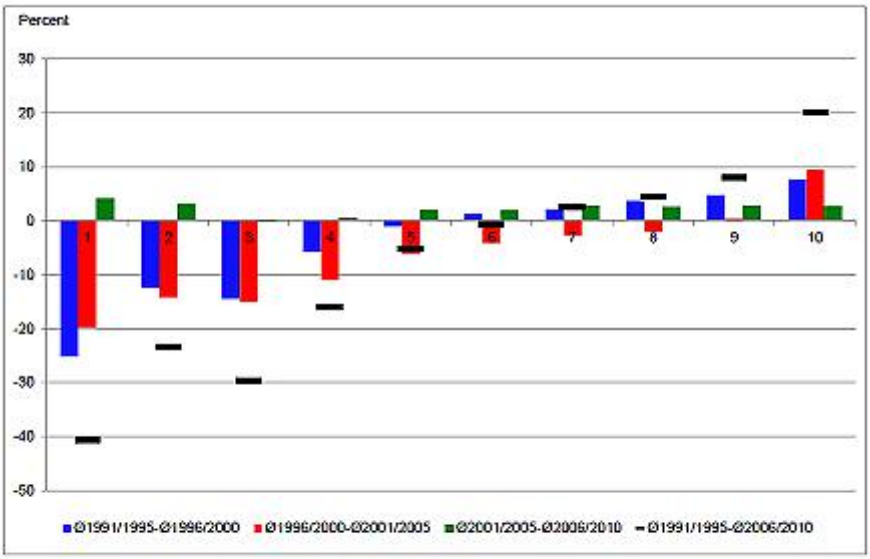
Paul Krugman, providing yet another example of the fairy dust of expansionary austerity (with more than a hint of cynical plutocratic self-interest involved in what happened), has summed it all up:

> The basic story is illustrated by the following chart, of unit labor costs since the creation of the euro:
>
> 
>
>
> Here's what happened: during the era of europhoria, when capital rushed into supposedly safe southern European economies, those economies experienced moderate inflation, allowing Germany to gain a big competitive advantage without actually having to deflate. Then confidence and capital flows collapsed, and what was needed was strong German reflation that would in effect return the favor - let southern Europe regain competitiveness without grinding deflation and the debt problems that go along with such a strategy.
>
> But Germany hasn't. It has practiced its own austerity, unforced - in the face of negative interest rates! - and harassed the ECB as it attempts to boost overall EZ inflation. The result is that the

> competitive gap that opened up after 1999 has barely closed, producing both huge German surpluses and a deadly drag on the rest of the euro area.
> (Paul Krugman, œGermany's Real Sin, *New York Times*, Opinion Pages, May 27, 2017)

See Kai Daniel Schmid and Ulrike Stein (2013) for further detail. As the authors illustrate and explain,

Figure 4.1 Change of 5-year Average of Market Equivalized Income by Income Decile Groups



Note: This figure illustrates the change of 5-year average incomes between selected time periods by income decile groups. Income changes are plotted on the vertical axis in percent. Income is reported in real terms in 2010 prices.

Source: SOEP, own calculations.

> ...The black lines show the overall change of average income between 1991 and 2010. In the second half of the 2000s, incomes in the lower half of the income distribution are between 5 percent and 40 percent lower than in the first half of the 1990s. In contrast, the average income in the highest income decile increased by 20 percent during the same period.
> (Kai Daniel Schmid and Ulrike Stein, Explaining Rising Income Inequality in Germany, 1991-2010, Macroeconomic Policy Institute (IMK), Düsseldorf, Germany, September, 2013, p. 16.)

The US *Economic Policy Institute* has neatly summarized US minimum wage realities between 1948 and 2016:

The minimum wage would be much higher if it had kept up with a growing economy

The inflation-adjusted minimum wage, and hypothetical minimum wage values if it had grown with average wages and productivity since 1968

Chart Data

Note: Growth in average wages measures average wages of production/nonsupervisory workers in the private sector.

Source: Adapted from David Cooper, *The federal minimum wage has been eroded by decades of inaction*, Economic Policy Institute Snapshot, July 25, 2016

As they explain,

> The federal minimum wage is meant to ensure a fair wage for the nation's lowest-paid workers. But it hasn't done that since 1968. Since the inception of the federal minimum wage in 1938, Congress has periodically raised it, ostensibly so that its real (inflation-adjusted) value would reflect changing economic circumstances. Before 1968, the real value of the federal minimum wage grew at roughly the same pace as the growth in labor productivity - i.e., the rate at which the average worker can produce income from each hour of work. This makes sense: if the economy as a whole can produce more income per hour of work, it means there is capacity for wages across the distribution to grow at a similar rate. But after 1968, when the real value of the minimum wage in today's dollars was $9.63, the minimum wage stopped rising at the same pace as productivity. As the top line in the graph shows, had the minimum wage kept pace with rising productivity, it would be nearly $19 per hour today. Not $7.25.
> (œThe top charts of 2016: 13 charts that show the difference between the economy we have now and the economy we could have, Economic Policy Institute Report * December 22, 2016)

Annette Bernhardt *et al* (2009) Broken Laws, Unprotected Workers: Violations of Employment and Labor Laws in America's Cities have examined some of the consequences of poor regulation of wages and conditions in the US. As they say in their Executive Summary,

> This report exposes a world of work in which the core protections that many Americans take for granted-the right to be paid at least the minimum wage, the right to be paid for overtime hours, the right to take meal breaks, access to workers' compensation when injured, and the right to advocate for better working conditions-are failing significant numbers of workers. The sheer breadth of the problem, spanning key industries in the economy, as well as its profound impact on workers, entailing significant economic

hardship, demands urgent attention.
(See National Employment Law Project for more on all this.)

527 In 2017, neoliberal policies are still potent in challenging those New Deal provisions. President Macron's reforms of the French labor code are the latest move to weaken remaining union powers and workers' rights in a determination to give 'more flexibility to companies to adapt to the marketplace' and empower the Government to 'balance the budget' in the name of 'economic responsibility'.

Philippe Aghion and Benedicte Berner, true believers in the need to oppose 'socialist tendencies' and promote essential 'economic freedoms' and efficiencies, have spelt it out. As they explain,

> First, capital income is too heavily taxed in France, compared to other developed countries, which discourages innovation and entrepreneurship. Second, public money is not invested in the most cost-effective and growth-enhancing way. Third, France suffers from a multiplicity of administrative layers, which generates inefficiencies and redundancies in the provision of public services. Finally, France remains a highly corporatist country, with a multiplicity of health, pension, and family subsidy systems; in an innovation-driven economy where individuals are likely to change jobs and sectors repeatedly over their lifetime, this bureaucratic thicket becomes a source of inefficiency and risk.

So, in order to ensure 'innovation and entrepreneurship' and tackle that 'bureaucratic thicket' which promotes economic 'inefficiency and risk' in France,

> The French government has just announced the guidelines for a new labor code, its first major reform to boost France's economy, by giving more flexibility to companies to adapt to the marketplace. The second major reform sought by President Emmanuel Macron's cabinet - an overhaul of the French state - is set to follow.
>
> The changes to the labor code have four goals. First, direct negotiations between employers and employees in small and medium-size firms (accounting for 55% of the workforce) would be facilitated by allowing such companies to negotiate with elected representatives not mandated by the trade unions. Second, social dialogue within larger firms would be simplified by merging separate workers' committees (for hygiene, health, safety, and so on) into a central body. Third, collective bargaining over wages and employment would be decentralized from national to sectoral and/or firm level. Finally, laying off employees would become easier and more predictable, in particular with the introduction of upper and lower levels on payouts issued by labor courts.
>
> The reform of the labor code will soon be accompanied by reforms of the unemployment insurance and job training systems. On the former, the government will take over from the unions, in order to provide unemployment benefits to all categories of workers, including the self-employed and those who voluntarily quit their current job to search for a new one. The cost of reforming unemployment insurance, however, is estimated at €3-5 billion ($3.6-6 billion), which may prove difficult to square with 2018 budget plans, which foresee a €20 billion cut in spending.
>
> Altogether, the labor market reform is intended to reconcile more flexibility for firms to hire and shed workers - which is needed in an

> economy where growth is driven by innovation and creative destruction - with more income security and more training for the unemployed. The French labor market currently suffers from a huge divide between qualified workers under long-term contracts and low-skill workers who shuttle constantly between unemployment and short-term jobs. The government's reform is meant to close this divide by increasing social mobility.
>
> The second pillar of Macron's economic program, reform of the state, has two major components: a revamp of fiscal policy and an overhaul of the public spending system....
> (Philippe Aghion and Benedicte Berner, œThe Two Pillars of French Economic Reform, *Project Syndicate*, September 1, 2017)

528 In an article entitled 'Emmanuel Macron's 'Extreme Centrism' Is a Threat to Democracy: Hiding behind appeals to 'rationalism,' the French leader seeks to 'fix' the French economy by cozying up to a tiny, binge-eating wealthy elite', Juliette Legendre has documented French president Emmanuel Macron's promotion of neoliberalism:

> ...As a former investment banker at Rothschild, Macron envisions the transformation and revitalization of France through a Silicon-Valley-style neoliberalism, which embraces the "creative destruction" theory of Austrian economist Joseph Schumpeter. And, as a graduate student of the elite National School of Administration and a former finance minister, he also envisions governance through the lens of a French technocrat, who believes in the verticality and centralization of power.
>
> Both perspectives reflect a thin conception of representative democracy - one that puts the supposed needs of the market over popular deliberation and participation.
> (Juliette Legendre, œEmmanuel Macron's 'Extreme Centrism' Is a Threat to Democracy: Hiding behind appeals to 'rationalism,' the French leader seeks to 'fix' the French economy by cozying up to a tiny, binge-eating wealthy elite, *Inequality*, Blogging Our Great Divide, July 02, 2018)

529 These incentives remain important in many (if not all) countries, both Western and non-Western, in the first decades of the 21st century. A *New York Times* report (December 1, 2012), part of a series examining business incentives and their impact on jobs and local economies, described the scene in the United States:

> A Times investigation has examined and tallied thousands of local incentives granted nationwide and has found that states, counties and cities are giving up more than $80 billion each year to companies. The beneficiaries come from virtually every corner of the corporate world, encompassing oil and coal conglomerates, technology and entertainment companies, banks and big-box retail chains.
>
> The cost of the awards is certainly far higher. A full accounting, The Times discovered, is not possible because the incentives are granted by thousands of government agencies and officials, and many do not know the value of all their awards. Nor do they know if the money was worth it because they rarely track how many jobs are created. Even where officials do track incentives, they acknowledge that it is impossible to know whether the jobs would have been created without the aid.

"How can you even talk about rationalizing what you're doing when you don't even know what you're doing?" said Timothy J. Bartik, a senior economist at the œW.E. Upjohn Institute for Employment Research in Kalamazoo, Mich.

The Times analyzed more than 150,000 awards and created a searchable database of incentive spending. The survey was supplemented by interviews with more than 100 officials in government and business organizations as well as corporate executives and consultants.

A portrait arises of mayors and governors who are desperate to create jobs, outmatched by multinational corporations and short on tools to fact-check what companies tell them. Many of the officials said they feared that companies would move jobs overseas if they did not get subsidies in the United States.

Over the years, corporations have increasingly exploited that fear, creating a high-stakes bazaar where they pit local officials against one another to get the most lucrative packages. States compete with other states, cities compete with surrounding suburbs, and even small towns have entered the race with the goal of defeating their neighbors.

While some jobs have certainly migrated overseas, many companies receiving incentives were not considering leaving the country, according to interviews and incentive data.

... For local governments, incentives have become the cost of doing business with almost every business. The Times found that the awards go to companies big and small, those gushing in profits and those sinking in losses, American companies and foreign companies, and every industry imaginable.

Workers are a vital ingredient in any business, yet companies and government officials increasingly view the creation of jobs as an expense that should be subsidized by taxpayers, private consultants and local officials said.

Even big retailers and hotels, whose business depends on being in specific locations, bargain for incentives as if they can move anywhere. The same can be said for many movie productions, which almost never come to town without local subsidies.
(Louise Story, œAs Companies Seek Tax Deals, Governments Pay High Price, *New York Times*, December 1, 2012)

[530] See a Bloomberg report (by Bob Ivry, Bradley Keoun and Phil Kuntz - Nov 28, 2011) œSecret Fed Loans Gave Banks $13 Billion Undisclosed to Congress for the extent of the Federal bailout of private financial institutions during the 2007-9 financial crisis. As the report says,

The amount of money the central bank parceled out was surprising even to Gary H. Stern, president of the Federal Reserve Bank of Minneapolis from 1985 to 2009, who says he "wasn't aware of the magnitude." It dwarfed the Treasury Department's better-known $700 billion Troubled Asset Relief Program, or TARP. Add up guarantees and lending limits, and the Fed had committed $7.77 trillion as of March 2009 to rescuing the financial system, more than half the value of everything produced in the U.S. that year.

[531] See Transnational Companies in the Third World for more on this.

[532] Russia, in the eyes of Western Europeans, has long been regarded as the 'wild east' of Europe, a wild, threatening frontier of 'Western Civilization'. A vast region, full of resource promise and semi-civilized inhabitants which looms, threatening chaos, on the borders of the civilized world.

'Russia' has been the enduring prototype of the United States' 'Wild West': a region of semi-civilized 'barbarians' and semi-degenerate, morally suspect 'almost' Europeans; a region from which, for centuries, hordes of barbarians have invaded and ravaged the 'civilized world' of Europe.

And, if one reads 19th century Russian novels, one gets the impression that European-Russian upper middle classes have long seen Western European 'cultural' centers as 'the civilized world' which they aspire to emulate and the hinterland of Russia as the realm of gulags and of what Western Europeans over the past several centuries have called barbarians.

The world many of those novels presented to readers was one in which, for Western Europeans, time had stood still: a feudal world which had resisted the 'march of civilization' into a capitalist future. For Western capitalists, such a world was ripe for capitalist reorganisation - there needed to be a 'revolution' to displace the feudal with capitalist elites.

Feudal estates needed to be transformed to 'realize their potential'; the commons needed to be 'privatized'; and the peasantry reorganized into a cheap-labor workforce.

But, for all their 'backwardness', those peasants seemed all-too-easily mobilized and motivated to support their 'enslaved' condition. The interdependent populations of 'Russia' seemed determined to resolutely resist attempts to 'free' them to independent capitalist 'prosperity'.

The upper levels of that feudalist world might readily identify with the 'middle classes' which controlled the capitalist world of Western Europe, but their support base was feudal, not capitalist.

Western European middle classes saw those privileged Russians who visited them not as fellow members of the capitalist revolution which aimed to overthrow feudally justified hierarchies but as the upper-middle ranks of feudal Russia: people who admired the 'freedom' and affluence of Western European middle classes and wished to be accepted by them but who, nonetheless, were ultimately legitimized by their hierarchical position within a feudal world

Nor has this admiration for all things 'Western' - and therefore, 'civilized' - diminished in the 21st century. John Helmer, in a blog posting entitled œGerman Neutrality Was More Important Than NATO Expansion - A New History Book Explains Why Gorbachev Gave It Away For Nothing' on the blogsite *Dances with Bears*, describes 21st century Russian upper-middle-class 'cultural cringe': "In Russia the wish to be loved by Americans is known as liberal reform".

While not, perhaps, in a permanent state of 'war' with Russia, as Assad suggests, Western Europe has indeed considered it a threatening cultural outlier (despite its major contributions to Western Europe's 'cultural' heritage). An attitude perhaps reinforced by a conscious or subconscious awareness of that Russian 'cultural cringe' which Helmer describes - a morally and culturally suspect region to be reclaimed and reorganized by the West.

For The West, the Russian transition from feudalism to socialism in the early 20th century was aberrant. As US President Reagan put it in the late 1980s, The Union of Soviet Socialist Republics was 'the focus of evil in the modern world'. Russia 'needed' capitalism.

The West 'knows' that it is justified in pursuing a 'civilizing' mission. To successfully enter the modern world as a truly 'developed' nation, Russia needed (and needs) to be opened to the market forces and entrepreneurs of The Western world. This is the West's responsibility - even if Russians can't appreciate what is being offered.

533 A comment on a *Naked Capitalism* posting by someone pseudonymed 'hunkerdown' summed it up well:

> Rule of law is a deceptive term that erases the men who write the laws to subordinate others to their private will. It's not meant to be an argument for law, but an argument for the imposition of human will as if it were a force of nature.
> ('hunkerdown', œcomment on 'Dictatorship Never Again': Massive Pro-Democracy Protests Sweep Brazil, posted on *Naked Capitalism*, August 12, 2022)

534 Caitlin Johnstone has addressed the 21st Century expression of US hegemonic power well. As she explains:

> So many empire apologist arguments depend on pretending the US empire doesn't exist; pretending the US is just a normal country sitting there minding its own business. If you do that, it really does look like Russia and China are picking on Ukraine and Taiwan completely unprovoked.
>
> If you act like the US isn't the hub of an empire that is projecting power all over the globe, then the fact that it has a hand in every major international conflict becomes obscured and it just looks like evil barbaric foreigners doing evil things for no good reason. Take the empire out of the equation and Assad wasn't reacting to a western-backed regime change proxy war, he was just killing his own people because he likes killing people. China isn't responding to US encirclement, it's just being aggressive to its neighbors because it is evil.
>
> Because the globe-spanning power structure loosely centralized around the United States is an unacknowledged, unofficial empire that doesn't look like the empires of old, its apologists can just insist that it doesn't exist, like mob lawyers used to do with the mafia. By doing that, they can assign others responsibility for the empire's crimes.
> (Caitlin Johnstone, œChina Threatens The US Empire, Not The US Itself: Notes From The Edge Of The Narrative Matrix, August 15, 2022)

Mark Leonard has addressed the possible displacement or weakening of the United States position as the 21st century center of Western hegemony in an article entitled 'The Real End of Pax Americana: Germany and Japan Are Changing - and So Is the Postwar Order'.

While he presents a convincing case for his thesis he seems to be committing that all-too-common Western error of thinking of the West as the fundamentally unchallengeable hegemonic center of world power.

> The post-World War II international order is often described as a product of American strength. Together with its allies, a victorious

United States imposed its will on the rest of the world, crafting institutions and norms that served its interests and assured its primacy. But to an often underappreciated degree, that order is also a product of the artificial weakness of Germany and Japan. For three-quarters of a century after 1945, both countries consciously eschewed great-power status and pursued pacifist approaches to foreign policy. At the heart of the postwar order, in other words, is the unique status of the world's third- and fourth-largest economies. Although that order has come to seem natural to many in the West, it is predicated on an arguably unnatural condition: the forced pacification of two countries that - owing to geography, demography, and history - had predictably become regional hegemons in the prewar modern era.

Russia's invasion of Ukraine - and the growing antagonism between the United States and China - is threatening to upend that status quo and with it Pax Americana, which has held since the end of World War II. In response to Moscow's aggression, Germany has fundamentally reoriented its foreign policy, pledging to radically increase defense spending and taking a hawkish line on Ukraine. And Japan, wary of China's quest for regional hegemony, seems closer than ever to a similar transformation...
(Mark Leonard, œThe Real End of Pax Americana: Germany and Japan Are Changing - and So Is the Postwar Order, *Foreign Affairs*,June 13, 2022)

[535] By imposing sanctions on shipping and insurance in 2022 aimed at disrupting both Russia's and China's supply lines, the United States has inadvertently disrupted its own supply lines, resulting in domestic shortages, price inflation[1003] and consequent bizarre/ inept attempts at controlling that inflation through Federal Reserve interest rate rises.

When will Western nations finally realize that their hegemon is asleep at the wheel - trying to correct self-inflicted, sanction driven, supply chain problems through adjusting interest rates?

There seems to be a remarkable lack of competence among those driving the US war on Russia and China!

[536] Syrian President Bashar al-Assad, in an interview with RT Arabic (10th June, 2022)

Interviewer:

Mr. President, I propose to start with the most significant topic in the international arena and, perhaps, here too.

I will ask the question that RT Arabic website visitors ask: "Why did Damascus support the Russian special military operation in Ukraine?"

Assad:

Russia is an ally of Syria.

A war has been unleashed against Russia, which I do not associate with the theme of the expansion of the NATO bloc, as some people think.

This war did not stop even before communism and the First World War.

This is a permanent war, and Russia has the main role here as part of the global balance of power.

We can consider Russia from two points of view: as an ally who, if he wins the battle or his political position in the international arena becomes stronger, then this is to our advantage.

Or from another point of view: one can say that the strength of Russia today contributes to the return of the lost international balance, even if this return is partial.

And this balance, which we so much want, is reflected primarily in small states, and Syria is one of them.

Interviewer:

The Russian leadership says that this is a battle for a new world order.

Mr. President, do you consider this the last obstacle on the path to a multipolar world, or is there still a long road ahead through American hegemony?

Assad:

Some talk about this war in the context of the end of the unipolar world, which they assume began after the fall of the Soviet Union.

Such a statement is not accurate, but there is some truth in it: if we are talking about two blocs - Warsaw and NATO - and about the absence of one of the blocs, if we are talking in a political sense, if we say that the Security Council is controlled by Western countries headed by United States.

But in fact, the unipolar order began after the Second World War, after the Bretton Woods Conference, the dollar became the dominant currency in the world.

Now more important than the military aspect, or perhaps equal in importance, not to exaggerate, saying what is more important, the economic results of the current war (against a unipolar world), and above all the position of the dollar.

If the dollar continues to dominate the global economy despite the outcome of this war, nothing will change.

Interviewer:

"Many people say that with the help of the US dollar they are blackmailing the world and those who do not agree with their point of view.

How do you feel about this economic war of the West against Moscow?

Can it be compared with the economic blockade that Syria was subjected to?

Assad:

The topic of the dollar is not blackmail, but theft.

America promised after World War II that the dollar would have a gold equivalent.

In the early 1970s, during the Nixon era, the United States decided to separate the dollar from gold, so it became a priceless paper.

However, the US has been able to buy whatever it wants around the world for pieces of paper that have no price.

This is theft, and this theft is happening all over the world.

[537] By the 1960s, the US and its European allies were displaying a clear lack of awareness of the New Deal understanding of the fiat nature of sovereign currency. This led to a great deal of confusion about the consequences of the increased international demand for reserve currency US dollars including concern over the amount of gold held by the US to underwrite its currency obligations.

US internal credit and currency had been removed from the gold standard by FDR on June 5, 1933; Nixon, on August 15, 1971, finally œenacted a plan that addressed the international dilemma of a looming gold run by ending dollar convertibility to gold, which soon brought an end to the Bretton Woods System.

The gold standard consequences for a reserve currency US dollar had been examined by Robert Triffin in the 1960s who presented a 'fearful situation analysis' arguing that 'the vast redistribution of net reserves from the United States to the rest of the world... could not continue indefinitely without eventually undermining confidence in the dollar itself' .

Carol Connell, in a 2011 article entitled 'Why the Triffin Plan was Rejected and the Alternative Accepted? - A Heterodox Analysis', has given an account of the dilemma faced by the US as provider of the international reserve currency in the Gold Standard period which, in the early 1970s, led to the move from fixed to flexible exchange rates. As she recounts,

> Whatever the value of hindsight provided by ex-post analysis, there is no question that many policy makers and academic economists in the US and Europe perceived a potential crisis for the dollar by 1960. Presidents Dwight Eisenhower, John F Kennedy and Lyndon Johnson considered US payments deficits a problem as critical to US security as the nuclear threat. Kennedy calculated that the US payments deficit in 1962 was equal to the cost of maintaining US troops in Europe and weighed the advantages of eliminating the deficit by recalling the troops or negotiating with the French as the US had with Germany to pay for the troops via US armaments purchases, thus allowing the US to use the cash received to retire the deficit... Cold War Presidents were concerned that the Soviet Union might pursue an alliance with Germany or that France might pursue an alliance with Germany, pushing the US out of European affairs.
>
> European policy makers feared restrictions on or termination of all sales of gold by the US monetary authorities; restrictions on international payments through the introduction of foreign exchange controls and prohibitions of capital transfers; import restrictions of all sorts; the blocking of deposits of foreign nationals; the end of convertibility; elimination of key-currencies from the official reserves of central banks and consequently a drastic reduction in "liquidity" everywhere and, ultimately, reductions in production and employment resulting from import restrictions and export reduction ...
>
> No one offered a more fearful situation analysis than Robert Triffin, Belgian monetary economist, Yale professor and architect of the European Payments Union created to deal with Europe's trade and payments problems. Triffin argued that the growth of foreign countries' reserves had taken place in recent years largely as a result of a vast redistribution of net reserves from the United States to the rest of the world and that such a movement could not

> continue indefinitely without eventually undermining confidence in the dollar itself...
> (Carol M Connell, œWhy the Triffin Plan was Rejected and the Alternative Accepted? - A Heterodox Analysis, *World Journal of Social Sciences*, Vol. 1. No. 5. November 2011. Pp. 28-35)

As a *Wikipedia* entry has summarized:

> The Triffin dilemma or Triffin paradox is the conflict of economic interests that arises between short-term domestic and long-term international objectives for countries whose currencies serve as global reserve currencies. This dilemma was first identified in the 1960s by Belgian-American economist Robert Triffin, who pointed out that the country whose currency, being the global reserve currency, foreign nations wish to hold, must be willing to supply the world with an extra supply of its currency to fulfill world demand for these foreign exchange reserves, thus leading to a trade deficit.
>
> The use of a national currency, such as the U.S. dollar, as global reserve currency leads to tension between its national and global monetary policy. This is reflected in fundamental imbalances in the balance of payments, specifically the current account, as some goals require an outflow of dollars from the United States, while others require an overall inflow.
> (œTriffin dilemma, *Wikipedia*, accessed 4 September, 2018)

Robert Wolff, in a comment on a self-serving *Project Syndicate* article by Lawrence Summers, provided additional comment on all this:

> ...[T]he dollar as the main reserve currency for the world makes the richest richer but hurts working Americans, creates US trade deficits, causes continuing increases in US public and private debt, the concentration of US power in ridiculous wealthy class, and the "Buying of America" by foreigners.
>
> The dominance of the dollar as world transaction and reserve currency has created an additional 15% profits/GDP all earned by Wall Street international banks and their owners with no additional US production. That means more trade deficits and more wealth concentration.
> (Robert Wolff, Comment on article by Lawrence Summers, œSetting the Record Straight on Secular Stagnation, *Project Syndicate*, September 03, 2018)

538 The US Administration, in 2019, seems not to have understood the need to separate its political and strategic interests and ambitions from its efficient management of the reserve currency. Paul Krugman has summed up US President Trump's 2019 difficulties in successfully advancing his 'trade war' with China (perhaps Krugman has been influenced by Iranian President Rouhani's assessment of the US President's abilities):

> About Trump's views: His incoherence is on view almost every day, but one of his recent tweets was a perfect illustration. Remember, Trump has been complaining nonstop about the strength of the dollar, which he claims puts America at a competitive disadvantage. On Monday he got the Treasury Department to declare China a currency manipulator, which was true seven or eight years ago but isn't true now. Yet the very next day he wrote triumphantly that "massive amounts of money from China and other parts of the

> world is pouring into the United States," which he declared "a beautiful thing to see."
>
> Um, what happens when "massive amounts of money" pour into your country? Your currency rises, which is exactly what Trump is complaining about. And if lots of money were flooding out of China, the yuan would be plunging, not experiencing the trivial (2 percent) decline that Treasury condemned.
>
> Oh well. I guess arithmetic is just a hoax perpetrated by the deep state.
>
> Still, even if Trump isn't making sense, will China give in to his demands? The short answer is, "What demands?" Trump mainly seems exercised by China's trade surplus with America, which has multiple causes and isn't really under the Chinese government's control.
> (Paul Krugman, œChina Tries to Teach Trump Economics: But he doesn't seem to be learning, *New York Times*, Opinion, August 8, 2019)

Neil Irwin has outlined a Trump-manufactured (and unintended exacerbation of his perceived trade deficit 'problem') paradox:

> There is... a paradox for President Trump. Because of the dollar's unique role as the global reserve currency, when panic sets in overseas, money tends to flow into United States Treasury bonds, which are viewed as the safest assets on earth. But that movement tends to prop up the value of the dollar and push overseas currencies lower.
>
> In other words, the more chaos he injects into the global economy by trying to pressure China, Europe and others not to depreciate their currencies, the more upward pressure there will be on the dollar, undermining those efforts.
>
> That is potentially the worst of both worlds. When the dollar rises on currency markets because the United States economy is booming, it may be hard on American export industries, but at least it takes place in the context of strong growth.
>
> But for the dollar to surge because of... global economic troubles, it means exporters suffer at the same time that the overall economy is under pressure. A particularly extreme example of this happened in the fall of 2008, when the United States economy was in free fall and yet the dollar rose because of the global financial crisis.
>
> A habit of the Trump administration has been to link seemingly unrelated items in its dealings with other countries - using tariff threats to try to influence Mexican immigration policy, for example.
>
> If the Trump administration continues down the path of using currency policy to try to bludgeon China over trade, technology and national security issues, it will signal a remarkable expansion into a policy area that has been a source of stability in recent decades.
> (Neil Irwin, œWhat's at Risk if the U.S. Stumbles Into a Currency War: It could wind up undermining the central role the United States has played in the international financial system, *New York Times*, TheUpshot, Aug. 7, 2019)

539 Simon Tilford and Hans Kundnani have asked whether issuing the world's reserve currency comes at too high a price for the US. As they argue:

> The benefits of dollar primacy accrue mainly to financial institutions and big businesses, but the costs are generally borne by workers. For this reason, continued dollar hegemony threatens to deepen inequality as well as political polarization in the United States....
>
> ...[I]t creates winners and losers within the United States. The main winners are the banks that act as the intermediaries and recipients of the capital inflows and that exercise excessive influence over U.S economic policy. The losers are the manufacturers and the workers they employ. Demand for the dollar pushes up its value, which makes U.S. exports more expensive and curtails demand for them abroad, thus leading to earnings and job losses in manufacturing.
>
> The costs have been borne disproportionately by swing states in regions such as the Rust Belt - a consequence that in turn has deepened socioeconomic divisions and fueled political polarization. Manufacturing jobs that were once central to the economies of these regions have been offshored, leaving poverty and resentment in their wake. It is little surprise that many of the hardest-hit states voted for Trump in 2016.
>
> The domestic costs of accommodating large capital flows are likely to increase and become more destabilizing for the United States in the future. As China and other emerging economies continue to grow and the United States' slice of the global economy continues to shrink, capital inflows to the United States will grow relative to the size of the U.S. economy. This will amplify the distributional consequences of dollar hegemony, further benefiting U.S. financial intermediaries at the expense of the country's industrial base. It will likely also make U.S. politics even more fraught.
>
> Given these mounting economic and political pressures, it will become increasingly difficult for the United States to create more balanced and equitable growth while remaining the destination of choice for the world's excess capital, with the overvalued currency and deindustrialization this implies. At some point, the United States may have little alternative but to limit capital imports in the interests of the broader economy - even if doing so means voluntarily giving up the dollar's role as the world's dominant reserve currency.
> (Simon Tilford and Hans Kundnani , œIt Is Time to Abandon Dollar Hegemony, *Foreign Affairs*, July 28, 2020)

540 The myopic 2022 US use of its position at the hub of international trade to sanction Russia over the conflict in Ukraine has led to dramatic changes. As Elena Fabrichnaya and Samuel Shen explained:

> ...While the yuan, or renminbi, has been making gradual inroads into Russia for years, the crawl has turned into a sprint in the past nine months as the currency has swept into the country's markets and trade flows, according to a Reuters review of data and interviews with 10 business and finance players.
>
> Russia's financial shift eastwards could boost cross-border commerce, present a growing economic counterweight to the dollar and limit Western efforts to pressure Moscow by economic means.
> (Elena Fabrichnaya and Samuel Shen, œThe yuan's the new dollar as Russia rides to the redback, *Reuters*, November 29, 2022)

Carla Mozée has provided further insight into the dramatic shift from dollar to yuan trading in a *Business Insider* report entitled œRussia

reportedly wants to further cut its dependence on the US dollar by buying up Chinese yuan on the currency market (*Markets Insider*, December 23, 2022)

[541] Yu Yongding, in a discussion entitled 'œDecoding China's "Dual Circulation" Strategy', has discussed the Chinese strategy for protecting its internal economy from externalities aimed at opening it to external economic forces.

Yves Smith has illustrated the problem for sovereign nations intent on protecting their populations from global predatory forces well:

> ...Capitalism in Japan, where entrepreneurs are revered for creating employment, not for getting rich, performed well until the US forced rapid deregulation on its banks to make the world safer for American investment bankers. Even in Japan's bust, large companies further narrowed the already-not-large by Western standard gap between entry-level and executive pay to preserve employment levels, the opposite of what you see here. Similarly, the Nordic model also delivered high levels of social services and low levels of inequality until neoliberals had increasing success in eroding it.
> (Yves Smith, œHow Capitalism's Dogged Defenders and Propagandists Shield It From Criticism, *nakedcapitalism*, January 21, 2021)

Arvind Subramanian and Josh Felman explained the Western attitudes and consequent demands well: 'Chinese authorities must commit to keeping capital controls lifted, so that investors can be confident that they will always be able to move their money out of the country'. In an opinion piece entitled 'The Year of the Renminbi?', they explain:

> After years of poor policy and political tumult in the United States, it is not unreasonable to ask whether China's currency will soon be in a position to challenge the greenback. While neither country has been doing itself any favors in the currency pageant, it is worth remembering that history is not on America's side....
>
> Like a beauty pageant, the contest for reserve-currency status is one of relative attractiveness. International traders and investors must decide which among the currencies available to them is most convenient to use, is supported by the strongest financial system, and - perhaps most important - enjoys the backing of a trustworthy sovereign. What is new today is that both of the world's major sovereigns also seem to be competing to reduce their own trustworthiness.
>
> Relative attractiveness is difficult to quantify. But underlying this concept is one factor that can be measured precisely: the size of the issuing country's economy. As the economist Paul Krugman explained in a 1984 paper, "the currency of a country which is important in world markets will be a better candidate for an international money than that of a smaller country." In other words, a globally dominant economy is the "hardware" for an international reserve currency.
>
> China, clearly, has the necessary hardware. It been the world's largest trader since 2013, its economy is now larger than that of the United States in purchasing power parity terms, and soon it will pull ahead in terms of market exchange rates, too. For these reasons,

one of us (Subramanian) pointed out a decade ago that the renminbi would come to rival and eventually eclipse the dollar.

Since then, China has made great progress in boosting the renminbi's relative attractiveness. Its economy has continued to grow much more rapidly than US GDP and emerged more resilient from the COVID-19 crisis. Its central bank has started developing and testing a digital currency. And its "Belt and Road" clients across the developing world are beginning to use the renminbi in their growing trade and financial transactions with China.

But the dollar has proved stubbornly resistant. As Gita Gopinath, the International Monetary Fund's chief economist, and her colleagues have shown, an overwhelming preponderance of trade continues to be invoiced in dollars, and the dollar still plays a prominent role in cross-border funding as well.

A key reason for the dollar's resilience vis-à-vis the renminbi is that America's economic hardware is complemented by powerful software: all of the intangible qualities that underpin investor confidence - not least a strong banking system backed by a reliable sovereign. China still has a long way to go in these areas.

To build trust in its financial system, China needs to shore up its highly leveraged, overextended banks. After that, it should remove its capital controls and ensure greater transparency so that investors can enter Chinese financial markets with confidence that they know what they are buying. Chinese authorities then must commit to keeping capital controls lifted, so that investors can be confident that they will always be able to move their money out of the country. None of this can be accomplished quickly, and convincing investors that the changes are irreversible will take even longer still.

Next comes the task of building confidence in the sovereign. China will need to convince other countries that it is and will remain a reliable economic partner. This will require even more time and effort, especially given that the Chinese government has been moving in the wrong direction. China may have helped negotiate the recently agreed Regional Comprehensive Economic Partnership, but it has also used trade sanctions as a form of political punishment against one of its main trading partners, Australia. (Arvind Subramanian and Josh Felman , œThe Year of the Renminbi?, *Project Syndicate*, January 19, 2021)

542 Jamsheed Choksy and Carol Choksy have described the 2020 scene:

For the last four years, the administration of U.S. President Donald Trump has meted out punishment to Iran rather than pursuing a foreign policy. The United States withdrew from the 2015 Iran nuclear deal and unilaterally imposed multiple rounds of sanctions. A new administration under President-elect Joe Biden may hope to reverse the damage and renew constructive engagement, but it will find Iran much changed.

Iran did not sit still the last four years, passively awaiting the nuclear deal's resumption. Rather, the Islamic Republic has joined forces with the People's Republic of China and the Russian Federation to improve its military position and shore up its economy. China and Russia are now integrally involved in Iran's affairs, from its oil and port infrastructure to its defense capabilities.

The result of this deepening collaboration has been to make Iran far less susceptible than it once was, either to Trump's campaign of "maximum pressure" or to Biden's hoped-for engagement.

CHINA ENTERS THE GULF

Back in 2016, Tehran and Beijing laid the ground work for what would become the 25-Year Comprehensive Partnership, part of China's Belt and Road Initiative. But the relationship between the two countries goes back further, to the time when Iran lay at the center of the Silk Road. Today, Iran's leaders see in China not only a means of loosening the noose of Washington's sanctions but also a source of financial, technological, and military aid that could help countervail against American pressure.

China has styled itself a defender of national sovereignty, a cause that it has advanced by criticizing U.S. sanctions policy toward Iran. Zhang Jun, China's permanent representative to the UN, has written that U.S. sanctions on Iran are "devoid of any legal, political, or practical effect." The Chinese Foreign Ministry has accused the United States of having "repeatedly violated international law" and has urged Washington "to stop clinging to the wrong path" regarding Iran. In October, the U.S. Treasury added sanctions on still more Iranian banks. China responded by hosting Iranian Foreign Minister Mohammad Javad Zarif for talks the very next day. (Jamsheed K. Choksy and Carol E. B. Choksy, œChina and Russia Have Iran's Back: Tehran May Be Less Open Than Ever to Threats or Persuasion, *Foreign Affairs*, November 17, 2020)

543 Paul Krugman has provided some historical context to Trump's willingness to tear up trade agreements and impose tariffs on other nations:

> ... Until the 1930s, U.S. trade policy was both dirty and dysfunctional. It wasn't just that overall tariffs were high; who got how much tariff protection was determined through a free-for-all of horse-trading among special interests....
>
> ...[T]he game changed in 1934, when F.D.R. introduced the Reciprocal Trade Agreements Act. Henceforth, tariffs would be negotiated via deals with foreign governments, giving export industries a stake in open markets. And these deals would be subject to up-or-down votes, reducing the ability of interest groups to buy themselves special treatment.
>
> This U.S. innovation became the template for a global trading system, culminating in the creation of the World Trade Organization. And tariff policy went from being famously dirty to remarkably clean.
>
> Now, the creators of this trading system knew that it needed some flexibility to remain politically viable. So governments were given the right to impose tariffs under a limited set of circumstances: to give industries time to cope with import surges, to respond to unfair foreign practices, to protect national security. And in the U.S. the power to impose these special-case tariffs was vested in the executive branch, on the understanding that this power would be used sparingly and judiciously.
>
> Then came Trump.

> So far, Trump has imposed tariffs on about $300 billion worth of U.S. imports, with tariff rates set to rise as high as 25 percent. Although Trump and his officials keep claiming that this is a tax on foreigners, it's actually a tax hike on America. And since most of the tariffs are on raw materials and other inputs into business, the policy will probably have a chilling effect on investment and innovation.
>
> But the pure economic impact is only part of the story. The other part is the perversion of the process. There are rules about when a president may impose tariffs; Trump has obeyed the letter of these rules, barely, but made a mockery of their spirit. Blocking imports from Canada in the name of national security? Really?
> (Paul Krugman, œMaking Tariffs Corrupt Again: Trump has perverted the process and undermined U.S. credibility, *New York Times*, September 20, 2018)

Veronique de Rugy has explained the 2018 impact on US producers and consumers of increased tariffs on US imports imposed by the Trump administration:

> If there is a silver lining to the recent trade insanity, it's the bright light that it shines on the victims of President Trump's tariffs. These victims include construction companies, equipment manufacturers and the many American producers whose costs are increasing. Workers in these industries as well as ordinary American consumers pay higher prices for automobiles, washers and dryers, and the other goods whose prices are artificially hiked by the tariffs.
>
> Because of the president's hyperactive use of his trade authority, the scale of this pain is unusually high. But the reality is that this disregard for the consequences inflicted on buyers in the industries downstream from tariffs is nothing new. In fact, thanks to the handiwork of interest groups who benefit from the tariffs and the politicians who serve them, it's embedded in our trade system, sometimes even in the legislation itself.
>
> Consider how easy it was for Mr. Trump to get a 25 percent tariff on steel imports. His administration simply concocted a fanciful national-security narrative about why the steel industry needed protection from foreign steel imports - this despite the industry's enjoying a 70 percent share of the United States steel market and despite the Department of Defense finding no national-security harm from global steel imports.
>
> Why is such a half-baked justification so easy to spin? In large part, it has to do with the Commerce Department, which is responsible for measuring a given tariff's impact. A department report on a tariff measures the direct impact on an industry - say, steel manufacturers - as well as steel-consuming industries and the economy more broadly.
>
> However, while it has the data, the Department of Commerce is not required by law to consider the impact on the industries in the cross hairs of a tariff in its recommendation to impose the penalty - even though the impact can be brutal.
>
> For example, for the projected impact of the steel tariffs, numbers produced by the Commerce Department show that they may increase employment in the metals industry by 14,000 jobs. But the report also says that a significantly larger number of jobs will be

> destroyed, as a result of these tariffs, in industries downstream from metal production...
> (Veronique de Rugy, œHow Special Interests Hide the True Costs of Tariffs, *New York Times*, Opinion, August 29, 2018)

Mary Lovely has described the consequences of the US 'trade war' with China in the second decade of the 21st century:

> ...The health of China's economy depends on exporting to the United States, so, the thinking goes, the Chinese government will capitulate to American demands.
>
> This strategy is certain to backfire.
>
> First, about 60 percent of China's exports to the United States are produced at factories owned by non-Chinese companies. Many of them produce customized inputs for American manufacturers, such as computer routers, LED fixtures and boat motors. That means the tariffs imposed by the Trump administration that are directed at China actually affect many American (and European) companies that own factories in China.
>
> These companies cannot immediately respond to tariffs by quickly moving their operations out of China. Instead, they will absorb the import tax or pass it along to American consumers in the form of higher prices. This is already happening: a 20 percent tariff on washing machines imposed in February was followed by a 16.4 percent spike in consumer prices for these products. So most of the revenue raised by the tariffs is coming out of the pockets of American consumers, not Chinese companies.
>
> Reduced American demand for Chinese products does hurt China. American merchandise imports account for about 3 percent of Chinese manufacturing revenue. That's a large enough share for tariffs to do a bit of damage, but certainly not catastrophic.
>
> Moreover, much of what the United States imports from China contains value created in other locations, including America. Much of the value in an iPhone imported from China, for example, includes displays from South Korea, chips from Japan and design and programming from America. So each dollar of sales lost by a Chinese company actually has a less-than-$1 impact on the Chinese economy. In computers and electronics, which account for the largest share of China's exports to the United States, the Chinese value added in each dollar of imports is about 50 cents. Consequently, the negative effect of tariffs on Chinese manufacturing is unlikely to be large enough to have much of an impact on China's trade practices...
>
> ...[W]hen the next round of tariffs hits, American households will face higher prices on computers, clothing and thousands of other products. [But] China, not the United States, will improve its standing in the world as a place to make and build the future
> (Mary E. Lovely, œHow China Wins the Trade War, *New York Times*, Opinion, August 8, 2018)

544 As Krugman elaborated:

> Trump obviously believes that trade is a game in which he who runs the biggest surplus wins, and that America, which imports more than it exports, therefore has the upper hand in any conflict. That's also why Peter Navarro predicted that nobody would retaliate

> against Trump's tariffs. Since that's actually not how trade works, we're already facing plenty of retaliation and the strong prospect of escalation.
>
> But here's the thing: Trump's tariffs are badly designed even from the point of view of someone who shares his crude mercantilist view of trade. In fact, the structure of his tariffs so far is designed to inflict maximum damage on the U.S. economy, for minimal gain. Foreign retaliation, by contrast, is far more sophisticated: unlike Trump, the Chinese and other targets of his trade wrath seem to have a clear idea of what they're trying to accomplish....
>
> In the modern world economy... a large part of trade is in intermediate goods - not cars but car parts. Put a tariff on car parts, and even the first-round effect on jobs is uncertain: maybe domestic parts producers will add workers, but you've raised costs and reduced competitiveness for downstream producers, who will shrink their operations.
>
> So in today's world, smart trade warriors - if such people exist - would focus their tariffs on final goods, so as to avoid raising costs for downstream producers of domestic goods. True, this would amount to a more or less direct tax on consumers; but if you're afraid to impose any burden on consumers, you really shouldn't be getting into a trade war in the first place.
> (Paul Krugman, œHow to Lose a Trade War, *New York Times*, July 7, 2018)

A commenter (pseudonym 'Cathy') on the article summed it all up:

> The trade war is the result of both stupidity and a vast belief in super simplistic answers to super complex problems. We are weighted down with a [White House] that is narcissistic, uncritical and simplistic, all at once. They don't have the capacity to even guess at how much damage they can do without trying

545 As new peer challengers have arisen, threatening the dominance of 'The Collective West', Western propagandists have, perhaps believing their own paranoid rhetoric, worked overtime to ensure that 'The world' accepts that those peer challengers are quite deliberately building their collective military strengths in preparation for a military challenge to the 'recognized, legitimate World Order'.

Consequently the collective West has no alternative. It must, however reluctantly and however unprepared, both ensure its own internal coherence and cohesion and its own economic, scientific, technological, and military power.

And it must, simultaneously, do whatever is necessary to weaken the internal cohesion and possibility of such development in those emerging challengers (hence, of course, legitimizing internal interference in the affairs of those belligerent nations).

Robert Gates provides a clear example of this propagandizing of the dire threat confronting an underprepared West:

> The United States now confronts graver threats to its security than it has in decades, perhaps ever. Never before has it faced four allied antagonists at the same time' - Russia, China, North Korea, and Iran' - whose collective nuclear arsenal could within a few years be nearly double the size of its own. Not since the Korean War has the United States had to contend with powerful military rivals in both

Europe and Asia. And no one alive can remember a time when an adversary had as much economic, scientific, technological, and military power as China does today.

The problem, however, is that at the very moment that events demand a strong and coherent response from the United States, the country cannot provide one. Its fractured political leadership' - Republican and Democratic, in the White House and in Congress' - has failed to convince enough Americans that developments in China and Russia matter. Political leaders have failed to explain how the threats posed by these countries are interconnected. They have failed to articulate a long-term strategy to ensure that the United States, and democratic values more broadly, will prevail.

Chinese President Xi Jinping and Russian President Vladimir Putin have much in common, but two shared convictions stand out. First, each is convinced that his personal destiny is to restore the glory days of his country's imperial past. For Xi, this means reclaiming imperial China's once dominant role in Asia while harboring even greater ambitions for global influence. For Putin, it means pursuing an awkward mixture of reviving the Russian Empire and recapturing the deference that was accorded the Soviet Union. Second, both leaders are convinced that the developed democracies' - above all, the United States' - are past their prime and have entered an irreversible decline. This decline, they believe, is evident in these democracies' growing isolationism, political polarization, and domestic disarray.

Taken together, Xi's and Putin's convictions portend a dangerous period ahead for the United States. The problem is not merely China's and Russia's military strength and aggressiveness. It is also that both leaders have already made major miscalculations at home and abroad and seem likely to make even bigger ones in the future. Their decisions could well lead to catastrophic consequences for themselves' - and for the United States. Washington must therefore change Xi's and Putin's calculus and reduce the chances of disaster, an effort that will require strategic vision and bold action. The United States prevailed in the Cold War thanks to a consistent strategy pursued by both political parties through nine successive presidencies. It needs a similar bipartisan approach today. Therein lies the rub.

The United States finds itself in a uniquely treacherous position: facing aggressive adversaries with a propensity to miscalculate yet incapable of mustering the unity and strength necessary to dissuade them. Successfully deterring leaders such as Xi and Putin depends on the certainty of commitments and constancy of response. Yet instead, dysfunction has made American power erratic and unreliable, practically inviting risk-prone autocrats to place dangerous bets' - with potentially catastrophic effects.... (Robert M. Gates, œThe Dysfunctional Superpower: Can a Divided America Deter China and Russia? *Foreign Affairs*, September 29, 2023)

[546] On February 16 2023 *Democracy Now!* published an interview with Seymour Hersh entitled 'œReporter Seymour Hersh on "How America Took Out the Nord Stream Pipeline": Exclusive TV Interview (*YouTube* Video)'. Their introductory summary:

> When the Nord Stream pipelines carrying natural gas from Russia to Germany were damaged last September, U.S. officials were quick to suggest Russia had bombed its own pipelines. But according to a new report by the legendary investigative journalist Seymour Hersh, it was the U.S. Navy that carried out the sabotage, with help from Norway.
>
> Citing a source "with direct knowledge of the operational planning," Hersh writes on his Substack blog that planning for the mission began in December of 2021. The White House and the Norwegian government have since denied the claims. Hersh joins us for an in-depth interview to discuss his report and says the U.S. decision to bomb the pipelines was meant to lock allies into support for Ukraine at a time when some were wavering. "The fear was Europe would walk away from the war," he says.
>
> Hersh won a Pulitzer Prize in 1970 for his reporting on the My Lai massacre. His reporting on CIA spying on antiwar activists during the Vietnam War era helped lead to the formation of the Church Committee, which led to major reforms of the intelligence community, and in 2004, he exposed the Abu Ghraib prisoner abuse scandal in Iraq.

Alternative sites to *YouTube* (given that it has required content editing of this interview):

œSeymour Hersh:substack; œDemocracy Now!

A *CGTN* œinterview of Jeffrey Sachs by the talented Liu Xin (*YouTube* video (27 February 2023)) has also insightfully addressed the question of who was behind the Nord Stream pipeline explosions.

547 Or, perhaps, to Lisbon! Gilbert Doctorow sketched the possibility:

> **Russian tanks reach the Atlantic near Lisbon...**
>
> The "fake news" title to this article provides a vision of where current U.S. and EU foreign and military policy towards Russia may be taking us if we do not think things through and make a course correction.
>
> My point in this article is that no one in leadership positions on this side of the New Iron Curtain seems capable of seeing beyond one move in the grand chess game of the Great Powers now proceeding before the eyes of the world....
> (Gilbert Doctorow, œRussian tanks reach the Atlantic near Lisbon..., *Gilbert Doctorow: International relations, Russian affairs*, May 25, 2023)

548 Fighting to the last Ukrainian!

The mission is impossible and the troops are dwindling, but we will support you for as long as you stay committed to our vision of the future and your troops can/will do the fighting for us!

"We are committed to supporting Ukraine for as long as it takes to defend its sovereignty and territorial integrity" And, remember, provided you do what we want, one day you might even be able to join our club!

> The United States and the European Union remain unwavering in our long-term political, financial, humanitarian, and military support to Ukraine and its people as they defend themselves against Russia's illegal and unprovoked war of aggression. We stand together in calling for Russia to end its brutal war and to withdraw

> its military forces and proxies and military equipment immediately, completely, and unconditionally from the entire internationally recognized territory of Ukraine. We are committed to achieving the widest possible international support for the key principles and objectives of Ukraine's Peace Formula. Any initiative for a comprehensive, just, and lasting peace in Ukraine must be based on full respect for Ukraine's independence, sovereignty, and territorial integrity, within its internationally recognized borders and uphold all the purposes and principles of the United Nations Charter.
>
> We are committed to supporting Ukraine for as long as it takes to defend its sovereignty and territorial integrity. We recognize the urgency of ensuring that Russia does not succeed in collapsing the Ukrainian economy and of intensifying our efforts to help ensure assistance meets Ukraine's highest priority needs. As co-chairs, along with Ukraine, of the Multi-agency Donor Coordination Platform, we are working together with Ukraine as it develops its Ukraine Plan, embedded in its European path, to incorporate a common set of near-term priority economic, rule-of-law, and democratization reforms and a prioritized and well-coordinated approach to recovery and reconstruction assistance and investment. The United States and the European Union, together with other international donors, will continue to provide Ukraine with financing to help achieve these objectives, including to defend, repair, and rebuild its energy sector aligned with EU standards. We acknowledge Ukraine's commitment and progress in their reform efforts, and underline the strategic importance of its EU accession process...(US White House, œU.S.-EU Summit Joint Statement, *White House Briefing Room Statements and Releases*, October 20, 2023)

Ukraine would do well to remember the very similar assurances given to those the United States has already left to their fate!

549 Richard Haass and Charles Kupchan, in a propaganda driven (one hopes that is all it is - after all neither author is an idiot) essay entitled œThe West Needs a New Strategy in Ukraine: A Plan for Getting From the Battlefield to the Negotiating Table (*Foreign Affairs*, April 13, 2023) have demonstrated the consequences of strait-jacketing one's understanding to the demands of propaganda.

In a belief that The West must ensure that Russia's intention of conquering Ukraine enroute to the rest of Europe does not succeed they inform us that:

> ...The best path forward is a sequenced two-pronged strategy aimed at first bolstering Ukraine's military capability and then, when the fighting season winds down late this year, ushering Moscow and Kyiv from the battlefield to the negotiating table. The West should start by immediately expediting the flow of weapons to Ukraine and increasing their quantity and quality. The goal should be to bolster Ukraine's defenses while making its coming offensive as successful as possible, imposing heavy losses on Russia, foreclosing Moscow's military options, and increasing its willingness to contemplate a diplomatic settlement. By the time Ukraine's anticipated offensive is over, Kyiv may also warm up to the idea of a negotiated settlement, having given its best shot on the battlefield and facing growing constraints on both its own manpower and help from abroad.

Bhadrakumar summed it up well:

> Fundamentally, Haas and Kupchan hail from another planet. They cannot comprehend that Russia will never accept a scenario where the conflict ends with a ceasefire but the NATO will continue to beef up Ukraine's military capabilities and steadily integrate Kiev into the alliance.
>
> Why would Russia want to play another game of musical chairs while the West formalises Ukraine's NATO membership - that is, acquiesce in a replay of the grotesque interregnum between Minsk Agreements of 2015 and Russia's special military operations?
> (M. K. Bhadrakumar, œUkraine: Stalemate in an attritional war?, *Indian Punchline*, April 20, 2023)

Assuming that It or They exist, May that Benign Supra-Human Intelligence upon which so much of the world depends save us from such asinine propaganda-driven nonsense!

550 The reasons underlying the anomalous inclusion of Crimea within the Ukraine Soviet Socialist Republic by Khrushchev in 1954 have been long-debated but it is indisputable that, historically, Crimea has been 'Russian'. Sergei Moshkin explained:

> On February 19, 1954, the Presidium of the Supreme Soviet of the USSR issued the Decree 'On transfer of Crimean Region from the RSFSR to the UkSSR'.
>
> Note the statement of reason in this resolution: 'Considering the common economies, the adjacent territories and the close economic and cultural links between Crimean Region and the Ukrainian SSR, the Presidium of the Supreme Soviet the RSFSR [the Russian Soviet Federative Socialist Republic] hereby resolves that...'.
>
> It was the economic reasoning that prompted Khrushchev's decision.
>
> On April 26 of the same year, the Supreme Soviet of the USSR approved the decree of its Presidium and made the respective amendments to the Constitution of the USSR. From now on, the Council of Ministers of the UkSSR [Ukraine Soviet Socialist Republic] was fully responsible for the construction of the North Crimean Canal named after the Komsomol of Ukraine (that was the name given to the Canal), as well as for any other improvements in Crimea including the previously unprecedented construction of the multi-kilometer mountain trolleybus line Simferopol-Alushta-Yalta.
>
> The first phase of the Canal was commissioned on October 17, 1963; the ceremony was attended by N.S.Khrushchev himself. The construction was completed after his death, in 1975.
>
> Hence, it appears that Khrushchev's decision to transfer Crimea to Ukraine has not been dictated by the international feeling of friendship between peoples (although one cannot deny that, either), nor by his guilt complex towards the Ukrainian people, and certainly not by the romantic desire to make a luxury gift to his Ukrainian wife, as it was then rumored.
>
> The destiny of Crimea in 1954 was determined by a pragmatic and seemingly simple economic decision to build a canal between the two Union republics that were at that time friends.
> (Sergei V. Moshkin, œWhy did Khrushchev transfer Crimea to Ukraine?, *Baltic Rim Economies Review*, April 28, 2022)

The 2014 Crimea Referendum, undertaken by the Crimean regional government, overwhelmingly endorsed the annexation of Crimea by Russia. œThere was no Russian invasion of Crimea. The Russian Black Sea Fleet, in a continuation of the Soviet arrangement, was stationed there and a free and open referendum, scrutinized by a group of international observers, clearly demonstrated the will of the population. As œWikipedia says,

> The official result from the Autonomous Republic of Crimea was a 97 percent vote for integration of the region into the Russian Federation, with an 83 percent voter turnout, and from Sevastopol there was also a 97 percent vote for integration with Russia, with an 89 percent voter turnout.

551 œUkraine was ready to sign peace deal with Russia but gave up under US pressure - Patrushev (*TASS* June 08, 2023);

œPutin shows initialed draft agreement with Ukraine to African leaders (*TASS* June 17, 2023);

552 On June 30, 2023, Lavrov explained why meaningful peace talks to end hostilities in Ukraine were unlikely to occur:

> Russian Foreign Minister Sergey Lavrov has called US Secretary of State Antony Blinken's statement about ending the conflict in Ukraine through "diplomacy" and "negotiation" strange against the backdrop of the West's constant speculations about the need to defeat Russia first.
>
> "It's a strange statement, I've heard about it," Lavrov said in response to a TASS request for a comment.
>
> "This is all being said almost simultaneously with statements by the very same Secretary of State, Blinken, the very same leaders of the US National Security Council and the very same European Union and NATO functionaries, who keep saying: Ukraine must first win and carry out a successful counteroffensive, and only then will we decide to negotiate," Lavrov explained. "This is a schizophrenic situation: they say that everything will be ended by negotiations, but first we have to defeat Russia."
>
> He also drew attention to the basis on which the West wished to negotiate.
>
> "The United States, together with NATO members and with the European Union, has stated firmly, repeatedly and uncompromisingly that the sole basis for negotiations is the notorious [Ukrainian President Vladimir] Zelensky peace formula, which consists of ten points," Lavrov pointed out. "There are some neutral things there. Trivial, I should say."
>
> "It is unclear why they were included there," he noted, naming food and energy security among such things. "These are the very same things that have been undermined by the West's sanctions."
>
> "But the main thing about the prospects for a peace treaty is that first Russia is to withdraw beyond the 1991 borders, the Russian leadership is to be put on trial, and Russia must pay reparations. Only after these preconditions have been met, will peace be made. This is what the West has in mind when it speaks of the need for negotiations and a peace settlement," Lavrov explained. He remarked that "this split personality disorder does not help to correctly navigate the situation."

Real aims

"The way I see it, they are trying to temporarily freeze this conflict, to achieve some kind of cease-fire and buy time to beef up Ukraine's military muscle again, to create a new military infrastructure, and to supply it with new lethal long-range weapons," Lavrov pointed out, adding that this scenario "is being advanced by US political scientists."

He cited a recent article in Foreign Affairs magazine that promotes "exactly this type of scenario."

"Make peace, take a breather. Yes, Russia will also get a break, but the entire West is behind Ukraine, so we (the Western countries - TASS) will make it much stronger and then [will] continue to press ahead for the same aims mentioned in Zelensky's plan."

"Demagogy has never hindered diplomacy in achieving certain aims, but that's what diplomats are for: to distinguish some contrived moves from reality," Lavrov concluded.
(œWest's ideas about how to end crisis in Ukraine 'schizophrenic' - Lavrov, *TASS*, June 30, 2023)

553 Various nations, concerned about the loss of lives and destruction which are inevitable consequences of armed conflict, have proposed peace plans to end the Russian Special Military Operation in Ukraine. The Russian news agency *TASS* has described these and presented Russia's minimum requirements of any such plan:

Russia's position

Russia's position was outlined during the talks in Belarus, and later during talks in Turkey in February-April, 2022; it includes Ukraine's neutral, non-bloc status, cemented in its constitution, as well as Ukraine's refusal to have its own nuclear arsenal. Russia demands the demilitarization and denazification of Ukraine, resolution of the language issue, as well as recognition of the independence of DPR and LPR, and recognition of Russia's sovereignty over Crimea and Sevastopol. By late April, however, the talks stalled: Ukraine did not respond to Russia's project with clearly formulated peace agreement language.

Meanwhile, Russia repeatedly noted that it welcomes efforts of all states, aimed at peaceful resolution of the Ukrainian crisis, but it expects specific proposals - including from Indonesia, the Vatican and South Africa. Moscow also underscored that no peace plan can exist, if it does not include the accession of the four new regions to Russia.

However, Putin pointed out that China's plan can be considered as the basis for the peace treaty, when the West and Kiev become ready for it.
(œCeasefire and security guarantees: key points on peace plans for Ukraine, *TASS*, 6 June, 2023)

554 Leader and Russian State Duma Foreign Affairs Committee Chairman Leonid Slutsky explained the problem for Ukrainian troops:

Kiev is trying to show some semblance of military success ahead of a NATO summit but its only option is "to throw troops into the fire," Leonid Slutsky, leader of Russia's Liberal Democratic Party and head of the State Duma (the lower house of parliament) Committee on International Affairs, said on Friday.

> "The Kiev regime is trying to demonstrate at least some success on the battlefield in order to justify the investment of its Western sponsors, particularly ahead of the NATO summit. However, the junta's efforts have been futile as the counter-offensive is failing and stalling. This is why Kiev has no choice but to literally throw troops into the fire," Slutsky told TASS.
>
> According to him, Kiev continues to act like this even after "absolutely unambiguous statements" from the NATO and US leadership that "no one wants Ukraine to join the alliance and there is no way for it to get equal membership."
>
> "Notably, NATO also needs the counter-offensive to provide the leaders of Western countries with an opportunity to make excuses for empty military depots. However, there can be only one outcome, with all the much-praised equipment meeting its ignominious end in the steppes of Donbass," Slutsky stressed.
> (œKiev sacrificing its troops to prove mettle ahead of NATO summit - Russian lawmaker, *TASS*, July 07, 2023)

Seymour Hersh summed up US Secretary of State Antony Blinken's June 2023 response to proposed peace initiatives.

> "Now, over the coming weeks and months," Blinken explained, "some countries will call for a ceasefire. And on the surface, that sounds sensible - attractive, even. After all, who doesn't want warring parties to lay down their arms? Who doesn't want the killing to stop? But a ceasefire that simply freezes current lines in place and enables Putin to consolidate control over the territory he's seized, and then rest, re-arm, and re-attack - that is not a just and lasting peace. It's a Potemkin peace. It would legitimize Russia's land grab. It would reward the aggressor and punish the victim."...
>
> Blinken concluded his speech: "when a free people like the Ukrainians have at their backs the support of free nations around the world - nations who recognize their fates and freedom - their rights and security are inextricably bound together, the force they possess is not merely immense. It is unstoppable."
>
> His real message might be put more bluntly: *I hate the Russians and let the blood flow*.
> (Seymour Hersh, œBlinken's Battle Hymn:Biden's favorite hawk calls for no end to the bloodshed in Ukraine, *seymourhersh.substack.com*, 7 June 2023)

555 Carter Malkasian on the Korean War (the reader is left to change Malkasian's United States' centric perspective - casting China and the USSR as the belligerents - to reflect the view of China and the Soviet Union that the United States was the belligerent):

> In the middle of August 1952, Chinese Premier Zhou Enlai traveled nearly 4,000 miles to Moscow to meet with the Soviet dictator Joseph Stalin. Zhou was acting as an emissary for the leader of China, Mao Zedong. The two Communist powers were allies at the time, but it was not a partnership of equals: the Soviet Union was a superpower, and China depended on it for economic assistance and military equipment. Two years earlier, Mao and Stalin had embarked on a joint venture of sorts, giving their blessing to the North Korean leader Kim Il Sung when he invaded South Korea. Their hopes had been high; even though the United States immediately rushed to South Korea's aid, Stalin telegrammed Kim in the wake of the

invasion to tell him that he had "no doubt that in the soonest time the interventionists will be driven out of Korea with ignominy."

Things had not gone according to plan. In the fall of 1950, as troops led by U.S. General Douglas MacArthur advanced through North Korea, China directly intervened. By the middle of 1951, a bloody stalemate had set in along the 38th parallel, the line that had delineated North from South Korea before the invasion. Negotiations between the opposing sides began in July of that year. Their purpose was to reach an armistice and set the stage for discussions about Korea's future. The talks had deadlocked, however, over the details of exchanging prisoners of war.

When Zhou traveled to Moscow in the summer of 1952, the situation was looking grim for the Communists. Airstrikes had destroyed the North's industrial facilities and heavily damaged every city. Food was short. In February, Kim told Mao that he had "no desire to continue the war." Around five months later, Kim pleaded with Stalin to bring about "the soonest conclusion of an armistice." But Stalin did nothing. Like Stalin, Mao was determined to stand fast in the face of U.S. demands, and he was less worried than Kim was about the battlefield. Like Kim, however, Mao knew that his country was suffering.
(Carter Malkasian, œThe Korea Model: Why an Armistice Offers the Best Hope for Peace in Ukraine, *Foreign Affairs*, June 20, 2023)

The Korean demilitarized zone had been œestablished by the United States in 1945:

38th parallel, popular name given to latitude 38° N that in East Asia roughly demarcates North Korea and South Korea. The line was chosen by U.S. military planners at the Potsdam Conference (July 1945) near the end of World War II as an army boundary, north of which the U.S.S.R. was to accept the surrender of the Japanese forces in Korea and south of which the Americans were to accept the Japanese surrender. The line was intended as a temporary division of the country, but the onset of the Cold War led to the establishment of a separate U.S.-oriented regime in South Korea under Syngman Rhee and a communist regime in North Korea under Kim Il-Sung.

556 The story of Greece's descent into a privatized world based on IMF brokered 'structural adjustment' and 'debt management' strategies is far from told.

(see Debt-Equity Conversion Programs - Swapping the Family Farm!; œPress Release No.10/177, IMF Managing Director Dominique Strauss-Kahn, May 2, 2010; œIMF Executive Board Completes Fourth Review Under Stand-By Arrangement for Greece and Approves €3.2 Billion Disbursement IMF Press Release No. 11/273 July 8, 2011 for more on this).

Here are a few indications of where it is headed:

- ATHENS/BRUSSELS (Reuters [Mon Feb 13, 2012 2:31pm EST]) - Europe gave Greece until Wednesday to convince skeptical international creditors that it would stick to the punishing terms of a multi-billion-euro rescue package, endorsed by parliament as rioters torched downtown Athens.

Lawmakers backed drastic cuts in wages, pensions and jobs on Sunday as the price of a 130 billion euro ($170 billion) bailout by the European Union and International Monetary Fund to avert a messy default that would send shockwaves through the euro zone.

Scenes of running battles between police and rioters and flames engulfing cinemas, shops and banks underscored a sense of deepening turmoil in the country after more than four years of recession and two of punishing austerity.

The EU warned on Monday that the consequences of failure would be "devastating."

It gave the fragile ruling coalition of Prime Minister Lucas Papademos until Wednesday, when euro zone finance ministers are expected to meet, to specify how 325 million euros of the 3.3 billion euros demanded in budget savings will be achieved.

By the same deadline, Greek political leaders must give a written commitment to implement the terms of the deal, a Greek government spokesman said, reflecting fatigue among EU leaders who say they have heard enough broken promises.

The spokesman said Greece would hold an election in April, when deep public anger over the second round of austerity could drive voters further to the left and right and test Greece's commitment to the programme.

Euro zone paymaster Germany said ahead of the vote that it was losing patience with throwing money into the "bottomless pit" of Greece's debt crisis. Official reaction from Berlin on Monday was muted.

"Now we need to wait and see what comes after the legislation," Economy Minister and deputy Prime Minister Philipp Roesler said on German television.

"We have taken one step in the right direction but we are still far from the goal," he said.

Greece needs the international funds before March 20 to meet debt repayments of 14.5 billion euros.

EU Economic and Monetary Affairs Commissioner Olli Rehn said a disorderly default would have devastating consequences for Greek society.

"I am quite confident that the other conditions, including the identification of concrete measures of 325 million euros, will be completed by the next meeting of the Eurogroup, which would then decide on the adoption of the programme," he said.
(œGreece still to convince Europe over rescue deal)

★ See Michael Birnbaum, œDeal reached on $170 billion Greek bailout, *Washington Post*, February 21 2012 for more on this. As Michael Birnbaum (2012), has explained:

...unemployment has already spiked to 21 percent - 49 percent for those younger than 25 - and the economy contracted by 7 percent in the third quarter of 2011.

Europe has demanded that the public sector shrink by 150,000 people, that the minimum wage be lowered by 22 percent, that pensions be cut and that Greece do more to sell off its publicly

owned companies, among other measures that filled a 50-page booklet.

[557] See The 'Development' Business for more on this.

[558] Jonathan Stevenson has given an excellent outline of Rostow's influence through the 1960s and 1970s in an article entitled 'œThe Cold Warrior Who Never Apologized' (*New York Times*, September. 8, 2017):

> A Yale Ph.D. and a Rhodes scholar, Rostow left his academic perch at M.I.T. to join the State Department under John F. Kennedy; he was later Lyndon Johnson's national security adviser during the center-cut of American involvement in Vietnam, from April 1966 to January 1969. More than anyone else, he epitomized the overweening confidence of the civilian strategists of the era - he was the best and the brightest of "the best and the brightest."

One of the commenters on the article, Alan Haigh, summed it all up well,

> The severely ambitious are often delusional and even high intelligence is no vaccine for the stupidity of excess hubris and unconditional love of ones own theories and ideology, even when disputed by results on the ground.

[559] This figure appears to be plucked out of the air - no rationale is given for using it. With characteristic, if unrealistic, optimism, Rostow assumed, in 1961, that 80% of the world's people were already involved in "self-sustaining" economic growth, allowing them to "enjoy the blessings and choices opened up by the march of compound interest".

His assessment of the ease with which the world's populations could transition into "self-sustained economic growth" has fuelled the optimism of Third World Development specialists and their programs ever since.

[560] See Capitalism and its Colonies; The Decay of Western Influence for more on this.

[561] Type the term "failing states" into any search engine and you will get a deluge of opinions on what should be done - very few accept the legitimacy of this last option.

[562] by an American author, Mary Mapes Dodge, in *Hans Brinker, or the Silver Skates* published in 1865

[563] See Capitalism and Its Colonies; Capitalism and Work for more on this.

[564] œ"To Join the Waters": Indexing Metonymies of Territoriality in Cora Ritual. by Philip E. Coyle

[565] See Revitalization Movements and Fundamentalism for more on this.

[566] See œ9 Billion? (*Science* 29 July 2011: Vol. 333 no. 6042 pp. 540-543) for a brief description of population statistics over the past century, with projections through to the year 2100.

In population statistics, as in all statistical description, we need always to remember that correlation is *not* explanation.

The following internet address provides access to international population statistics: œhttps://www.census.gov/programs-surveys/international-programs/about/idb.html.

[567] The alienation of land and displacement of indigenous communities has gathered momentum through the early decades of this century. Seaquist, Johansson and Nicholas (2014) have produced a report on global land acquisitions in the 21st century. As they summarize:

> Global land acquisitions, often dubbed 'land grabbing' are increasingly becoming drivers of land change. We use the tools of network science to describe the connectivity of the global acquisition system. We find that 126 countries participate in this form of global land trade. Importers are concentrated in the Global North, the emerging economies of Asia, and the Middle East, while exporters are confined to the Global South and Eastern Europe.
>
> A small handful of countries account for the majority of land acquisitions (particularly China, the UK, and the US), the cumulative distribution of which is best described by a power law. We also find that countries with many land trading partners play a disproportionately central role in providing connectivity across the network with the shortest trading path between any two countries traversing either China, the US, or the UK over a third of the time.
>
> The land acquisition network is characterized by very few trading cliques and therefore characterized by a low degree of preferential trading or regionalization. We also show that countries with many export partners trade land with countries with few import partners, and vice versa, meaning that less developed countries have a large array of export partnerships with developed countries, but very few import partnerships (dissassortative relationship).
>
> Finally, we find that the structure of the network is potentially prone to propagating crises (e.g., if importing countries become dependent on crops exported from their land trading partners). This network analysis approach can be used to quantitatively analyze and understand telecoupled systems as well as to anticipate and diagnose the potential effects of telecoupling.
> (J W Seaquist, Emma Li Johansson and Kimberly A Nicholas, œ'Architecture of the global land acquisition system: applying the tools of network science to identify key vulnerabilities', *Environmental Research Letters*, Vol. 9 (2014) 114006 (12pp))

See *Rights and Resources 2011-2012*, œWhat future for forest peoples and resources in the emerging world order? (Rights and Resources Initiative, Washington, D.C.) for an examination of some of the current trends in forcing land change on non-Western peoples. As the report says,

> While infrastructure investment is a potent catalyst of change in remote regions, its land-take has been eclipsed in recent years by landgrabbing by agri-businesses, often funded and organized from abroad. Land-grabbing has become recognized as a global phenomenon. In 2011, both *Oxfam* and the *International Land Coalition* estimated that more than 200 million hectares had been bought or leased by agri-businesses since 2001-more than four times a previous estimate by the World Bank.
>
> Responding to growing alarm, in October the United Nations Committee on World Food Security discussed voluntary guidelines to protect communities. To the anger of human rights campaigners, however, it postponed a decision until 2012..
>
> Land-grabbing has been triggered by concerns about food security, coupled with the lure of rising world food prices. Most of the grabs have been for state lands, including pastures, forests, and wetlands, most of which are the customary property of communities.

Two-thirds of the reported land grabs have been in Africa, where nearly 700 million people live on land that is customarily owned but has insecure tenure under statutory law. Most of this land is deemed-falsely-by governments to be "empty" or "underused".

568 Weiqi Yao *et al* have explained:

The geological record contains many examples in which the earth system was out of equilibrium and large parts of the ocean were inhospitable to life.... Current data suggest that in the PETM [Paleocene-Eocene Thermal Maximum (~55 Ma)] the atmosphere had to accommodate about 2500-4500 Gt of carbon released within 4000 years.

This is an increase of the same order of magnitude as the œIPCC RCP8.5 emission scenario [temperature change of 2.6°C to 4.8°C by 2100], which projects a cumulative anthropogenic CO_2 release of 2000 GtC by 2100. Although the carbon dioxide release rate during the PETM was about 10 times slower, it is our best analog to study non-linear feedbacks and consequences of the anthropogenic carbon cycle perturbation.

The geochemical cycles of carbon and sulfur are linked through microbial sulfate reduction (MSR), where the electron transfer from sulfate to sulfide provides the energy to respire organic matter (OM) back to CO_2. Combined, these cycles constitute the dominant control on atmospheric oxygen. Due to their drastically different residence times (0.1 Myrs versus 10 Myrs), they are rarely considered together. Our data suggest however that MSR is able to alter the redox state of the marine sulfur reservoir on timescales which are comparable to that of the carbon cycle. This has three important implications:

1. Unlike oxic respiration MSR also produces H_2S [hydrogen sulfide], which is toxic to most life forms even at low concentrations;
2. If we accept the premise that the PETM is a model for the present day oceans, the timescales of the observed changes in the redox state of marine sulfur suggest that similar processes could affect the oceans in the near future;
3. The development of oxygen free waters creates a sizable but intermittent reservoir in the global sulfur cycle, with fluxes exceeding traditional weathering/burial flux estimates.

...Modeling predictions exploring the effects of antrophogenic climate change suggest that measurable oxygen loss from the subarctic North Pacific will occur by 2030-2040 and that the total volume of suboxic ocean water will expand by 50% by 2100. Once local oxygen concentrations drop below 4 μM, sulfate reduction will commence, resulting in the production of H_2S [hydrogen sulfide], which is toxic at levels as low as 4 μg/l.

This will:

A) Create an ocean internal reservoir of reduced sulfur;

B) Create an ocean which is no longer well mixed with respect to sulfate;

C) Compress the eco-zones of fish species which venture in the mesopelagic and bathypelagic zones and change their ecosystem structure which could jeopardize 10-50% of worldwide pelagic predator diversity with unknown consequences for global fish stocks.

(Weiqi Yao, Adina Paytan, Ulrich G. Wortmann, œLarge-scale ocean deoxygenation during the Paleocene-Eocene Thermal Maximum, *Science*, 19 Jul 2018)

569 As they continue:

When will we ever learn?

What went wrong? The continuing Indian farmer protests, despite the COVID-19 resurgence, highlight the problematic legacy of its Green Revolution (GR) in frustrating progress to sustainable food security.

Many studies have already punctured some myths of India's GR. Looking back, its flaws and their dire consequences should have warned policymakers of the likely disappointing results of the GR in Africa.

Hagiographic accounts of the GR cite 'high-yielding' and 'fast-growing' dwarf wheat and rice spreading through Asia, particularly India, saving lives, modernising agriculture, and 'freeing' labour for better off-farm employment.

Many recent historical studies challenge key claims of this supposed success, including allegedly widespread yield improvements and even the number of lives actually saved by increased food production.

Environmental degradation and other public health threats due to the toxic chemicals used are now widely recognized. Meanwhile, water management has become increasingly challenging and unreliable due to global warming and other factors.

Ersatz GR2.0 for Africa

Half a century later, the technology fetishizing, even deifying AGRA initiative seemed oblivious of Asian lessons as if there is nothing to learn from actual experiences, research and analyses.

Worse, AGRA has ignored many crucial features of India's GR. Importantly, the post-colonial Indian government had quickly developed capacities to promote economic development.

Few African countries have such 'developmental' capacities, let alone comparable capabilities. Their already modest government capacities were decimated from the 1980s by structural adjustment programmes demanded by international financial institutions and bilateral 'donors'.
(Timothy A. Wise and Jomo Kwame Sundaram, œAnother False Start in Africa Sold with Green Revolution Myths, *Inter Press Service*, April 20 2021)

A reposting of this article on the œ*NakedCapitalism* blog site provides a set of comments on it.

570 The satirical website *the Onion*, in a piece entitled 'Contractor Informs Biden It'd Be Cheaper To Just Tear Down U.S. And Start Over', described the US scene as depicted by a 'local contractor Randy Alonzo' whose assessment seems closer to reality than satire:

> WASHINGTON - Shaking his head and sighing while poking around various rotting, dilapidated sections of the 3.8-million-square-mile country, local contractor Randy Alonzo looked President Joe Biden in the eye Friday and told him that it would be cheaper just to tear down the United States and start over. "Yeah, no, I'll be honest, this whole friggin' place, from California to New York, all the way down to the tip of Florida, is a mess, and if I were you, I'd just consider shit-canning the whole thing and building back from the ground up,"...
> (*the Onion*, œContractor Informs Biden It'd Be Cheaper To Just Tear Down U.S. And Start Over, June 25, 2021)

571 Wikipedia, in an article entitled 'œBelt and Road Initiative' has provided an excellent and fairly detailed explanation of the nature of this initiative.

The Chinese vision is a comprehensive one, including both:

> a regional integration of the infrastructural development of East, South-East, South Asian and northern 'Silk Road' Asian nations into what essentially becomes a 'United Asian Economic, Social and Political Bloc', with each nation's sovereignty not merely recognized but guaranteed by all participants,
>
> and, as part of that overall development,
>
> the extension of both maritime routes (the 'One Belt' part of the initiative) and Asian land routes (the 'One Road' part of the initiative) into both African and European nations and beyond, into the 'rest of the world'.

The only way such an initiative could possibly succeed (it entails, of course, an inevitably truly long-term developmental process spanning decades) would be if *all* participating nations really did perceive involvement as being to their long-term advantage.

A pact among equals to both guarantee and pursue universal reciprocal responsibility for each others' welfare.

Amongst the most strongly emphasized features of this bloc, in Chinese explanations, is the *equality* of all participant nations, without regard to varying geographical or population sizes. It is to be a cooperative bloc of independent nations, a 'win-win' bloc of nations committed to the support and infrastructural development of each nation, and so of all nations.

There is no mention of, and apparently no intention to develop, military 'cooperation' of any kind. Such a bloc would not give primacy to military integration or domination. Neither does it envision a preferred political organization or process of political convergence. This truly is a noble vision of cooperative development of equals in every sense.

It is a vision of a truly integrated world of independent equals wholly focused on the wellbeing of all through the wellbeing of each.

If this were to be the future of 'capitalism' it would, indeed, be an inspiring future. One can only hope and pray that it succeeds as envisioned and is able to survive and flourish through the environmental storm clouds we can all see building on humanity's horizon.

572 This is a prime purpose of exports in capitalist nations, driven by the need to access needed resources (or commodities) of other nations.

Capitalist enterprises, entrepreneurs, developers, 'aid workers' and fellow travelers have intruded into the environments of communities and

appropriated their material resources to expand the resource base upon which capitalist nations rely to meet their constantly expanding material 'needs'.

Cecil Rhodes is reputed to have expressed it eloquently:

> We must find new lands from which we can easily obtain raw materials and at the same time exploit the cheap slave labor that is available from the natives of the colonies. The colonies would also provide a dumping ground for the surplus goods produced in our factories.

In doing so, they have obscured the material constraints of 'capitalist development'.[1004]

Michael Kalecki, in 1943, explained the rationale:

1. A solid majority of economists is now of the opinion that, even in a capitalist system, full employment may be secured by a government spending programme, provided there is in existence [an] adequate plan to employ all existing labour power, and ***provided adequate supplies of necessary foreign raw-materials may be obtained*** in exchange for exports. If the government undertakes public investment (e.g. builds schools, hospitals, and highways) or subsidizes mass consumption (by family allowances, reduction of indirect taxation, or subsidies to keep down the prices of necessities), and if, moreover, this expenditure is financed by borrowing[1005] and not by taxation (which could affect adversely private investment and consumption), the effective demand for goods and services may be increased up to a point where full employment is achieved. Such government expenditure increases employment, be it noted, not only directly but indirectly as well, since the higher incomes caused by it result in a secondary increase in demand for consumer and investment goods.
2. It may be asked where the public will get the money to lend to the government if they do not curtail their investment and consumption. To understand this process it is best, I think, to imagine for a moment that the government pays its suppliers in government securities. The suppliers will, in general, not retain these securities but put them into circulation while buying other goods and services, and so on, until finally these securities will reach persons or firms which retain them as interest-yielding assets. In any period of time the total increase in government securities in the possession (transitory or final) of persons and firms will be equal to the goods and services sold to the government.Thus what the economy lends to the government are goods and services whose production is 'financed' by government securities. In reality the government pays for the services, not in securities, but in cash, but it simultaneously issues securities and so drains the cash off; and this is equivalent to the imaginary process described above.
   (Michael Kalecki, œPolitical Aspects of Full Employment, *Political Quarterly*, 14/4, 1943, pp. 322-31 [My emphasis])

People in capitalist communities have become convinced that there are, indeed, no limits to the possibilities of material accumulation.

Bill Mitchell has explained the real resource constraints faced by capitalist nations:

> [First, a currency-issuing government] can always use its currency-issuing capacity to ensure that all available productive resources that are for sale in that currency, including all idle labour, can be productively engaged.
>
> That is, such a government can always, without exception, ensure there is full employment.
>
> There is no financial constraint on such a government who desires to achieve that desirable policy goal.
>
> While that might sound salutary, and, by comparison with the ambitions of most governments in this neo-liberal era, is light years ahead on any well-being index, it somewhat evades a further question as to whether achieving this desirable goal moves a nation out of poverty.
>
> So, second, here is another totally general statement to complement the first. The worst-case scenario for a nation, irrespective of its government's currency-issuing capacity, is defined by the real resources that such a nation can access.
>
> If a nation can only access limited quantities of real resources relative to its population, then no matter what capacities the government might have, that nation, in all likelihood, will be poor.
>
> The ultimate constraint on prosperity is the real resources a nation can command, which includes the skills of its people and its natural resource inventory.
>
> Thus, even if the government productively deploys all the resources a nation has available, it will still be poor if its resource base is limited.
>
> Clearly, productively deploying all resources is a necessary condition for prosperity. And that remains the responsibility of the currency-issuing government after all of the non-government sector spending decisions have been made. But it is not a sufficient condition. A nation has to have sufficient resources to be prosperous.
>
> The problem in this neo-liberal era is that currency-issuing governments use the myth that they are financially constrained to avoid fulfilling the responsibility to achieve full employment no matter how resource rich the nation might be.
>
> So we have the obscene situation where even resource rich nations are succumbing to elevated levels of mass unemployment and increasing poverty rates amidst the 'plenty' because the ideological currents at the moment that has spawned an obsessive neo-liberal Groupthink are intent on shifting national income distribution in favour of those at the top end at the expense of everyone else. (Bill Mitchell, œUltimately, real resource availability constrains prosperity, Bill Mitchell - *Billy Blog*, Posted on Thursday, February 11, 2016)

[573] Or, as in the case of the Maya of Mexico, changes in climate. As Douglas Kennett *et al,* œDevelopment and Disintegration of Maya Political Systems in Response to Climate Change (*Science* 9 November 2012, Vol. 338 no. 6108; pp. 788-791) explain:

> The interval from 1535 to 1542 C.E. was particularly dry. Historical accounts link this drought to reduced agricultural productivity, famine, disease, death, and population relocation. Some estimates

suggest that drought-related agricultural disaster caused nearly a million deaths in Mexico in 1535 C.E., illustrating how meteorologically dry conditions presage agricultural drought with severe effects scaled to population density and level of agricultural intensification.

574 The often quoted Greek invention of a steam-powered piston and its use as a toy is an example of this. The technological developments in non-Western communities reflected their utilization of their environments. The Western presumption that the sophistication of a community can be judged by its mastery of sophisticated technologies is ethnocentric. That is only likely to apply if community technologies are being driven by expanding material needs and wants.

(Of course, human beings, driven by intellectual curiosity, have often developed technologies to facilitate intellectual exploration - as in the case of the Greek steam piston. This, however, has seldom (if ever) resulted in technologies designed to cater to mass production of consumer goods and services.)

575 Gustave Speth, Administrator of the œUnited Nations Development Program, in 1994 (repeating a description he gave in a World Bank address (œSpeth 1993)), outlined some of the massive problems confronting the world a decade ago (and confronting us even more starkly today),

> Today, the average person among the 4 billion in the developing countries consumes about 2,500 calories of food each day. The average person consumes 3,400 calories per day in Western Europe and more than 3,600 in the United States...
>
> [A]ccording to recent estimates by the world's leading soil scientists, an area of about 1.2 billion hectares - about the size of China and India combined - has experienced moderate to extreme soil deterioration since World War II as a result of human activities.
>
> Over three-fourths of that deterioration has occurred in the developing regions, most of it in arid and semi-arid regions from such causes as overgrazing, deforestation, land clearing, unwise agricultural practices, and increased soil salinity and waterlogging, largely from irrigation.
>
> Other environmental threats to the agricultural resource base include loss of water through contamination; loss of genetic resources, habitats, and species: adverse impacts of pesticides, and greater resistance of plant diseases, weeds and insects...
>
> When combined with other environmental threats to the agricultural resource base - loss of water and generic resources, loss of cultural resources, and climate change, both local and global - the situation is disturbing indeed.

576 A summary of key statistics is provided in the release:

> **By the Numbers - Key Statistics and Facts from the Report**
>
> General
>
> - 75%: terrestrial environment "severely altered" to date by human actions (marine environments 66%)
> - 47%: reduction in global indicators of ecosystem extent and condition against their estimated natural baselines, with many

continuing to decline by at least 4% per decade

- 28%: global land area held and/or managed by Indigenous Peoples , including >40% of formally protected areas and 37% of all remaining terrestrial areas with very low human intervention
- +/-60 billion: tons of renewable and non-renewable resources extracted globally each year, up nearly 100% since 1980
- 15%: increase in global per capita consumption of materials since 1980
- >85%: of wetlands present in 1700 had been lost by 2000 - loss of wetlands is currently three times faster, in percentage terms, than forest loss.

Species, Populations and Varieties of Plants and Animals

- 8 million: total estimated number of animal and plant species on Earth (including 5.5 million insect species)
- Tens to hundreds of times: the extent to which the current rate of global species extinction is higher compared to average over the last 10 million years, and the rate is accelerating
- Up to 1 million: species threatened with extinction, many within decades
- >500,000 (+/-9%): share of the world's estimated 5.9 million terrestrial species with insufficient habitat for long term survival without habitat restoration
- >40%: amphibian species threatened with extinction
- Almost 33%: reef forming corals, sharks and shark relatives, and
- >33% marine mammals threatened with extinction
- 25%: average proportion of species threatened with extinction across terrestrial, freshwater and marine vertebrate, invertebrate and plant groups that have been studied in sufficient detail
- At least 680: vertebrate species driven to extinction by human actions since the 16th century
- +/-10%: tentative estimate of proportion of insect species threatened with extinction
- >20%: decline in average abundance of native species in most major terrestrial biomes, mostly since 1900
- +/-560 (+/-10%): domesticated breeds of mammals were extinct by 2016, with at least 1,000 more threatened
- 3.5%: domesticated breed of birds extinct by 2016
- 70%: increase since 1970 in numbers of invasive alien species across 21 countries with detailed records
- 30%: reduction in global terrestrial habitat integrity caused by habitat loss and deterioration
- 47%: proportion of terrestrial flightless mammals and 23% of threatened birds whose distributions may have been

negatively impacted by climate change already

- >6: species of ungulate (hoofed mammals) would likely be extinct or surviving only in captivity today without conservation measures

Food and Agriculture

- 300%: increase in food crop production since 1970
- 23%: land areas that have seen a reduction in productivity due to land degradation
- >75%: global food crop types that rely on animal pollination
- US$235 to US$577 billion: annual value of global crop output at risk due to pollinator loss
- 5.6 gigatons: annual CO_2 emissions sequestered in marine and terrestrial ecosystems - equivalent to 60% of global fossil fuel emission
- +/-11%: world population that is undernourished
- 100 million: hectares of agricultural expansion in the tropics from 1980 to 2000, mainly cattle ranching in Latin America (+/-42 million ha), and plantations in Southeast Asia (+/-7.5 million ha, of which 80% is oil palm), half of it at the expense of intact forests
- 3%: increase in land transformation to agriculture between 1992 and 2015, mostly at the expense of forests
- >33%: world's land surface (and +/-75% of freshwater resources) devoted to crop or livestock producti
- 12%: world's ice-free land used for crop production
- 25%: world's ice-free land used for grazing (+/-70% of drylands)
- +/-25%: greenhouse gas emissions caused by land clearing, crop production and fertilization, with animal-based food contributing 75% to that figure
- +/-30%: global crop production and global food supply provided by small land holdings (<2 ha), using +/-25% of agricultural land, usually maintaining rich agrobiodiversity
- $100 billion: estimated level of financial support in OECD countries (2015) to agriculture that is potentially harmful to the environment

Oceans and Fishing

- 33%: marine fish stocks in 2015 being harvested at unsustainable levels; 60% are maximally sustainably fished; 7% are underfished
- >55%: ocean area covered by industrial fishing
- 3-10%: projected decrease in ocean net primary production due to climate change alone by the end of the century
- 3-25%: projected decrease in fish biomass by the end of the century in low and high climate warming scenarios, respectively

- >90%: proportion of the global commercial fishers accounted for by small scale fisheries (over 30 million people) - representing nearly 50% of global fish catch
- Up to 33%: estimated share in 2011 of world's reported fish catch that is illegal, unreported or unregulated
- >10%: decrease per decade in the extent of seagrass meadows from 1970-2000
- +/-50%: live coral cover of reefs lost since 1870s
- 100-300 million: people in coastal areas at increased risk due to loss of coastal habitat protection
- 400: low oxygen (hypoxic) coastal ecosystem 'dead zones' caused by fertilizers, affecting >245,000 km2
- 29%: average reduction in the extinction risk for mammals and birds in 109 countries thanks to conservation investments from 1996 to 2008; the extinction risk of birds, mammals and amphibians would have been at least 20% greater without conservation action in recent decade
- >107: highly threatened birds, mammals and reptiles estimated to have benefitted from the eradication of invasive mammals on islands

Further statistical information and the full summary can be found here: œMedia Release: Nature's Dangerous Decline 'Unprecedented'; Species Extinction Rates 'Accelerating'

577 The 'value' of objects is culture specific.

Accounts of the period include numerous comments on the 'generosity' or, alternatively, profligacy of 'simple' 'primitive' peoples who seemed unaware of the true 'value' of objects in their possession. Stories also abounded of their willingness to casually discard 'valuable' possessions they were given, often in an attempt to 'do the right thing' and 'pay' for the 'valuables' received from them.

578 As a 1990 editorial in *The Ecologist* put it:

> History", wrote the French philosopher Voltaire, "is a fable upon which we are all agreed". So far as the colonial period goes, the fable would have us believe that the colonial powers were primarily motivated by a desire to bring "progress" and "civilization" to their colonies. Whilst this may indeed have been true of the missionaries who trail-blazed Europe's colonial expansion, it was far from the minds of the main architects of colonial rule.
> (*Ecologist* Vol 20 No 6 1990 p. 202)

579 See œKing Leopold II and the Belgian Congo for one of the more extreme examples of this reorganization in central Africa.

580 See The mono-agricultural re-organization of Africa for more on this.

581 See this œ*International Institute for Tropical Agriculture (IITA) and the Center for International Forestry Research (2011)* report for a typical Western solution to a problem driven by the imposition of mono-agricultural production for Western markets on small-holdings. Indigenous people, caught in the trap of constant downward pressures on income as production increases are blamed for the problems this creates:

> Cocoa production in West Africa is an important commercial sector and a source of livelihoods for about two million households in the region. For the last 20 years Côte d'Ivoire has been the largest producer both in terms of output and numbers of producers, followed by Ghana, Nigeria, and Cameroon with these four countries now accounting for 70% of global cocoa supply.
>
> According to the study, cocoa production in West Africa's Guinean Rainforest region doubled between 1987 and 2007, but most of this increase was fueled by clearing forest areas resulting in large losses of biodiversity and high carbon emissions.
>
> The Guinean Rainforest (GRF) of West Africa, identified over 20 years ago as a global biodiversity hotspot, had reduced to 113,000 km2 at the start of the new millennium, which was 18% of its original area, according to the report. The principal driver of this environmental change has been the expansion of low-input smallholder agriculture that depends on environmentally destructive practices like slash-and-burn and land clearing.
>
> Researchers at IITA found that increasing fertilizer use on cocoa-timber farms would have spared roughly 2 million hectares of tropical forest from being cleared or severely degraded. On average, farmers are using less than 4kg of total nutrients per hectare in the region.
>
> The study suggests that farmers could have achieved the same outputs without rampant deforestation through the intensified use of fertilizer and agrochemicals coupled with improved crop husbandry. According to IITA, by doing so farmers would have doubled their incomes and helped to avoid deforestation and degradation on 2.1 million hectares and in the process, this would have generated a value of over 1,600 million dollars on 1.3 billion tons of CO_2 emissions that would not have come from deforestation.
> (œEurekAlert 7-Apr-2011)

Alex Renton, in an article in the œ*Sunday Independent* 2nd January 2011 entitled *India's hidden climate change catastrophe: Over the past decade, as crops have failed year after year, 200,000 farmers have killed themselves* provides a description of the kind of problems this creates:

> Mr Sainath is an award-winning expert on rural poverty in India, a famous figure across India through his writing for The Hindu newspaper. I spoke to him at a screening of Nero's Guests, a documentary film about the suicide epidemic and some of the more eye-popping inequalities of modern India.
>
> > "Poverty has assaulted rural India," he said. "Farmers who used to be able to send their children to college now can't send them to school. For all that India has more dollar billionaires than the UK, we have 600 million poor. The wealth has not trickled down."
>
> Almost all the bereaved families report that debts and land loss because of unsuccessful crops were among their biggest problems.
>
> The causes of that poverty are complex. Mr Sainath points to the long-term collapse of markets for farmers' produce. About half of all the suicides occur in the four states of India's cotton belt; the price of cotton in real terms, he says, is a twelfth of what it was 30 years

ago. Vandana Shiva, a scientist-turned-campaigner, also links failures of cotton farming with the farmer suicides: she says the phenomenon was born in 1997 when the Indian government removed subsidies from cotton farming. This was also when genetically modified seed was widely introduced.

"Every suicide can be linked to Monsanto," says Ms Shiva, claiming that the biotech firm's modified Bt Cotton caused crop failure and poverty because it needed to be used with pesticide and fertilisers. The Prince of Wales has made the same accusation. Monsanto denies that its activities are to blame, saying that Indian rural poverty has many causes.

Beyond any argument - though no less politically charged - is the role of the weather in this story. India's climate, always complicated by the Himalayas on one side and turbulent oceans on the two others, has been particularly unreliable in recent years. In Rajasthan, in the north-west, a 10-year drought ended only this summer, while across much of India the annual monsoons have failed three times in the past decade.

India's 600 million farmers and the nation's poor are often the same people: a single failed crop tends to wipe out their savings and may lead to them losing their land. After that, there are few ways back. The drought, following a failed monsoon, that I saw in Andhra Pradesh in 2009 was the tipping point that drove Mr Naik to suicide.

Such tragedies and even the selling of children for marriage or as bonded labor - a common shock-horror news story in India - are the most dramatic results. But far more common is the story of rural families migrating, in tens of millions, to India's cities, swelling the ranks of the urban poor and leaving holes in the farming infrastructure that keeps India fed. ...

I visited an idyllic village, Surah na Kheda, last month in the limerick-worthy district of Tonk, Rajasthan. We arrived to find the rows of whitewashed mud-walled houses gleaming in the rising sun, while inside the courtyards women in bright saris were stirring milk to make yogurt and butter for the day's meals. Their daughters kneaded dough for the breakfast chapattis.

But there was an odd thing: a distinct lack of people. There were the old and the very young - but virtually no one of working age. Half the village, some 60 adults and many children, had gone to Jaipur, the state capital, to look for work. Even though the Diwali holiday fell the following week, no one expected their neighbors and relatives back. Times were too hard.

Prabhati Devi, 50, said four of her seven children had joined the exodus. "They had to go," she said. "Twenty years ago, we could grow all we needed, and sell things too. Now we can't grow wheat, we can't grow pulses, we can't even grow carrots, because there is not enough rain. So we go to the cities, looking for money."

[582] See From Indolent Subsistence to Labor-pool Worker for more on this.

[583] These constantly escalating demands have not lessened in the 21st century. As long as Western social templates are centered on competitive material accumulation and consumption, attempts at 'sustainable development' must, by definition, fail.

Sustainability requires a stable demand for material goods. This can only happen when the social templates of communities are focused on something other than competitive, individual material accumulation and consumption. Of course, to hold consumption and accumulation at present levels is already an unsustainable proposition.

Unless the social templates of Western countries and their accumulative and consumptive demands are reduced to genuinely sustainable levels, and the status systems of other communities are not warped through competition with the West and through the stimulation of material needs and wants by promotional agencies, 'sustainable development' is an oxymoron.

[584] The populations of Third World communities are, indeed, out of control. However, we need to ask when they began this uncontrolled growth. It seems that in almost all Third World countries the take-off into uncontrolled population growth coincided with the commencement of the 'development' drive of the post-Second World War period.

Kevin Noone has summed up the post-WW2 'great acceleration' in 'development' well:

> Indeed, around 1950, the world seems to have reached a tipping point, with practically every factor that heightens humanity's impact on the planet - population, GDP, fertilizer use, the proliferation of telephones, and paper consumption, to name only a few - beginning to increase rapidly. During this period, which the scientist Will Steffen dubbed the "Great Acceleration," the human population became sufficiently large and connected, with high enough consumption, to become a major global force.
> (Kevin J. Noone, *Project Syndicate*, Oct. 2, 2013, Problem Solving in the Anthropocene)

It is contended that the rapid increase in population growth is largely a consequence of the disruption of communities, through attempting to reorganize them to Western requirements. Communal controls on population have been disrupted, and people are socially disoriented and confused.

Population growth is no longer driven by the needs and requirements of communities, and individuals have not been reoriented to Western forms of individualized population control based on material cost calculations.

As I have argued elsewhere (Ideology and reality), Western belief that people can easily be reoriented to Western assumptions and Western drives is naive. The more vigorously such attempts are pursued, the more disrupted communities become and therefore the less effective population control measures become.

[585] See Capitalism and Work: The white Man's Burden; Capitalism and its Colonies

[586] See Capitalism and its Colonies for more on this.

[587] A cynical observer might say that colonial powers had found a way to retain the advantages and avoid the disadvantages of empire.

They handed political control/ responsibility to colonial politicians, ducking the problems of independence movements and political unrest, while retaining most of the economic advantages of empire.

In doing so, they could require post-colonial countries to purchase the requirements of government (including weapons, infrastructural

equipment of various sorts, and pay for expertise) while retaining privileged access to their resources.

[588] Where post-colonial nations attempted to break free from the control of Western colonial powers, focusing on internal development, as in Lumumba's Democratic Republic of Congo, Nkrumah's Ghana or Nyerere's *ujamaa* movement in Tanzania from 1964-85, they found themselves under very strong First World pressure to conform. Any move away from the *status quo*, in the Cold War climate of the period, was construed as a move to socialism and communism. This, inevitably invoked very similar political pressures to those experienced in Chile and elsewhere (see œChurch Committee (1975). *Covert Action in Chile: 1963-1973* (PDF) for a frank official explanation and assessment of its involvement in coup activity in Chile).

[589] There was, of course, an element of truth in this (the best excuses are those which appear to be corroborated). See Corruption for more on this.

[590] They did not appear to have seriously hampered economic development in the East Asian 'tiger' nations.

[591] Patric Hamm, Lawrence P. King and David Stuckler ("Mass Privatization, State Capacity, and Economic Growth in Post-Communist Countries", *American Sociological Review*, Vol. 77, No. 2 (April 2012), pp. 295-324) spelt out the consequences of the mass privatization programs, devised by private economists and both the IMF and World Bank, for former Soviet Union members in the early 1990s. A EurekAlert summary summed it up:

> Devised principally by western economists, mass privatization was a radical policy to rapidly privatize large parts of the economies of countries such as Russia during the early 1990s. The policy was pushed heavily by the International Monetary Fund, the World Bank, and the European Bank for Reconstruction and Development (EBRD). Its aim was to guarantee a swift transition to capitalism, before Soviet sympathizers could seize back the reins of power.
>
> Instead of the predicted economic boom, what followed in many ex-Communist countries was a severe recession, on par with the Great Depression of the United States and Europe in the 1930s. The reasons for the economic collapse and skyrocketing poverty in eastern Europe, however, have never been fully understood. Nor have researchers been able to explain why this happened in some countries, like Russia, but not in others, such as Estonia.
>
> Some economists argue that mass privatization would have worked if it had been implemented even more rapidly and extensively. Conversely, others argue that although mass privatization was the right policy, the initial conditions were not met to make it work well. Further still, some scholars suggest the real problem had more to do with political reform.
>
> In their new study, Lawrence King, a Reader in sociology at the University of Cambridge, David Stuckler, a Lecturer in sociology at the University of Cambridge, and Patrick Hamm, a doctoral candidate in sociology at Harvard University, test for the first time the idea that implementing mass privatization was linked to worsening economic outcomes, both for individual firms, and entire economies. The more faithfully countries adopted the policy, the more they endured economic crime, corruption, and economic failure. This happened, the study argues, because the policy itself

undermined the state's functioning and exposed swathes of the economy to corruption.

The report also carries a warning for the modern age: "Rapid and extensive privatization is being promoted by some economists to resolve the current debt crises in the West and to help achieve reform in Middle Eastern and North African economies," said King. "This paper shows that the most radical privatization program in history failed the countries it was meant to help. The lessons of unintended consequences in Russia suggest we should proceed with great caution when implementing untested economic reforms." (Mass privatization put former communist countries on road to bankruptcy, corruption: Western economists advocated the policy after Soviet Union's Fall, Eurekalert 29-Mar-2012)

592 Milton Friedman's views were hardly original. As we have already seen, similar views were forcefully promoted through the 19th century (see 19th Century Free-Marketeers).

In a review of Nancy MacLean's (2017), *Democracy in Chains: The Deep History of the Radical Right's Stealth Plan for America*, George Monbiot has described the origins of Public Choice Theory well:

> ...[James] Buchanan, in collaboration with business tycoons and the institutes they founded, developed a hidden programme for suppressing democracy on behalf of the very rich. The programme is now reshaping politics, and not just in the US.
>
> Buchanan was strongly influenced by both the neoliberalism of Friedrich Hayek and Ludwig von Mises, and the property supremacism of John C Calhoun, who argued in the first half of the 19th century that freedom consists of the absolute right to use your property (including your slaves) however you may wish; any institution that impinges on this right is an agent of oppression, exploiting men of property on behalf of the undeserving masses.
>
> James Buchanan brought these influences together to create what he called œpublic choice theory. He argued that a society could not be considered free unless every citizen has the right to veto its decisions. What he meant by this was that no one should be taxed against their will. But the rich were being exploited by people who use their votes to demand money that others have earned, through involuntary taxes to support public spending and welfare. Allowing workers to form trade unions and imposing graduated income taxes were forms of "differential or discriminatory legislation" against the owners of capital.
>
> Any clash between "freedom" (allowing the rich to do as they wish) and democracy should be resolved in favour of freedom. In his book œThe Limits of Liberty, he noted that "despotism may be the only organisational alternative to the political structure that we observe." Despotism in defence of freedom.
>
> His prescription was a "constitutional revolution": creating irrevocable restraints to limit democratic choice. Sponsored throughout his working life by wealthy foundations, billionaires and corporations, he developed a theoretical account of what this constitutional revolution would look like, and a strategy for implementing it.

> He explained how attempts to desegregate schooling in the American south could be frustrated by setting up a network of state-sponsored private schools. It was he who first proposed privatising universities, and imposing full tuition fees on students: his original purpose was to crush student activism. He urged privatisation of social security and many other functions of the state. He sought to break the links between people and government, and demolish trust in public institutions. He aimed, in short, to save capitalism from democracy.
> (George Monbiot, œA despot in disguise: one man's mission to rip up democracy, *The Guardian*, Australian Edition, US politics, Opinion, 19 July, 2017)

See Boston (1991) for a discussion of the emergence of the theoretical arguments.

[593] See Third World Debt for more on this.

[594] See The Triumph of Neoliberalism for more on this. James Galbraith has spelt out the major presumptions of the post 1960s neoliberal movement:

> What was monetarism? Friedman famously defined it as the proposition that "inflation is everywhere and always a monetary phenomenon." This meant that money and prices were tied together. But more than that, Friedman believed that money was a policy variable - a quantity that the Central Bank could create or destroy at will. Create too much, there would be inflation. Create too little, and the economy might collapse. There followed from this that the right amount would generate the right result: stable prices at what Friedman came to call the natural rate of unemployment.
>
> The intent and effect of this line of reasoning was to defend a core proposition about capitalism: that free and unfettered markets are intrinsically stable. In Friedman's gospels government is the lone serpent in Eden, while the task of policy is to stay out of the way. Just as this was the vulgar lesson of "Free to Choose" so it turns out it was also the deep lesson of the larger structure of Friedman's thought. Friedman and Schwartz's Monetary History for all its facts and statistics carried a simple message: the market did not fail; the government did.
> (James K. Galbraith, The Collapse of Monetarism and the Irrelevance of the New Monetary Consensus, 25th Annual Milton Friedman Distinguished Lecture at Marietta College, Marietta, Ohio March 31, 2008)

It is, perhaps, worth reminding ourselves of the rationale underpinning neoliberal forms of 'Third World development'.

Fundamental to the neoliberal creed is the presumption that Government should not interfere in the functioning of national or international market exchange, either through regulations which attempt to straitjacket market activity or through the supply of goods and services to the community.

It is there as an arbiter of disputes among suppliers and consumers, and its most important role is in the maintenance of those rules and regulations which will ensure that economic activity - the production, exchange, and consumption of goods and services - remains equitable [1006].

This requires two important forms of legislation.

- The first is aimed at ensuring that those involved in a transaction are 'free' from coercion to be involved in, or to settle the transaction to their disadvantage. That is, the state should ensure that economic activity takes place on a 'level playing field'.

  As Milton Friedman, a neoliberal theorist, explained, governments are responsible to ensure

  > the protection of individuals in the society from coercion whether it comes from outside or from their fellow citizens. Unless there is such protection, we are not really free to choose. (Friedman & Friedman 1980, p. 29)

- Secondly, the state should ensure that the market remains truly competitive. That is, it should ensure that there is no collusion on the part of suppliers or purchasers to fix prices or to gain a monopoly in any area of trade. This is because the most efficient economy is that which is most competitive.

  Unfettered competition will ensure that prices are kept low, that quality is constantly improved and that supply is similarly constantly improved. It will also ensure that the reach of markets is constantly expanded as competitors strive to remain viable through expanding sales. This will result in the internationalization of business activities.

  It is good that major multinational firms are entering the economies of Third World countries.

Companies should be strongly encouraged to operate across national borders, and a prime responsibility of government is to make such internationalization possible through removing legislative obstacles. Unfettered competition will also ensure that suppliers are forced to be innovative in improving and diversifying their product ranges so that they might keep ahead of the inevitable saturation of the market by particular products.

This constant emphasis on innovation, it is argued, results in human beings continually exploring their environments, searching for new ways in which to profit. In the process they expand their horizons, thus ensuring fuller development of the human potential.

These requirements of government preclude it from involvement in economic activity. One cannot allow the referee to start playing because if the government is a player, it will also be a biased arbiter. Further, since those who work for the government are not primarily focused on material profit, but on the provision of services in the absence of competition, they will, by definition, be less efficient than private enterprise.

Public enterprise (including the various 'social services') should be privatized to improve efficiency. There must be a clear and unequivocal separation of the public realm of government from the private realm of economic activity. The primary responsibility of the public realm is to ensure that private players abide by the rules of fair trading.[1007]

The rules of fair trading and economic development require two fundamental principles to be maintained. The first is that no individual could be compelled to enter into a transaction with another individual.

The second is that self-interested accumulative activity, provided it does not infringe the first principle, should be rewarded.

If multinational companies made large profits from their Third World activities, this demonstrated the validity of neoliberal principles.

The person/ corporation who, playing the game by the rules, is able to accumulate property of one kind or another is not only entitled to that property, but should be recognized as having substantially contributed to the public good in the act of accumulation [1008].

Unless such people/corporations are directly, materially able to benefit from their activity they will put less effort into it. This, in turn, will result in economic stagnation. On the other hand, if those who generate profits are allowed to retain them, they, through reinvesting those profits, will generate increased economic activity.

It is assumed that since human nature is the distillation of millions of years of evolutionary experience, human beings as individuals will be adapted innately (through natural selection) to make the best of their natural and social environments. (Of course, there are many who do not accept an evolutionary explanation, preferring to rely on the 'natural law' argument [1009] as justification for their belief in the primacy of independent and competitively opposed individuals.)

Effectively, therefore, if one removes all social inhibitions aimed at channeling and distorting human behavior, human beings, in any community, will be freed to real self-development which, inevitably, will most satisfactorily be expressed in involvement in market exchange.

So, human communities are best served, and individuals will benefit most, if they are empowered to engage in the uninhibited, competitive exchange of goods and services. All human beings, it is claimed, are naturally and individually competitively opposed to each other and intent on accumulation.[1010]

These principles, naively presumed to be universally valid, have driven Third World economic development advice since the 1970s. That advice has been mandated through the demands of international agencies as Third World countries have found themselves unable to meet their international financial 'responsibilities'.

[595] It has taken a further 20 years of neoliberal control within the 'developed' world for policies similar to those imposed on Third World nations to be imposed, with similar force, on Western nations. Greece is, arguably, the first in line to experience similar treatment at the hands of 'creditors' and international organizations such as the IMF. (Argentina has experienced similar treatment at the hands of international creditors and institutions over the past thirty years.)

It is not alone. Portugal, Spain, Ireland have been subjected to similar demands. The major difference between Greece and those nations is that, in 2015, it has opted for a government which rejected the 'austerity' demands of the European and IMF technocrats and has consequently been labeled 'leftist' - a government which must be brought to heel lest its rebellion become contagious.

Paul Krugman has summarized Greek experience in recent years well:

> ... the campaign of bullying - the attempt to terrify Greeks by cutting off bank financing and threatening general chaos, all with the almost open goal of pushing the current leftist government out of office - was a shameful moment in a Europe that claims to

> believe in democratic principles. It would have set a terrible precedent if that campaign had succeeded, even if the creditors were making sense.
>
> What's more, they weren't. The truth is that Europe's self-styled technocrats are like medieval doctors who insisted on bleeding their patients - and when their treatment made the patients sicker, demanded even more bleeding...
> (Paul Krugman, œEnding Greece's Bleeding, *New York Times*, The Opinion Pages, July 5, 2015)

Sadly, Greece's story is far from told. While its populace has voted not to accept the austerity demands of the 'European Troika' (the International Monetary Fund (IMF), European Commission (EU) and European Central Bank (ECB)), rejecting austerity demands of neoliberal technocrats has seldom worked in Third world nations. It will indeed be surprising if European neoliberal technocrats quietly accede to Greek demands. As Krugman concludes:

> In the failed negotiations that led up to Sunday's referendum, the central sticking point was Greece's demand for permanent debt relief, to remove the cloud hanging over its economy. The troika - the institutions representing creditor interests - refused, even though we now know that one member of the troika, the International Monetary Fund, had concluded independently that Greece's debt cannot be paid. But will they reconsider now that the attempt to drive the governing leftist coalition from office has failed?
>
> I have no idea ...

596 Simon Johnson (2014) has summed up IMF influence around the world:

> The IMF is founded on the premise that it represents cooperation between all of the countries of the world. The reality is that it stands for and operationalizes US power, in cooperation with America's closest allies.
>
> Anyone who doubts that should review a recent letter orchestrated by the Bretton Woods Committee, addressed to Congressional leaders on behalf of an impressive array of former Republican and Democratic cabinet secretaries. The first paragraph reads, "The IMF has always been a valuable tool for advancing US national interests globally."
>
> The US does not dictate what happens at the IMF, but it does have a disproportionate influence. Given the Fund's origins in helping to rebuild Europe after World War II, European countries are also very well represented on its executive board and in terms of ownership shares (and thus voting weight on important decisions).
> (Simon Johnson, œThe Importance of Being Boring, *Project Syndicate*, March 27, 2014)

Barry Riddell, examining the implementation of SAPs in Third World countries in the late 1980s, concluded that:

> ... the I.M.F. has imposed 'conditionalities' in sub-Saharan Africa as integral elements of Structural Adjustment Programs (S.A.P.s) that affect not only the lives of all the inhabitants, but also the nature and landscapes of the nations concerned - their very geographical composition ...

Although the specifics of S.A.P.s differ, four basic elements are always present:

- currency devaluation,
- the removal/ reduction of the state from the workings of the economy,
- the elimination of subsidies in an attempt to reduce expenditures,
- and trade liberalization

... at the same time, the countries themselves are altered in certain fundamental ways. These involve the organization of the state, the character of the environment, the supply of food, the meaning of development, urban-rural interaction, and distinctly different future prospects for the several areas that make up the Third World [[1011]]
...

The debt crisis dominates national life: unemployment is increasing, food and fuel are in short supply, availability of services has deteriorated, and standards of living are falling. It is more than a matter of export earnings not meeting the financial obligations of debt servicing and the costs of imports, for the situation is exacerbated by rapid population growth, environmental deterioration, over-urbanization, unemployment, and AIDS. ...

Chinua Achebe wrote *Things Fall Apart* (London 1958) in order to describe disasters which befell African society and economy with the onset of colonialism. Financial stringency is leading to similar results again almost a century later. The exigency means that the economies of the newly independent states are in decline, with little or no hope for the immediate future despite the rhetoric of international institutions.
(Riddell 1992, pp. 53-55)

[597] Third world nations have inherited a wide range of difficulties and problems stemming from both their own pre-colonial historical backgrounds and the naive presumptions which all-too-often underpinned their formation as 'post-colonial' nation states.

Their difficulties have been compounded through the past 50 years through the Western imposition of neoliberal restructuring. The disastrous consequences of Western imposed structural adjustment programs have been well summarized by Bill Mitchell:

The evidence shows that the so-called structural adjustment program (SAPs) that the IMF and World Bank typically impose on poor nations struggling with balance-of-payments problems - based upon fiscal austerity, elimination of food subsidies, increase in the price of public services, wage reductions, trade and market liberalisation, deregulation, privatisation of state-owned assets, etc. - have had a disastrous social, economic and environmental impact wherever they have been applied.

Not only have they kept millions in persistent poverty but they also foisted unsustainable levels of external debt on these nations, which were then used to justify the imposition of destructive export-led production strategies that in many cases devastated the existing subsistence systems and led to large-scale environmental ruin (for example, massive deforestation in Mali).

> Though masqueraded as development programs, SAPs have actually acted as giant siphons, sucking out wealth and resources from these countries and pumping it into the pockets of the rich elites and corporations in the US, Europe and elsewhere.
>
> To add insult to injury, in many instances these policies also wrecked the borrowing countries' local productive sectors, thus creating increased import and debt dependencies.
>
> Clearly, the IMF and the World Bank have outgrown their original purpose and have ceased to play any positive role in the management of world affairs.
>
> Rather, their interventions have undermined prosperity and impoverished millions of people across the world, and continue to do so - mostly, but not exclusively, in the developing world (as the Fund's participation in Greece's bailout program testifies).
> (Bill Mitchell, œIf Africa is rich - why is it so poor?, *Billy Blog*, June 19, 2017)

598 Jeremy Grimm, in a comment on terms used when dealing with the 'Covid-19 Crisis,' has put the process of dehumanizing people well:

> I finally figured out what so bothered me about the idea of 'herd immunity'. On its face the idea is ridiculous. What herdsman would let herd immunity resolve a disease killing and weakening the cattle in his herd? We have "over 100,000 coronavirus cases in 24 hours" but who in the Power Elite finds this news sufficiently "sobering" to take any action to remedy the pandemic or ease the economic destruction it has wreaked on the Populace?
>
> Regard the word "herd" now so blithely applied to Populace. Long ago Populace was at least regarded as a flock, tended by a good shepherd. Populace in the US has diminished from "We the people" to 'the masses' to 'consumers' to 'customers' to a herd. Herds are driven to market. But even herdsmen have more regard for the members of their herd. Much of the herd is only valued for the glue and hides they yield to the tender mercies of our Medical Industrial Complex.
>
> Perhaps the language used, the words used, determine or influence thinking. I am skeptical of those ideas. But I believe the word "herd" clearly communicates how our Power Elite thinks about the Populace.
> (Jeremy Grimm, *NakedCapitalism* œComment on 'U.S. reports over 100,000 coronavirus cases in 24 hours for the first time ever. Smashes all time record.', October 31, 2020)

599 See Reciprocity and Exchange for a discussion on the nature of social exchange.

600 I have never found anyone who could satisfactorily explain why this presumption was (and is) held.

601 Siphoning of funds into patron-client networks was, of course, a feature of both government and business organization in many Third World countries. See Biersteker (1987) and Robison (1990) for descriptions of the relationship between government and private enterprise in Nigeria and Indonesia.

Of course, corporate funding of politicians and lobbyists has become an art form in the US and most Western nations over the past half century.

[602] The Secretary-General of UNCTAD, in 1996, explained:

> International trade and production have not expanded at the same rate as international financial transactions, but production by transnational corporations has grown faster than trade. More importantly, trade and the internationally integrated production of TNCs have acted both separately and in interplay with each other to increase interdependence of economies in terms of production activities, lending a qualitative dimension to globalization that distinguishes it from its earlier variants ...
>
> The principal driving force in the globalization process today is the search of both private and publicly-owned firms (and more generally, producers and asset holders) for profits worldwide.
>
> Their efforts are made possible or facilitated by advances in information technology and by decreasing transport and communication costs. To maintain or increase market share and maximize profits in a world economy with rapid technological change, converging consumer tastes and liberalised flows of goods, services, capital and technology across national boundaries, firms are pursuing strategies that allow them to exploit all available sources of competitive strength, combining their own, firm-specific assets with assets that are specific to particular locations.
>
> They minimize transaction costs and maximize efficiency and profits through appropriate choice of modes of international transactions and distribution of assets and of international production activity ...
>
> As firms increasingly see transnational production as necessary for their competitiveness and profitability, they are exerting more and more pressures on Governments to provide conditions that will allow them to operate worldwide. This involves not only further liberalization of international trade but also freedom of entry, right of establishment and national treatment, as well as freedom for international financial transactions, deregulation and privatization ...
>
> Macroeconomic forces have, meanwhile, exerted other pressures on firms and Governments. Slow growth of demand, stagnant wages and persistently high unemployment in the developed countries over the past 20 years have resulted in pressures from firms and workers that have influenced these countries' policies.
>
> The slow growth of domestic demand and the related squeeze on profits in developed countries has led firms there to intensify their search for growth and profits in other markets; in so doing, they also apply pressure on their home Governments to demand greater openness of foreign markets.
>
> (œUNCTAD 1996, ch. 1, pp 15-16,20-21)

[603] See Inflation of the Material Requirements of Status Positions for more on this.

[604] Briones and Zosa (1994) described the situation in the Philippines:

> ... for more than two decades, external debt accumulation in the Philippines has been characterised by an accelerating trend. These are monetary and non-monetary liabilities incurred by both the public and the private-sector from foreign entities such as commercial banks, multilateral organizations, the International Monetary Fund, the private bond market, foreign government and bilateral agencies, and other foreign institutions ...

> The Philippines external debt increased almost ninefold between 1972 and 1982 ...
>
> This illustrates the policy of development financing during the period - a policy where development projects were financed by borrowings from external sources, particularly from the international financial system, which was awash with recycled petrodollars ...
>
> Investment and international financial resources flowed into their economies. Unfortunately, global finance innovations also facilitated the outflow of these resources in larger amounts through capital flight, which resulted from the unsettling political and social events prevailing at the time. The outcome was the 1983 debt crisis where debtor economies like the Philippines had to declare a series of moratoria on debt service payments ...
>
> Even after the debt crisis, the Philippine external debt continued to rise. This was accounted for mainly by net availment of foreign loans, foreign exchange fluctuations, and capitalised interest on debt service payments after the debt reschedulings following the moratoria ...
>
> Again, shift in the international financial and monetary systems played a major role in the structure of the Philippine external debt. With the capitalisation of unpaid interest after the moratoria, debt stocks rose and correspondingly bloated debt service payments.
>
> This necessitated the need for more loans and financial assistance, which the international financial community provided at increasingly higher costs financially, economically, and politically. The access enjoyed by developing countries to Eurocurrency credit markets in the 1970s and 1980s made these debtor nations more vulnerable to foreign exchange fluctuations.
>
> (Briones & Zosa 1994, pp. 253-5)

605 See œCenter for the Study of Democracy (1995) for an exploration of the options available to Bulgaria as it struggled to handle a debt crisis in the mid 1990s.

See Chapter 2 of that study for an economic advisor's description of the rationale for such programs: œRationale for a Debt Conversion Program and Chapter 3: œDebt for Equity Conversion Models for the implementation models of such schemes in a variety of Central and South American countries. As the writer explained,

> Debt Conversion Programs are no panacea for a country's debt or development problems. They should be viewed as useful but limited vehicle for debt reduction and for the attraction of new investments. However, in certain circumstances, they can make a substantial contribution both by encouraging foreign capital inflows at a time when it is scarce and in alleviating the debt service burden. Some countries have used these programs as an incentive for capital flight reversal.

606 Briones and Zosa described a few of the problems faced by the Philippines in the early 1990s:

> The Philippines has reduced around $3.4 billion of external debt through the above-mentioned schemes, including its debt buy-back of US $1.3 billion.

> It is important to stress that, although these voluntary debt reduction schemes may ease cash-flow payments, they are clearly inadequate to reduce overall debt stocks. Furthermore, these schemes are expensive and require foreign exchange resources to implement.
>
> For example, the cash buy-back of US $1.3 billion (which involved purchasing the debt papers at 50 cents in the dollar) had to be supported by an official loan of US $650 million from multilateral and bilateral creditors as the Philippines did not have the reserves to support the buy-back.
>
> Thus, what was gained in reduction of commercial bank debt was lost in terms of an increase in official loans.
>
> Furthermore, debt-equity programs and other debt schemes also create undue inflationary pressure. These, too, link the debt problem to investments in debtor economies like the Philippines.
>
> As scarce capital deters local investors, the premium enjoyed by investors in debt-equity programs and debt-for-note/debt programs favor foreign investors and accords them the opportunity of availing themselves of the assets/resources in the economy at 'sweet-heart' prices.
>
> The hold of transnationals in key industries and sectors of the Philippine economy remains a burning issue. In the medium and long-term, the pressure on foreign exchange reserves brought about by profit remittances will also have to be addressed. (Briones & Zosa 1994, pp. 269-270)

607 Rajeev Chandrasekhar has described the phenomenon for India and China in the 21st century:

> The movement of the rural poor to large cities is one of the exemplary narratives of the modern era. And governments, which typically focus on crude measures of economic performance, encourage rapid urbanization.
>
> In China, for example, the relaxation of migration controls in the 1980's and the opening of the economy led to the spectacular growth of the country's eastern cities. More than 50% of Chinese live in urban areas today, up from 25% in 1990, and the proportion is expected to reach 70% by 2035.
>
> While the majority of Indians still live in rural areas, this, too, is changing fast. From 1970 to 2010, India's urban population grew by 250 million. The next quarter-billion will be added in half that time. By 2030, 70% of India's GDP will come from its cities.
>
> But cities are simply unable to cope with the influx of migrants on the current scale. The fast-growing metropolises of India, China, Brazil, and other major emerging economies offer plenty of jobs, but basic amenities are lacking; as a result, many of the urban poor live in slums, without adequate health care, water supplies, or electricity.
>
> The problems are legion. Municipalities, often owing to corruption or poor management, are unable or unwilling to impose rigorous planning regulations. Infrastructure spending is either inadequate or poorly targeted. Workers come home from their jobs to homes that are dark, dank, and depressing. They feel unsafe on poorly-lit streets, and have little access to parks or recreational facilities.

> Mornings and evenings are lost to long commutes on polluted highways.
> (œCivilizing the City, *Project Syndicate*, May 4, 2013)

In Western regions, the movement into urban areas commenced in the 16th century, with land consolidation and the dispossession of millions of small land holders. It continues to the present.

In non-Western regions, the problems of consolidation began with the economic reorganization of colonial regions to feed the factories of Europe. Urbanization was kept in check through laws and regulations controlling the movement of people from 'traditional' reserves.

Following the 2nd World War, those legal restrictions were challenged as 'anti-democratic' and people began to move to possible employment centers (see The Right of Individuals to Freedom of Movement and Self-expression for more on this).

With the globalization of economic activity over the past forty years, the problem has grown even more serious. As Un-Habitat's, *The Challenge of Slums: Global Report on Human Settlements 2003* explained:

> The locus of poverty is moving from the countryside to cities, in a process now recognized as the "urbanization of poverty." The absolute number of poor and undernourished in urban areas is increasing, as are the numbers of urban poor who suffer from malnutrition.

Kennedy Odede has described his own experience and that of millions of others around the world:

> My mother, like her mother, her grandmother, and so on, was born into poverty in the rural village of Rarieda, Kenya. I, too, was born in the village, and lived there until it was struck by a brutal famine when I was two years old. With no food, money, or opportunities, my mother did what thousands of African villagers do every day: she moved us to the city in search of a better life. But, given the lack of jobs and housing in Nairobi, we ended up in Kibera, one of Africa's largest slums.
>
> Located just a couple of miles from downtown Nairobi, Kibera is a heavily polluted, densely populated settlement composed of informal roads and shacks with corrugated tin roofs. Kenya's government does not recognize Kibera, there is no sewage system or formal power grid. Its residents, estimated to number anywhere from a few hundred thousand to more than a million, do not officially exist.
>
> Kibera is just one example of the consequences of the rapid urbanization that is gaining momentum worldwide. More than 44% of developing-country residents already live in cities. The Population Reference Bureau estimates that by 2050, only 30% of the global population will remain in rural areas. But few have stopped to consider this shift's implications for families like mine.
>
> When people think of Africa, they often focus on the hardships of village life - a perception reflected in iconic images of African women on their daily excursions to fetch water. But an increasing number of people - already nearly 300 million - are facing the harsh reality of the urban slum, where resources are scarce and economic opportunities are elusive. More than 78% of the urban population in the world's least-developed countries, and one-third of the global

urban population, lives in slums.
(Kennedy Odede, œAfrica's Urban Challenge, *Project Syndicate*, Aug. 1, 2013)

608 As Charmes described:

> Estimates of the informal sector as comprising between 20 and 60 per cent of urban or non-agricultural employment are now accepted truths, and the wide margin is taken as evidence that the lower level of development of a country, the larger its informal sector ...
>
> (Charmes 1990, p. 17)

Perhaps the most important point to remember in considering informal economic activity in Third World countries is that people are involved in supplying their subsistence and status-related needs and wants in ways which are acceptable to people in their own communities. They are organizing activity in ways which 'fit' the requirements of the social templates which underwrite all communal organization and activity.

The forms of productive exchange and consumptive organization and activity which emerge are likely to reflect more closely forms from the community's own past than formal economic organization and activity. For this reason, a great deal of the activity will only coincide poorly with the requirements for involvement in Western economic activity, that is in 'formal' economic activity.

Attempts by well-meaning development agencies to 'harness the informal sector' in promoting formal economic development are inappropriate since they are attempts to refashion such activity to fit the presumptions and requirements for involvement in Western social template activity. The social engineering implications of such attempts are enormous, though seldom recognized by those who promote such refashioning.

609 As Dharam Ghai explained:

> The establishment of colonial rule in the 19th and early 20th century in most parts of Africa set in motion a series of developments with profound implications for the environmental balance.
>
> The principal mechanisms disturbing the equilibrium were expropriation of land for settlement and plantations, assumption of state sovereignty over natural resources, commercialisation of agriculture, development projects and policies and population growth ...
>
> These developments not only disrupted the long established systems of shifting cultivation and nomadic pastoralism but also confined indigenous populations to restricted areas often of low agricultural potential ...
>
> The situation varied by regions and colonial authorities but the general trend was towards increasing central control and growing disenfranchisement of local communities ... The process continued after independence from colonial rule ...
>
> The search for profits brought an ever increasing area of land under cultivation. Some of the earlier practices of crop rotation, intercropping, mixed farming and shifting cultivation were either abandoned or restricted ...
>
> The growth of export commodities such as cotton and groundnuts reduced soil fertility and increased its vulnerability to erosion. This

was especially the case with continuous mono-cropping. The deleterious effects on soil fertility have also been observed with continuous mono-cropping of food crops such as maize even when fertilisers are used.
(Ghai 1993, p. 65)

[610] See Just-in-Time and Total-Quality-Control for more on this.

[611] John Borrego described their experience in the 1990s:

> The spatio-temporal unity of the polity and economy, characterising the earlier phases of capitalist development, has been fractured. The State's capacity to mediate between market and society has been weakened.
>
> In particular, global capitalism has substantially reduced the local, regional and national State's control over its economic and non-economic environments (Ross & Trachte, 1990). Post-Fordist firms seek settings with 'good business environments'.
>
> While this concept can suggest qualities such as a skilled labor force and highly developed and maintained infrastructure, it can also mean low wages, weak unions, and lax regulation of the work place and environment which disempower people and communities.
>
> In this setting, States use tax abatements and various other subsidies to attract or simply hold businesses. 'Economic development' often means States encouraging competitive rollbacks in all these areas which force communities into 'placewars' in order to attract globally mobile capital (Mingione, 1991; Donald Haider, 1992: 127-134).
>
> (Borrego 1995, pp. 37-8)

[612] See Moves to Automation for more on this.

[613] It is easy for people who still have adequate housing and reasonably paid employment and conditions (fewer than there were five years ago) to forget that, in the history of capitalism, the conditions they enjoy are an 80 year long exception to a far harsher rule.

For most of the past four hundred years, Alexis de Tocqueville's description of Manchester in the 1830s has not been exceptional:

> Thirty or forty factories rise on the tops of the hills I have just described. Their six stories tower up; their huge enclosures give notice from afar of the centralisation of industry.
>
> The wretched dwellings of the poor are scattered haphazard around them. Round them stretches land uncultivated but without the charm of rustic nature and still without the amenities of a town ...
>
> Some of [the] roads are paved, but most of them are full of ruts and puddles into which foot or carriage wheel sinks deep ... Heaps of dung, rubble from buildings, putrid, stagnant pools are found here and there amongst the houses and over the bumpy, pitted surfaces of the public places ...
>
> Amid this noisome labyrinth from time to time one is astonished at the sight of fine stone buildings with Corinthian columns ...
>
> But who could describe the interiors of those quarters set apart, home of vice and poverty, which surround the huge palaces of industry and clasp them in their hideous folds?

> On ground below the level of the river and overshadowed on every side by immense workshops, stretches marshy land which widely spaced muddy ditches can neither drain nor cleanse. Narrow twisting roads lead down to it. They are lined with one-storey houses whose ill-fitting planks and broken windows show them up, even from a distance, as the last refuge a man might find between poverty and death. Nonetheless the wretched people reduced to living in them can still inspire jealousy of their fellow beings. Below some of their miserable dwellings is a row of cellars to which a sunken corridor leads; twelve to fifteen human beings are crowded pell-mell into each of these damp, repulsive holes.
> (œ1958, pp.105-6)

Here is a (2005) description of one of the slums in Mumbai, see œDenis Gruber et al (2005):

> The settlement unit 'Bharantinga Nagar Ekta' close to Kurla station was founded about 65 years ago. Like Dharavi, it is located close to a railway line and station, which guarantees access to transport and work in more distant places of Bombay (Desai 1995:149).
>
> The slum is surrounded by apartment blocks (so-called shawls) of the former workers' class. Outside the slum are huge heaps of rubbish and a ditch that replace a sewerage system. A gangplank crossing the main ditch allows reaching the huts and houses. Here only Muslims live.
>
> Therefore, this slum reflects a very homogenous social composition. As the slum population has no legal right to stay although many of them settled before 1995, and there are administrative plans for building a huge bridge in this area, the people are afraid of eviction and demolition of their houses and working places, what is very common in India and has recently (late 2004, early 2005) in Maharashtra experienced a new height that has even caused international protest. According to our question, concerning political activities in order to attain a legal sanction people regretted that there is no time for a political engagement, since they are mainly concerned with making their survival.
> (2005 p. 7)

See Who's to blame for their degrading circumstances; organizing the Working Poor; The Breakdown and Revitalization of Communities for more on this.

[614] See The Granting of Monopolies for more on this.

[615] In the second decade of the 21st century, globalization, economic deregulation and the disenfranchisement of 'democratic' communities have produced their inevitable consequences. Dambisa Moyo has addressed 'the inequality puzzle' which has emerged (the comments on Moyo's article contextualize it well). As she has explained:

> Over the past decade, income inequality has come to be ranked alongside terrorism, climate change, pandemics, and economic stagnation as one of the most urgent issues on the international policy agenda. And yet, despite all the attention, few potentially effective solutions have been proposed. Identifying the best policies for reducing inequality remains a puzzle.
>
> To understand why the problem confounds policymakers, it is helpful to compare the world's two largest economies. The United

> States is a liberal democracy with a market-based economy, in which the factors of production are privately owned. China, by contrast, is governed by a political class that holds democracy in contempt. Its economy - despite decades of pro-market reforms - continues to be defined by heavy state intervention.
>
> But despite their radically different political and economic systems, the two countries have roughly the same level of income inequality. Each country's Gini coefficient - the most commonly used measure of income equality - is roughly 0.47.
>
> In one important way, however, their situations are very different. In the US, inequality is rapidly worsening. In 1978, the top 1% of the US population was ten times richer than the rest of the country. Today, the average income of the top 1% is roughly 30 times that of the average person in the remaining 99%. During the same period, inequality in China has been declining.
>
> This poses a challenge for policymakers. Free market capitalism has proved itself to be the best system for driving income growth and creating a large economic surplus. And yet, when it comes to the distribution of income, it performs far less well.
>
> Most democratic societies have attempted to address the problem through left-leaning redistributive policies or right-leaning supply-side approaches. But neither seems to be particularly effective. In the US, income inequality has steadily widened under both Democratic and Republican administrations. China's success in this arena points to the possible advantages of its heavy-handed system - a conclusion that makes many Western policymakers uncomfortable.
> (Dambisa Moyo, œThe Inequality Puzzle, *Project Syndicate*, February 18, 2016)

Robert Bruce, in a comment on Moyo's article, addressed the erosion of national borders and 'parochial' legislatures which has emerged in the pursuit of genuinely deregulated, internationalized free markets. He endorses the disenfranchising of national governments in favor of 'a new "Global Economic Community" with the mandate to regulate Global trade and enforce new minimum standards for the benefit of all'. As he explains, for him, and for most of those committed to globalization, the problem is:

> ...the elephant in the room - which is a crisis of Global governance. The need to remain Globally competitive now overrides all national government policy. Any country that tries to increase marginal tax rates in isolation will simply see wealth moved off-shore to lower tax competitors. Just today Greece has been criticised in The Economist for raising corporation tax to the outrageous level of 29% ! They point out that Greece is now loosing business to neighbours such as Cyprus (12.5%) and Bulgaria (10%). We will never be able to tackle wealth inequality until we can set minimum marginal rates for taxation which must apply to any country wishing to trade in the Global single market. The best way to achieve this is through a new "Global Economic Community" with the mandate to regulate Global trade and enforce new minimum standards for the benefit of all.

616 The world is in the throes of an unprecedented expansion of major internationalized conglomerates. Christine Chemnitz has detailed the

seemingly unstoppable drive toward internationalized monopolization which is occurring in the agricultural sphere:

> The industrial-agriculture sector has long faced criticism for practices that contribute to climate change, environmental destruction, and rural poverty. And yet the sector has taken virtually no steps to improve quality and sustainability, or to promote social justice.
>
> This is not surprising. Although there are more than 570 million farmers and seven billion consumers worldwide, just a handful of companies control the global industrial-agriculture value chain - from field to shop counter. Given the high profits and vast political power of these companies, changes to the status quo are not in their interest.
>
> Moreover, market concentration in the agriculture sector is on the rise, owing to increased demand for the agricultural raw materials needed in food, animal feed, and energy production...
>
> The biggest players in these sectors have been buying out their smaller competitors for years. But now they are also buying out one another, often with financing provided by investors from completely different sectors.
>
> Consider the seed and agrochemical sector, where Bayer, the second-largest pesticide producer in the world, is in the process of acquiring Monsanto, the largest seed producer, for €66 billion ($74 billion). If the United States and the European Union approve the deal, as seems likely, just three conglomerates - Bayer-Monsanto, Dow-DuPont and ChemChina-Syngenta - will control over 60% of the global seed and agrochemical market. "Baysanto" alone would be the proprietor of almost every genetically modified plant on the planet.
> (Christine Chemnitz, œThe Rise of the Food Barons, *Project Syndicate*, 15 June 2017)

In an article in the *Washington Monthly* (March/April 2010), subtitled "œWhy creeping consolidation is crushing American livelihoods ", Barry Lynn and Phillip Longman suggest that the term to be used should be 'monopolization':

> ... while the mystery of what killed the great American jobs machine has yielded no shortage of debatable answers, one of the more compelling potential explanations has been conspicuously absent from the national conversation: monopolization. The word itself feels anachronistic, a relic from the age of the Rockefellers and Carnegies. But the fact that the term has faded from our daily discourse doesn't mean the thing itself has vanished-in fact, the opposite is true. In nearly every sector of our economy, far fewer firms control far greater shares of their markets than they did a generation ago.

Wikipedia provides a base definition for understanding the nature of conglomerate business organization in the 20th century:

> A conglomerate is a combination of two or more corporations engaged in entirely different businesses together into one corporate structure, usually involving a parent company and several (or many) subsidiaries.
> (œWikipedia accessed 28-06-2010)

Over the past thirty years conglomerate organization has become more refined, mitigating many of the perceived problems encountered in the 1960s and 1970s (when regulatory protections were still effective in Western regions). The model which best applies to current practice is a modified and Westernized (and also less focused) version of the Japanese keiretsu (see Wikipedia's entry for the œKeiretsu outside Japan (accessed 28-06-2010) for a preliminary description).

The emphasis in conglomerate organization is now less on the incorporation of 'entirely different businesses' than on the relatively loose interconnection of more focused business interests, coordinating the activities of businesses with complementary interests and strengths. This provides monopoly or cartel-like advantages and strengths while circumventing legal limitations on cartel and monopoly activities.

Praful Bidwai (2010) has provided a sketch of some of the features of conglomerate dealings in India. His description could be replicated in any of the major Western and Third World centers of government.

> Corporate lobbyists have become important mediators - and sometimes active players - in business-government relations in a number of areas, including
>
> - the infrastructure (highways, ports and huge projects under the Jawaharlal Nehru National Urban Renewal Mission in 63 cities),
> - energy (including gas, oil and energy),
> - telecom (where the 3G auction bids show that the earlier 2G-spectrum were sold at a fraction of the market price),
> - and mining (where global conglomerates have developed stakes running into billions of dollars in India's tribal heartland).
>
> Not to be ignored is the clout that lobbyists wield in military contracts, agribusiness, seeds, civil aviation, and opening up retail trade to organized business, including multinational hypermarket chains like Metro, Carrefour and Wal-Mart.
>
> Corporate lobbying has become the highest embodiment of crony capitalism in India. It has developed into a formidable industry, with at least 30 major firms based in New Delhi alone. Each of them appoints dozens of "facilitators", "account executives", point-persons and lawyers, all dedicated to securing sweetheart deals and licences for their clients, and just as importantly, ensuring that their clients' rivals don't get them.
> (œBidwai May 2010)

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A documentary entitled œ*The Spider's Web; Britain's Second Empire* explains the history of the institutional underpinnings of gross accumulations of 'wealth' in the early 21st century. It provides an intriguing picture of 'the most peculiar, the oldest, the least understood, and perhaps one of the most important institutions in the menagerie of global finance: the City of London Corporation'; a medieval city corporation, globally metastasizing in the 21st century.

To update and expand Bacon's (1625) metaphor:

> Gross accumulations of 'wealth' are like putrefying piles of dung whose noxious fumes are suffocating the world. And, atop those polluting piles, thriving in their nocuous vapors, repose the mega-wealthy.

Eli Clifton, in an essay entitled 'Follow the Money: Three Billionaires Paved Way for Trump's Iran Deal Withdrawal', has described the kinds of 'influence' wielded by mega-wealth in the United States of America:

> ...Trump appears absolutely determined to undo as much of what Barack Obama accomplished as possible. In addition, the sheer perversity of his personality may well explain today's action. But it may also be useful to follow the apocryphal advice that Watergate's famous "Deep Throat" offered to Bob Woodward and Carl Bernstein in All the President's Men, particularly in the unbelievably corrupt swamp of the Trump era.
>
> Indeed, today's unpopular announcement may have been exactly what two of Trump's biggest donors, Sheldon Adelson and Bernard Marcus, and what one of his biggest inaugural supporters, Paul Singer, paid for when they threw their financial weight behind Trump...
> (Eli Clifton, œFollow the Money: Three Billionaires Paved Way for Trump's Iran Deal Withdrawal, *Lobe Log*, 08 May, 2018)

As Bacon explained in the 17th century:

> ...[M]oney is like muck [manure], not good except it be spread. This is done, chiefly by suppressing, or at least keeping a strait [strict] hand, upon the devouring trades of usury, ingrossing [accumulating] great pasturages, and the like.

Peter Goodman, in a *New York Times* Op-Ed entitled 'Davos Elite Fret About Inequality Over Vintage Wine and Canapés', sets the scene:

> DAVOS, Switzerland - You have perhaps noticed that in many countries, history-altering numbers of people have grown enraged at the economic elite and their tendency to hog the spoils of globalization. This wave of anger has delivered Donald J. Trump to the White House, sent Britain toward the exit of the European Union, and threatened the future of global trade.
>
> The people gathered here this week in the Swiss Alps for the annual World Economic Forum have noticed this, too. They are the elite - heads of state, billionaire hedge fund managers, technology executives.
>
> They are eager to talk about how to set things right, soothing the populist fury by making globalization a more lucrative proposition for the masses. Myriad panel discussions are focused on finding the best way to "reform capitalism," make globalization work and revive the middle class.
>
> What is striking is what generally is not discussed: bolstering the power of workers to bargain for better wages and redistributing wealth from the top to the bottom.
>
> "That agenda is anathema to a lot of Davos men and women," said Joseph E. Stiglitz, a Nobel laureate economist and author of numerous books on globalization and economic inequality. "More rights to bargain for workers, that's the part where Davos man is going to get stuck. The stark reality is that globalization has

> reduced the bargaining power of workers, and corporations have taken advantage of it."
>
> Davos is - at least rhetorically - consumed with worries about the shortcomings of globalization...
>
> Yet the solutions that have currency seem calculated to spare corporations and the wealthiest people from having to make any sacrifices at all, as if there is a way to be found to tilt the balance of inequality while those at the top hang on to everything they have. (Peter S. Goodman, œDavos Elite Fret About Inequality Over Vintage Wine and Canapés, *New York Times*, Deal Book, News Analysis, January 18, 2017)

As *Oxfam* has documented in œreports over the past several years to *World Economic Forum* Annual Meetings, the world is in the throes of an unprecedented and snowballing concentration of wealth.

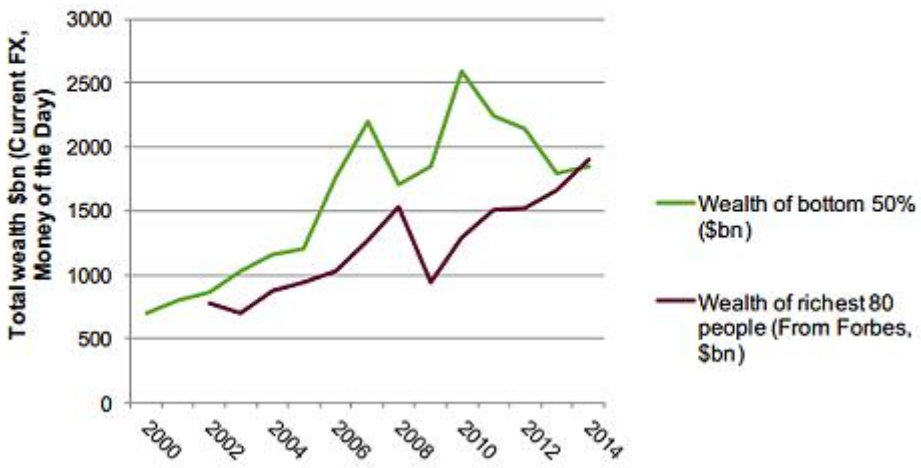
In most economic modeling this takes the form of 'pooling' - as Iglesias and de Almeida put it: "the system converges to a very unequal condensed state, where one or a few agents concentrate all the wealth of the society ". Physicists J. R. Iglesias and R. M. C. de Almeida, in a study of models of trade dynamics, described the seemingly inevitable consequences of unregulated market exchange:

> Numerical results, as well as some analytical calculations, indicate that a frequent outcome in these models is *condensation*, i.e. concentration of all available wealth in just one or a few agents. This final state corresponds to a kind of equipartition of poverty: All agents (except for a set of zero measure) possess zero wealth while one, or a few ones, concentrate all available resources. In any case the final configuration is a stationary state of "equilibrium", since agents with zero wealth cannot participate in further exchanges. (œEntropy and equilibrium state of free market models, published by arxiv.org 29 Aug. 2011)

Deborah Hardoon provided a clear summary of the absurd growth in wealth among the very richest in the world over the five years between 2010 and 2015. As she has explained:

> In 2010, the richest 80 people in the world had a net wealth of $1.3tn. By 2014, the 80 people who top the Forbes rich list had a collective wealth of $1.9tn; an increase of $600bn in just 4 years, or 50% in nominal terms...

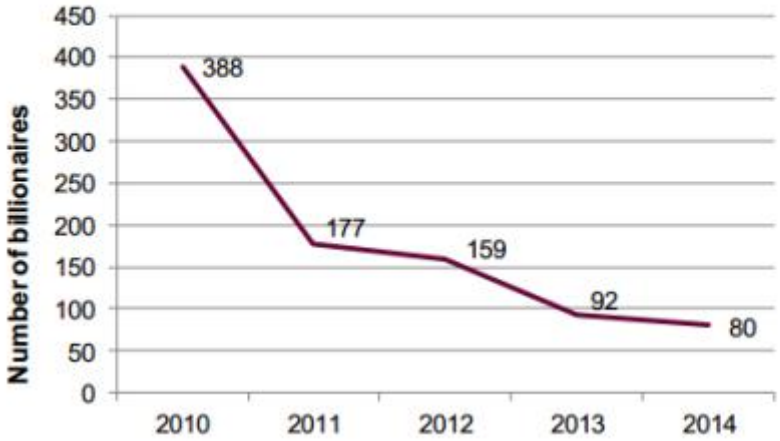
Figure 3: Wealth of the 80 richest people[3] in the world has doubled[4] in nominal terms between 2009 and 2014, while the wealth of the bottom 50% is lower in 2014 than it was in 2009.



The wealth of these 80 individuals is now the same as that owned by the bottom 50% of the global population, such that 3.5 billion people share between them the same amount of wealth as that of these extremely wealthy 80 people. As the wealth of everyone else has not been increasing at the same rate as that for the top 80, the share of total wealth owned by this group has increased and the gap between the very rich and everyone else has also been increasing.

As a result, the number of billionaires who have the same amount of wealth as that of the bottom half of the planet has declined rapidly over the past five years. In 2010, it took 388 billionaires to equal the wealth of the bottom half of the world's population; by 2014, the figure had fallen to just 80 billionaires (see Figure 4).

Figure 4: Number of billionaires it takes to have accumulated the same amount of wealth as the bottom 50% of the global population



(Deborah Hardoon, Wealth: Having It All and Wanting More, Oxfam Issue Briefing: January 2015)

In an update of Hardoon's summary, prepared for the *World Economic Forum* Annual Meeting (20-23 January 2016, Davos-Klosters, Switzerland), Oxfam shows that the concentration of wealth around the world has continued apace:

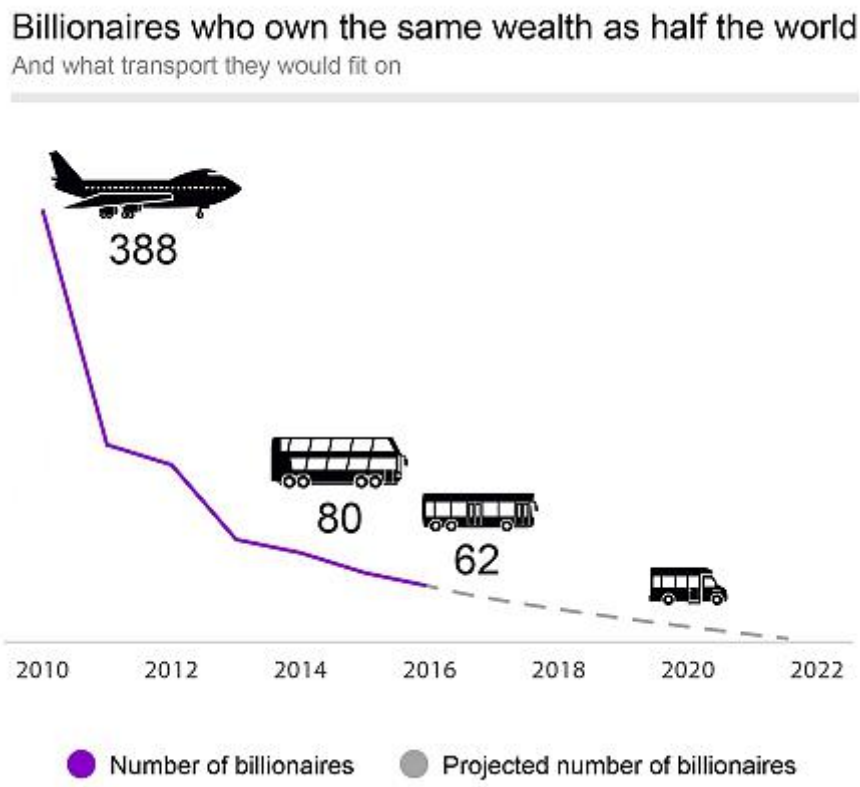
AN ECONOMY FOR THE 1%

The gap between rich and poor is reaching new extremes. Credit Suisse recently revealed that the richest 1% have now accumulated more wealth than the rest of the world put together. This occurred a

> year earlier than Oxfam's much publicized prediction ahead of last year's World Economic Forum. Meanwhile, the wealth owned by the bottom half of humanity has fallen by a trillion dollars in the past five years. This is just the latest evidence that today we live in a world with levels of inequality we may not have seen for over a century.
>
> 'An Economy for the 1%' looks at how this has happened, and why, as well as setting out shocking new evidence of an inequality crisis that is out of control.
>
> Oxfam has calculated that:
>
> - In 2015, just 62 individuals had the same wealth as 3.6 billion people - the bottom half of humanity. This figure is down from 388 individuals as recently as 2010.
> - The wealth of the richest 62 people has risen by 44% in the five years since 2010 - that's an increase of more than half a trillion dollars ($542bn), to $1.76 trillion.
> - Meanwhile, the wealth of the bottom half fell by just over a trillion dollars in the same period - a drop of 41%.
> - Since the turn of the century, the poorest half of the world's population has received just 1% of the total increase in global wealth, while half of that increase has gone to the top 1%.
> - The average annual income of the poorest 10% of people in the world has risen by less than $3 each year in almost a quarter of a century. Their daily income has risen by less than a single cent every year.
>
> Growing economic inequality is bad for us all - it undermines growth and social cohesion. Yet the consequences for the world's poorest people are particularly severe.
> (D. Hardoon, R. Fuentes-Nieva, S. Ayele, An Economy for the 1%: How Privilege and Power in the Economy Drive Extreme Inequality and How This can be Stopped, 210 Oxfam Briefing Paper, 18 January 2016, Summary)

And the absurdity grows.

Oxfam shows that, a year later, in January 2017, "8 men now own the same as the poorest half of the world. As they illustrate:



They summarize it all in their January 2017 Oxfam Briefing Paper:

> New estimates show that just eight men own the same wealth as the poorest half of the world. As growth benefits the richest, the rest of society - especially the poorest - suffers. The very design of our economies and the principles of our economics have taken us to this extreme, unsustainable and unjust point. Our economy must stop excessively rewarding those at the top and start working for all people. Accountable and visionary governments, businesses that work in the interests of workers and producers, a valued environment, women's rights and a strong system of fair taxation, are central to this more human economy.
>
> AN ECONOMY FOR THE 99%
>
> It is four years since the World Economic Forum identified rising economic inequality as a major threat to social stability, and three years since the World Bank twinned its goal for ending poverty with the need for shared prosperity. Since then, and despite world leaders signing up to a global goal to reduce inequality, the gap between the rich and the rest has widened. This cannot continue. As President Obama told the UN General Assembly in his departing speech in September 2016: 'A world where 1% of humanity controls as much wealth as the bottom 99% will never be stable'.
>
> Yet the global inequality crisis continues unabated:
>
> - Since 2015, the richest 1% has owned more wealth than the rest of the planet.
> - Eight men now own the same amount of wealth as the poorest half of the world.
> - Over the next 20 years, 500 people will hand over $2.1 trillion to their heirs - a sum larger than the GDP of India, a country of 1.3 billion people.

- The incomes of the poorest 10% of people increased by less than $3 a year between 1988 and 2011, while the incomes of the richest 1% increased 182 times as much.
- A FTSE-100 CEO earns as much in a year as 10,000 people working in garment factories in Bangladesh.
- In the US, new research by economist Thomas Piketty shows that over the last 30 years the growth in the incomes of the bottom 50% has been zero, whereas incomes of the top 1% have grown 300%.
- In Vietnam, the country's richest man earns more in a day than the poorest person earns in 10 years.

> Left unchecked, growing inequality threatens to pull our societies apart. It increases crime and insecurity, and undermines the fight to end poverty. It leaves more people living in fear and fewer in hope.
> (Oxfam Briefing Paper, œAN ECONOMY FOR THE 99%: It's time to build a human economy that benefits everyone, not just the privileged few, 16 January 2017)

Rachel Ehrenberg (2011) has discussed "the international web of relationships among companies" which has resulted, over the past fifty years, in a serious concentration of wealth in the hands of a small number of companies, apparently independent of each other, but tightly networked. As she has explained:

> Conventional wisdom says a few sticky, fat fingers control a disproportionate slice of the world economy's pie. A new analysis suggests that the conventional wisdom is right on the money.
>
> Diagramming the relationships between more than 43,000 corporations reveals a tightly connected core of top economic actors. In 2007, a mere 147 companies controlled nearly 40 percent of the monetary value of all transnational corporations...
>
> The analysis is a first effort to document the international web of relationships among companies and to examine who owns shares - and how many - in whom. Tapping into the financial information database Orbis, scientists from ETH Zurich in Switzerland examined transnational companies, which they defined as having at least 10 percent of their holdings in more than one country. Then the team looked at upstream and downstream connections, yielding a network of 600,508 economic actors connected through more than a million ownership ties.
>
> This network takes on a bowtie shape, with a large number of diffuse actors in the wings and a few major players tangled up in the tie's knot. So while it's true that ownership of publicly held corporations is broadly distributed, says complex systems scientist James Glattfelder, a coauthor of the new work, "take a step back and it's all flowing into the same few hands."
>
> While any man on the street may have predicted this outcome, the economic literature portrays markets as so dynamic that they lack hot spots of control, Glattfelder says.
> (Rachel Ehrenberg, August 15th, 2011, "Financial world dominated by a few deep pockets: Economic "superentity" controls more than one-third of global wealth" *Science News*)

See Stefania Vitali, James B. Glattfelder, Stefano Battiston, 2011, œThe network of global corporate control for the original Cornell University published study. As the authors explain:

> We present the first investigation of the architecture of the international ownership network, along with the computation of the control held by each global player. We find that transnational corporations form a giant bow-tie structure and that a large portion of control flows to a small tightly-knit core of financial institutions. This core can be seen as an economic "super-entity" that raises new important issues both for researchers and policy makers.
> (Stefania Vitali, James B. Glattfelder, Stefano Battiston, The network of global corporate control, *PLoS ONE* 6(10), e25995 (2011) (arXiv:1107.5728 [q-fin.GN]))

Foster *et al* (2011) have examined the growth in monopolization around the world since the 1970s. As they graphically illustrate and explain,

> ...what we have been witnessing in the last quarter century is the evolution of monopoly capital into a more generalized and globalized system of monopoly-finance capital that lies at the core of the current economic system in the advanced capitalist economies-a key source of economic instability, and the basis of the current new imperialism.
> (John Bellamy Foster, Robert W. McChesney and R. Jamil Jonna, œMonopoly and Competition in Twenty-First Century Capitalism, *Monthly Review*, 2011, Volume 62, Issue 11 (April))

Robert Lenzner (*Forbes - Mon, Nov 21, 2011*), in an article entitled œ'The Top 0.1% Of The Nation Earn Half Of All Capital Gains', explains the widening gap between the richest and the rest in the US:

> Capital gains are the key ingredient of income disparity in the US - and the force behind the winner takes all mantra of our economic system. If you want [to] even out earning power in the U.S, you have to raise the 15% capital gains tax.
>
> Income and wealth disparities become even more absurd if we look at the top 0.1% of the nation's earners - rather than the more common 1%. The top 0.1% - about 315,000 individuals out of 315 million - are making about half of all capital gains on the sale of shares or property after 1 year; and these capital gains make up 60% of the income made by the œForbes 400.
>
> It's crystal clear that the Bush tax reduction on capital gains and dividend income in 2003 was the cutting edge policy that has created the immense increase in net worth of corporate executives, Wall St. professionals and other entrepreneurs.
>
> The reduction in the tax from 20% to 15% continued the step-by-step tradition of cutting this tax to create more wealth. It had first been reduced from 35% in 1978 at a time of stock market and economic stagnation to 28% . Again 1981, at the start of the Reagan era, it was reduced again to 20% - raised back to 28% in 1987, on the eve of the October 19 th - 23% crash in the market. In 1997 Clinton agreed to reduce it back to 20%, which move was an inducement for the explosion of hedge funds and private equity firms - the most "rapidly rising cohort within the top 1 per cent."
>
> Make no mistake; the battle that is to be fought over the coming attempt to reverse this reduction in capital gains will be bloody and

intense. The facts are clear according to the Congressional Budget Office more than 80% of the increase in income inequality was the result of an increase in the share of household income from capital gains. In fact, you can go so far as to claim that "Capital Gains income is the most unevenly distributed - and volatile - source of household income," according to Laura D'Andrea Tyson, University of California business professor and former chairwoman of the Council of Economic Advisers under President Clinton.

No wonder the super wealthy plutocrats obtained the largest share of national income - 25% of the nation's wealth- greater than any other industrial nation in the period of 1979 to 2005. Make no mistake; after unemployment - this disparity between the 1% - 3 million - or the 0.1% - the 300,000 - and the other 312 million citizens of the U.S. has become the major theme of the Occupy Wall Street movement - and an important national debate.

618 The depressing reality is that year after year the self-proclaimed elites of the capitalist world claim that they want to make globalization work and revive the middle class but self-righteously conclude that the only way to do so is to increase their own wealth. The world's premier hoarders of capital believe in Trickle-Down.

Davos' so-called 'elites' are more convinced than ever that Greed is Good. Joseph Stiglitz has summed it up well:

> I've been attending the World Economic Forum's annual conference in Davos, Switzerland - where the so-called global elite convenes to discuss the world's problems - since 1995. Never have I come away more dispirited than I have this year.
>
> ...To be sure, here at Davos, CEOs from around the world begin most of their speeches by affirming the importance of values. Their activities, they proclaim, are aimed not just at maximizing profits for shareholders, but also at creating a better future for their workers, the communities in which they work, and the world more generally. They may even pay lip service to the risks posed by climate change and inequality.
>
> But, by the end of their speeches this year, any remaining illusion about the values motivating Davos CEOs was shattered. The risk that these CEOs seemed most concerned about is the populist backlash against the kind of globalization that they have shaped - and from which they have benefited immensely.
>
> ...No, the CEOs at Davos were licking their lips at the tax legislation that Trump and congressional Republicans recently pushed through, which will deliver hundreds of billions of dollars to large corporations and the wealthy people who own and run them - people like Trump himself. They are unperturbed by the fact that the same legislation will, when it is fully implemented, lead to an increase in taxes for the majority of the middle class - a group whose fortunes have been in decline for the last 30 years or so.
>
> ...[T]he message hasn't changed: "Greed is good." What depresses me is that, though the message is obviously false, so many in power believe it to be true.
> (Joseph E. Stiglitz, œPost-Davos Depression, *Project Syndicate*, Feb 1, 2018)

619 The Corporate Europe Observatory (CEO) have summarized their findings:

i. Corporate interests, including EU and national-level trade associations as well as multinational corporations, are really dominant in lobbying member states on EU decision-making and they have numerous successes to show for it.

° Elite corporate lobbies target the European Council of member state leaders, with access that NGOs and trade unions cannot match. For example the regular meetings of the European Round Table of Industrialists bring together 50 bosses of major European multinational companies with the leaders of France, Germany, and the Commission President.

° Rotating presidencies of the Council of the EU provide a key target for corporate lobbies. This report shows, for example, how the 2016 Dutch Presidency promoted both the interests of the arms industry, and the corporate-designed concept of the 'innovation principle' in EU decisionmaking which undermines precautionary approaches. Additionally, corporate sponsorship of rotating presidencies now appears to be standard.

° The EU's complex and opaque committee structure benefits corporate lobbies with the resources and capacity to influence the final outcomes. The decision-making on the licence renewal of the pesticide glyphosate and the safety of the whitening agent titanium dioxide both demonstrate the reach and staying power of the chemicals'

° Brussels-based lobby consultancy firms provide specific services to corporate lobbies aimed at influencing member states, such as Fleishman-Hillard's annual gas forum for member state officials, organised for trade association GasNaturally, a lobby forum for major gas companies such as Shell, Total, and RWE.

° Where data is available, corporate interests held the clear majority of lobby meetings with officials working at the permanent representations of member states. The Dutch Permanent Representation's officials held over 500 lobby meetings between June 2017 and 2018 and 73 per cent of these were with business interests, and only 15 per cent with NGOs or trade unions.

ii. As a consequence, there is a massive asymmetry of influence on member states' EU decisionmaking as civil society groups cannot match the privileged access and far greater lobbying capacity and resources of the corporate sector.

iii. Member states and national corporate lobbies have developed a symbiotic relationship whereby the national corporate interest has - wholly wrongly - become synonymous with the national public interest as presented by the relevant government in EU fora. Extreme examples include the influence of the car industry on the German political establishment (and the negative impact of this on EU climate and emissions' regulations); Spanish telecoms giant Telefónica, whose closeness to the Spanish Government ensured its demands were absorbed and promoted; the state-owned coal industry which leads the Polish Government to be such a climate pariah; and the City of London, which can count on the UK

Government to back its demands for the lowest possible financial regulation.

iv. At the EU level, member states have collectively absorbed some corporate agendas and adopted them as part of the EU-wide agenda, such as on economic governance (strict fiscal rules and austerity) and investors' protection in trade treaties (allowing corporations to sue states for billions in compensation when governments act to protect their people and the planet).

v. Some member states proactively reach out to corporate lobbies. Rotating presidencies represent a particular opportunity for a member state to actively champion a pet project, issue, or national industry. The recent Austrian Presidency organised a high profile event for EU ministers at the premises of its key national steel producer Voestalpine, even launching an initiative to promote 'green hydrogen' (which will most likely give a boost to fossil fuel gases) signed by member state ministers.

vi. A number of commissioners from the Juncker Commission appear to have a bias towards corporate interests from their own member states when it comes to lobby meetings, providing business with another potential 'national' channel, on EU decision-making. Commissioners Oettinger, Hill (who left the Commission in July 2016), Cañete, Hogan, and Vestager have all held a disproportionately large number of meetings with corporate lobbies from their own country.

vii. Complex EU decision-making procedures, a lack of transparency, exclusion of citizens in decision-making at national level on EU matters, and generally weak national parliamentary mechanisms, have combined to create an accountability and democratic deficit, which corporate lobbies are happy to take advantage of. As just one example of the transparency problem surrounding the way in which member states participate in EU affairs, only 4 out of 19 permanent representations (Finland, Ireland, the Netherlands, Romania) provided some transparency regarding their meetings with lobbyists. The others remain totally non-transparent. (Corporate Europe Observatory, œCaptured states: when EU governments are a channel for corporate interests, Executive Summary, February 6, 2019)

Bill Mitchell, in a blog entry entitled œ'The EU is neoliberal to its core and captured by corporate interests' has provided an excellent summary and commentary on it all.

620 Chuck Collins has described the fate of billionaires in the Covid-19 riven 2020 world:

> October 8, 2020 Update: US Billionaire Wealth Up $850 billion Since March 18th
>
> Global billionaires up $1.5 trillion
>
> The combined wealth of U.S. billionaires increased by $850 billion since March 18th, 2020, the beginning of the pandemic, an increase of over 28 percent.
>
> On March 18, 2020, U.S. billionaires had combined wealth of $2.947 trillion. By October 8th, their wealth has surged to $3.8 trillion ($3.798 billion to be exact).

(Chuck Collins, Updates: œBillionaire Wealth, U.S. Job Losses and Pandemic Profiteers, *Inequality*, October 08, 2020)

The following report provides a fuller treatment of this subject: Chuck Collins, Omar Ocampo And Sophia Paslaski, œBillionaire Bonanza 2020: Wealth Windfalls, Tumbling Taxes, and Pandemic Profiteers, *Institute for Policy Studies*, April 23, 2020.

621 Not only has "Corporate lobbying... become the highest embodiment of crony capitalism in India", as Praful Bidwai claims, the intermeshing of corporate and government interests has become commonplace throughout the neoliberal global economic world. Lee Fang has summarized the prevailing attitude within major corporations to staff involvement in government service:

> Many large corporations with a strong incentive to influence public policy award bonuses and other incentive pay to executives if they take jobs within the government. CitiGroup, for instance, œprovides an executive contract that awards additional retirement pay upon leaving to take a "full time high level position with the U.S. government or regulatory body." Goldman Sachs, Morgan Stanley, JPMorgan Chase, the Blackstone Group, Fannie Mae, Northern Trust, and Northrop Grumman are among the œother firms that offer financial rewards upon retirement for government service. (Lee Fang, œObama Admin's TPP Trade Officials Received Hefty Bonuses From Big Banks, *Republic Report*, February 17, 2014)

Cora Currier, in an article entitled œ'Charting the Cozy Connections between JP Morgan and the Senate Banking Committee' (*ProPublica*, June 13, 2012) has provided an example of the 'revolving door' policies through which JP Morgan insulated itself from serious investigation of a series of losses described by Jamie Dimon, the CEO as "complex and hard-to manage risks". Currier provides "a picture of connections between the company and the committee" and concludes:

> ... through campaign contributions and well-connected staff, JP Morgan appears to have already taken its own accounting of the Banking committee.

Subsequent events, have borne out Currier's observations. Joshua Rosner, in a comprehensive report entitled œJPMorgan Chase: Out of Control (*Graham Fisher & Co.* March 12, 2013, pp.27, 28) gives a clear explanation:

> In a recent interview with Jamie Dimon, Andrew Ross Sorkin told Dimon, "You have an army of lobbyists like every other institution in the country." The reality is that JPM's political efforts are not like "every other" firm's. Their army is more comparable to the U.S. government's, which spends more on defense than the next dozen or so countries combined.
>
> JPMorgan may be without peer in its spending on direct and indirect lobbying and PR. Its effort to capture legislators, neuter regulators and influence policymakers are reminiscent of Fannie Mae before it as the firm has retained, employed or had revolving door relationships with more former legislators, legislative staff and executive branch employees than perhaps any other financial firm in history.
>
> As of mid-2012, the firm had the second-largest corporate political action committee and employed at least 48 lobbyists, including at

> least 14 in-house lobbyists who are former congressional and federal staffers or legislators. Its lobbying power is not only direct but also the result of domination of several of the largest industry trade associations... When discussing the firm's lobbying [Dimon] clearly understands, as George Orwell pointed out, "All animals are equal, but some animals are more equal than others."

In an article entitled œ"The Guys From 'Government Sachs'" (*New York Times*, October 17, 2008), Julie Creswell and Ben White described the "power and influence that Goldman wields at the nexus of politics and finance":

> THIS summer, when the Treasury secretary, Henry M. Paulson Jr., sought help navigating the Wall Street meltdown, he turned to his old firm, Goldman Sachs, snagging a handful of former bankers and other experts in corporate restructurings.
>
> In September, after the government bailed out the American International Group, the faltering insurance giant, for $85 billion, Mr. Paulson helped select a director from Goldman's own board to lead A.I.G.
>
> And earlier this month, when Mr. Paulson needed someone to oversee the government's proposed $700 billion bailout fund, he again recruited someone with a Goldman pedigree, giving the post to a 35-year-old former investment banker who, before coming to the Treasury Department, had little background in housing finance.
>
> Indeed, Goldman's presence in the department and around the federal response to the financial crisis is so ubiquitous that other bankers and competitors have given the star-studded firm a new nickname: Government Sachs.
>
> The power and influence that Goldman wields at the nexus of politics and finance is no accident. Long regarded as the savviest and most admired firm among the ranks - now decimated - of Wall Street investment banks, it has a history and culture of encouraging its partners to take leadership roles in public service.

622 Stephen Gill suggested that what has happened through most of the world is an extension of the kind of disorder experienced in the old Soviet Union in the wake of Gorbachev's policy of *perestroika* in the final years of the USSR. As he explained:

> Robert Cox (1992) has coined the phrase 'global perestroika' to describe this process. Thus, rather than being simply explicable in terms of conscious political decisions and the direct use of political power, global perestroika (that is, the process beyond the former USSR) has produced a type of institutionalized chaos that is propelled by the restructuring of global capitalism.
>
> Of importance here are accelerating changes in production, finance, and knowledge that have given rise to a relatively coherent, interrelated pattern. In this pattern there has been a cumulative if uneven rise in the structural power of internationally mobile capital (Gill & Law 1988, 1989), a rise that has brought with it certain limitations and contradictions.
>
> This emerging world order, then, can be contrasted with the one that prevailed in the metropolitan nations in the 1950s and 1960s.
>
> From the vantage point of the early 1990s, it appears to be characterised by deepening social inequalities, economic depression

for most parts of the world, and a reconfiguration of global security structures.

These changes are strengthening the strong, often at the expense of the weak. The principle of distributive justice that is increasingly associated with this order is, to paraphrase the Book of Matthew, 'to him that hath shall be given, to him that hath not shall be taken away'. This is what I mean by 'patterned disorder'.

(Gill 1994, pp. 170-1)

[623] For a List of bilateral and multilateral free trade agreements, see this Wikipedia article: œList of free trade agreements. As the article says,

> Every customs union, trade common market, economic union, customs and monetary union and economic and monetary union has also a free trade area.
>
> Most of these multilateral agreements are signed between neighboring countries, but there are exceptions like the worldwide WTO agreements and the TPP agreement that is regional by some definitions, but not neighboring. The rest of the non-regional agreements are concluded between two groups of neighboring states (or between a single group and a third country) and thus are not included in the multilateral list (EFTA-SACU, EU-ACPs and others).
> (accessed 3rd Jan. 2013)

See œBilateral and Regional Trade Agreements (Productivity Commission 2010, Research Report, Canberra). for an overview of such agreements.

See œMeyer, N. et al. (2010) for a discussion of the effects and necessity for such agreements among African countries.

As they say,

> ...domestic regulation and standards are essential for protecting economies from unscrupulous business practices that bring harm to humans, plant and animal life, the environment, national security and infant industries.

[624] See Global Capitalism, Western Realities

[625] The topics addressed in this chapter are, by their nature and by the ideological propensities of the 'experts' involved, at times difficult to comprehend for those not already versed in them. I would suggest, should you find the various digressions proffered in the text confusing or difficult to handle, that you first read the chapter without following those leads. Then, should you need further clarification, reread the chapter following those digressions which might enable a deeper understanding of the issues addressed.

[626] (10/01/16)(17/06/16)(05/08/16) The Gold Standard was always a *fictitious standardization* of credit values across sovereign nations. One decided on a 'fixed' value for a unit of gold against a unit of a currency and then claimed that the currency's value was determined by the value of a unit of gold.

Of course, as with any controlled exchange rates (whatever the justificatory coupling of the currency with a commodity, 'basket of commodities', 'basket of currencies' or anything else), the value of a unit of gold was initially determined by either the existing market 'price' of the unit of gold or by a 'price' which a sovereign government determined

against a unit of its currency, effectively freezing the existing relative currency values between nations.

The inevitable consequence of this process is that the exchange rates between the currencies of participating sovereign governments are fixed through internal 'price' setting and acceptance of value equivalences between currencies based on those internal prices. From this point on, whether or not one interpolates 'gold' into the process is irrelevant. The process has established fixed rates of exchange between participating 'Gold Standard' currencies.

The 'value' of a unit of gold is, at some point in time, anchored to the value of a unit of currency. Then, in a sleight-of-hand, the value of the currency is claimed to be anchored to that contrived gold value. One could achieve the same fixed exchange rate result without any reference to gold or any other commodity. Human beings are truly adept at convincing themselves of the 'objective' reality (and therefore unassailability) of their own, often dubiously justifiable, conventions!

As Bill Mitchell explains (below),

> ...under fixed exchange rates, a nation running a current account deficit faces a chronic bias toward recession and elevated unemployment levels.

This provided superficial justification for the post-1960s neoliberal fixation on 'balanced budgets' and deficit reduction.

They seemed not to realize that they were dealing with countries involved in two very different systems. The first, were post-2nd-World-War countries involved in the Bretton Woods system of *fixed* but adjustable parities; the second were (and are) nations with *floating* exchange rate regimes.

Pierre-Olivier Gourinchas has described some of the strains and tensions which emerge when disparate nations enter into standardized currency value regimes as in the Bretton Woods regime, negotiated in the aftermath of the 2nd World War:

> Back in those days, the international monetary system was relatively simple. Market economies pegged their currencies to the U.S. dollar. In turn, the United States maintained the value of its dollar at $35 per ounce of gold. With the assistance of the International Monetary Fund, countries could obtain liquidity to deal with "temporary" imbalances, but it was incumbent upon them to implement a fiscal and monetary policy mix that would be consistent with a stable dollar parity or, infrequently, to request an adjustment in their exchange rate.
>
> The United States faced no such constraint. The requirement to maintain the $35 an ounce parity had only minimal bite on U.S. monetary authorities, as long as foreign central banks were willing, or could be convinced, to support the dollar. By design then, the system was asymmetric and dependent on the U.S., a situation that reflected the country's economic and political strengths in the immediate aftermath of World War II.
>
> Not everyone was happy about this state of affairs. Some objected to the special role of the dollar. In 1965, France famously requested the conversion of its dollar reserves into gold, while its minister of finance complained loudly about the United States' "exorbitant privilege." The Bretton Woods regime allowed the U.S. to acquire

> valuable foreign assets, so the argument went, because the dollar reserves required to maintain the dollar parity of foreign countries amounted to automatic low-interest, dollar-denominated loans to the U.S.
>
> Others worried about the long-term sustainability of the system. As the world economy grew rapidly in the 1950s and 1960s, so did the global demand for liquidity and the stock of dollar assets held abroad. With unchanged global gold supplies, something had to give. This is the celebrated "Triffin dilemma." In 1968, Triffin's predictions came to pass: Faced with a run on gold reserves, the U.S. authorities suspended dollar-gold convertibility. Shortly thereafter, the Bretton Woods system of fixed but adjustable parities was consigned to the dustbin of history.
> (Pierre-Olivier Gourinchas, œThe Structure of the International Monetary System, *NBER Reporter*, 2016, Number 1, pp.13-17)

Douglas Irwin has examined *The Missing Bretton Woods Debate over Flexible Exchange Rates*. As he explains,

> The collapse of the gold standard in the 1930s sparked a debate about the merits of fixed versus floating exchange rates. Yet the debate quickly vanished: there was almost no discussion about the exchange rate regime at the Bretton Woods conference in 1944 because John Maynard Keynes and Harry Dexter White agreed that exchange rate stability through fixed but adjustable pegs was the right approach.
>
> In light of the difficult macroeconomic tradeoffs experienced under the gold standard a decade earlier, the outright rejection of floating exchange rates seems surprising. This paper explores the views of leading economists about the exchange rate provisions in the Bretton Woods agreement and examines why arguments for floating exchange rates were so quickly dismissed.
> (Douglas A. Irwin, œ*The Missing Bretton Woods Debate over Flexible Exchange Rates*, NBER Working Paper No. 23037, January 2017)

Bill Mitchell has provided a summation of the relative merits of fixed and flexible exchange rate systems:

> The Tobin Tax was outlined by the late James Tobin, a mainstream economist in this paper - œA Proposal for International Monetary Reform - which was published in the *Eastern Economic Journal*, Volume 4, 1978.
>
> However, as the paper notes, he first proposed the idea in 1972 as a way of dealing with the breakdown of the Bretton Woods system of fixed exchange rates and the fears that global capital flows would damage economies with the new floating exchange rates.
>
> He actually considered the issue not to be whether the exchange rate was floating or fixed...
>
> He said:
>
>> I believe that the basic problem today is not the exchange rate regime, whether fixed or floating. Debate on the regime evades and obscures the essential problem. That is the excessive international - or better, inter-currency - mobility of private financial capital. The biggest thing that happened in the world monetary system since the 1950s was the establishment of *de*

> *facto* complete convertibility among major currencies, and the development of intermediaries and markets ... to facilate conversions. Under either exchange rate regime the currency exchanges transmit disturbances originating in international financial markets. National economies and national governments are not capable of adjusting to massive movements of funds across the foreign exchanges, without real hardship and without significant sacrifice of the objectives of national economic policy with respect to employment, output, and inflation. Specifically, the mobility of financial capital limits viable differences among national interest rates and thus severely restricts the ability of central banks and governments to pursue monetary and fiscal policies appropriate to their internal economies.

While attempting to neutralise the issue about the type of exchange rate regime, Tobin failed to mention that trade imbalances on the current account were much harder to deal with under fixed exchange rate systems than under flexible rate systems, where they are effectively irrelevant.

Domestic policy choices are constrained for a nation with a current account deficit operating under fixed exchange rates (such as the Bretton Woods system) because the central bank has to increase interest rates to offset (via the capital account) the downward pressure on the currency arising from the excess supply of the domestic currency into the foreign exchange markets (to facilitate the excess of imports over exports).

Further, fiscal policy for such a nation has to be restrictive to reduce national income and suppress import expenditure to achieve the same purpose.

So under fixed exchange rates, a nation running a current account deficit faces a chronic bias toward recession and elevated unemployment levels.

Thus, the choice of exchange rate regime does matter...
(Bill Mitchell, œATTAC should drop the ATT part!, *Billy Blog*, May 17, 2016)

[627] Gold reserves might provide an alternative means of storing accumulated external credit for nations with large credit trade balances (**but they do not legitimize fiat currency creation!**). Such stores are simply hard assets similar to any other such assets used to protect accumulated credit from the ravages of inflation. They are not necessary to legitimizing sovereign fiat currency systems.

Sovereign fiat currency systems are legitimized through their sovereign governments' **track record of responsible currency management**: the public underwriting, supervision and regulation of credit creation and distribution.

Fiat currencies are **not** legitimized through the accumulation of 'œhard assets'

[628] For an historical sketch of the creation and evolution of the US Central Banking system see Kevin Granville and Binyamin Appelbaum, œAmerica's Endless War Over Money (*New York Times*, April 7, 2015). As they explain, the current structure and tensions are a result of:

> ... a conflict as old as the nation, between those who argue that a strong central bank improves economic stability, and those who see

> an overbearing government engaged in harmful meddling.

For an explanation of a variety of theories of banking which have been held over the past century (and more) in capitalist societies, see Richard Werner (2015) "A lost century in economics: three theories of banking and the conclusive evidence". Of course, unlike the subject matter of the 'physical' sciences, the 'environment' addressed by these theories is a human construct and the subject matter prone to mutation as human understandings alter.

629 (30/04/18) Governmental Sovereignty is compromised in many ways and any attempt to arrange a classification of sovereignty whether of governments or of currencies, based on 'real world' characteristics of either, will result in a very confusing picture of sovereignty - conflating hegemonic and/or ideological processes with internal governmental forms and responsibilities.

As we have seen, through the past three hundred years, many communities have been subjected to enforced or 'voluntary' acceptance of colonial or 'protectorate' status by Western nations. In the post-colonial era increasing numbers of communities have become embroiled in IMF and World Bank instigated and controlled 'debt financing' through which those nations have, to one degree or another, surrendered their sovereignty to those international institutions and their 'controllers'.

Cristina Fróes de Borja Reis and Daniela Magalhães Prates, in an examination of a World Bank report on fiscal adjustment in Brazil, concluded that:

> ...most of the changes in public policies recommended by the report offer profitable opportunities for a small number of powerful and rich national and international companies that compete in oligopolistic markets under weak regulatory frameworks. At the same time, it leaves workers and the poor unprotected, seriously jeopardising the redistributive ability of fiscal policy.
>
> Thus, the report is far from promoting an equitable model. It is rather an undemocratic ideological commitment to the interests of Brazilian elites and of international capital represented in the current government. Given that we are supposedly in a post-neoliberal era and in light of the Bank's rhetorical focus on 'equitable growth', perhaps we were naïve in expecting better from the report.
> (Cristina Fróes de Borja Reis and Daniela Magalhães Prates, œWorld Bank report on fiscal adjustment in Brazil: questionable analysis; unfair policies, *The Bretton Woods Project*, 27 March 2018)

As explained elsewhere, both the International Monetary Fund (IMF) and the World Bank have been repurposed over the past fifty years and more to enable the continuation of Western domination of vulnerable states. In the process the inherent sovereignty of those nations has been usurped by the invading Western powers and/or institutions redesigned for this purpose.

As former 'dependencies' have gained 'independence', Western powers have contrived, in most cases, to maintain influence over both their economies and polities. So, for these nations, sovereignty is almost always illusory, a way for dominating Western political and/or economic powers to shift responsibility for internal difficulty away from themselves and onto indigenous 'leaders'.

Within Western nations the exercise of sovereignty is strongly influenced by the secondary ideological presumptions of those wielding power and/or authority. As we outline in this chapter, neoliberal understandings presume governmental abdication of authority to economic forces, with government being reduced to capitalism's police force. In such circumstances governmental sovereignty is forfeited to dominating plutocracies. As Franklin Roosevelt explained, echoing both Thomas Jefferson and Abraham Lincoln's Gettysburg Address,

> the liberty of a democracy is not safe if the people tolerate the growth of private power to a point where it becomes stronger than their democratic state itself. That, in its essence, is Fascism - ownership of Government by an individual, by a group, or by any other controlling private power.

630 (10/08/16)(14/08/16)(15/11/16) Central banks are *state institutions*, charged with both the creation and management of credit and official currency supply for their sovereign governments. They are essential capitalist institutions. As *Investopedia* explains,

> A central bank, or monetary authority, is a monopolized and often nationalized institution given privileged control over the production and distribution of money and credit. In modern economies, the central bank is responsible for the formulation of monetary policy and the regulation of member banks...
>
> Central banks are inherently non-market-based or even anticompetitive institutions. Many central banks, including the Fed, are often touted as independent or even private. However, even if a central bank is not legally owned by the government, its privileges are established and protected by law.
>
> The critical feature of a central bank - distinguishing it from other banks - is legal monopoly privilege for the issuance of bank notes and cash; privately owned commercial banks are only permitted to issue demand liabilities, such as checking deposits.
> (œCentral Bank, *Investopedia*, accessed 8 August, 2016)

In the above explanation *Investopedia* draws attention to perhaps ***the most important misunderstanding promoted by devotees of neoliberalism***. It asserts that 'In modern economies, the central bank is responsible for the formulation of monetary policy'.

This is what neoliberal 'scholars' would have the world believe!

Monetary policy, for neoliberals, must be overseen by an independent central bank which makes decisions based on the needs and demands of 'the marketplace'. It must behave as though it was completely separate from the sovereign government for which it is supposed to 'manage' the 'credit' and money supply of the nation.

This is, of course, for all those not infected by neoliberalism, both absurd and nonsensical!.

Central Banks, in 21st Century sovereign nations are ***administrative departments*** within the administrative structure of government - in exactly the same way as 'education departments' and 'health departments' are divisions within the Sovereign government's administration - **under the control and direction of the Sovereign government**.

They should **never** 'formulate monetary policy'. That is the Government's responsibility.

As explained below, the 'treasury' or 'ministry of finance' and the 'Central Bank' are **two departments in the same government**.The purpose of the Central Bank is to **create** and supply the credit and currency *requisitioned* by the treasury and administer government policy related to the creation and management of the nation's money supply

Such credit and currency is **never** a sovereign government **debt** and **never** contributes to a sovereign government **deficit**.

As Bill Mitchell explains below,

> If you understand this literature you soon realize that it is just another ideological front in the political fight against discretionary macroeconomic policy interventions by elected governments.

Randall Wray explained this of the US Federal Reserve, "...the Fed is not a private institution but rather is a creature of Congress and no more independent of government than is the Treasury...".

Bill Mitchell has summed it up:

> There has been a huge body of literature emerge to support this agenda over the last 30 odd years. The argument for so-called 'central bank independence' is always clothed in authoritative statements about the optimal mix of price stability and maximum real output growth and supported by heavy (for economists) mathematical models.
>
> If you understand this literature you soon realise that it is just another ideological front in the political fight against discretionary macroeconomic policy interventions by elected governments.
>
> The mathematical models that are used to 'prove' the worth of 'independence' are not at all useful in describing the real world. They have no credible empirical content and are designed to hide the fact that the proponents do not want governments to do what we elect them to do - that is, advance general welfare.
>
> The central bank 'independence' agenda is also tied in with the growing demand for fiscal rules which will further undermine public purpose in policy.
> (Bill Mitchell, œTrump might do us a favour - expose the myth of central bank independence, *Billy Blog*, November 14, 2016)

(12/08/16)(22/02/17) There are two large macroeconomic levers available to any sovereign government in ensuring economic wellbeing, and, ideally, the two should operate in tandem:

- the *treasury* (or 'ministry of finance') responsible for ***implementing*** *fiscal policy* ('spending' and 'taxing');
- and the *central reserve authority* (central bank) responsible for ***implementing*** *monetary policy* (issuing and sequestering credit and official currency).

Of course, as Sir Humphrey Appleby, fictional head of the British Department for Administrative Services, claimed, when being quizzed by a parliamentary committee on activity within his government department (in that delightful fictional television series *Yes Minister*):

> It's not for me to comment on Government Policy, you must ask the Minister.

(24/08/16) Government policy is *set* by parliamentary (political) committees/ agents, it is *implemented* by Government departments, institutions and agencies. The treasury does not decide government policy; nor does (or should) the central reserve authority. They exist to carry out the intentions of *politically determined* policies.[1012]

As in the US, neither The Treasury nor the Federal Reserve Board can (or should) determine the policies they are responsible for implementing. Those are determined by the US President and Congress. The effectiveness of Government departments, institutions and agencies can only be judged in terms of *implementation of the policies* which set the bounds and focuses of their activity. The framing of those policies is a Congressional responsibility. Given the confused commentaries one finds on US Federal Reserve responsibilities and activities, this distinction needs to be stressed.

(30/08/16) So, if the treasury and central reserve authorities are to work in tandem, *government policies* must enable this. This is why it is essential that legislators understand both the source and nature of credit. This cannot remain an esoteric discussion amongst 'professionals', politicians must get their heads around the issue if they are to frame adequate fiscal and monetary policy.[1013]

(03/09/16) If it is assumed that credit originates in the private marketplace (the *laissez faire* presumption favored by those professionals since the 1970s), then, governments are limited in what they can accomplish by the amount of debt they incur in 'borrowing' necessary funds from the private sector (or from Central Banks, presumed to be independent entities, which 'lend' to governments). So concerns grow about mounting deficits; burgeoning sovereign debt; and the need to 'rein in spending'.

If, on the other hand, it is assumed, as the Roosevelt Administration did, that 'Federal Reserve Bank credit... does not consist of funds that the Reserve authorities "get" somewhere in order to lend, but constitutes funds that they are empowered to create', then nothing is 'lost' or 'owed' by the government when it issues currency and other forms of credit through its central reserve authority.

The question, of course, is how 'professional' counsellors and educators can escape the intellectual straitjacket into which neoliberal pragmatic literalists have contorted themselves and the institutions over which they have gained control in the past half century. A great deal of the responsibility for this must rest with the ideologically driven self-proclaimed economic 'experts' - including all those 'Nobel prize in economics' recipients - whose simplistic models have resulted in the early 21st century problems we seem unable to escape.

(21/08/16) If legislators, and those counselling and educating them, simplistically assume that it is unnecessary to 'explain' the origin of credit, as far too many politicians (and economists) in Western nations have over the past half century, that credit and 'money' are 'just there', sprung from 'economic activity', the result is almost certain to be highly confused, and often contradictory, fiscal and monetary policy. In many nations around the world, this has resulted in long-run economic confusion with millions suffering the consequences (as in the 'peripheral' Euro Zone nations since 2011).

Paul Krugman has illustrated this confusion well in discussing the 'peculiar circumstances that have brought negative interest rates to much of the advanced world':

> ...[I]t's surely relevant that the two big advanced economies - the US and the eurozone - both have fiscal policy paralyzed by political gridlock, leaving the central banks as the only game in town.
>
> In the U.S., it's House Republicans who block spending on anything except weapons; they won't even allocate funds for Zika! In Europe, nothing fiscal can happen without action by Germany, which is both self-satisfied with its situation and living in its own intellectual universe.
>
> It's true that the UK has some room for maneuver, yet under Cameron/Osborne it went all in for austerity, at least in rhetoric. On the other hand, that may be seen as a political maneuver to discredit the previous government by accusing it of profligacy, and may change quite a lot now that the disastrous duo are out and Theresa May is in.
>
> Japan is, I think, an interesting case, because whatever else it may suffer from, it hasn't faced US or EZ-type gridlock. It's not as clean a case as I would like - Abe allowed himself to be talked by the Serious People into fiscal tightening early on, putting the whole burden on Kuroda. But if you look at the longer-term story since the 1990s, Japan actually has had a combination of deficit spending and relatively cautious monetary policy...
> (Paul Krugman, œThe Gridlock Economy, *New York Times*, Opinion Pages, August 20, 2016)

I must confess to being less optimistic than Krugman about the likely consequences of May's influence on British fiscal and monetary policy. May seems a more pragmatic version of her predecessors, steeped in the same neoliberal marinade, but aware that the Brexit vote signaled a disenchantment with current conservative policies.

The "original sin" of the EU single-currency project was, and is, as Anatole Kaletsky has explained, the Maastricht Treaty's prohibition of "monetary financing" of government deficits by the European Central Bank (ECB). Its 'internal rebalancing' options have been severely curtailed by the flawed political structure/ policies of the euro area.

As Bill Mitchell has explained of Japan in 2016, there should be "harmony between the Japanese Ministry of Finance (fiscal policy) and the Bank of Japan (monetary policy)". As he says,

> ...[T]he combination of aggressive fiscal stimulus supported by a very easy monetary stance has given Japan a labour market outcome that any nation would be envious of - notwithstanding all the claims about 'lost decades', 'ageing population', 'excessive government debt', 'sclerotic society'.
> (Bill Mitchell, œTime for fiscal policy as we learn more about monetary policy ineffectiveness, *Billy Blog*, August 9, 2016)

631 (23/06/16) Those who recognize that banks do, indeed, *create* credit 'out of thin air' - whether within central banks or within private banks and similar organizations - will seldom find wide support for, or understanding of, policies and practices based on such understanding. While there seems little doubt that, as Jakab and Kumhof (2015) put it: "banks provide financing through money creation", this works because very few people believe that value *is* conjured out of thin air.

Most Western people (including far too many 'economic experts') take it as a given that "banks accept deposits of pre-existing real resources

from savers and then lend them to borrowers". They need to believe that their worlds are substantive, that they plant their feet on solid ground! To suggest that credit and 'money' is - or can be - created out of thin air is construed as an attack on 'common sense', on capitalism and on the capitalist world. It is subversive.

(23/07/16) This is why neoliberal understandings of the world so readily supplanted the New Deal understandings from the mid to late 1960s. Their cartoon capitalist understanding of 'the economy' appealed to what most people saw as 'common sense'. Their explanations provided reassurance to people who 'knew' that credit, money and value were 'real'; that 'government deficits' and 'public debt' were millstones around the necks of drowning nations; that government budgets were 'just like' household budgets.

New Deal understandings, which assumed that sovereign governments had final freedom from the money market in meeting their financial requirements; that "the public purpose which is served should never be obscured in a tax program under the mask of raising revenue", did not 'make sense'.

For neoliberal pragmatic literalists, Margaret Thatcher's 'explanation' of the nature of 'money' makes nonsense of such claims:

> If the State wishes to spend more it can do so only by borrowing your savings or by taxing you more. It is no good thinking that someone else will pay - that "someone else" is you. There is no such thing as public money; there is only taxpayers' money

The claim that credit withdrawn from the private realm into the public realm does not accumulate there but 'disappears' or 'evaporates', to be replaced with 'new' credit, distributed, at the government's discretion, to actors within the private realm, is obviously absurd: evidence of 'government malfeasance'; a *Ponzi* scheme which, like all such schemes, must inevitably result in long-term disaster!

(07/10/16) Capitalism works, for neoliberal pragmatic literalists and fellow travelers, because they 'know' that money is "real"; that credit and value are 'substantial', not conjured out of thin air; that taxes 'fund' government spending; and that 'big government' is parasitic on 'private business', funding the 'wealth takers' at the expense of the 'wealth makers' [1014] ; that:

> If the government borrows a dollar from you, that is a dollar that you do not spend, or that you do not lend to a company to spend on new investment. Every dollar of increased government spending must correspond to one less dollar of private spending. (Cochrane (2009))

Undermine those beliefs and their faith in capitalism is shaken. And, as we are daily reminded through various market reports - without faith in the markets, capitalism doesn't work![1015]

Capitalists are, of course, not unique in this pragmatic, felt need for simplicity and tangibility. Even our understanding of material reality results from faith in its substantiality (I'd be in trouble if I could no longer be certain that my surroundings were 'really' there when I swung my feet out of bed in the morning!). Experience tells us that matter does not "flit into and out of existence" - but, apparently, it does! Adrian Cho, in an article in *Science*, called 'Probing the proton', put it rather well:

In the cartoon view, the positively charged proton and the uncharged neutron both consist of trios of particles called up quarks and down quarks. (Two ups and a down make a proton; two downs and an up make a neutron.) But earlier experiments have shown that those "valence" quarks are just a small part of the story. A nucleon - a proton or neutron - is really a pullulating mass of countless quarks, antiquarks, and gluons, particles that convey the strong nuclear force that holds quarks together. A proton or neutron is so messy that physicists can't say exactly how its most basic properties, such as its mass and spin, emerge from the tangle.

...[T]he quarks within the nucleon cling to one another by exchanging massless particles called gluons, which carry the strong force.

But the strong force is far more complex than the electromagnetic force. Unlike the passive photons, gluons themselves exchange gluons - lots of them. Moreover, a nucleon's three valence quarks aren't the only ones inside it. Untold quark-antiquark pairs also flit into and out of existence. Those fleeting "sea" quarks need not be up and down quarks, but can be heavier strange and charm quarks, too. Thus, each valence quark is shrouded by a cloud of quarks and gluons in which "what you see depends on the scale at which you look," says Michael Pennington, chief theorist at Jefferson Lab.

That complexity makes calculating anything involving the strong force nearly impossible. For example, most of a nucleon's mass comes not from the valence quarks, but from the energy of the quark-gluon cloud (thanks to Einstein's equivalence of mass and energy).
(Adrian Cho, œProbing the proton: A newly upgraded accelerator explores the seething maelstrom at the heart of matter, *Science*,Vol 347 Issue 6220, 23 January 2015, Pp.363-5)

632 Bernie Sanders, 2016 US presidential candidate, described the US version of a common problem in an early 21st century neoliberal world:

The sad reality is that the Federal Reserve doesn't regulate Wall Street; Wall Street regulates the Fed. It's time to make banking work for the productive economy and for all Americans, not just a handful of wealthy speculators. And it begins by making the Federal Reserve a more democratic institution, one that is responsive to the needs of ordinary Americans rather than the billionaires on Wall Street.
(Bernie Sanders, œTo Rein In Wall Street, Fix the Fed, *New York Times*, December 23, 2015)

633 Sam Pizzigati spelt out the inevitable consequences of putting 'profit' before the commonweal:

The United States ended the 20th century on a roll - for the rich. Between 1973 and 2000, the nation's most prosperous 1 percent tripled their incomes, after taking inflation into account.

The even more prosperous top tenth of that 1 percent did quite a bit better. Their incomes more than quintupled between 1973 and 2000, rising an amazing 414.6 percent.

And what about Americans of less exalted means, those stuck in the nation's bottom 90 percent? Between 1973 and 2000, their incomes rose all of . . . 2.6 percent.

> Something, in other words, went horribly wrong over the last quarter of the 20th century. And what has happened so far in century 21? Our decision makers in Washington have done their best to make things even worse...
> (Sam Pizzigati, œA Sweet New Century for America's Most Privileged: America's elected leaders haven't ignored inequality since 2000. They've made it spectacularly worse, *Inequality*, Blogging Our Great Divide, July 12, 2018)

634 As Skidelsky continues:

> A little history may help. By the 1980s, a consensus had emerged among policymakers that the main macroeconomic problem was inflation. Governments' "Keynesian" efforts to push unemployment below its "natural rate" made them unreliable guardians of the value of money.
>
> Governments therefore outsourced inflation control to "nonpolitical" central bankers. In 1997, the UK's new Labour government, acutely aware of the party's reputation for profligate spending, gave the BOE a mandate to meet an inflation target of 2.5% (later lowered to 2%). The power to set the official interest rate (Bank Rate) was transferred from the Treasury to the BOE's Monetary Policy Committee.
>
> The expectation was that the newly empowered BOE would raise its interest rate when inflation was trending above 2%, and lower it when inflation (or the price level) fell. Moreover, the medium-term nature of the inflation target gave the BOE some wiggle room to adjust interest-rate policy to reflect economic activity. This monetary regime, adopted by most rich-country central banks, was credited with maintaining price stability during the so-called "Great Moderation" that lasted until 2008. But low commodity prices, conservative fiscal policy, and China's integration into the global economy were almost certainly more important factors than the technocratic calibrations of independent central bankers.
>
> In the 2008 global financial crisis, however, central banks went beyond their traditional role as lender of last resort and bailed out bankrupt commercial banks deemed to be "too big to fail." As the banking crisis turned into a severe economic downturn, and official interest rates fell to near-zero, fulfilling the inflation mandate was thought to require additional monetary-policy tools. Enter quantitative easing (QE), or "unconventional monetary policy," which meant flooding the economy with money to offset the effects of business contraction.
>
> Central banks tasked with controlling inflation were thus now using monetary policy to stave off economic collapse - something for which they had no mandate. Amid the ensuing confusion about the nature of their role, monetary policymakers claimed that their massive purchases of government debt - amounting to hundreds of billions of dollars, euros, and pounds between 2009 and 2016 - were intended to "raise the inflation rate to target." But everyone knew that inflation was the last thing they had in mind as their economies plunged.
>
> Had central banks openly proclaimed their role as rescuers of last resort, most people would have said that this was the government's responsibility, and with good reason. As John Maynard Keynes had

pointed out 80 years earlier, it is the spending, not the printing, of central-bank money that is crucial for economic activity.

Central banks never satisfactorily answered the question of how their massive monetary injections were supposed to increase real economic activity, or raise prices for that matter. As economies continued to stagnate, the best they could do was to argue that things would have been worse without QE....

...[T]he important question is not the extent to which the BOE's expanded mandate undermines its anti-inflationary credentials, but rather the degree to which it blurs the responsibilities of the government and the central bank for the conduct of economic policy. The current regime assumes that central bankers should control the quantity of money, while allocation of money (or capital) through the budget would remain in the hands of democratically elected governments....
(Robert Skidelsky, œShould Central Banks Have a Green Mandate? *Project Syndicate*,Jul 19, 2021)

635 As he continued:

Historically, Congress set financial rules and the Federal Reserve - along with other regulators - decided on implementation. In the decades leading up to the crisis of 2008, there was a broad bipartisan consensus in favor of allowing large financial firms to do as they saw fit. That included borrowing more and running up their debt relative to the size of their shareholder equity. The reasoning, which was fully endorsed at the Fed, was that such large firms - with assets in the trillions of dollars - employed smart people who could figure out how to manage highly leveraged balance sheets safely.

In September 2008, the wave of failures and near-failures at global banks (and insurance companies and mutual funds) demonstrated that this view was deeply mistaken. But the political system's overall response was paradoxical. Instead of stripping powers from central banks, the Federal Reserve - as well as the Bank of England and the European Central Bank - became much more powerful.

There were two reasons for this outcome. First, central banks had the tools - cheap credit and expansionary monetary policy - necessary to avert a deeper crisis. Second, modern finance is far too complex and evolves too fast for any piece of legislation to address fully. Someone has to be in charge of oversight in a more detailed way. The crisis damaged the Fed's reputation, but all plausible alternative regulators looked worse. So the Dodd-Frank legislation ended up granting even more power to the Fed, making it in effect the Supreme Court of Finance...

What we have now... is an extreme delegation of authority that precludes transparency and accountability. The Fed can substantially change the details of how resilient the banks are without any further congressional action. Congressional intent does matter - and the Republicans have clearly indicated that the needle should point toward letting the bigger banks do what they want.

That is a shortsighted approach, and shifting the political burden of pursuing it to an unelected body is extremely dangerous. The next time a crisis erupts, the legitimacy of the Fed - and other central banks - will be called directly into question.

(Simon Johnson, œControlling the Supreme Court of Finance, *Project Syndicate*, May 31, 2018)

636 Orsola Costantini, has provided an example of this warping in a paper entitled *The Cyclically Adjusted Budget: History and Exegesis of a Fateful Estimate*. As she summarizes:

> This paper traces the evolution of the concept of the cyclically adjusted budget from the 1930s to the present. The idea of balancing the budget over the cycle was first conceived in Sweden in the 1930s by the economists of the Stockholm School and was soon reinterpreted and incorporated into the fiscal program of the American political coalition supporting the New Deal, especially by the Committee for Economic Development during and after World War II.
>
> In the 1960s, Keynesian economists associated with the Kennedy and Johnson administrations reformulated the notion. Despite their claims at the time, their version differed only in degree from the earlier CED approach, the transformation being largely conditioned by changing political circumstances.
>
> In the 1980s, however, the concept changed substantially. Methods for calculating it transformed dramatically, as the notion became a device to limit and direct governments' fiscal policies in a wide sense, that is, including institutional (or "structural") reforms. The final section of the paper considers the shifting uses of the notion in the European Growth and Stability Pact.
> (Orsola Costantini, œ*The Cyclically Adjusted Budget: History and Exegesis of a Fateful Estimate*, Institute for New Economic Thinking, Working Paper No. 24, October 2015)

637 As Karl Evers-Hillstrom and Brendan Quinn continue:

> Even after the November election was called for Biden, Trump continued to solicit donations to fund a wave of lawsuits contesting the results in battleground states. Much of the money he has raised has been routed to his new leadership PAC, which is not an official campaign committee but could begin to lay the groundwork for a potential 2024 bid.
>
> Further down the ballot, candidates for House and Senate also pulled in record figures. Races for Senate became nationalized in a way never seen before, with candidates pulling in millions from out-of-state donors and shattering fundraising records.
>
> In fact, nine of the 10 most expensive Senate races of all time happened in 2020. So did four of the 10 most expensive House races. Much of this money flowed to candidates challenging high-profile office holders, including Sens. Mitch McConnell (R-Ky.) and Lindsey Graham (R-S.C.) and Rep. Ilhan Omar (D-Minn.). Fueled by small donors, these candidates pulled in millions for what mostly proved to be unsuccessful bids. Despite these expensive and high-profile losses, however, 88 percent of congressional races were won by the candidate who spent the most.
>
> More so than ever before, candidates, parties and outside groups spent money on digital advertising as they sought to reach new donors and voters. The digital space also made political donations easier (especially for small donors) as much of the country went virtual. Women also continued to increase their political clout, both

as candidates and as donors. Meanwhile corporations, while being barred from directly contributing to candidates, used corporate PACs to boost the campaigns of candidates aligned with their financial goals.

As the candidates pulled in record figures, super PACs, '"dark money'" nonprofits and other outside groups pulled out all the stops in hopes of ensuring victory. Throughout the cycle, party-tied groups and other partisan actors such as The Lincoln Project spent hundreds of millions of dollars on independent expenditures. For the first time, spending by outside groups exceeded $3 billion.
(Karl Evers-Hillstrom and Brendan Quinn, œOpenSecrets looks back at 2020, a $14 billion year, *OpenSecrets.org*, December 22, 2020)

638 Deborah D'Souza addressed the sources of Biden's funding and provided a list of top donors in an *Investopedia* article entitled 'Top Donors to Biden 2020 Campaign':

President-elect Joe Biden announced he was running for president in April 2019 and has raised a total of $1.3 billion so far, according to OpenSecrets. This amount includes donations to his official campaign committee and outside groups like single-candidate super PACs and hybrid PACs or Carey Committees.

Where Does the Big Money Go?

Very large donations in U.S. presidential elections are directed toward super PACs (Political Action Committees), or hybrid PACs because of the $5,600 limit on how much an individual can give to a candidate's official campaign committee per election cycle.

Priorities USA Action, a liberal, hybrid PAC in its fifth election cycle, has received the most money of any pro-Biden, single-candidate organization. Millions of dollars have come into the PAC from the affiliated Priorities USA nonprofit, but since it doesn't disclose donors, it's known as a "dark money" group and we can't be certain who contributed to it. Biden supporters may also give to joint fundraising committees set up for the presidential campaign and the Democratic National Committee like the Biden Victory Fund and Biden Action Fund.
(Deborah D'Souza, œTop Donors to Biden 2020 Campaign, *Investopedia*, January 8, 2021)

From the perspective of many - if not most - US corporate donors, party affiliation is less important than political amenability. The purpose of funding, after all, is not usually to promote a particular party but corporate agenda.

The qualification for funding is less likely to be a politician's ideology than reliability and usefulness in support of corporate objectives and interests. And, of course, party apparatchiks - whose main objective is ensuring their parties' financial viability - are cognizant of this in supporting and promoting political aspirants.

The exponential growth in US corporate political financing over the past half-century and more may be seen as a feature - not as an unfortunate byproduct of political competition! The more money political aspirants require for election the less likely they are to be able to bypass corporate funding of their campaigns

Once political parties are captive to corporate financing they will, inevitably, weed out (or house-train) any who have successfully funded

their campaigns without resort to corporate funding. Private donors will require it and party apparatchiks will willingly oblige. As an old and well-worn aphorism has it:

> Once you've got them by the balls, their hearts and minds will follow!

639 (21/04/24)This is not simply a question of semantics. The political reality within the United States of America determines the nature of its interventions around the world. If, as Frances Brown and Thomas Carothers claim, the US: supports 'democracy globally', then the nature and purpose of that 'support' will be directly determined by the realities of the US polity:

> Biden and his team have taken up the increasingly common view in the broader U.S. policy community that countering China and Russia is central to supporting democracy globally. As the president said in February, "American leadership must meet this new moment of advancing authoritarianism, including the growing ambitions of China to rival the United States and the determination of Russia to damage and disrupt our democracy." ...
> (Frances Z. Brown and Thomas Carothers, œWashington's Democracy Dilemma: Crafting a Democracy Strategy in an Age of Great-Power Politics, *Foreign Affairs*, July 23, 2021)

What forms of intervention and 'pressure' should China and Russia anticipate during a Biden presidency? That is, what form of polity do President Biden and his 'team of immaculate professionals' represent?

In 2020, for a 3rd time in the last 90 years, US Democrats faced a clear fork in the road ahead: One road led toward primacy of the community over the marketplace; the other continues down the neoliberal highway of the past half-century - the primacy of the marketplace over the community[1016].

It's government of the people, by the people, for the people; or it's government of the people by robber barons and their minions[1017]: it's Government for the 99% or government for the mega-wealthy.

In 1932 US Democrats chose a presidential candidate who refused to settle for tinkering with a broken system; someone with a clear vision of a future focused on the health and wellbeing of the 99%.

In 1944, Party insiders ensured that Roosevelt style progressive politics would not become the 'new normal' for the US Democratic Party[1018]. As Marjorie Cohn has recounted:

> ... [T]he Democratic National Committee (DNC) ensured that socialist Henry Wallace would not succeed Franklin D. Roosevelt (FDR) as president...
>
> Wallace, who held many of the same political positions as Sanders, was one of the architects of the New Deal. He served as FDR's agriculture secretary, vice president and commerce secretary. But the ailing FDR's 1944 bid to select Wallace as his vice president for what would be his final presidential term was derailed by the corporate party bosses who made sure that Harry Truman would follow FDR as president instead of Wallace.
> (Marjorie Cohn, œIs the DNC Once Again Orchestrating the Defeat of a Socialist Candidate? *Truthout*, March 16, 2020)

2020 was, almost certainly, the Democratic Party's final opportunity to change direction, to reject the rapidly maturing neoliberal, plutocratic

future which has been gathering momentum through the past half century in both the United States and the rest of the world - a last chance to fulfil Lincoln's vision of a nation governed by the people, for the people [1019].

Getting oneself into perspective can be very difficult. It is so much easier to see the flaws in others than to realize the flaws in oneself and Western nations, for more than 500 years, have amply demonstrated this. Kenneth Roth has delightfully illustrated this universal human failing:

> Over the past decade, autocrats around the world have perfected the technique of "managed" or "guided" democracy. In Belarus, Egypt, Russia, Uganda, Venezuela, and elsewhere, authoritarian leaders have held periodic elections to enhance their legitimacy but monopolized the media, restricted civil society, and manipulated state institutions and resources to ensure that they remained in power.
>
> Such methods are never foolproof, however, and their effectiveness has diminished as citizens have wised up and learned to operate within rigged systems. A growing number of autocrats have thus been forced to rely on ever starker forms of repression: they still hold periodic elections since their people have come to expect them, but they do not even pretend that these empty rituals are free or fair. The result has been the proliferation of what might be called "zombie democracies" - the living dead of electoral political systems, recognizable in form but devoid of any substance.
>
> Just as autocrats have moved from managed to zombie democracy, so too must supporters of human rights evolve. Whereas they could once counter managed democracy by attacking particular autocratic techniques - restrictions on civil society, say, or arrests of journalists - they must now fight zombie democracy with a more frontal approach, one that deprives autocrats of the legitimacy they seek from electoral charades.
> (Kenneth Roth, œThe Age of Zombie Democracies Why Autocrats Are Abandoning Even the Pretense of Democratic Rituals, *Foreign Affairs*, July 28, 2021)

We in Western communities are indeed, in this 21st century, living in rapidly maturing 'Zombie Democracies'. Outwardly ornamental, 'grand democracies': but, look closer, and you'll find hollowed out, lifeless shells, hijacked by some alien life form, predatory on the original builders and inhabitants.

It is always difficult to see one's own flaws: far less challenging to identify them at a distance and roundly condemn them in others! Russia's President Putin (in a June, 2021 exchange with US President Biden) put it well: "We have a saying: 'Don't be mad at the mirror if you see ugly'".

Jesus summed it up:

> Do not judge, or you too will be judged. For in the same way you judge others, you will be judged, and with the measure you use, it will be measured to you. Why do you look at the speck of sawdust in your brother's eye and pay no attention to the plank in your own eye? How can you say to your brother, "Let me take the speck out of your eye," when all the time there is a plank in your own eye? You hypocrite, first take the plank out of your own eye, and then

> you will see clearly to remove the speck from your brother's eye.
> (œMatthew Ch. 7, V. 1-5, NIV)

Cohn described the US predicament:

> At the March 15 debate with Biden, Sanders asked the rhetorical question: Where is the power in America? He then answered, "Who owns the media? Who owns the economy? Who owns the legislative process? Why do we give tax breaks to billionaires and not raise the minimum wage? Why do we pump up the oil industry while a half a million people are homeless in America?"
> (Marjorie Cohn, œIs the DNC Once Again Orchestrating the Defeat of a Socialist Candidate? *Truthout*, March 16, 2020)

With political parties captive to corporate financing, 'democracy' becomes a hollow word. The reality is that, whatever policies politicians might promise to support during their electoral campaigns, actual policy delivery will reflect corporate, not democratic, wishes. And, in a nation which has gutted its non-military industrial base, relocating it 'offshore', major policy implementations will reflect the wishes of those who control that coporatist US government, including the, still-resident, corporate military-industrial base.

The only real difference between 'totalitarian' or 'authoritarian' nations, so loudly condemned by US politicians, and the actual US political scene has become the transparency of real political control within the nation. Citizens need to ask themselves:

> 'Which is more acceptable: invisible control by unelected financial and military-industrial power-brokers; or visible control by the nation's effective power-brokers?'.

Rana Mitter, in attempting to explain the 'New Characteristics for Chinese Socialism', has given a synopsis of the Chinese Communist Party's explanation of its approach to governance [1020]:

> During the communist era in East Germany, the ruling elite adopted a song with the uncompromising line *Die Partei, die Partei, die hat immer recht* ("The Party, the Party, which is always right"). Today's Chinese Communist Party is not quite so blunt. A resolution on China's history issued by the CCP in November strikes a more nuanced note: "The Party is great not because it never makes mistakes, but because it always owns up to its errors, actively engages in criticism and self-criticism, and has the courage to confront problems and reform itself."
> (Rana Mitter, œNew Characteristics for Chinese Socialism? How a CCP Resolution Connects Xi to China's Marxist Past, *Foreign Affairs*, December 20, 2021)

The United States of America to which Sanders alluded in the debate is a consequence of both Democrat and Republican corporatist politics over the past fifty and more years. Sanders (having just endorsed Biden as the Democratic Party's presidential candidate), optimistically, argued 'that many in our country are now beginning to rethink the basic assumptions underlying the American value system':

> If there is any silver lining in the horrible pandemic and economic collapse we're experiencing, it is that many in our country are now beginning to rethink the basic assumptions underlying the American value system.

> Should we really continue along the path of greed and unfettered capitalism, in which three people own more wealth than the bottom half of the nation, and tens of millions live in economic desperation - struggling to put food on the table, pay for housing and education and put a few dollars aside for retirement? Or should we go forward in a very new direction?
>
> In the course of my presidential campaign, I sought to follow in the footsteps of President Franklin Delano Roosevelt, who, in the 1930s and 40s, understood that in a truly free society, economic rights must be considered human rights. That was true 80 years ago and it remains true today.
>
> Now I will do everything in my power to bring this country together to help Joe Biden defeat the most dangerous president in modern American history. And I will continue to make the vigorous case that we must address the inequalities that contributed to the rise of Donald Trump, whose cruelty and incompetence have cost American lives during this pandemic.
>
> Simply opposing Mr. Trump will not be enough - we will need to articulate a new direction for America.
> (Bernie Sanders, œThe Foundations of American Society Are Failing Us, *New York Times*, April 19, 2020)

Having endorsed a *status quo* democrat as the 2020 Democratic Party's presidential candidate Sanders found himself on the horns of a dilemma:

- It was, indeed, true that Trump, particularly in his militarized space and nuclear ambitions, is the 'most dangerous president in modern American history';
- It was (and is) equally true that the Democrat alternative is wedded to a neoliberal, plutocratic future.

As 2021 unfolded, the US mainstream media, taking its cue from the Biden Administration's promotion of the president's 'FDR-like policies and ambitions', began the inevitable process of convincing the population that Biden was in the process of ushering in a New Deal for the American electorate[1021]

When it comes to the *implementation* of pronounced policies in the US, there's many a slip between cup and lip!

A commenter pseudonymed 'Ashburn' summed up Biden's performance in the first half of 2021:

> Most of Biden's power to act independent of a shaky congressional majority lies in the realm of foreign policy. If he had wanted to:
>
> - He could have already withdrawn troops from Afghanistan, Iraq, and Syria.
> - He could have forced an immediate end to the humanitarian catastrophe in Yemen with one phone call to MBS.
> - He could have lifted the siege sanctions on Venezuela and Cuba, and
> - had a renewal of the JCPOA with Iran.
> - He could have objected to the new Space Force and instead proposed a new treaty banning such militarization of space

with China and Russia.

- He could have also endorsed a similar treaty proposed by Putin to ban certain types of cyber attacks against other countries' infrastructure.

> Instead he's kept faith with Trump by leaving all this in place. (Ashburn, Commenter on œWhy Biden Is Not a Transformational President, Posted on *Naked Capitalism*, May 26, 2021 by Yves Smith)

We do, indeed, live in a New Speak world!

Matt Taibbi explained:

> The news is like high school. One day, one kid comes in wearing Dior sneakers and Nike X Ambush pants, and two days later, that's all you see in the halls. The "Biden-as-FDR" stories raced around News High, with headlines like "With nods to FDR, JFK and LBJ, Biden goes big on infrastructure plan" (Yahoo!) and "Can Biden achieve an FDR-style presidency? A historian sees surprising parallels" (Washington Post). Even the New Yorker's naysayingtake, "Is Biden Really the Second Coming of F.D.R. and L.B.J.?" read at first glance like an affirmation.
>
> That this high-flown language came on the heels of Biden's people whispering F.D.R. comparisons in the ears of reporters for weeks, and Biden himself calling his plan "a once-in-a-generation investment in America," seemed not to bother anyone. We live in a time when a president can be said to have "sharply cut poverty" the moment he signs a relief bill, so why not say, as CNN editorialists Stephen Collison and Caitlin Hu did, that this new bill's passage would immediately allow Biden to "lay claim to a spot in the Democratic pantheon alongside Franklin Roosevelt and Lyndon Johnson?"
> (Matt Taibbi, œThe Two Faces of Joe Biden: The press is building an image of a "radical" progressive hero, while reality looks a lot like the same corporate Democrat, *TK News*, April 10, 2021)

Although Sanders - true to his record - wanted the US to 'go forward in a very new direction', collaboration in a Biden presidency was, of course, a most unlikely way to achieve this

640 Harry Boyte has neatly summed up the perennial confrontation between democracy and plutocracy in the US in an article subtitled "One side pits winners and losers against each other in a race for the American Dream, while the other wonders what might be possible if we work together to form communities, build schools and create a culture of mutual respect":

> Since the beginning, two narratives have warred for the soul of America. One is the "We're Number One" America, in which the American Dream is a competition with few winners and others who bask in their reflected glory. This is the America of land grabs, robber barons and get-rich-quick schemes.
>
> The alternative is the story of democracy in which America is a place of cooperative endeavor where people form associations, build schools, congregations, libraries and towns and fight for "liberty and justice for all."
>
> The novelist Marilynne Robinson was getting at this alternative in her conversation with President Obama last September in Iowa,

> reprinted in the *New York Review of Books*. "Democracy," she said, "was something people collectively made." Making democracy created a culture of mutual respect.
>
> I learned this understanding of democracy as a young man working for Martin Luther King's Southern Christian Leadership Conference (SCLC) in the civil rights movement. In *Hope and History*, King's friend and sometime speechwriter Vincent Harding described the movement as "a powerful outcropping of the continuing struggle for the expansion of democracy in the United States." It showed "the deep yearning for a democratic experience that is far more than periodic voting."
>
> Today there are new outcroppings of the democracy story but they do not yet merge into a narrative of democracy as a way of life. "We're Number One" America dominates, coming especially from Republican candidates. It has antecedents...
> (Harry Boyte, œThe Fight For America's Soul, *Moyers & Co*, December 16, 2015)

(20/02/16) Ann Jones, in an article subtitled 'A crash course in social democracy', described the world which has, over the past forty years, been dismantled in the name of neoliberal 'free markets', globalization, economic deregulation and the disenfranchisement of 'democratic' communities [1022]. Most people who live in the Western 'free market' democracies of the 21st century would have lived in such a world had the spirit of the 'New Deal' Roosevelt reforms, *e pluribus unum*, driven the evolution of both communities and their governments:

> What Scandinavians call the Nordic model is a smart and simple system that starts with a deep commitment to equality and democracy. That's two concepts combined in a single goal because, as far as they're concerned, you can't have one without the other.
>
> Right there, they part company with capitalist America, now the most unequal of all the developed nations, and consequently a democracy no more. Political scientists say it has become an oligarchy, run at the expense of its citizenry by and for the superrich. Perhaps you've noticed that.
>
> In the last century, Scandinavians, aiming for their egalitarian goal, refused to settle solely for any of the ideologies competing for power - not capitalism or fascism, not Marxist socialism or communism. Geographically stuck between powerful nations waging hot and cold wars for such doctrines, Scandinavians set out to find a middle path. That path was contested - by socialist-inspired workers on the one hand, and by capitalist owners and their elite cronies on the other - but in the end, it led to a mixed economy. Thanks largely to the solidarity and savvy of organized labor and the political parties it backed, the long struggle produced a system that makes capitalism more or less cooperative, and then redistributes equitably the wealth it helps to produce. Struggles like this took place around the world in the 20th century, but the Scandinavians alone managed to combine the best ideas of both camps while chucking out the worst.
>
> In 1936, the popular US journalist Marquis Childs first described the result to Americans in the book *Sweden: The Middle Way*. Since then, all the Scandinavian countries, and their Nordic neighbors Finland and Iceland, have been improving upon that hybrid system.

Today in Norway, negotiations between the Norwegian Confederation of Trade Unions and the Confederation of Norwegian Enterprise determine the wages and working conditions of most capitalist enterprises, public and private, that create wealth, while high but fair progressive income taxes fund the state's universal welfare system, benefiting everyone. In addition, those confederations work together to minimize the disparity between high-wage and lower-wage jobs. As a result, Norway ranks with Sweden, Denmark, and Finland as among the most income-equal countries in the world, and its standard of living tops the charts.

So here's the big difference: In Norway, capitalism serves the people. The government, elected by the people, sees to that. All eight of the parties that won parliamentary seats in the last national election - including the conservative Høyre party now leading the government - are committed to maintaining the welfare state. In the United States, however, neoliberal politics puts the foxes in charge of the henhouse, and capitalists have used the wealth generated by their enterprises (as well as financial and political manipulations) to capture the state and pluck the chickens.

They've done a masterful job of chewing up organized labor. Today, only 11 percent of American workers belong to a union. In Norway, that number is 52 percent; in Denmark, 67 percent; in Sweden, 70 percent. Thus, in the United States, oligarchs maximize their wealth and keep it, using the "democratically elected" government to shape policies and laws favorable to the interests of their foxy class. They bamboozle the people by insisting, as Hillary Clinton did at that debate, that all of us have the "freedom" to create a business in the "free" marketplace, which implies that being hard up is our own fault.

In the Nordic countries, on the other hand, democratically elected governments give their populations freedom from the market by using capitalism as a tool to benefit everyone. That liberates their people from the tyranny of the mighty profit motive that warps so many American lives, leaving them freer to follow their own dreams - to become poets or philosophers, bartenders or business owners, as they please.
(Ann Jones, œAfter I Lived in Norway, America Felt Backward. Here's Why: A crash course in social democracy, *The Nation*, January 28, 2016)

641 (09/07/17) *Laissez faire* capitalism is the ideological home of the 'born again' Christian religious right (both in the US and other Western capitalist nations). The religious revivals of the 18th and 19th centuries launched a religiously and emotionally committed community of capitalists who were, and have remained, deeply convinced:

- that 'the economy' is a self-existent, self-sustaining environment, with its own peculiar characteristics and principles of organization and behavior, established by God to ensure human progress;
- that commitment to the 'natural laws' of the economy will, inevitably, result in the *Summum Bonum*;
- and that people who challenge those laws, challenge God and threaten the wellbeing of people everywhere.

(14/07/17) Just as many Western social philosophers came to accept the validity of a quest for an attainable utopia without acknowledging its implicit religious underpinnings, so, many Western conservatives (including economists) appear unaware of the religious origins of their deeply held commitment to building a *laissez faire* reality, convinced that without it the *Summum Bonum* will not be realized.

(26/03/16) (21/06/16) For neoclassical and neoliberal devotees, 'the economy' is an autonomous entity, an objectively existing 'environment' subject to immutable 'natural laws'. Communal 'interference' in the workings of the economy threaten economic wellbeing.

It is in the context of necessary commitment to the 'natural laws' of the economy that one should understand esoteric discussions amongst economists of the 'models' through which economic processes are to be understood. One such discussion focuses on the reasons for, and means of counteracting 'wage stickiness'.

- If one presumes that such matters are 'economic' concerns and that wages are (or should be) solely driven by 'economic' considerations, then one sees, and attempts to address, 'the problem of wage stickiness'. *Investopedia* has succinctly described this:

  > Stickiness is a theorized condition in the market, and can apply to more areas than wages alone. Stickiness, simply put, is a condition wherein a nominal price resists change. While it can often apply to wages, stickiness may also often be used in reference to prices within a market, which is also often called price stickiness. Prices, however, are generally thought of as not being as sticky as wages are, as the prices of goods often change easily and frequently in response to changes in supply and demand.
  > (œSticky Wage Theory, *Investopedia*, accessed June 2, 2016)

- Equally, if one considers the 'problems' of employment to be fundamentally 'economic', then one assumes that a clearer understanding of the 'forces' at work in determining wage rates (and the floor (if any) below which wages should not be allowed to fall) can be gained. If one can determine that all relevant economic drivers are accounted for in the models employed in determining wage rates, then one can better derive the 'real' rates (and floor) which should apply in the 'labor market' and 'labor force'.

  Peter Dorman adopts this approach to determining the 'model' which should be used in such deliberations. As he claims, in a blog entry entitled 'Why You Should Never Use a Supply and Demand Diagram for Labor Markets',

  > S&D is simply the wrong model, based on a failure to distinguish between offers and transactions. Fortunately, there's a better model out there, search theory, with fairly straightforward intuitions and tons of available data.
  >
  > Anyone who waves an S&D model at me and makes claims about the labor market is simply advertising that they know less about economics than they think they do.
  > (Peter Dorman, œWhy You Should Never Use a Supply and Demand Diagram for Labor Markets, published in *Angry Bear*, July 7, 2017)

- If, on the other hand, one sees 'wages' as ***determined by communities***, and *required* of economies (which, of course, for neoclassical and neoliberal devotees, violates the principle of the

autonomy of 'the economy'), then ***they are a consequence of communal regulation of economic activity***.

Base wage rates are determined by communities which require these rates to be built into the base costings of economic activity. That is, human beings are not like "commodities", and wages are not like "prices".[1023]

(06/02/16) This requires democratically organized capitalist communities with *communally established* processes of wage rate negotiation - usually within labor unions - and is one of the reasons why President Franklin Roosevelt of the US insisted on the need for well organized, legislatively protected, union movements during the New Deal period.

Dwight Eisenhower, wooing US voters who were already committed to New Deal principles, put the prevailing sentiments succinctly in a 1952 electioneering speech:

> I have no use for those - regardless of their political party - who hold some foolish dream of spinning the clock back to days when unorganized labor was a huddled, almost helpless mass.
>
> ... Today in America unions have a secure place in our industrial life. Only a handful of unreconstructed reactionaries harbor the ugly thought of breaking unions. Only a fool would try to deprive working men and women of the right to join the union of their choice (œSpeech to the American Federation of Labor, New York City, 9/17/52)

It also requires a protected economic environment so that economic pricings, incorporating communally determined base wage rates, can be protected from unfair competition based on pricings which do not include such costs.

In competitive environments where base wage rates act as a floor below which wages cannot fall, wages will inevitably fluctuate as competition between employers leads to above-award-rate wages. However, in a wage-regulated economy there remains a base rate below which wages cannot fall even if the unemployment rate rises.

New Deal understandings also presumed government responsibility for ensuring an environment which favored full employment.

œBill Mitchell has explained the prevailing presumptions well,

> First of all here is a totally general statement about the capacity of a currency-issuing government that applies to any nation...
>
> ...[S]uch a government can **always** use its currency-issuing capacity to ensure that all available productive resources that are for sale in that currency, including all idle labour, can be productively engaged.
>
> That is, such a government can always, without exception, ensure there is full employment.
>
> There is no financial constraint on such a government who desires to achieve that desirable policy goal.

In a later blog posting he has described the late 1940s arm-wrestling between US New Deal supporters and the descendants of 1920s 'free-market' advocates:

> In 1946, with the Second World War at an end, the world governments turned to the question of how to maintain the full

> employment that the prosecution of the War had brought in the peace. It was clear that governments could choose whatever unemployment level they wanted through the manipulation of fiscal and industry policies and so the only question was the political will to maintain the full employment state.
>
> In the US, the political debate led to the Employment Act 1946, which demonstrated ... the parameters of the conflict between conservative and the more liberal forces over what constituted full employment and what responsibility the currency-issuing government had for maintaining high levels of employment. (Bill Mitchell, œThe conservative opposition to full employment legislation in the US, *Billy Blog*, 13 July, 2017).

Once one accepts the *laissez faire* presumption of the primacy of the deregulated, globalized marketplace, then communal "interference" in the marketplace is illegitimate and human labor becomes just another "resource" to be exploited and to which "prices" can be attached - subject to 'economic laws of supply and demand' - the Speenhamland solution.

Eduardo Porter has described what is happening around the world as wages are failing to keep pace with living costs:

> ...[T]he job market - that most critical institution of capitalist societies, the principal vehicle to distribute the nation's wealth among its people - is not working properly. This raises a fundamental question: If the job market cannot keep hardworking people out of poverty and spread prosperity more broadly, how will it be done? Is public assistance our future?
>
> Lane Kenworthy, a professor of sociology at the University of California, San Diego, has disentangled the evolution of household incomes over the last three or four decades. The wages from work, he found, are playing a diminishing role for a growing swath of the labor force.
>
> ...Between 1979 and 2007, almost one third of the income gains of American households in the bottom half of the income ladder came from government transfers.
>
> A combination of sluggish employment and stagnant wages has forced more families to rely on the public purse in many developed nations.
>
> ...After 40 years of stagnant earnings from the middle on down, Professor Kenworthy said, it's hard to sustain the argument that things will be all right in the end. "That's a very long time to be just an aberration," he told me.
>
> ... Lawrence Katz, a professor of economics at Harvard, noted how some 40 years ago, the compensation of American workers became decoupled from productivity growth, which continued to advance even as wages stagnated. "We haven't kept up improving skills as we did before," Professor Katz said. "But it's not all about that."
>
> Globalization, which has moved a large share of industrial jobs to China and other cheap labor markets, has clearly played a role... (Eduardo Porter, œBig Mac Test Shows Job Market Is Not Working to Distribute Wealth (*New York Times*, April 21, 2015))

Robert Skidelsky (2015) has addressed the problem of the progressive decoupling of wage rates from productivity growth rates:

> ...As robots increasingly replace human labor, humans will need incomes to replace wages from work. Whereas tax credits point in the direction of replacement incomes, raising the minimum wage points in the opposite direction, by making income more dependent on jobs. In fact, focusing on the minimum wage would almost certainly speed up the automation process. Previous evidence that minimum-wage legislation does not reduce the demand for labor might not stand up against the rapidly falling cost of automating the production of goods and services.
>
> In short, if Osborne is serious about his pledge to provide a "living income" for all, he should be moving toward the idea of a "basic" or "citizen's" income, independent of the job market. A simple way forward would be to provide all citizens an unconditional tax credit, which could be built up gradually as the rewards from work fall...
> (Robert Skidelsky, œMinimum Wage or Living Income?, *Project Syndicate*, July 16, 2015)

As one of the commenters, pessimistically (or, realistically) responded,

> In the age we live in this will not happen. Companies donate to political campaigns which serve their own interests - and it is the interest of every company to have an abundance of cheap labour...
> (Michael Public JUL 16, 2015)

In a deregulated globalized marketplace, jobs don't remain in 'wage sticky' areas, they migrate to where the inducements are most attractive and costs are lowest - "the famous slicing up of the value-added chain - as individual production stages are located where the costs of production are lowest ".

Paul Krugman has illustrated the *laissez faire* mindset well in a blog discussion piece entitled "Sticky Wages and the Macro Story". His 'explanation' seems to presume that the US has gutted or removed all its wage rate legislation and abandoned its workers to the vagaries of 'free', individualized, employer/employee wage bargaining (FDR must be resting uneasily in the hereafter!):

> ... If we're looking at the market for, say, wheat, and there's an excess supply - sellers want to sell more than buyers want to buy - we expect to see the price fall rapidly to clear the market. So if there were really a large excess supply of labor, shouldn't we be seeing wages plummeting?
>
> And the answer is no - wages (and many prices) don't behave like that. It's an interesting question why, one that has to be answered in terms of psychology and sociology, but it's simply a fact that actual cuts in nominal wages happen only rarely and under great pressure. So wage stickiness is an essential part of a demand-side story about what's going on with the economy; it's how you answer the question of why wages aren't falling.
> (Paul Krugman, œSticky Wages and the Macro Story, *New York Times*, Opinion Pages, July 22, 2012.)

642 (01/07/17)(11/06/18)(14/02/19)

(10/03/19) In nations which presume the primacy of the community over the marketplace (or 'economy') the drive to export should be based in the need to access needed resources (or commodities) of the countries toward which exports are focused. Those exports generate credit

accounts with the importing country which can be employed within that country to access its resources.

So, the presumption of 'export led growth', which lies at the base of post-1960s neoliberal 'globalization', should be strongly focused on ensuring economic development *within* the exporting country (not so as to increase exports, but so as to increase access to desirable commodities and resources and so ensure internal communal and economic 'development' and wellbeing).

Accumulating credit in countries which lack resources or commodities required by the exporting country would be anomalous[1024].

Of course, sometimes the desired 'resource' might well be the credit generated within an importing country which could be used in accessing resources in a third country.

This places a nation which is the *de facto* provider of the international reserve currency in a privileged position. Its own currency becomes a potential 'export resource' and strong buttress to internal communal and economic 'development' and wellbeing

The 2017 claim by the US president, Donald Trump, that nations with surplus dollar holdings are in some way threatening to the US suggests a failure to understand this privileged position of a reserve currency as an export resource. Binyamin Appelbaum has explained it all:

> America's most profitable export product is not oil or medicine or Hollywood movies or Boeing airplanes. It is a small green piece of paper with Benjamin Franklin on the front.
>
> Last year, the United States exported $65.3 billion of its currency - mostly $100 bills.
>
> The world needs an international currency, and the dollar is the obvious candidate because the United States, for all its economic troubles, remains the hub of the global economy. United States government debt is the world's most popular investment, and the bonds can be purchased only with dollars. Oil is the world's dominant trade good, and it also is priced and sold in dollars. Much like Facebook, everybody uses dollars because everybody uses dollars...
>
> Some experts predict the dollar's days of dominance are numbered. But experts have been making that prediction for half a century. Meanwhile, the United States continues to crank the printing presses at its plants in Washington and Fort Worth and to distribute dollars from licensed warehouses in financial centers including London, Frankfurt and Singapore.
>
> Printing dollars, after all, is a very profitable business. Ranked by value, greenbacks finished second on the list of America's most valuable export products, just behind refined petroleum. But exporting money is much more profitable. It costs the federal government around 14 cents to produce a $100 bill, and a few more cents to send it overseas.
> (Binyamin Appelbaum, "America's Most Profitable Export: Money, *New York Times*, March 9, 2019)

In a democratic, capitalist nation, focused on the 'development' and wellbeing of its people, the reason for exports is not simply to accumulate foreign credit but to ensure a ready access to desired real

resources (or commodities) needed or wanted within the exporting country.

If there were no need for resources or commodities from outside the exporting country then export-driven economic activity would be anomalous.

(16/06/18) Bill Mitchell has summed all this up well:

> For an economy as a whole, imports represent a real benefit while exports are a real cost.
>
> Exports mean that we have to give something real to foreigners that we could use ourselves - that is obviously an opportunity cost. Imports represent foreigners giving us something real that they could use themselves but which we benefit from having. The opportunity cost is all theirs!
>
> Thus, net imports means that a nation gets to enjoy a higher material living standard by consuming more goods and services than it produces for foreign consumption.
> (Bill Mitchell, œTrade and external finance mysteries, *Billy Blog*, 08 May, 2018)

Mitchell has focused on the undeniable fact that, for a sovereign nation which is focused on improving the wellbeing of its populace through accessing foreign real resources, '*exports are a cost and imports are a benefit*'.

However, in a neoliberally organized, deregulated nation, multinational corporations, focused on accumulating external credit *as a possession*, siphon export profits into tax havens. This results in 'tax-haven countries showing ridiculously high levels of profits relative to wages'.

This is, of course, driven by what Keynes described as 'The love of money as a possession - as distinguished from the love of money as a means to the enjoyments and realities of life'. There is no increase in real resources available to the exporting country as a result of their export activity. The export/import exercise is seen as *foreign credit* accumulation (a virtue in itself) and *sovereign credit* 'loss' to the country which supplies the exporting country with needed or wanted resources. So, *exports are perceived as a benefit and imports are perceived as a cost*.

(07/07/17) In nations which presume the primacy of the marketplace (economic activity for its own sake), exports are driven, not by the need for resources but by the *'need' to accumulate 'credit' for its own sake*. As the world has witnessed over the past fifty years, international credit accumulation then results in absurdly inflated credit accounts in places where the costs of accumulating those credits are lowest.

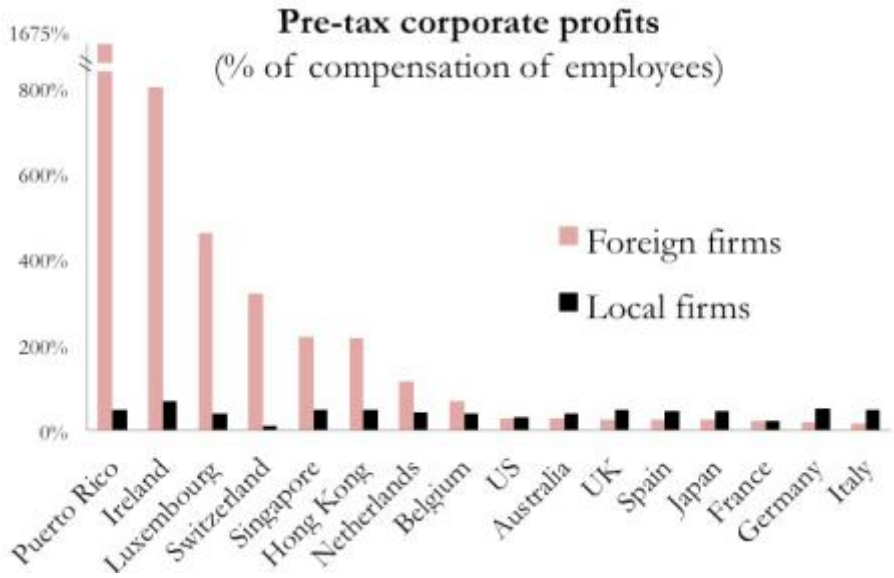
Jim Tankersley, relying on research by Thomas Tørsløv, Ludvig Wier and Gabriel Zucman[1025], has explained:

> ... [A] jarringly large amount of what appears, to policymakers, to be investment pushed abroad by high tax rates is instead an accounting trick - so-called paper profits - which tax cuts will not reverse.
>
> "This idea that if you cut taxes, you'll attract a lot of physical capital, a lot of investment to the United States, I don't think is supported by the evidence," said Gabriel Zucman..., "Paper profits - that doesn't boost wages for workers. What boosts wages is actual

factories."
(Jim Tankersley, "Tax Havens Blunt Impact of Corporate Tax Cut, Economists Say, *New York Times*, 10 June, 2018)

Paul Krugman has illustrated the effects. As he explained,

> ...[T]ax-haven countries end up showing ridiculously high levels of profits relative to wages, basically because the profits aren't being earned where they're being reported.



(Figure 4: Profitability in Foreign vs. Local Firms, Tørsløv, Wier & Zucman)
(Paul Krugman, "Tax Cuts and Leprechauns, *New York Times*, June 15, 2018)

Katy Wright, of Oxfam Great Britain, has summed it up:

> ... [W]hat specific thing embodies inequality better in today's world than the tax haven? These are secretive, cynical jurisdictions that contribute little to the economy or society than to ensure a greater return to capital.
>
> One estimate is that $7.6 trillion is stashed by rich individuals in tax havens worldwide. They happen to also come with imagery that speaks of luxury and remote secrecy. They are Davos with palm trees. And like many structures there to benefit the richest, tax havens are also incredibly damaging for the poorest.
> (Katy Wright, "How Can We Rouse the Public Against an Abstract Noun? (Tips for fighting inequality from a top Oxfam campaigner), *Inequality.Org,* Research & Commentary, July 05, 2017)

Keynes, in an optimistic 1930 essay, described this mentality well:

> The love of money as a possession... will be recognised for what it is, a somewhat disgusting morbidity, one of those semicriminal, semi-pathological propensities which one hands over with a shudder to the specialists in mental disease.

In such circumstances, the original exporting country sees little or no community and internal economic advantage from the export activity.

As has been explained elsewhere, those whose diseased mentalities presume the virtue of credit accumulation *for its own sake*, 'getting mega-rich', do not have the wellbeing of communities at heart, but the wellbeing of 'bank accounts' and inflation-hedging 'hard assets'. Sam Pizzigati has described the mentality of 2017's US political 'leaders':

> We have as President a man of enormous wealth who suggests that individuals of enormous wealth should run the government.
>
> "I just don't want a poor person" in the cabinet, President Trump recently told a rally in Cedar Rapids, Iowa.
>
> The President wants rich people in the cabinet - and he has them. Mega millionaires and a few billionaires make up most of his key top appointments. And that rates as a good thing, the President assures us.
>
> "Somebody said, 'Why'd you appoint rich person to be in charge of the economy,'" he explained in Iowa. "I said, 'Because that's the kind of thinking we want.'"
> (Sam Pizzigati, œOvercoming the 'Politics of Deference', *Inequality Org*, June 28, 2017)

The attitude which Pizzigati has described is not one confined to the US president. It is dominant among many of the elected members of both major political parties in the US Congress.

643 (24/03/17) As Western nations have been reorganized and refocused to neoliberal understandings of reality through the past half-century, previously publicly owned and organized banks and other financial institutions have been and are being privatized. In the face of this drive toward privatization, there have, for many years, been cogent arguments made for treating all banks as public utilities.

A report by *The New Economics Foundation* in 2012 summed it all up well:

> We surveyed data from 65 countries to identify successful alternatives to commercial banks, which we defne as banks that have the main objective of maximising shareholder value. Four distinct forms were identifed: cooperative banks, credit unions, community development fnance institutions (CDFIs), and public interest savings banks. Their common characteristic is the goal of creating value for stakeholders, not just shareholders. Several trends emerge across all four types of bank:
>
> - Greater focus on the needs of customers, including more competitive products, better service, and longer term lending.
> - Explicit aim to provide for customers who are underserved by commercial banks.
> - Positive impact on local economic development through lending to small and medium businesses, preventing capital drain from regions, and maintaining branch networks.
> - Positive impact on fnancial stability through less volatile returns, higher levels of capital, prudent balance sheets, and expansion of credit provision after the fnancial crash.
>
> Criticisms that stakeholder banks are inefficient and distort competition are found to be unconvincing. However, lack of access to capital is a constraint on growth, and there are lessons to be learned from those institutions that failed during the fnancial crisis.
>
> We conclude that certain factors are critical to the success of stakeholder banks:

- Maintaining independence of locally focussed and controlled institutions, while collaborating in networks to gain economies of scale, expertise and pooled liquidity and risk through central institutions and infrastructure.
- Favourable regulation that recognises the distinct nature of stakeholder banks, and does not force them to become more like commercial banks.

> We recommend that banking policy explicitly acknowledges the benefits of banking diversity - including to global financial stability - and seeks to nurture a vibrant stakeholder banking sector (Lydia Prieg and Tony Greenham, œStakeholder Banks: Benefits of banking diversity, *The New Economics Foundation*, December, 2012)

As they explain:

> ...[W]e... found one unifying theme that set them apart from commercial banks. Instead of having a single overarching objective of maximising shareholder value, they all seek to balance profit with social goals, or in other words to maximise stakeholder value. Hence we refer to them as stakeholder banks.

A summary of market shares of deposits in such banks within 3 major Eurozone countries is informative:

Because of their experiences during the period of Western European colonial empires, many Second and Third World countries developed large state owned banking sectors.

(*The Economist*, 13 May, 2010)

This mix was, inevitably, balanced by a mixture of foreign banking enterprises, usually riding the coat-tails of empire. An article in *The Economist* explained the value of the public option in banking in the wake of the Great Financial Crisis (GFC):

> After mid-2008 there was a big divergence, with the state banks (which come in three main flavours: the nationalised banks, State Bank of India and the regional rural banks) keeping credit growing fairly steadily. The private banks more or less ground to a halt. The foreign banks went from expansion to sharp decline, with their share of loans dropping from a peak of 7% to a paltry 5.3% last December.
>
> Most bank executives now also concede that old-fashioned regulation was shown to have its merits. Indian banks are required to hold a big slug of their assets (typically just under a third) in government bonds and at the central bank. Now Western regulators too are considering pushing up liquidity levels. Indian bankers joke that all the fiddly rules they face have become the envy of regulators throughout the world.
> (*The Economist*, œMutually assured existence: Public and private banks have reached a modus vivendi, 13 May, 2010)

Ellen Brown (2011) has addressed the experiences of Western nations:

> Publicly owned banks were instrumental in funding Germany's "economic miracle" after the devastation of World War II. Although the German public banks have been targeted in the last decade for takedown by their private competitors, the model remains a viable alternative to the private profiteering being protested on Wall Street today.
>
> One of the demands voiced by protesters in the Occupy Wall Street movement is for a "public option" in banking. What that means was explained by Dr. Michael Hudson, professor of economics at the University of Missouri in Kansas City, in an interview by Paul Jay of the Real News Network on October 6:

> [T]he demand isn't simply to make a public bank, but is to treat the banks generally as a public utility, just as you treat electric companies as a public utility.... Just as there was pressure for a public option in health care, there should be a public option in banking. There should be a government bank that offers credit card rates without punitive 30% interest rates, without penalties, without raising the rate if you don't pay your electric bill. This is how America got strong in the 19th and early 20th century, by essentially having public infrastructure, just like you'd have roads and bridges.... The idea of public infrastructure was to lower the cost of living and to lower the cost of doing business.

We don't hear much about a public banking option in the United States, but a number of countries already have a resilient public banking sector. A May 2010 article in The Economist noted that the strong and stable publicly owned banks of India, China and Brazil helped those countries weather the banking crisis afflicting most of the world in the last few years.

...[T]here are other Western public banking models that are successful.... Europe has a strong public banking sector; and leading it is Germany, with 11 regional public banks and thousands of municipally owned savings banks. Germany emerged from World War II with a collapsed economy that had degenerated into barter. Today, it is the largest and most robust economy in the eurozone. Manufacturing in Germany contributes 25 percent of gross domestic product, more than twice that in the UK. Despite the recession, Germany's unemployment rate, at 6.8 percent, is the lowest in 20 years. Underlying the economy's strength is its Mittelstand - small to medium sized enterprises - supported by a strong regional banking system that is willing to lend to fund research and development.

In 1999, public banks dominated German domestic lending, with private banks accounting for less than 20 percent of the market, compared to more than 40 percent in France, Spain, the Nordic countries and Benelux. Since then, Germany's public banks have come under fire; but local observers say that is due to rivalry from private competitors rather than a sign of real weakness in the sector.

As precedent for a public option in banking, then, the German model deserves a closer look.
(Ellen Brown, œThe Public Option in Banking: Another Look at the German Model, *Truthout*, News Analysis, October 14, 2011)

644 (20/07/16)(01/03/17) Many post-1960s Western politicians who committed themselves and their constituents to *laissez faire* futures, appeared oblivious to the origin of credit in capitalist societies - it was 'just there', sprung from 'economic activity'. For them, 'money' was presumed to be generated in some undefined way in the private marketplace. As Richard Werner explained, both politicians and the economists who counselled them conspicuously "failed... to make any progress concerning knowledge of the monetary system".

The British prime minister, Margaret Thatcher, was a British conservative in the tradition of the 'born again' Christian religious right, a disciple of Milton Friedman, and contemporary of Ronald Reagan. She demonstrated that lack of understanding in a 1983 speech in which she spelt out the

neoliberal understanding of the origin and nature of 'money' in a capitalist society:

> One of the great debates of our time is about how much of your money should be spent by the State and how much you should keep to spend on your family. Let us never forget this fundamental truth: the State has no source of money other than money which people earn themselves. If the State wishes to spend more it can do so only by borrowing your savings or by taxing you more. It is no good thinking that someone else will pay - that "someone else" is you. There is no such thing as public money; there is only taxpayers' money.
>
> Prosperity will not come by inventing more and more lavish public expenditure programmes. You do not grow richer by ordering another cheque-book from the Bank. No nation ever grew more prosperous by taxing its citizens beyond their capacity to pay. We have a duty to make sure that every penny piece we raise in taxation is spent wisely and well. For it is our party which is dedicated to good housekeeping - indeed, I would not mind betting that if Mr. Gladstone were alive today he would apply to join the Conservative Party.
>
> Protecting the taxpayer's purse, protecting the public services - these are our two great tasks, and their demands have to be reconciled. How very pleasant it would be, how very popular it would be, to say "spend more on this, expand more on that." We all have our favourite causes - I know I do. But someone has to add up the figures. Every business has to do it, every housewife has to do it, every Government should do it, and this one will.
> (*Margaret Thatcher Foundation*, œSpeech to Conservative Party Conference, Oct 14 1983)

645 Stephen Morris, in a comment on a less-than-convincing article by George Soros (2016) entitled 'Open Society Needs Defending', contends that, even assuming the validity of *homo economicus*, given a free choice in their system of government, Western individuals almost invariably vote for genuine Democracy not the plutocratic alternative of elitist "elective" government. As he says:

> What this article highlights is the essential flaw in Popper's philosophy of Platonic Paternalism, the belief system embraced by Elites throughout the developed world. We are NOT witnessing a failure of Democracy. We are witnessing the consequences of failing to implement Democracy in the first place.
>
> Democracy is NOT about "electing leaders". That is elitist "elective" government. And as Nobel laureate James Buchanan explains, it is a system all but guaranteed to create the disaster we now see:
>
>> [S]uppose that a monopoly right is to be auctioned; whom will we predict to be the highest bidder? Surely we can presume that the person who intends to exploit the monopoly power most fully, the one for whom the expected profit is highest, will be among the highest bidders for the franchise.
>>
>> In the same way, positions of political power will tend to attract those persons who place higher values on the possession of such power. These persons will tend to be the highest bidders in the allocation of political offices. . . .

> Is there any presumption that political rent seeking will ultimately allocate offices to the 'best' persons? Is there not the overwhelming presumption that offices will be secured by those who value power most highly and who seek to use such power of discretion in the furtherance of their personal projects, be these moral or otherwise?
>
> Genuine public-interest motivations may exist and may even be widespread, but are these motivations sufficiently passionate to stimulate people to fight for political office, to compete with those whose passions include the desire to wield power over others?
> (James Buchanan and Geoffrey Brennan, œ*The Reason of Rules*, Cambridge University Press, 1985, p64)

Under such conditions (and in the absence of true Democracy) it is perfectly reasonable to expect that:

> a) the system will adversely select aggressively narcissistic, machiavellian (and quite possibly psychopathic) political agents who act in their own interests, with minimal regard for the subjects they rule;
>
> b) such politicians will deliberately misrepresents the state of affairs to the public in their desperate attempts to secure votes;
>
> c) such politicians will engage in obscene competitions to hand out bread and circuses, each side seeking to outdo the other to secure power; and
>
> d) such politicians will engage in grubby auctions, buying off special interest groups and powerful lobbies piecemeal with gifts from the public purse . . . and look to receive favours in return, either in the form of support in government or employment in later life.

Real Democracy allows the citizens themselves to choose the system of government THEY prefer for THEIR country or state.

And we know with some confidence what system of government citizens prefer.

To begin with, we know from Game Theory that citizens' consent for non-democratic elective government can not be inferred from their strategy of sullen acquiescence. That would require demonstrating that citizens are not acting under conditions of Prisoners' Dilemma in the face of entrenched political parties and other powerful elite interests opposed to genuine Democracy.

We know from work such as that of Bowler *et al* ("œEnraged or Engaged? Preferences for Direct Citizen Participation in Affluent Democracies", 2007) that:

> a) in almost all countries a clear majority of respondents agree or strongly agree with the statement "Thinking about politics in [COUNTRY] . . . . Referendums are a good way to decide important political questions";
>
> b) in countries where there is no outright majority support, a strong plurality of respondents agree or strongly agree (with some having no view); and

c) support is STRONGEST in that country (Switzerland) where people have the MOST experience of such decision-making.

We know from the historical record that in the few cases where citizens HAVE been given a free choice in their system of government (half of US states, German lander, a handful of other jurisdictions) they almost invariably vote for genuine Democracy with the right of recall, veto, initiative and referendum.

(Admittedly in the United States, the democratic States must still operate under the anti-democratic provisions of the Federal constitution and its Supreme Court which - in the name of the "Rule of Law" - insists that Money is Speech and overturns attempts to regulate the role of money in the democratic process. But that's hardly a shortcoming of Democracy.)

Finally, and most importantly, we know that where citizens DO enjoy truly democratic rights they NEVER vote to repeal them, even though it's a straightforward process to initiate a referendum for that purpose. (And indeed in some jurisdictions the attempt has been made . . . and defeated at the ballot box!)

Unlike the elitist system of elective government, genuine Democracy demonstrates the ongoing consent of the citizens being governed.

The last great wave of Populism (that's big-P Populism, not the pejorative small-p populism) in the early 20th century had the legacy of introducing Democracy to almost half the US States.

So If you want to address the shortcomings [of] modern government, do not talk about the supposed failure of a "Democracy" which never in fact existed.

Instead, join the campaign to replace the corrupt system of elective government and give genuine Democracy a chance to thrive (Stephen Morris, Comment on:George Soros, "Open Society Needs Defending, *Project Syndicate*, December 28, 2016)

646 (26/01/16) Franklin Roosevelt (1938) clearly spelt out the threat of plutocracy for democratically organized capitalist nations. His explanation and warnings are even more urgently relevant today than they were in the 1930s:

Unhappy events abroad have retaught us two simple truths about the liberty of a democratic people.

The first truth is that the liberty of a democracy is not safe if the people tolerate the growth of private power to a point where it becomes stronger than their democratic state itself. That, in its essence, is Fascism - ownership of Government by an individual, by a group, or by any other controlling private power.

The second truth is that the liberty of a democracy is not safe if its business system does not provide employment and produce and distribute goods in such a way as to sustain an acceptable standard of living.

Both lessons hit home.

Among us today a concentration of private power without equal in history is growing.

> This concentration is seriously impairing the economic effectiveness of private enterprise as a way of providing employment for labor and capital and as a way of assuring a more equitable distribution of income and earnings among the people of the nation as a whole. (F. D. Roosevelt, œMessage to Congress on Curbing Monopolies, April 29, 1938 (Online by Gerhard Peters and John T. Woolley, The American Presidency Project))

Let's not be beguiled by crocodile smiles and misinterpreted tears. Philanthropy is the stalking horse of predation.

Tim Scott has summed up the real aims and ambitions of Western plutocratic philanthropy over the past two hundred and more years:

> In the late 19th century many U.S. industrialists - Andrew Carnegie, John Pierpont Morgan, John D. Rockefeller and others - who amassed immense wealth through the exploitation and degradation of workers (including children), began to establish philanthropic trusts and foundations. Oil monopolist John D. Rockefeller (senior) described this social mission as a divinely inspired "business of benevolence." Accordingly, historian Benjamin J. Soskis reports that Rockefeller declared in 1906:
>
> > I believe that the power of making money is a gift from God... I believe it is my duty to go on making money and still more money, and to use the money I make for the good of my fellow man according to the dictates of my conscience.
>
> As such, philanthropists of this time channeled charitable gifts to civil society and aid-based organizations charged with facilitating the cultural reproduction of American values derived from the Protestant ethics that sustain U.S. capitalism: individualism, self-reliance, hard work, meritocracy, discipline and obedience. In terms of the benevolent role of philanthropists during this period, Soskis frames it this way:
>
> > This conflation of the obligations of business and businessman was encouraged by the concept of stewardship, the dominant means by which Americans understood the responsibilities of wealth in the nineteenth century. By the dictates of stewardship, men could not claim ultimate ownership over their possessions, but held them only as trustees for some higher authority - in the concept's Protestant manifestation...
> >
> > By bridging the realms of accumulation and redistribution, stewardship linked provisional property rights with the responsibilities that attended those rights. Stewardship provided a bridge between the imperatives of service and self-interest, a causeway over which proponents of corporate philanthropy would make their unsteady way in the decades to come.
>
> Through this doctrine of divine providence, these charitable "Captains of Industry" advanced everything from universal public education, immigrant assimilation and poverty mitigation to the arts, public health and science and medical research.
>
> Naturally, this giving came with a social engineering agenda. For example, as documented in my article "œThe Despotic Origins of Public Secondary Education," their financial and political support for universal public education was intended to bolster U.S. hegemony, by furthering U.S. industrial capitalism's imperialist pursuits as tied

> to the nation's foundational structures of heteropatriarchy, white supremacy and settler colonialism.
> (Tim Scott, œImpact Investing and Venture Philanthropy's Role in Sowing the Seeds of Financial Opportunity, *Dissident Voice*, February 17th, 2017)

When Western communities and nations cede 'social' and 'cultural' funding to their plutocracies they surrender to those 'philanthropists' their futures. As Thomas Jefferson urged:

> Preach, my dear Sir, a crusade against ignorance; establish and improve the law for educating the common people. Let our countrymen know that the people alone can protect us against these evils, and that the tax which will be paid for this purpose is not more than the thousandth part of what will be paid to kings, priests and nobles who will rise up among us if we leave the people in ignorance...

Lewis Carrol's cautionary poem, *The Crocodile*, should be required kindergarten learning:

> How cheerfully he seems to grin
> How neatly spreads his claws,
> And welcomes little fishes in,
> With gently smiling jaws!

Fred Guerin put it in a nutshell:

> *A society that genuinely cares for its citizens' well-being has little need for manufactured, top-down charity because such a society builds institutions that democratically enable all citizens to participate in a shared commons, where no one need suffer the indignity of gross injustice, burdensome debt or soul-destroying poverty.*
>
> One of the most potent, propagandistic memes advanced by the corporate well-to-do in the United States today has been the projection of themselves as lovers of philanthropy and charity...
>
> The super-wealthy of the world can undoubtedly feel good about their big-heartedness. Some might even see the private accumulation of massive wealth as morally justified, even in the face of profound inequality - that is, justified so long as they can somehow claim that their great individual wealth will inevitably "trickle down" to the have-nots. Of course, very few economists today would have the temerity to defend trickle-down economics. This is why the latter idea has to be reconfigured in more positive terms. Instead of trickle-down economics, we now have the rich speaking openly about "corporate social responsibility" and broadcasting their beneficence through charitable foundations.
>
> In reality, corporations see charity as the perfect means through which they can get their foot in the door of public institutions, universities and other public agencies. In other words, their largesse has a price tag attached to it. Corporate charity typically cashes out for the rich and powerful in the form of decision-making power...
> (œThe Charitable Society or "How to Avoid the Poor and Perpetuate the Wealth Gap", Fred Guerin, *Truthout*, Sunday, 21 September 2014)

Michael Massing has painted a clear picture of the growth in US plutocratic philanthropy over the past three decades:

> As the concentration of wealth in America has grown, so has the scale of philanthropy. Today, that activity is one of the principal ways in which the superrich not only "give back" but also exert influence, yet it has not received the attention it deserves. As I have previously tried to show, digital technology offers journalists new ways to cover the world of money and power in America,1 and that's especially true when it comes to philanthropy.
>
> Over the last fifteen years, the number of foundations with a billion dollars or more in assets has doubled, to more than eighty. A significant portion of that money goes to such traditional causes as universities, museums, hospitals, and local charities. Needless to say, such munificence does much good. The philanthropic sector in the United States is far more dynamic than it is in, say, Europe, due in part to the tax deductions allowed under US law for charitable giving. Unlike in Europe, where cultural institutions depend largely on state support, here they rely mainly on private donors.
>
> The tax write-offs for such contributions, however, mean that this giving is subsidized by US taxpayers. Every year, an estimated $40 billion is diverted from the public treasury through charitable donations. That makes accountability for them all the more pressing. So does the fact that many of today's philanthropists are more activist than those in the past. A number are current or former hedge fund managers, private equity executives, and tech entrepreneurs who, having made their fortunes on Wall Street or in Silicon Valley, are now seeking to apply their know-how to social problems. Rather than simply write checks for existing institutions, these "philanthrocapitalists," as they are often called, aggressively seek to shape their operations.
> (Michael Massing, œHow to Cover the One Percent, *The New York Review of Books*, January 14, 2016)

647 Minions and their benefactors come with a wide variety of aptitudes and abilities which are harnessed to the ideological and self-promotional ends they share. Minions are by nature followers, attracted to benefactors from whom they draw strength and self-confidence.

It would be wrong to assume that all plutocratic minions are morally bankrupt sycophants selling their souls for a mess of pottage. Plutocrats come in many ideological shadings and attract minions who share the understandings and enthusiasms of their masters.

True believers seldom experience moral dissonance in promoting the enthusiasms and interests of their chosen benefactors and mentors. So, there is little to be gained from appeals to their 'better natures'; they are already being true to themselves.

648 (28/01/16) Lincoln's insight into the lurking danger of an ascendant plutocracy for the future of US democracy should be burned into the consciousness of all who truly believe in 'government of the people, by the people, for the people':

> We may congratulate ourselves that this cruel war is nearing its end. It has cost a vast amount of treasure and blood... It has indeed been a trying hour for the Republic; but I see in the near future a crisis approaching that unnerves me and causes me to tremble for the safety of my country.
>
> As a result of the war, corporations have been enthroned and an era of corruption in high places will follow, and the money power of the

> country will endeavor to prolong its reign by working upon the prejudices of the people until all wealth is aggregated in a few hands and the Republic is destroyed.
>
> I feel at this moment more anxiety for the safety of my country than ever before, even in the midst of war. God grant that my suspicions may prove groundless.
>
> (œRick Crawford provides his sourcing of this quotation: The passage appears in a letter from Lincoln to (Col.) William F. Elkins, Nov. 21, 1864. For a reliable pedigree, cite p. 40 of *The Lincoln Encyclopedia: The Spoken and Written Words of A. Lincoln Arranged for Ready Reference*, by Archer H. Shaw (NY, NY: Macmillan, 1950). That traces the quote's lineage to p. 954 of *Abraham Lincoln: A New Portrait*, (Vol. 2) by Emanuel Hertz (New York: Horace Liveright Inc, 1931).)

649 The New Deal did not usher in a Utopia - social equity, while much improved, was far from perfect! It needs to be remembered that the free market fundamentalists who had run the 1920s did not go away, they were merely, temporarily, in a political minority [1026], with Roosevelt and his supporters, rather shakily, in control.

Orsola Costantini provided a description of some of the problems faced by the Roosevelt Administration:

> Save for a moment at the start of Roosevelt's first term, most American businessmen perceived the New Deal as a political program bent on transforming the US into a socialist state, reminiscent of the Soviet Union. As a result, most renewed their traditional commitment to the opposing Republican Party while the major general purpose business organizations - the United States Chamber of Commerce and the National Association of Manufacturers (NAM) turned sharply against the New Deal. Especially after the late Spring of 1935, when Roosevelt turned decisively to the left with his so-called "Second New Deal" that included Social Security and the Wagner National Labor Relations Act giving legal protection to labor organizing, much of American business embarked on something resembling a crusade against him. NAM in particular saw its budget and total membership spiral rapidly upwards as major business groups opposed to the New Deal took control and proselytized for wider support...
> (Orsola Costantini, 2015, p. 8)

Within a decade, the US financial establishment - that group to which Geithner proudly referred in his memoir *Stress Test* when he claimed that "I basically restored the New York Fed board to its historic roots as an elite roster of the local financial establishment" - were regathering the reins of the US Federal Reserve. The New Deal architects were being replaced.

What is remarkable is not that social and economic inequity remained, but that, despite persistent, well-organized, Supreme Court-backed opposition, the Roosevelt reforms produced significant long-term change.

Criticisms of what was achieved need to be tempered by awareness of the political realities. As one commenter put it:

> Everyone seems to talk about those days as the halcyon days of "wide spread prosperity" - they of course were not and billions suffered. OK, OK you want to limit it to the US maybe 2-300 people

had 65% of wealth and 180 million shared the rest among themselves.
(Krugman Blog, œThe Unwisdom of Crowding Out (Wonkish), *New York Times*, The Opinion Pages, Commenter: *me, earth*, November 15, 2014)

650 (14/02/16)(05/06/16)(24/01/17) I know that for some who recognize the importance of the principle that sovereign governments create credit, this is a contentious issue. As one commenter on a blog posting by Randy Wray explained:

> The Treasury "owes" the money it creates to it's (the government's) creditors... the people who supply the goods and services the government purchases. It's not a future debt. The money wouldn't be issued if the debt were not already incurred (or mandated to be incurred by Congress in some spending bill). No money is created (issued) unless and until there is a debt of the government that needs to be paid. What other use has the government for money? Why issue it at all?
> (Commenter, Jamie, December 20 2015, on œRandy Wray: Debt-Free Money and Banana Republics, Posted on December 20, 2015 by Lambert Strether, *Naked Capitalism* Blog Site)

The suggestion seems to be that all sovereign credit creation is based on meeting 'debts' incurred by government for services provided by its creditors. This understanding is, of course, one of the prime reasons why many who accept that sovereign governments *create* credit, still assume that Sovereign bonds are 'public debt instruments'.

However, this unnecessarily limits the creation of credit to debt servicing. As the 'quantitative easing' of the post-2008 period demonstrates, there are reasons for credit creation which do not imply debt servicing. So, it seems inappropriate to insist that sovereign credit creation, for that reason, is 'government debt'.

Let's just agree that credit creation is, as Wray suggests, "an electronic entry on the liability side of the bank's balance sheet" and avoid the possibly obfuscatory term 'debt' which leads to so many shrill demands that governments need to "pay down their deficits".

(Those committed to the use of the term 'debt money' seem to be unnecessarily adding to that confusion by such a restrictive explanation of the purpose of credit creation.)

Wray's explanation, insisting that 'money' is 'debt', too easily constricts understanding by conflating credit creation with 'money' creation (easily confused with official currency creation) and, at the same time, because of this conflation, credit creation becomes limited to debt servicing:

> But, folks, it is all "debt money".
>
> "Bank Money" is an electronic entry on the liability side of the bank's balance sheet, and an electronic entry on the asset side of the depositor's balance sheet. (Called double entry book-keeping, the "keystroking" of deposits when a bank makes a loan means there will be four entries - the "note" of the borrower is the bank's asset, and the bank's "deposit" is its liability; the deposit is the borrower's asset, and the note is the borrower's liability.) Depositors can write checks on these deposits to pay down their own debts, including debts to banks.

(L. Randall Wray, œDebt-free Money: A Non-sequitur In Search Of A Policy, *New Economic Perspectives*, July 1, 2014)

We need constantly to remind ourselves that the creation of unsecured credit by private financial institutions is *not the same* as credit creation by sovereign central banks. One is based on an assumption of 'credit-worthiness' backed by presumed access to sovereign credit; the other is the *issuer* of unencumbered sovereign credit.

As observed elsewhere, the use of profit and loss book-keeping terminologies for sovereign reserve bank credit creation and dispersal is most unfortunate. What is labelled 'the liability side of the bank's balance sheet' is, in fact, a record of 'Reserve Bank credit [which] does not consist of funds that the Reserve authorities "get" somewhere in order to lend, but constitutes funds that they are empowered to create'.

A commenter on a blog posting by Randy Wray put it all both succinctly and diplomatically:

> Dr Wray makes an excellent and logical case that taxes are not used to run government operations. I only wish people and politicians would listen and learn. Next he defines money issued by the government as debt but he does it in terms of a method of counting and keeping records of money. His explanation is as clear and understandable as any I have ever read.
>
> However, I do not accept that the way you count something changes its nature and using an accounting method that requires calling issued money debt does not make it debt in the conventional sense of the word. The "debt free" money people talk about would be money spent into the economy in excess of the sum of taxes plus borrowing, money that does not have to be paid back to commercial banks. The government is prevented from doing that by the accounting process that requires spending to equal taxes plus borrowing.
> (Charles3000, Commenter, L. Randall Wray, œThe Value of Redemption: Debt-free Money Part 3, *New Economic Perspectives*, Posted on February 14, 2016)

The old adage 'Give a dog a bad name and you might as well hang him' applies. Once the term 'liability' is applied to the debit side of the balance sheet it becomes a simple matter to either ideologically or naively argue that the naming of one side of the ledger as 'Liabilities' indicates that it refers to 'debt' owed by the Reserve Bank. I must rename my dog "Savage" before someone uses his name as an excuse to hang him! Perhaps "Cuddles" will protect him!

651 Macaulay's (1849) description of Britain's road to debt financed greatness:

> Such was the origin of that debt which has since become the greatest prodigy that ever perplexed the sagacity and confounded the pride of statesmen and philosophers. At every stage in the growth of that debt the nation has set up the same cry of anguish and despair. At every stage in the growth of that debt it has been seriously asserted by wise men that bankruptcy and ruin were at hand. Yet still the debt went on growing; and still bankruptcy and ruin were as remote as ever.
>
> When the great contest with Lewis the Fourteenth was finally terminated by the Peace of Utrecht, the nation owed about fifty millions; and that debt was considered, not merely by the rude

multitude, not merely by foxhunting squires and coffeehouse orators, but by acute and profound thinkers, as an incumbrance which would permanently cripple the body politic; Nevertheless trade flourished; wealth increased; the nation became richer and richer.

Then came the war of the Austrian Succession; and the debt rose to eighty millions. Pamphleteers, historians and orators pronounced that now, at all events, our case was desperate. Yet the signs of increasing prosperity, signs which could neither be counterfeited nor concealed, ought to have satisfied observant and reflecting men that a debt of eighty millions was less to the England which was governed by Pelham than a debt of fifty millions had been to the England which was governed by Oxford.

Soon war again broke forth; and, under the energetic and prodigal administration of the first William Pitt, the debt rapidly swelled to a hundred and forty millions. As soon as the first intoxication of victory was over, men of theory and men of business almost unanimously pronounced that the fatal day had now really arrived. The only statesman, indeed, active or speculative, who did not share in the general delusion was Edmund Burke.

David Hume, undoubtedly one of the most profound political economists of his time, declared that our madness had exceeded the madness of the Crusaders. Richard Coeur de Lion and Saint Lewis had not gone in the face of arithmetical demonstration. It was impossible to prove by figures that the road to Paradise did not lie through the Holy Land; but it was possible to prove by figures that the road to national ruin was through the national debt.

It was idle, however, now to talk about the road; we had done with the road; we had reached the goal; all was over; all the revenues of the island north of Trent and west of Reading were mortgaged. Better for us to have been conquered by Prussia or Austria than to be saddled with the interest of a hundred and forty millions.

And yet this great philosopher - for such he was - had only to open his eyes, and to see improvement all around him, cities increasing, cultivation extending, marts too small for the crowd of buyers and sellers, harbours insufficient to contain the shipping, artificial rivers joining the chief inland seats of industry to the chief seaports, streets better lighted, houses better furnished, richer wares exposed to sale in statelier shops, swifter carriages rolling along smoother roads. He had, indeed, only to compare the Edinburgh of his boyhood with the Edinburgh of his old age. His prediction remains to posterity, a memorable instance of the weakness from which the strongest minds are not exempt.

Adam Smith saw a little and but a little further. He admitted that, immense as the burden was, the nation did actually sustain it and thrive under it in a way which nobody could have foreseen. But he warned his countrymen not to repeat so hazardous an experiment. The limit had been reached. Even a small increase might be fatal.

Not less gloomy was the view which George Grenville, a minister eminently diligent and practical, took of our financial situation. The nation must, he conceived, sink under a debt of a hundred and forty millions, unless a portion of the load were borne by the American colonies.

> The attempt to lay a portion of the load on the American colonies produced another war. That war left us with an additional hundred millions of debt, and without the colonies whose help had been represented as indispensable.
>
> Again England was given over; and again the strange patient persisted in becoming stronger and more blooming in spite of all the diagnostics and prognostics of State physicians. As she had been visibly more prosperous with a debt of a hundred and forty millions than with a debt of fifty millions, so she, as visibly more prosperous with a debt of two hundred and forty millions than with a debt of a hundred and forty millions.
>
> Soon however the wars which sprang from the French Revolution, and which far exceeded in cost any that the world had ever seen, tasked the powers of public credit to the utmost. When the world was again at rest the funded debt of England amounted to eight hundred millions.
>
> If the most enlightened man had been told, in 1792, that, in 1815, the interest on eight hundred millions would be duly paid to the day at the Bank, he would have been as hard of belief as if he had been told that the government would be in possession of the lamp of Aladdin or of the purse of Fortunatus. It was in truth a gigantic, a fabulous debt; and we can hardly wonder that the cry of despair should have been louder than ever. But again that cry was found to have been as unreasonable as ever....
> (Thomas Babington Macaulay, œ*The History of England from the Accession of James II. Volume 4*, Chapter 19, Pp 327-329, Longman, Green, London 1864)

652 Here is their explanation of the varied relationships between central governments and their associated central banks:

> Around the world, central banks have a number of different ownership structures. At one end of the spectrum are central banks, like the Bank of England, that are wholly owned by the public sector. At the other end are central banks, like the Banca d'Italia, whose shareholders are wholly private sector entities. And there are central banks, like the Bank of Japan, that lie in-between. But do these differences matter?
>
> In this blog post, we explore the variety of central bank ownership structures, both historically and globally. We also suggest areas for future research on the topic.
>
> **The separation of central bank ownership and control**
>
> Ownership is a complex concept, a bundle of rights and responsibilities. In ordinary language, if I say I own a bike, then this implies I possess the bike and can use it as I please. Ownership implies control.
>
> However, as Thorstein Veblen, Adolf Berle and Gardiner Means first observed, control is sometimes unbundled from ownership in modern corporations. The owners of corporations (shareholders) are usually abstracted from their day-to-day operations. Instead, control of corporate resources is ordinarily exercised by its management. Therefore, to say that I own shares in a corporation has a much narrower meaning than when I say I own a bike. In the case of a corporation, I am mainly saying that I have a financial interest in the business, specifically, that I am a residual claimant

on the corporation's profits after all other claimants such as employees, creditors and the government (taxes) have been paid.

Veblen, Berle, and Means developed their ideas with for-profit private sector corporations in mind. Yet, the distinction they drew between ownership and control is surprisingly applicable to most modern central banks. The owners of central banks, mostly governments, are ordinarily responsible for making executive appointments, and receive a share of central banks' profits. Day-to-day control of the central bank is delegated to the central bank's senior management and policy committees.

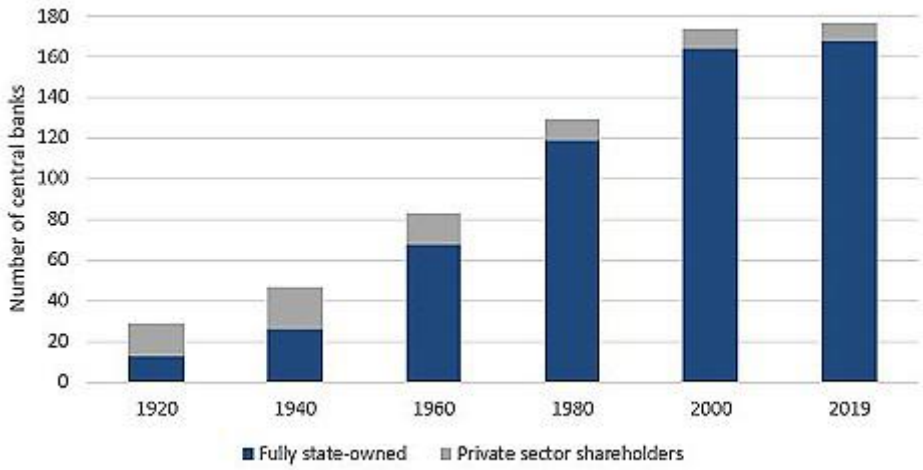
While both modern central banks and modern corporations are often characterised by a separation between ownership and control, there are key differences in their organisational objectives. The purpose of most private sector corporations is the pursuit of profits for shareholders. By contrast, central banks typically have statutory mandates based on economy-wide goals - e.g. price stability, financial stability and market functioning. This is irrespective of whether central banks are wholly owned by government, or, as in a handful of cases detailed below, their residual claimants are private sector entities.

Consequently, the issue of central bank ownership is considered by most scholars of marginal importance. Yet the issue of central bank ownership is a salient topic to revisit at present when the constitutional basis of central banks is receiving renewed attention (Goodhart and Lastra 2017; Tucker 2018). In what follows, we offer a survey of the variety of central bank ownership structures historically and globally.

The nationalisation of central banking

In the early twentieth century, there was a roughly even mix of central banks with private sector and public sector shareholders (Figure 1). That changed mid-century. Some established central banks, like the Bank of England, were nationalised (Figure 2). At the same time, almost all of the central banks created in post-colonial states were established fully state-owned. By the end of the century, just a handful of central banks with private sector shareholders remained.

Figure 1: Ownership model of central banks globally over time, 1900 to the present



Source: Central banks' websites

Figure 2: List of nationalised central banks globally in order of year nationalised

Central Bank	Established	Nationalised
Reserve Bank of New Zealand	1934	1935
Bank of Estonia	1919	1940
Bank of Albania	1925	1945
Bank of France	1800	1946
Central Bank of Argentina	1935	1946
Bank of England	1694	1946
National Bank of Romania	1880	1946
Reserve Bank of India	1935	1949
Bank Indonesia	1826	1953
Central Reserve Bank of El Salvador	1934	1961
Bank of Spain	1782	1962
State Bank of Pakistan	1948	1974
Banco de Portugal	1846	1974
National Bank of Angola	1926	1975
Bank of the Republic of Haiti	1874	1979
National Bank of Tuvalu	1980	1995
National Bank of Austria	1816	2010

(David Bholat and Karla Martinez Gutierrez, "The ownership of central banks, *Bank Underground*, 18 October, 2019)

653 US Presidential candidate, Bernie Sanders, in a clearly explained Op-Ed contribution to the *New York Times*, spelt out the problems involved in a US Federal Reserve which Simon Johnson, below, says has a governance structure from another age - antiquated, increasingly problematic, and urgently in need of sensible reform. As Sanders has explained:

> WALL STREET is still out of control. Seven years ago, the Federal Reserve and the Treasury Department bailed out the largest financial institutions in this country because they were considered too big to fail. But almost every one is bigger today than it was before the bailout. If any were to fail again, taxpayers could be on the hook for another bailout, perhaps a larger one this time.
>
> To rein in Wall Street, we should begin by reforming the Federal Reserve, which oversees financial institutions and which uses monetary policy to maintain price stability and full employment. Unfortunately, an institution that was created to serve all Americans has been hijacked by the very bankers it regulates...
>
> The recent decision by the Fed to raise interest rates is the latest example of the rigged economic system. Big bankers and their supporters in Congress have been telling us for years that runaway inflation is just around the corner. They have been dead wrong each

> time. Raising interest rates now is a disaster for small business owners who need loans to hire more workers and Americans who need more jobs and higher wages. As a rule, the Fed should not raise interest rates until unemployment is lower than 4 percent. Raising rates must be done only as a last resort - not to fight phantom inflation.
>
> What went wrong at the Fed? The chief executives of some of the largest banks in America are allowed to serve on its boards. During the Wall Street crisis of 2007, Jamie Dimon, the chief executive and chairman of JPMorgan Chase, served on the New York Fed's board of directors while his bank received more than $390 billion in financial assistance from the Fed. Next year, four of the 12 presidents at the regional Federal Reserve Banks will be former executives from one firm: Goldman Sachs.
> (Bernie Sanders, œTo Rein In Wall Street, Fix the Fed, *New York Times*, December 23, 2015)

Simon Johnson has given a clear explanation of the quasi-private nature of the Federal Reserve Banks and consequent influence within them of the major private banks. As he explains:

> The US Federal Reserve System is the world's most important central bank. Its decisions about interest rates and financial regulation reverberate through global markets and affect millions of lives. Yet its governance structure is of another age - antiquated, increasingly problematic, and urgently in need of sensible reform...
>
> This regional structure is the result of legislative compromise in 1913, when the Fed was created, and again in the mid-1930s, when its governance was last overhauled. Whereas members of the Fed's Washington-based Board of Governors are nominated by the US president, subject to Senate confirmation, the presidents of the regional Federal Reserve banks are appointed by local boards.
>
> In reality, the New York Fed has always had disproportionate sway; not all regional Fed presidents are created equal. The president of the New York Fed is a permanent voting member and vice chairman of the Federal Open Market Committee, which sets interest rates, whereas other regional Fed presidents are voting members only on a rotating basis.
>
> The New York Fed also has a particularly important role in bank supervision - most of America's "too-big-to-fail" banks are located in its jurisdiction (and most global banks have a presence there). And the New York Fed has long been the Fed System's eyes and ears on Wall Street.
>
> Or perhaps it has become the other way around. At least over the past decade, senior New York Fed officials have consistently sided with the interests of very large banks. (To be clear, I also know many Fed officials who are outstanding public servants). Though Wall Street interests have long been well represented on the board of the New York Fed, under Timothy Geithner, its president from 2003 to 2009, the big players became even more powerful - with some rather unfortunate consequences for the rest of us.
>
> In his recent memoir, Stress Test, Geithner says, "I basically restored the New York Fed board to its historic roots as an elite roster of the local financial establishment." His choices included Dick Fuld, CEO of Lehman Brothers, which failed spectacularly in

September 2008, and Stephen Friedman, a Goldman Sachs board member, who resigned as chair of the New York Fed's board after being accused of inappropriately trading Goldman stock during the financial crisis. Geithner also established a tangled web of connections between the New York Fed and JPMorgan Chase, some of which linger to this day.

Some senior Fed officials become angry when pressed about this reality. But the Fed's legitimacy - and its ability to make sensible policy - is not boosted by having major banks represented, directly or indirectly, on a board that chooses and oversees a key policymaker...
(Simon Johnson, œThe Federal Reserve's Escape from New York, *Project Syndicate*, Nov. 24, 2014)

654 As Yves Smith has put it:

[Central Bank Independence] is code for "the management of a country's finances must be in the hands of those who will keep governments from spending too much." The pretext is governments if not constrained by sober conservative ~~bankers~~ adults, will go and spend to buy votes and will create oodles of inflation, leading to a collapse in investment and all sorts of other horrors...

... [T]he independence pretense for central banks is a ruse for keeping them from being democratically accountable. Given their poor performance, both in helping to create the crisis by encouraging financialization (which we also now know leads to lower economic growth) and then by responding to it by favoring banks over the real economy, there should have been widespread demands for a change in their role, or alternatively, much greater transparency (admittedly, Audit the Fed was a step in that direction). But central banks have managed to do such a good job of preserving their secrecy and aura of mystery that they've gotten away without being called to account.
(Yves Smith, œRichard Murphy: The Debate on the Proper Role of the Bank of England, Continued, *Naked Capitalism*, 28 June, 2018)

655 (07/02/16)(05/09/16)

(05/12/17)This seems to be a consequence of similar reasoning to that displayed in a 1999 publication by the IMF in which it refers to "credits, advances, or overdrafts to the government by the central bank". Nowhere in the publication is the presumed relationship between a "central bank" and its associated "sovereign government" explained.

It is simply presumed that central banks are entirely independent entities which "lend" money to governments in ways which are analogous with the lending activities of private banks within the private sphere. We are not told where or how they presume those central banks obtain their funds in order to lend them but there is a distinct permeating impression that the authors subscribe to the "intermediation of loanable funds (ILF) " model of banking fallacy.

Of course, institutions like the IMF and World Bank have been repurposed over the past half century and more to subvert the sovereignty of client states. A principal weapon in this subversion is the process of financially 'bailing out' sovereign nations and imposing strict 'structural adjustment' regulations on their ability to manage their monetary systems - as Marjorie Mbilinyi claimed, this amounts to little more than disguised colonialism.

Richard Werner, in a paper examining three different theories of banking which have been held over the past century (and more), has given a clear explanation of the nature of each. As he summarizes,

> During the past century, three different theories of banking were dominant at different times:
>
> > (1) The currently prevalent financial intermediation theory of banking says that banks collect deposits and then lend these out, just like other non-bank financial intermediaries.
> >
> > (2) The older fractional reserve theory of banking says that each individual bank is a financial intermediary without the power to create money, but the banking system collectively is able to create money through the process of 'multiple deposit expansion' (the 'money multiplier').
> >
> > (3) The credit creation theory of banking, predominant a century ago, does not consider banks as financial intermediaries that gather deposits to lend out, but instead argues that each individual bank creates credit and money newly when granting a bank loan.
>
> The theories differ in their accounting treatment of bank lending as well as in their policy implications. Since according to the dominant financial intermediation theory banks are virtually identical with other non-bank financial intermediaries, they are not usually included in the economic models used in economics or by central bankers. Moreover, the theory of banks as intermediaries provides the rationale for capital adequacy-based bank regulation. Should this theory not be correct, currently prevailing economics modelling and policy-making would be without empirical foundation.
>
> Despite the importance of this question, so far only one empirical test of the three theories has been reported in learned journals. This paper presents a second empirical test, using an alternative methodology, which allows control for all other factors. The financial intermediation and the fractional reserve theories of banking are rejected by the evidence. This finding throws doubt on the rationale for regulating bank capital adequacy to avoid banking crises, as the case study of Barclays Bank during the crisis illustrates. The finding indicates that advice to encourage developing countries to borrow from abroad is misguided.
>
> The question is considered why the economics profession has failed over most of the past century to make any progress concerning knowledge of the monetary system, and why it instead moved ever further away from the truth as already recognised by the credit creation theory well over a century ago.
> (Richard A. Werner, (2015) œA lost century in economics: three theories of banking and the conclusive evidence. *International Review of Financial Analysis*, 1-19. (doi:10.1016/j.irfa.2015.08.014).)

(See, also, R. A. Werner, œCan banks individually create money out of nothing? - The theories and the empirical evidence, *International Review of Financial Analysis*, 36 (2014), pp. 1-19;
Richard A.Werner, œHow do banks create money, and why can other firms not do the same? An explanation for the coexistence of lending and deposit-taking, *International Review of Financial Analysis* Volume 36,

December 2014, Pages 71-77
(https://doi.org/10.1016/j.irfa.2014.10.013))

While I agree with Werner that 'the theory of banks as intermediaries provides the rationale for capital adequacy-based bank regulation' and that the theory is incorrect, I would suggest that there is a very real need for sovereign governments to monitor and regulate the private creation of unsecured credit. Whether this is based in ensuring that banks 'have enough loss-absorbing capital ' or in other forms of regulatory supervision, the need for public supervision and management of private credit creation remains.

Yves Smith, in a comment on a forgettable article by a number of neoliberal stalwarts, has summed up some of the problems of 'the loanable funds theory':

> I know we have to run this sort of thing occasionally to keep an eye on orthodox thinking, but this piece is based on the loanable funds theory, which was challenged by Keynes and debunked definitively by Kaldor in the 1950s. The key assumption here is that if you make the cost of money cheap enough, people will borrow and invest (or spend). But any competent businessman will tell you they don't expand their business for the hell of it, they do so if they see an opportunity. So the cost of money can constrain investment, but making it cheap won't create new markets or more demand. The exception is businesses where the cost of money is one of the biggest business expenses....such as financial speculation and other leveraged investing.
> (Yves Smith, œWhat Else Can Central Banks Do?, posted by Lambert Strether, *Naked Capitalism*, September 4, 2016)

656 In recent years, central banks around the world have broadened their ability to create and issue credit through credit swap arrangements with other central banks[1027]. As the *Council on Foreign Relations* has explained:

> Since the financial crisis of 2007, central banks around the world have entered into a multitude of bilateral currency swap agreements with one another. These agreements allow a central bank in one country to exchange currency, usually its domestic currency, for a certain amount of foreign currency. The recipient central bank can then lend this foreign currency on to its domestic banks, on its own terms and at its own risk.
> (œThe Spread of Central Bank Currency Swaps Since the Financial Crisis, *Council on Foreign Relations*, Central Banks Currency Swaps, 2015)

The US Federal Reserve has explained the rationale for establishing central bank liquidity swap lines with foreign central banks:

> Because bank funding markets are global and have at times broken down, disrupting the provision of credit to households and businesses in the United States and other countries, the Federal Reserve has entered into agreements to establish central bank liquidity swap lines with a number of foreign central banks. Two types of swap lines were established: dollar liquidity lines and foreign-currency liquidity lines.
>
> The swap lines are designed to improve liquidity conditions in dollar funding markets in the United States and abroad by providing foreign central banks with the capacity to deliver U.S. dollar funding

> to institutions in their jurisdictions during times of market stress. Likewise, the swap lines provide the Federal Reserve with the capacity to offer liquidity in foreign currencies to U.S. financial institutions should the Federal Reserve judge that such actions are appropriate. These arrangements have helped to ease strains in financial markets and mitigate their effects on economic conditions. The swap lines support financial stability and serve as a prudent liquidity backstop...
>
> In general, these swaps involve two transactions. When a foreign central bank draws on its swap line with the Federal Reserve, the foreign central bank sells a specified amount of its currency to the Federal Reserve in exchange for dollars at the prevailing market exchange rate...
> (œCredit and Liquidity Programs and the Balance Sheet, *Board of Governors of the Federal Reserve System*, Last update: August 14, 2015)

Of course, in democratically organized capitalist nations, recipient central banks can both lend the received foreign currencies on to their domestic banks and/or also utilize the received funds in financing public works and services. That is, through currency swaps based on credit creation, central banks can, with appropriate regulation and caution, fund both internal and external public expenditures through credit creation. As Beardsley Ruml put it, governments have final freedom from money markets in meeting their financial requirements.

(01/03/16) The development of such inter-central bank credit swaps obviates the need for public borrowing in international money markets. These arrangements are far more appropriately controlled through bilateral central bank swaps than through the intermediation of a 'world central bank' which would, almost inevitably, presume central bank borrowing in the international financial marketplace.

(02/03/16) Arguments in favor of a 'World Central Bank' are usually based in a *laissez faire* presumption that central banks should be independent entities, responsible and responsive to private money markets and that governments should, in economic matters, be subservient to the marketplace. International economic stability is best ensured through the intermediation of a 'world central bank' as "the world's lender of last resort"[1028].

Andrés Velasco has argued that, since "the dollar remains the currency of choice for borrowing and lending around the world", the US Federal Reserve should accept that it has a *de facto* responsibility to act as "the world's lender of last resort in dollars":

> The Fed's reluctance to serve as the world's lender of last resort, or to acknowledge that exchange-rate movements cannot undo its actions abroad, would seem to condemn it to being a parochial and inward-looking institution.
>
> The Fed's domestic mandate requires it to recognize, in Fischer's words, that "the US economy and the economies of the rest of the world have important feedback effects on each other." And those effects are getting larger....
>
> Recent financial history suggests that the next liquidity crisis is just around the corner, and that such crises can impose enormous economic and social costs. And in a largely dollarized world

> economy, the only certain tool for avoiding such crises is a lender of last resort in dollars.
>
> The IMF could have been that lender, but it is not. The Fed is. The sooner the US and the rest of the world fully recognize this, the safer the world economy will be.
> (Andrés Velasco, œThe World's Reluctant Central Banker, *Project Syndicate*, 29 February, 2016)

It is this already powerful default status of the US Federal Reserve as central bank to the world which is being challenged through the emergence of alternative centers of international financing which have the potential to bypass the US Federal Reserve as the "world's lender of last resort".

657 The use of open-ended code words is common sophist practice. Everyone 'knows' that 'expenditures' must be 'funded' and must come from 'somewhere'. So, if governments 'spend' then their 'money' must come from somewhere - if not from private money markets then, presumably, from 'the public' or 'future generations'. The code words, either deliberately or naively, steer reasoning toward desired conclusions.

Any who oppose the reasoning find themselves having to challenge the code words, caught up in an apparently endless definitional exercise which leads nowhere and can be dismissed as deliberately diversionary. Attempting to expose the hidden presumptions of ideologically driven reasoning can be frustrating!

James Galbraith described neoclassical economists' means of protecting their frame (and themselves) well:

> ...[N]eoclassical economics perpetuates itself by replicating a single set of methods in a handful of leading journals to which no dissenters have access. There, the faithful continue to offer analyses that are of no interest to anyone who has grasped the evolutionary methodology common to all the important dissenting schools.
>
> Under neoclassical economics, the subject is defined by what it excludes: the simple fact that things change over time. Its practitioners harbor an affinity for Intelligent Design - the belief in a transcendent celestial harmony that is at odds with the development of actual scientific thought since Charles Darwin's The Origin of Species appeared in 1859.
> (James K. Galbraith, œDismal Economics, Originally published at *Project-Syndicate*, July 23, 2021)

Wynne Godley (1992) provided an excellent illustration of what happens when ideologues gain the power to shape the world to their inadequate understandings of reality. The consequences, for the rest of us can, as the population of Greece has found, be dire.

It is the nature of ideologies that those whose realities are framed by them will develop rationalizations to validate their core presumptions. The apparently logical justificatory explanations developed through time exist to demonstrate, not challenge, the validity of the presumptions.

Since their rationallizations, as Claude Levi-Strauss (1963, pp. 282) explained, "are not intended to explain the phenomena but to perpetuate them", over time, they become increasingly complex, convoluted and opaque as they are adapted to their purpose. Their purpose, after all, is not to question or clarify but to justify and buttress the presumptions.

This process necessarily results in increasing commitment of both credibility and self-images to the defense of the buttressed ideologies.[1029]

Of course, those involved in such activity do not recognize the ideological nature of their involvement. Those who live comfortably within ideologically defined realities seldom need to address, or even be aware of, the core presumptions which subliminally frame their lives. The presumptions exist as less than conscious limitations to thought and action. When others are encountered whose lives are not similarly framed, they appear less than rational, frustrating evidence that there are people who do not think 'rationally'.

Keynes summed up the nature of ideologically defined realities well in his critique of Ricardo's understanding of the world in which he lived, framed by 'adopting a hypothetical world remote from experience as though it were the world of experience':

> ...[I]f the quantity of employment and the psychological propensities of the community are taken as given, there is in fact only one possible rate of accumulation of capital and, consequently, only one possible value for the marginal efficiency of capital. Ricardo offers us the supreme intellectual achievement, unattainable by weaker spirits, of adopting a hypothetical world remote from experience as though it were the world of experience and then living in it consistently. With most of his successors common sense cannot help breaking in - with injury to their logical consistency.
> (J. M. Keynes, 1936,*The General Theory of Employment, Interest and Money*, Chapter 15: œAppendix On The Rate Of Interest In Marshall's Principles Of Economics, Ricardo's Principles Of Political Economy, And Elsewhere, Section II)

Awareness of the ideological nature of an ideologue's own understandings and activity often leads to self-doubt and questioning of the accuracy of those justificatory explanations. This, inevitably, leads to self-preservatory reactions from others who have committed their lives to the ideologies buttressed by the explanations - heretics and apostates are far more dangerous than unbelievers and punishment almost invariably fits the crime!

Leo Tolstoy (1898) described the ideologue well at the start of Chapter 14 of œ*What Is Art? and Essays on Art* :

> I know that most men - not only those considered clever, but even those who are very clever and capable of understanding most difficult scientific, mathematical, or philosophic, problems - can seldom discern even the simplest and most obvious truth if it be such as obliges them to admit the falsity of conclusions they have formed, perhaps with much difficulty - conclusions of which they are proud, which they have taught to others, and on which they have built their lives.
> (Oxford University Press, 1930, trans. Aylmer Maude).

[658] An excellent Ben Norton video post provides insight into Washington's dawning awareness of the emerging worldwide growth of alternatives to the United States dollar in inter-nation financial interactions:

Ben Norton, œUS Congress plots to save dollar dominance amid global de-dollarization rebellion, *Geopolitical Economy Report*, June 20, 2023.

Also,

Tim Sablik, œIs Dollar Dominance in Doubt?: The dollar has been the global currency of choice for nearly a century, but in light of recent U.S.-led financial sanctions, some wonder whether that status will endure, *US Federal Reserve Bank of Richmond, Econ Focus*, Second Quarter 2022.

659 That these international institutions have managed to convince so many middle-income countries that they must not *create* the sovereign credit they need but must raise it on international 'money markets' is unforgivable.

As the authors say, the private sector holds more than 80 percent of the so-called 'sovereign debt' in these middle-income countries. They have delivered those countries (for which they should have displayed fiduciary responsibility) into the hands of amoral and asocial international banks and other parasitical financial organizations.

Michael Hudson has described what is happening in Western nations as the effects of the 2020 Covid-19 crisis financially cripple increasing numbers of people. His description applies equally to those low- and middle-income countries which have been caught in the debt trap of foreign credit borrowing promoted by those predatory, US based, international organizations. As he says, nations in this predatory trap end up looking like the Greek economy in 2015:

> The debts that have been built up are being used as a financial warfare tactic. It is more efficient than military warfare. Debt has been used to strip away the assets of middle-class people, of home owners, of employee pension funds, to suck their savings and property up to the top of the economic pyramid. The pandemic crisis has created a battlefield. Its rules have been written by the financial sector and their lobbyists as an opportunity for the largest property and financial grab since the Great Depression.
>
> The result will be that much of the American and European [and low- and middle-income countries'] economies are going to end up looking like the Greek economy five years ago, when it was unable to pay its euro-debts. You can look at Greece as the future of the United States, catalysed by the coronavirus pandemic....
>
> There is going to be a wave of bankruptcy, and that will be followed by fire sales of real estate. Unemployment is going to lead to lower wage levels, and there also will be cutbacks in public spending for social services, transportation and other normal programs.
>
> Privatisation sell-offs will occur, much like Margaret Thatcher's in England. this is now going to be imposed upon Europe [and, of course, on all those low and middle income countries]. It's possible that the Eurozone will break up if it does not change its rules and create the euro-money to enable Italy and Spain to get by. But at present the Eurozone rules are that all the money, all of the credit that is needed to grow in Europe, should be borrowed from banks at interest.
>
> Banks can create this money on their keyboards electronically. The government could do the same, but relinquishes this privilege to the privatized banking sector. As Modern Monetary Theory explains, a central bank can simply print the money that is needed to fuel economic growth. But the financial sector has captured the hearts and minds of central bankers, from Europe to the United States.

> The problem is these banks don't lend money to create means of production or livelihood. They don't lend money to build factories. Banks lend money against assets already in existence, mainly real estate, houses, buildings, and also companies - and to corporate raiders to buy other companies on credit. So, the effect of this bank lending has been to inflate the price of real estate, because a house or a building is worth whatever a bank will lend against it.
>
> The financial sector has become less and less productive, and more predatory. It has prevented European governments from having a central bank that directs deficit spending into the real economy. Only the banks and financial sector, the elite One Percent, are supported, as in the United States. Ten trillion dollars 's put into the economy, mainly into the stock and financial markets, the bond market and the real estate market, but not into production. (œMichael Hudson on Coronavirus and Debt Winners and Losers, *nakedcapitalism*, posted by Yves Smith, June 27, 2020)

[660] Ihonvbere's (2010) acerbic assessment of the 'African condition today':

> If we take a total look at the African condition today, one reality that we cannot accuse African leaders and policy makers of doing in the last six to seven decades is that they promoted any form of development. To be sure, failed policies have "developed" the pockets and bank accounts of a tiny class of political elites and their hangers-on.
>
> For the majority of Africans who are suffering from grinding poverty and hopelessness, what has passed for public policy since so-called political independence has been nothing but pain, hunger, marginalization, exploitation, domination, and deliberate impoverishment. *Death by Government (R. J. Rumen, Transaction 2000) or death by public policy* has become the outcome of numerous half-baked and poorly thought-out policies as well as outlandish corruption that have been unleashed on Africans. (Julius O. Ihonvbere, œReinventing Africa for the Challenges of the Twenty-First Century, Text of the 2010 Annual Public Lecture of the Centre for Black and African Arts and Civilisation (CBAAC), Lagos, 22nd July, 2010)

Julius Ihonvbere has served as a member of the House of Representatives in Nigeria representing the Owan Federal Constituency. A range of his writings can be accessed from his internet site: œTowards Building a New Nigeria: National Re-Orientation or Transformation?, Julius Ihonvbere.com: Where Theory Meets Praxis, 8-9 July, 2011)

[661] The US has, of course, been involved in 'regime change' activity in Brazil over many years. The FBI and CIA orchestrated and fomented scandal involving left-leaning President Luis Inacio "Lula" da Silva in 2015 and his subsequent illegitimate, political imprisonment are but recent examples of its crimes.

Brian Mier (below) describes the way in which US Department of Justice (DOJ) 'prosecutors' used US laws to reach into Brazil and subvert the political process. Glenn Greenwald and Victor Pougy, in 2019, explained how the so-called 'Car Wash' scandal, 'uncovered' by US DOJ personnel, was used to empower right-leaning prosecutors in delegitimizing the 'Workers' Party':

> An enormous trove of secret documents reveals that Brazil's most powerful prosecutors, who have spent years insisting they are

> apolitical, instead plotted to prevent the Workers' Party, or PT, from winning the 2018 presidential election by blocking or weakening a pre-election interview with former President Luiz Inácio Lula da Silva with the explicit purpose of affecting the outcome of the election.
>
> The massive archive, provided exclusively to The Intercept, shows multiple examples of politicized abuse of prosecutorial powers by those who led the country's sweeping Operation Car Wash corruption probe since 2014. It also reveals a long-denied political and ideological agenda. One glaring example occurred 10 days before the first round of presidential voting last year, when a Supreme Court justice granted a petition from the country's largest newspaper, Folha de São Paulo, to interview Lula, who was in prison on corruption charges brought by the Car Wash task force.
>
> Immediately upon learning of that decision on September 28, 2018, the team of prosecutors who handled Lula's corruption case - who spent years vehemently denying that they were driven by political motives of any kind - began discussing in a private Telegram chat group how to block, subvert, or undermine the Supreme Court decision. This was based on their expressed fear that the decision would help the PT - Lula's party - win the election. Based on their stated desire to prevent the PT's return to power, they spent hours debating strategies to prevent or dilute the political impact of Lula's interview.
> (Glenn Greenwald and Victor Pougy, œHidden Plot: Exclusive: Brazil's Top Prosecutors Who Indicted Lula Schemed in Secret Messages to Prevent His Party From Winning 2018 Election, *The Intercept*, June 10 2019)

All charges against Da Silva were formally dismissed in early March 2021. Brian Mier has given a well-documented account of it all:

> The Foreign Corrupt Practices Act or FCPA, originally passed in 1977, is a federal law designed to prohibit overseas bribery by US companies. Twenty years later, it was linked to an international treaty, the OECD Anti-Bribery Convention of 1997, which enables the SEC and DoJ to act in any signatory nation in consort with local authorities. These partnerships enable US authorities to investigate any company that has a US bank account, owns real estate in the US, has stock traded in the US, or that has ever conducted any type of transaction in dollars. It was the FCPA, for example, that enabled FBI agents to raid FIFA headquarters in Zurich in 2015.
>
> The fact that Brazil adheres to the Anti-Bribery Convention enabled the US DoJ to work as an equal partner - some critics argue it took the lead - in Lava Jato, levying billions of dollars in fines on Brazilian companies in civil cases, generally based in the Southern New York Court District.
>
> Indeed, anyone interested could read about the US involvement in Lava Jato in legal blogs as early as 2015, in documents published by US Law firms and on the DOJ's own website starting in 2016, as US Attorney General William Barr pointed out in his reply to a congressional inquiry led by Hank Johnson and 12 other members of Congress into, among other things, whether the US DoJ played a role in Lula's arrest.
> (Brian Mier, œNYT Fails to Examine Its Participation in Brazil's 'Biggest Judicial Scandal', *FAIR*, March 8, 2021)

662 It needs to be remembered that, for sovereign governments, Central Bank 'deficits' are entries on the 'debit' side of the ledger. Unfortunately, this is a consequence of applying profit-and-loss bookkeeping procedures (based on presumptions of 'incomes' and 'expenditures') to Central Bank credit creation. However, the created credit is not 'income'; nor is it a 'deficit', or a 'liability'. It has been conjured out of thin air and is unencumbered credit.

663 The British œExchequer and Audit Departments Act 1866 spells this out for Britain:

> Payment out of Consolidated Fund: sums authorised by Parliament.
>
> (1) This section applies in respect of sums **which Parliament has authorised, by Act or resolution of the House of Commons**, to be issued out of the Consolidated Fund.
>
> (2) The Comptroller and Auditor General shall, **on receipt of a requisition from the Treasury**, grant the Treasury a credit on the Exchequer account at the Bank of England (or on its growing balance).
>
> (3) Where a credit has been granted under subsection (2) issues shall be made to principal accountants from time to time on orders given to the Bank by the Treasury.
>
> (4) An order under subsection (3) shall specify the service on account of which the issue is authorised.
>
> (5) The Bank shall send to the Comptroller and Auditor General a daily account of all issues made from the Exchequer account in pursuance of this section.
>
> (6) The Treasury shall send to the Comptroller and Auditor General a daily statement specifying the service on account of which each issue was made from the Exchequer account in pursuance of this section.
> [my emphasis]

As Neil Wilson says, in a comment on a œBill Mitchell Blog post point,

> "They should tell the British people how the Treasury actually spends - that is, that it instructs the Bank of England to type numbers into bank accounts on its behalf"
>
> Note there is no legal option for the Bank to say "no".

664 There has long been a strange obfuscation of interactions between sovereign Treasuries (or ministries of finance) needing to 'fund' their credit requirements and Central Banks. Treasuries are assumed to issue and *sell* 'government debt securities' either directly to Central Banks or within Private Sector bond markets; and Central Banks are presumed to have to 'buy' those 'securities' either directly from Government Treasuries or from private sector bond markets.

But, of course, one of the roles of a Central Bank in a fiat-currency sovereign state is to create and issue unencumbered credit as and when those states require it. That activity is claimed to be triggered by 'purchasing' so-called 'debt securities' issued by the treasuries of those governments.

The reality is that what is strangely labelled as a 'debt security' is, in fact, a *requisition*, instructing the Central Bank to engage in credit

creation on behalf of the Treasury.

The obfuscation of that process is designed to create the illusion that the Treasury and Central Bank are independent of each other, with the Central Bank 'lending' credit to the Treasury and the Treasury 'owing' that credit to the Central Bank (ostensibly creating a 'Sovereign Government Deficit') - an absurd mystification of a straightforward process between *two departments of the same government*.

Kenneth Garbade (2014) provided a succinct explanation of the nature of direct purchases of 'government securities' or 'Government bonds' from the Treasury by the US Federal Reserve:

> The original version of the Federal Reserve Act provided a robust safety net because the act implicitly authorized the new Reserve Banks to buy securities directly from the Treasury. The Banks made active use of their "direct purchase authority" during, and for a decade and a half after, World War I. Congress acted to prohibit direct purchases in 1935, but reversed course and provided a limited wartime exemption in 1942. The exemption was renewed from time to time following the conclusion of the war but ultimately allowed to expire in 1981...
>
> A memorandum prepared in response to an inquiry from the House Banking Committee about the source of the Fed's authority to purchase securities directly from the Treasury stated that,
>
>> No question was ever raised as to the authority of the Federal Reserve banks, under the provisions of subsection (b) ..., to buy United States bonds directly from the Treasury. The contrasting provisions of [the first sentence of] section 14 and subsection (b) would seem to supply ample legal justification for this fact. Under section 14 Federal Reserve banks could purchase and sell eligible paper only "in the open market"; but their power under subsection (b) to deal in Government bonds was not so limited. Accordingly, the Board at all times assumed that the Federal Reserve Banks had the legal authority to purchase Government bonds directly from the Treasury ...
>> (Kenneth D. Garbade, œDirect Purchases of U.S. Treasury Securities by Federal Reserve Banks, *Federal Reserve Bank of New York*, Staff Report No. 684, August 2014, pages 1,2)

The direct purchase of securities from the Treasury was, effectively, the generation of unencumbered sovereign credit by the Federal Reserve at the request of the US Treasury. This 'request' was **not** a transfer of 'debt' from the treasury to the Federal Reserve. It should, rather, be seen as *an authorization* of the Federal Reserve, by the Treasury, to engage in credit creation on behalf of the Treasury.

In the light of the post-1935 interpolation of the irrelevant directive that all such authorizations must be purchased from the private sector bond markets by the Federal Reserve, it is most unfortunate that the term 'buy United States bonds directly from the Treasury' is used in this section of the bill rather than the less loaded term '*request authorizations directly from the Treasury*'[1030].

[665] Bill Mitchell has provided an interesting historical explanation of the reason why the term 'government debt' is so deeply embedded within Western capitalist economic discourse:

To understand the situation now, one has to understand what went before.

During the C18th, so-called commodity currency systems, where a currency might be valued for its intrinsic value. became problematic because there was a shortage of silver and this system steadily gave way to a system where paper money issued by a central bank was backed by gold.

So the idea was that a currency's value can be expressed in terms of a specified unit of gold.

To make this work there had to be convertibility which meant that someone who possessed a paper note would be able to convert it for the relevant amount of gold.

So the - Gold standard - was deployed where the value of currencies around the world was regulated in terms of a certain amount of gold. When the gold standard was in vogue (C19th into the C20th) it was the major way that countries adjusted their money supply.

Britain adopted the gold standard in 1844 and it became the common system regulating domestic economies and trade between them up until World War I. In this period, the leading economies of the world ran a pure gold standard and expressed their exchange rates accordingly.

The monetary authority agreed to maintain the 'mint price' of gold fixed by standing ready to buy or sell gold to meet any supply or demand imbalance. Further, the central bank (or equivalent in those days) had to maintain stores of gold sufficient to back the circulating currency (at the agreed convertibility rate).

Gold was also considered to be the principle method of making international payments. Accordingly, as trade unfolded, imbalances in trade (imports and exports) arose and this necessitated that gold be transferred between nations (in boats) to fund these imbalances. Trade deficit countries had to ship gold to trade surplus countries.

Nations experiencing an inflow of gold could then expand the money supply (issue more notes) because they had more gold to back the currency. This expansion was in strict proportion to the set value of the currency in terms of grains of gold.

The rising money supply would push against the inflation barrier (given no increase in the real capacity of the economy) which would ultimately render exports less attractive to foreigners and the external deficit would decline.

Central banks in nations experiencing a loss of gold reserves were forced to withdraw paper currency which was deflationary - rising unemployment and falling output and prices. The latter improved the competitiveness of their economy which also helped resolve the trade imbalance. But it remains that the deficit nations were forced to bear rising unemployment and vice versa as the trade imbalances resolved.

The proponents of the gold standard focus on the way it prevents the government from issuing paper currency as a means of stimulating their economies.

> Under the gold standard, the government could not expand base money if the economy was in trade deficit. It was considered that the gold standard acted as a means to control the money supply and generate price levels in different trading countries which were consistent with trade balance. The domestic economy however was forced to make the adjustments to the trade imbalances.
>
> Monetary policy became captive to the amount of gold that a country possessed (principally derived from trade). Variations in the gold production levels also influenced the price levels of countries.
>
> In practical terms, the adjustments to trade that were necessary to resolve imbalances were slow.
>
> In the meantime, deficit nations had to endure domestic recessions and entrenched unemployment.
>
> A gold standard introduces a recessionary bias to economies with the burden always falling on countries with weaker currencies (typically as a consequence of trade deficits).
>
> This inflexibility prevented governments from introducing policies that generated the best outcomes for their domestic economies (high employment).

As he concludes:

> In a fiat currency system, the government does not need to 'finance' its net spending (deficits), in which case the issuing of debt by the treasury has to serve other purposes.
>
> Why then do governments continue to issue public debt when there is no financial need for them do to so?
>
> **Conclusion**
>
> We have established an important understanding today - that the usual justifications for currency-issuing governments issuing debt are not sustainable.
>
> In Part 2, we will consider some of the other justifications.
>
> We will see that none are sustainable.
> (Bill Mitchell, œWhy do currency-issuing governments issue debt - Part 1, *Modern Monetary Theory Blog*, Monday, June 1, 2020
> Also: œWhy do currency-issuing governments issue debt? - Part 2, *Modern Monetary Theory Blog*, June 2, 2020)

666 Robert Brulle has explained the extent and costings of United States' lobbying activities between 2000 and 2016 with special reference to lobbyist activity in opposing climate change legislation. The quotations come from a summary of his research by the Journal editors of his study:

> Climate lobbying is big business. A new analysis shows that between 2000 and 2016, lobbyists spent more than two billion dollars on influencing relevant legislation in the US Congress. Unsurprisingly, sectors that could be negatively affected by bills limiting carbon emissions, such as the electrical utilities sector, fossil fuel companies and transportation corporations had the deepest pockets. Their lobbying efforts dwarfed those of environmental organizations, the renewable energy industry and volunteer groups...

> Brulle analyzed data from mandatory lobbying reports made available on the website Open Secrets. In his study, he calculated that the two billion dollars spent between 2000 and 2016 on climate-related issues actually only amounted to 3.9 per cent of the 53,5 billion dollars spent over the same period on lobbying on other issues in the US.
>
> ..."The vast majority of climate lobbying expenditure came from sectors that would be highly impacted by climate legislation," Brulle explains. "The spending of environmental groups and the renewable energy sector was eclipsed by the spending of the electrical utilities, fossil fuel, and transportation sectors."
>
> Brulle says that this has important implications for the fate, outcome and nature of future climate legislation, which is largely determined by intra-sector and inter-industry competition. He says that the activities of environmental organizations and non-profit organizations often constitute one-time, short-term mobilization efforts. This is a shortcoming, given the vast expenditures and continuous presence of professional lobbyists.
>
> "Lobbying is conducted away from the public eye. There is no open debate or refutation of viewpoints offered by professional lobbyists meeting in private with government officials," explains Brulle. "Control over the nature and flow of information to government decision-makers can be significantly altered by the lobbying process and creates a situation of systematically distorted communication. This process may limit the communication of accurate scientific information in the decision-making process.
> (Brulle, R. J. (2018). œThe Climate Lobby: A Sectoral Analysis of Lobbying Spending on Climate Change in the United States - 2000 to 2016, *Climatic Change*, Online: 19 July 2018, DOI: 10.1007/s10584-018-2241-z)

667 Bill Mitchell has summed it all up:

> We talk a lot about 'fake news' these days. Well mainstream macroeconomics as taught in universities and practiced in international organisations such as the OECD and the IMF and within treasury and central bank departments - is fake knowledge.
> (Bill Mitchell, œThat "old fashioned" MMT predicts well - Groupthink in action, *Billy Blog*, February 6 2017)

668 (13/02/17) Forgive this statement of the obvious but sometimes it can clarify issues. The reason why many neoliberal devotees presume that bonds issued by sovereign governments 'support government spending' is that they make no distinction between bonds issued by a sovereign government and those issued by lower levels of government.

Since it is 'obvious' that state/ provincial governments, regional/ city councils and local bodies issue bonds because they 'need' the credit raised through bond sales, it is simplistically assumed that this logic applies equally to bonds issued by currency and credit creating/ issuing sovereign governments.

Of course, bonds issued by sovereign governments are the means by which central banks offer risk-free 'savings accounts' to private entities. And, as Zoltan Jakab and Michael Kumhof (2015) explained of similar accounts in private banks, the funds deposited in those savings accounts are ***not*** then lent to borrowers or used to pay creditors.

On the other hand, bonds issued by *non-sovereign branches of government* or private entities are 'debt certificates' or 'debt issues'. *Investopedia* has explained, and, in the process, demonstrated that confusion in the minds of 'knowledgeable' neoliberally oriented commentators:

> A debt issue is a financial obligation that allows the issuer to raise funds by promising to repay the lender at a certain point in the future and in accordance with the terms of the contract. Debt issues include notes, bonds, certificates, mortgages, leases or other agreements between the issuer (the borrower) and lender. Debt issues, such as bonds, are issued by corporations to raise money for certain projects or to expand into new markets; **municipalities, states and U.S. and foreign governments issue debt to finance a variety of projects such as social programs or infrastructure plans**.
> (*Investopedia*œ, Debt Issue, [accessed February 20, 2017. (My emphasis)])

It really is important to understand the difference between bonds issued by sovereign governments and bonds issued by lower levels of government which are not able to create unencumbered sovereign credit as required. Clearly, the contributor of the above *Investopedia* entry has not understood this fundamentally important difference.

So-called 'sovereign' states included within the Eurozone are, of course, *not truly sovereign* at all. They have accepted fiscal and monetary subordination to the European Central Bank (ECB). And, as we have already seen, the European Commission has not accepted responsibility for addressing the consequences of ongoing and vastly different economic circumstances, events and long-term prospects in those member states.

Indeed, many of their publications have betrayed similar confusion to that displayed in the above *Investopedia* explanation. This has been clearly illustrated in a remarkably naive European Central Bank working paper entitled œ*Foreign-law bonds: can they reduce sovereign borrowing costs?* (Marcos Chamon, Julian Schumacher, Christoph Trebesch, European Central Bank Working Paper 2162, June, 2018). See Bill Mitchell: œGovernments should not issue debt under foreign law (*Billy Blog*, July 3, 2018) for further discussion of issues presented in this paper.

A case could be made for the funding of all lower level government credit requirements through central banks (freeing them from exorbitant fees and interest charges) but this would have to be accompanied by clear protection of the decision-making autonomy of lower levels of government.[1031]

669 (14/10/16)(21/10/16)(05/11/16)

(19/11/17) Nancy LeTourneau of the *Washington Monthly* explained how Donald Trump, the 2016 US Republican presidential candidate, would fund infrastructure development:

> Donald J. Trump took a step to Hillary Clinton's left on Tuesday, saying that he would like to spend at least twice as much as his Democratic opponent has proposed to invest in new infrastructure as part of his plan to stimulate the United States' economy...

> Asked how he would pay for $800 billion to $1 trillion in infrastructure spending, Mr. Trump described a strategy that has been favored by liberal economists over the years. He said he would create an infrastructure fund that would be supported by government bonds that investors and citizens could purchase...
>
> Conservative critics of Mr. Trump expressed concern that the idea would put the country deeper in debt and that it sounded alarmingly similar to Mr. Obama's 2009 stimulus program.
> (Nancy LeTourneau, œQuick Takes: Trump Will Accept the Outcome of the Election...If He Wins, Political Animal Blog, *Washington Monthly*, October 20, 2016)

(04/11/16) (12/11/16) This is, of course, conventional neoliberal thinking, but it highlights one of the many strange redundancies which litter neoliberal dogma.

Apparently, the US government, under President Trump, will create public 'debt' through selling 'bonds' to US investors and citizens and then use the proceeds of those sales to fund infrastructural development.[1032]

(13/11/16) Daniel Thornton, vice president of the US Federal Reserve Bank of St Louis, explained the convoluted means by which the US (and other governments), in this neoliberal age, can 'finance deficit spending':

> Governments can finance deficit spending by issuing debt or printing money. In most countries, a government-created central bank controls the money supply - in the United States, this task belongs to the Federal Reserve System. This means that the U.S. Treasury has only one option for financing deficit spending - issuing debt. (The Fed is forbidden by law to purchase government securities directly from the government. The government first sells securities to the private sector and the Fed then purchases securities from the private sector, specifically, government securities dealers.)
>
> Of course, the government could still finance deficit spending if the central bank created money by purchasing government debt. For example, assume the Fed purchased government securities. The Treasury would pay interest on the government securities to the Fed and the Fed could then return the interest income (net of its operational expenses) to the Treasury. The Fed would effectively be financing deficit spending by "printing" money. It would simply be a two-step process: The government would sell debt to the public and the Fed would exchange the public's holdings of government debt for money. Many analysts call this twostep process "monetizing the debt."
> (Daniel L. Thornton, œMonetizing the Debt, *Federal Reserve Bank of St Louis*, *Economic Synopses*, No. 14, May 19, 2010)

(20/12/16) But, why go through this elaborate charade?[1033]

(22/10/17) The sleight-of-hand process of relabeling government agencies' unencumbered sovereign credit requirements as 'government debt' seems deliberately designed to enable private financial institutions to impose a private sector 'tax' (disguised as 'interest rates on the country's debt') on government credit channeled into the real economy[1034]. As Bryce Covert, echoing Paul Krugman and countless other 'knowledgeable' economists, put it:

> [I]nterest rates on the country's debt are incredibly low, hovering around 2 percent. That means we could borrow more money at a very low cost.

(17/03/18) While 'the Fed is forbidden by law to purchase government securities directly from the government'[1035], those laws are determined by governments. If the laws introduce unnecessary convolutions and redundancies and/or advantage special interests they can be changed.

There is no 'natural law' of financing which requires the interpolation of such redundancies into government financing of their expenditures. Neither is there any 'natural law' which requires the central bank to create money by purchasing 'government debt'.

(29/11/16) Rather than relabeling the unencumbered credit requirements of government departments and agencies as 'government debt' which can be bundled and sold to the central bank as 'government securities', the central bank could straightforwardly issue unencumbered sovereign credit as required to fund government expenditures (and, to ensure that private sector credit supply is not unduly inflated, issue sovereign bonds to siphon excess credit from the sector). If they did this, the 'purchase of government debt' or 'government securities' by the central bank would be rendered redundant.

(13/12/16) As we have already seen, the creation of unsecured credit by private financial institutions is not the same as credit creation by sovereign central banks.

Private credit creation is *encumbered*, that is, it is 'debt'. It is based on an assumption of 'credit-worthiness' backed by presumed access to sovereign credit.

Sovereign credit is *unencumbered*, that is, it is debt-free.[1036]

It is all a matter of *private sector* created credit being 'encumbered' (being burdened with legal claims on the presumed sovereign credit holdings of the creator and so being 'debt') and *sovereign government* created credit being 'unencumbered' (it is free and clear of any encumbrances, such as creditor claims or liens), that is, it is *not* 'debt'.

Neoliberal ideologues, presuming that *all* credit is created in the private realm (the government is merely a *user* of privately created credit[1037]), assume that all created credit is 'debt'. But, their ideologically induced confusion does not alter reality, it merely obscures it. In the process, this creates fertile ground for those who consider it important that governments 'pay down the national debt'.

The financial sector, steeped in neoliberal marinade, will, inevitably, argue that the creation of 'debt securities', sold by sovereign governments to 'secure their debts', is essential and provides the government with credit to fund its activities. *Investopedia* has explained:

> A government bond is a debt security issued by a government to support government spending. Federal government bonds in the United States include savings bonds, Treasury bonds and Treasury inflation-protected securities (TIPS). Before investing in government bonds, investors need to assess several risks associated with the country, such as country risk, political risk, inflation risk and interest rate risk, although the government usually has low credit risk. (*Investopedia*, "Government Bond (accessed October 3, 2016))

(15/10/16) This is an obfuscatory redundancy (an unnecessary inclusion intended to obscure reality through distraction or confusion (or a

consequence of reasoning rooted in a superficial misunderstanding of the nature of sovereign credit)). There is no sound logical reason why 'government bonds' or 'debt securities' must be interpolated into sovereign government credit creation and expenditure 'to support government spending'. Not even belief in the Intermediation of Loanable funds (ILF) fallacy could make it a necessary 'support' for government spending.

(30/10/16)(15/12/16) One needs to ask why anyone might consider the conversion of *unencumbered* sovereign credit into *encumbered* privately created credit (through the sale of government bonds) necessary for government spending. Why is it any better than the far simpler and more logically coherent direct funding of government expenditures through sovereign credit creation?[1038] The obfuscatory consequences of such redundancy obscures the nature of sovereign credit creation and expenditure. It superficially supports the illusion that Government borrowing in the private marketplace is necessary to funding its activities.

Providing government securities to investors might be desirable as a means of minimizing risk for those investors, or as means of regulating sovereign credit supply within the private sector, but there is no logical benefit to government derived from such activity. It might better be seen as a welfare service, providing government guaranteed credit security to investors. However, it serves no logical purpose in enabling (or legitimizing) Government spending.

Investopedia has explained the 'risk-free' nature of such bonds for investors in the US:

> Because most government bonds are backed by the credit of the U.S. government, default is unlikely and government bonds are considered essentially risk-free. Thus, government bonds create a benchmark against which riskier securities may be compared.

Alan Longbon has explained the sovereign-bond-holding plutocratic rationale for:

1. Purchasing and holding government bonds;
2. Insisting that government bonds are interest bearing 'debt securities';
3. Supporting government austerity programs and;
4. 'Rating agency' policing of government performance:

> One thing I keep in mind when reading the mainstream press and seeing politics play out, is that from the perspective of sovereign bond holders the neocon philosophy makes sense.
>
> Imagine that you have immense wealth, your aim is to preserve what you have, take no financial risk, live well and stress free. To do this you need a risk free investment such as a government bond from a monopoly currency supplier, so the myth of governments financing themselves with bond debt is created.
>
> While holding the bond you want it to rise or hold its value until maturity, this is guarded by a rating agency and the mainstream press, whom you own or control.
>
> That a nation's growth and well being is stunted in order to provide immensely wealthy people with a risk free investment and income

> does not factor into the equation. From this warped perspective it all makes sense and is logical.
> (Alan Longbon, Comment on Bill Mitchell's *Billy Blog*, œAustarity is the enemy of our grandchildren as public infrastructure degrades, December 14, 2016)

670 Unfortunately, officials like Greenspan are all-too-often appointed because they endorse the ideological predilections of their political and/or plutocratic patrons, rather than for their clear understanding of the nature of the tasks for which they will be responsible. Their reputations often reflect the diligence with which they pursue their patrons' predilections, not the tasks of their offices.

671 The Covid-19 crisis of 2020 has forced sovereign governments to rely on central bank credit creation in order to fund a wide range of economic support programs for populations in 'lock-down'. And, of course, this has resulted in very large 'deficits', reflecting that credit creation.

Australia's treasurer, Josh Frydenberg, preparing the nation for a 'mini-budget' on 23 July, 2020, addressed the 'problem' as viewed from a neoliberal perspective in which either the government 'borrows' from its Reserve Bank which is assumed to be an independent entity or, alternatively, all central bank credit is 'borrowed' from somewhere else - presumably from the private sector.

Those who perpetuate this confusion seldom spell out what they mean by phrases such as 'Every dollar the government spends is a borrowed dollar'. -One need not presume an intent to deceive in this. As a variation on that well-worn aphorism has it: never ascribe to mendacity what can readily be explained by ignorance (or ineptitude):

Frydenberg:

> You will see eye watering numbers around debt and deficit,...
>
> Numbers that Australians have never, ever seen before.
>
> That's the harsh reality of this pandemic. The coronavirus has required the government to spend unprecedented amounts of money to support people in need...
>
> Every dollar we spend is a borrowed dollar, and that's why it will take some time to pay back the debt,
> (Jade Gailberger, œNation's debt and deficit 'eye-watering', Treasurer Josh Frydenberg warns, NCA NewsWire, *Herald Sun*, July 22, 2020)

Frydenberg is certainly not a lone voice in assuming this. Here is U.S. Senator John Thune's (R-S.D.) version of the same 'problem':

> Here in the Senate, we've spent the past few weeks focused on monitoring the implementation of the $2.4 trillion in aid that Congress has provided.
>
> Our committees are hard at work conducting coronavirus oversight and looking ahead to what else Congress may need to do to combat the virus and get our economy going again.
>
> We're looking at what more funding Congress may need to provide - and what Congress can do that doesn't involve a lot of new spending.
>
> As I said, Congress has provided $2.4 trillion to fight the coronavirus.

> And we will absolutely provide more if needed.
>
> But we need to remember that every dollar we've provided is borrowed money that our children and grandchildren will have to repay.
>
> Our debt was already very large compared to the size of our economy even before this year's coronavirus-related borrowing.
>
> And that's a very concerning reality.
>
> The truth is, we can't just keep borrowing and borrowing ever greater sums without suffering real economic consequences.
>
> And so while we may need to borrow more money to meet our needs before this crisis is over, it's crucial that we keep that borrowing as low as possible and only spend what is absolutely necessary.
>
> That's why the Senate is so focused on conducting oversight of the money we've already provided.
> (œThune: There Are Ways to Help Revive the Economy Without Spending Trillions of Dollars, Recent Press Releases, *John Thune, Senate*, June 4, 2020)

Bill Mitchell explained Australia's resulting dilemma:

> Today, the Australian Treasurer is out in force telling us that the fiscal situation is dire and that they have to start making cutbacks. Meanwhile in the real world, the unemployment rate continues to rise, businesses continue to fail, and the lowest paid workers, are being forced to continue working in dangerous health situations because they cannot 'afford' to stay at home like the better paid workers and protect their health. Its doesn't bear scrutiny. ... The current fiscal stimulus is probably, at least $A100 billion short of where it should be, yet the government is announcing cuts. It will not turn out well.
> (œRBA governor denying history and evidence to make political points, *Bill Mitchell - Modern Monetary Theory*, 23 July, 2020)

672 Phyllis Bennis has described the US response to the Covid-19 crisis in an article entitled 'Defense Industry CEOs Are Getting Even Richer off Funds That Were Supposed to Go for PPE: The Trump administration took $1 billion in stimulus money that was supposed to go towards making masks and other protective equipment for the pandemic - and gave most of it to weapons manufacturers'. As she explained:

> As the pandemic continues to claim lives across the country, new information keeps coming out about how the Trump administration has made it harder for Americans to protect themselves.
>
> We now know, for example, that early in the pandemic the U.S. Postal Service had planned to deliver five face masks to every U.S. household. It could have made mask-wearing a lot more common a lot earlier - and maybe saved a lot of lives. But the White House scrapped the idea.
>
> Now we also know that the Trump administration took $1 billion in stimulus funds that were supposed to go towards making masks and other protective equipment for the pandemic - and gave most of it to weapons manufacturers.
>
> Those funds were part of $10.6 billion in CARES Act money allocated to the Pentagon - a staggering sum, especially since the

bloated military budget already claims 53 cents of every discretionary federal dollar available to Congress.

The Pentagon's CARES money was supposed to help military employees and military families survive the pandemic.
(Phyllis Bennis, œDefense Industry CEOs Are Getting Even Richer off Funds That Were Supposed to Go for PPE: The Trump administration took $1 billion in stimulus money that was supposed to go towards making masks and other protective equipment for the pandemic - and gave most of it to weapons manufacturers, *Inequalty.Org*, October 02, 2020)

Sam Pizzigati has described the 2020 Covid-19 scene:

...[T]he biggest winners so far in our pandemic era may well be America's biggest corporations. The nation's 25 largest corporate concerns, Oxfam details, are averaging 11 percent profit margins for the 2020 fiscal year, this at a time when small U.S. firms have seen their quarterly earnings drop by as much as 85 percent.

Many of Corporate America's top 25 have far surpassed that average 11 percent gain. The credit card giant Visa is looking at a 52 percent profit margin for fiscal 2020, with Microsoft, Pfizer, and Intel all reporting annual 2020 profit rates of 30 percent or more. The 17 most profitable of the top 25 are together grabbing over $85 billion more in 2020 profits than they averaged the previous four years.

Average American workers, meanwhile, have taken quite a corona wallop. One in five have lost hours and wages to layoffs and furloughs.

This striking contrast between worker insecurity and burgeoning corporate bottom-lines, Public Citizen points out, represents nothing new. America's economic rewards have been concentrating "at the top" since the 1980s.

"The induced coma of the pandemic," adds Public Citizen's Bart Naylor, "has ripped the scar off this economic wound, requiring massive aid to newly displaced workers who have no savings to fund more than a few weeks of basic expenses."
(Sam Pizzigati, œFor Egalitarians, a Sudden Sense of Possibility, *Inequality*, July 30, 2020)

673 William Vickrey, in an insightful, posthumously published, research paper entitled 'Fifteen fatal fallacies of financial fundamentalism: A disquisition on demand-side economics', refuted the common neoliberal claim that Deficits represent sinful profligate spending at the expense of future generations. He made this 'Fallacy 1' in his paper: As he explained:

Fallacy 1.

Deficits are considered to represent sinful profligate spending at the expense of future generations, who will be left with a smaller endowment of invested capital. This fallacy seems to stem from a false analogy to borrowing by individuals.

Current reality is almost the exact opposite. Deficits add to the net disposable income of individuals, to the extent that government disbursements that constitute income to recipients exceed that abstracted from disposable income in taxes, fees, and other charges. This added purchasing power, when spent, provides

> markets for private production, inducing producers to invest in additional plant capacity, which will form part of the real heritage left to the future. This is in addition to whatever public investment takes place in infrastructure, education, research, and the like. Larger deficits, sufficient to recycle savings out of a growing gross domestic product (GDP) in excess of what can be recycled by profit-seeking private investment, are not an economic sin but an economic necessity. Deficits in excess of a gap growing as a result of the maximum feasible growth in real output might indeed cause problems, but we are nowhere near that level.
>
> Even the analogy itself is faulty. If General Motors, AT&T, and individual households had been required to balance their budgets in the manner being applied to the federal government, there would be no corporate bonds, no mortgages, no bank loans, and many fewer automobiles, telephones, and houses
> (William Vickrey, œFifteen fatal fallacies of financial fundamentalism: A disquisition on demand-side economics, *PNAS*, February 3, 1998 95 (3) 1340-1347)

674 There has been a sad, intellectually deficient presumption held by Western center-left and left leaning political parties over the past several decades that 'responsible' government requires *both* budget surpluses/ balanced budgets (together with commitment to reducing taxation) *and* the strengthening of social institutions and services through increased funding.

In the process they have opened themselves to accusations of holding contradictory policies which try, simultaneously, to both withdraw credit from the economy and increase credit supply through their support of 'socialist' redistribution of wealth toward the poor. This results in neoliberally inspired questioning of how their spending will be financed without increasing budget deficits and/ or increasing taxes.

As Roosevelt realized in the 1930s, this is indefensible. One either jettisons support for budget surpluses/ balanced budgets and reducing taxation or one accepts that maintaining/ increasing social welfare funding is no longer possible.

The Roosevelt administration's solution was, through Ruml and other like-minded advisors, to proclaim that:

> Final freedom from the domestic money market exists for every sovereign national state where there exists an institution which functions in the manner of a modern central bank, and whose currency is not convertible into gold or into some other commodity.

Presumptions that budgets must be balanced were based upon a fundamental misunderstanding of the nature of sovereign credit and sovereign expenditures - a misunderstanding which advantaged mega-wealth and impoverished and disenfranchised the rest of the population.

675 We are, of course, describing the logical consequences of the New Deal understanding of public creation/control of credit. The real situation in the US and most other Western capitalist nations is, however, that, at least since the mid-1970s, those most influential in setting and prosecuting Central Reserve policy and practice have usually employed neoliberal understandings.

In this terminally ideologically straitjacketed world it is believed that: budget surpluses are a virtue; credit is only created in the private

marketplace; governments have to 'borrow' credit from the private sphere; and "every dollar of increased government spending must correspond to one less dollar of private spending". And, of course, while neoliberal aficionados insist that this quarantines us all from another World War, in fact, war is simply 'good business'

The result is that New-Deal-inspired Central Reserve measures have either been displaced or warped to reflect neoliberal dogmas. We are, in the second decade of the 21st century, well on the way to plutocracy!

676 (30/06/16) We need to clearly differentiate between credit creation and official currency creation (printing money). Inflationary forces might be unleashed if sufficient additional money (i.e. *tokenized* credit) is released into the marketplace. However, crediting financial institutions with additional government-guaranteed-credit only leads to such pressures if those institutions decide to increase lending and spending in the marketplace as a consequence of the receipt of such funds.

We need to remember that banks do not have to rely on Federal Bank bank reserves in order to create credit if they wish to increase such lending and spending (i.e. a variation on the loanable funds fallacy) . They can create credit 'out of thin air '. Increasing the Central Bank 'bank reserves' of financial institutions:

- reinforces marketplace confidence in the ability of those institutions to access sovereign credit (affirming their solvency);
- it also places the discretion for official currency release in the hands of those who control those reserves;
- so, financial institutions have increased leverage in the marketplace;
- but *there is no necessary increase in the availability of tokenized credit* in the marketplace.

As is explained elsewhere, in the economic climate of the second decade of the 21st century bank reserves, at unprecedented levels, are œnot being employed to fund development in the mundane economy of material production and consumption. Instead, they provide interest-bearing, government-guaranteed collateral security for vortex economic activity. The casino style behavior of players in the emergent realm of internationalized electronic wealth manipulation, relocation, redistribution and accumulation is now backed by interest-bearing 'bank reserves at the Fed'.

Seth Carpenter and Selva Demiralp (2010) examined the link between increases in Federal Bank bank reserves and bank lending as a consequence of "The Federal Reserve's implementation of a range of nontraditional monetary policy measures to combat a severe financial crisis and a deep economic recession [which] resulted in a very large increase in the level of reserve balances in the U.S. banking system":

> **Introduction**
> *A second issue involves the effect of the large volume of reserves created as we buy assets. [. . .] The huge quantity of bank reserves that were created has been seen largely as a byproduct of the purchases that would be unlikely to have a significant independent effect on financial markets and the economy*...

> The recent rise in reserve balances suggests a need to reassess the link from reserves to money and to bank lending. We argue that the institutional structure in the United States and empirical evidence based on data since 1990 both strongly suggest that the transmission mechanism does not work through the standard money multiplier model from reserves to money and bank loans. In the absence of a multiplier, open market operations, which simply change reserve balances, do not directly affect lending behavior at the aggregate level. Put differently, if the quantity of reserves is relevant for the transmission of monetary policy, a different mechanism must be found.
> (œMoney, Reserves, and the Transmission of Monetary Policy: Does the Money Multiplier Exist?, Finance and Economics Discussion Series No 41, 2010, Divisions of Research & Statistics and Monetary Affairs, Federal Reserve Board, Washington, D.C.)

Paul Krugman has given a somewhat different explanation as to why "banks would just sit on all those reserves":

> ...under current conditions - in a liquidity trap - [the quantity of money is] not even under the indirect control of the Fed. The same impotence of conventional monetary policy that makes open-market purchases of Treasuries useless at boosting GDP also mean that broad monetary aggregates that include deposits are largely immune to Fed influence. The Fed can stuff the banks full of reserves, but at zero rates those reserves have no incentive to go anywhere, and even if they do they can sit in safes and mattresses.
> (œThe Fed Does Not Control the Money Supply (*New York Times* Opinion Pages, May 6 2015).)
> (See Paul R. Krugman, œIt's Baaack: Japan's Slump and the Return of the Liquidity Trap (*Brookings Papers on Economic Activity*, 2:1998, pp. 137-205) for more on why "banks would just sit on all those reserves".)

Alexander Douglas argues that Krugman's explanation relies on "the cursed 'loanable funds' model, explaining how government deficits 'crowd out' private investment by taking up some of the supply of funds available to private investors":

> ...Krugman's answer is that the loanable funds model breaks down in a 'liquidity trap'. I am profoundly disturbed by the number of people who claim to reject neoclassical economics as ideological claptrap and then lavish praise on Krugman and other 'left-wing' neoclassicals who propound the 'liquidity trap' analysis. The analysis is based on the very same loanable funds model. All that is thrown in is a stipulation that the demand for loanable funds, in times of extreme recession, falls so low that that the market-clearing interest rate is below zero...
> (Alexander Douglas, œMacroeconomic Theory and Operational Reality, *Origin of Specious: Philosophy and economics, mostly*, August 3, 2015)

My solution to the 'problem' of private sector debt bequeathed to future generations would be - for heaven's sake, accept that creating such debt was silly, create credit (that is, create a debit entry in the government's accounts and a compensating credit entry in the appropriate private bank accounts - which minimizes the inflationary consequences of such an action) to pay the debt (and accept the short term consequences of the solution) and then vow never to be so stupid again!

677 (04/04/16) (21/05/16) There is no advantage in attempting to accommodate ideologically driven neoliberal terminologies and explanations. The use of the term 'debt' or use of the term 'government liability' by Galbraith and co-authors seems either to be such an attempt at accommodation - an attempt to bridge the divide between their understanding of reality and that held by the vast majority of contemporary 'mainstream' economists - or the result of using neoliberal jargon as a shortcut to understanding. In either case, it seems far better to simply describe the world obscured by neoliberal dogmas without resorting to neoliberal terminologies.

Newton Finn, in a comment on a blog posting by Bill Mitchell, put it rather well:

> Another of Bill's offhand gems: "And for the rest of us we suffer in the real world but reason in this fictional world, which is why it persists." One could spend a lot of profitable time mulling over this single observation. How might we who embrace MMT learn to reason in its real world terms and not in the fictional world terms of neoliberal economics? Should we refuse, at the outset, to even talk about federal spending and budgets (invoking, however inadvertently, the household paradigm) and instead speak only of federal investment and balances? Etc.
> (Newton Finn, Commenter on Bill Mitchell - Modern Monetary Theory, œWhen the idea of a fiscal surplus becomes a talisman, Wednesday, October 23, 2019)

Yes, this can be difficult and at times lead to verbosity, but the alternative is that one subconsciously lapses into neoliberal explanation without realizing it. The result can all-too-easily be that, as Bill Mitchell has described, one becomes 'lost in a neo-liberal haze'.

In order to avoid terminological confusion and clarify discussion there is a very real need to develop terminologies which clearly distinguish the bookkeeping activities associated with central bank credit creation and distribution from profit-and-loss bookkeeping. The current terminologies are there because they serve dominant ideological interests; where they do not, they are altered over time to do so. Use of the terminologies, legitimizes and reinforces dominant ideological understandings.

However, new nomenclatures which deviate from those which are current and are only meaningful to initiates are what sects and cults are all about. And, as with sects and cults, those who adopt the terminologies become branded by their language and so are easily excluded from 'serious' discourse.

So (if we decide we need to interact 'on a level playing field' and retain some credibility among mainstream economists - who predominantly subscribe to neoliberal dogmas) we need to be aware of the pitfalls in current language, prepared to point them out, but wary of 'branding' which becomes a shorthand means to dismissal of those who use the alternative terminologies.

Bill Mitchell has explained this well:

> Before I start, let me just note that recent statements by commentators about language (for example, using the term 'deficit' to denote the difference between the funds the government puts in the economy and the funds it takes out) are not lost on me. After all, I have written academic articles on the importance of language and have delivered many presentations on the topic.

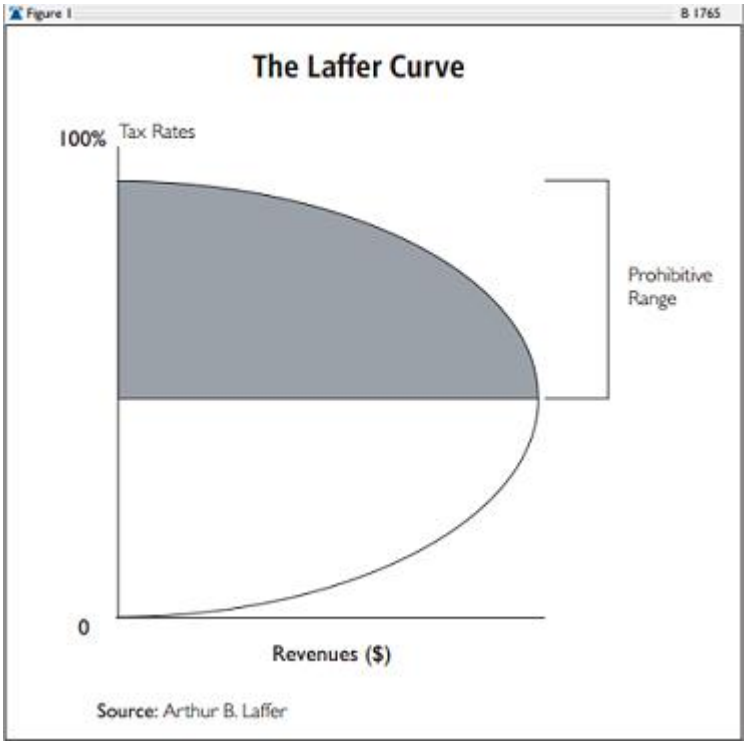
> Regular readers will note I use the term fiscal balance rather than 'budget' balance to avoid conflating the currency-issuing spending and receipts with those that a household, which uses the currency, has to deal with.
>
> How far we go in changing the language that we use is a delicate balance. The ideas I write about in this blog are counter the mainstream and already a 'step too far' for those who are not dedicated to breaking out of the neo-liberal mindset. For those that are they will persist irrespective of the language used.
>
> So it comes down to a balance of keeping people learning new ideas and at the same time developing a completely new nomenclature. The danger is that by doing both at the same time, the language will overwhelm the already difficult to embrace ideas and we get nowhere.
>
> I am constantly assessing that balance in my own work and do not apologise for using the terms 'deficit' or 'receipts' or 'revenue' or 'spending' when dealing with currency-issuing government matters. (Bill Mitchell, œThe CEDA Report - one of the worst ever, *Billy Blog*, March 30, 2016)

So,

> First: the revolution!
>
> Then: new nomenclatures!

(But, remain alert to the confusion in understanding which is implied in the use of current terminologies. There is a fine line between using familiar terms in order to facilitate communication, and being seduced by the language used into accepting neoliberal explanations. There is a reason why neoliberal discourse employs the language it does: it legitimizes and reinforces neoliberal understandings.)

678 The ideas implicit in 'scientific taxation' were popularized in 1974 when Arthur Laffer presented his 'curve' as an illustration of 'the trade-off between tax rates and tax revenues'.



(Arthur B. Laffer, œThe Laffer Curve: Past, Present, and Future, *Heritage Foundation Backgrounder*, No. 1765, June 1, 2004)

An article on the *Laffer Center* website recounts it:

> **The Story Behind the Laffer Curve**
>
> The Laffer Curve earned its name from a 1978 article by the late Jude Wanniski (then-associate editor of the Wall Street Journal) appearing in The Public Interest entitled, "Taxes, Revenues, and the 'Laffer Curve.'" Wanniski recounted a 1974 dinner he attended with Arthur Laffer (the professor at The University of Chicago), Donald Rumsfeld (chief of staff to President Gerald Ford), and Dick Cheney (Rumsfeld's deputy and a former classmate of Laffer's). When the foursome's dinner discussion turned to President Ford's "WIN" (Whip Inflation Now) proposal for tax increases, Dr. Laffer is said to have grabbed his napkin to sketch the curve as an illustration of the tradeoff between tax rates and tax revenues. Wanniski dubbed the tradeoff described as the "Laffer Curve."
>
> As to Wanniski's recollection of the story, Dr. Laffer has said that he cannot remember the details, but he does recall that the restaurant where they ate used cloth napkins and his mother had taught him not to desecrate nice things. He notes, however, that it could well be true because he used the so-called Laffer Curve all the time in classroom lectures and to anyone else who would listen.
>
> Although the Laffer Curve bears his name, the ideas behind it were not new or his alone. In fact, Dr. Laffer likes to point out that the ideas are so straightforward that people knew about it hundreds of years before.
> (*The Laffer Center*, œThe Laffer Curve [accessed 27 April, 2017])

Robert Vanderbei summed up the problem with the 'curve':

> The original Laffer curve assumes that everyone is selfish. And, even in this case, the curve does not begin to go back down until the tax rate is greater than 50%.
>
> The bottom line is this: cutting taxes when the current effective tax is way below 50% can only decrease revenue.
> (Robert Vanderbei, œThe Laughable Laffer Curve, *Princeton University*, Operations Research and Financial Engineering)

Peter Baker, writing for *The New York Times*, has explained the 2017 version of all this:

> A white cloth napkin, now displayed in the National Museum of American History, helped change the course of modern economics. On it, the economist Arthur Laffer in 1974 sketched a curve meant to illustrate his theory that cutting taxes would spur enough economic growth to generate new tax revenue.
>
> More than 40 years after those scribblings, President Trump is reviving the so-called Laffer curve as he announces the broad outlines of a tax overhaul on Wednesday. What the first President George Bush once called "voodoo economics" is back, as Mr. Trump's advisers argue that deep cuts in corporate taxes will ultimately pay for themselves with an explosion of new business and job creation.
>
> The exact contours of the plan remained murky and Mr. Trump will not produce a fully realized proposal on Wednesday. But what the president has called a tax reform plan is looking more like a tax cut plan, showering taxpayers with rate reductions without offsetting the full cost by closing loopholes or raising taxes elsewhere. In the

> short run, such a plan would add many billions of dollars to the national deficit. Mr. Trump contends that it will be worth it in the long run.
>
> "The tax plan will pay for itself with economic growth," Steven Mnuchin, the Treasury secretary and main architect of the plan, told reporters this week.
> (Peter Baker, œArthur Laffer's Theory on Tax Cuts Comes to Life Once More, *New York Times*, April 25, 2017)

See also, œPresident Trump's Laughable Plan to Cut His Own Taxes, *New York Times*, The Opinion Pages | Editorial, April 26, 2017)

Veronique de Rugy (2003), writing for the œCato Institute, an American libertarian think tank, provided a clear explanation of the neoliberal rationale for 'scientific taxation' as practiced through the 1920s and reintroduced in the post 1970s United States. One needs to remember that the regulatory state under Coolidge (in the 1920s) was, as one biographer described it, "thin to the point of invisibility ":

> Changes in marginal income tax rates cause individuals and businesses to change their behavior. As tax rates rise, taxpayers reduce taxable income by working less, retiring earlier, scaling back plans to start or expand businesses, moving activities to the underground economy, restructuring companies, and spending more time and money on accountants to minimize taxes. Tax rate cuts reduce such distortions and cause the tax base to expand as tax avoidance falls and the economy grows. A review of tax data for high-income earners in the 1920s shows that as top tax rates were cut, tax revenues and the share of taxes paid by high-income taxpayers soared
>
> **The Mellon Tax Cuts**
>
> When the federal income tax was enacted in 1913, the top rate was just 7 percent. By the end of World War I, rates had been greatly increased at all income levels, with the top rate jacked up to 77 percent (for income over $1 million). After five years of very high tax rates, rates were cut sharply under the Revenue Acts of 1921, 1924, and 1926. The combined top marginal normal and surtax rate fell from 73 percent to 58 percent in 1922, and then to 50 percent in 1923 (income over $200,000). In 1924, the top tax rate fell to 46 percent (income over $500,000). The top rate was just 25 percent (income over $100,000) from 1925 to 1928, and then fell to 24 percent in 1929.
>
> Secretary Mellon knew that high tax rates caused the tax base to contract and that lower rates would boost economic growth. In 1924, Mellon noted: "The history of taxation shows that taxes which are inherently excessive are not paid. The high rates inevitably put pressure upon the taxpayer to withdraw his capital from productive business." He received strong support from President Coolidge, who argued that "the wise and correct course to follow in taxation and all other economic legislation is not to destroy those who have already secured success but to create conditions under which every one will have a better chance to be successful."
> (Veronique de Rugy, œ1920s Income Tax Cuts Sparked Economic Growth and Raised Federal Revenues, *Cato Institute*, Commentary, March 4, 2003)

679 (10/06/17) The combination of reliance on the fairy dust of expansionary austerity with the magical effects of tax cuts for the wealthy has reached its truly absurd apogee in US president Donald Trump's first budget[1039]. Robert Greenstein has explained:

> President Trump's new budget should lay to rest any belief that he's looking out for the millions of people the economy has left behind. He proposes steep cuts in basic health, nutrition, and other important assistance for tens of millions of struggling, low- and modest-income Americans, even as he calls for extremely large tax cuts for the nation's wealthiest people and profitable corporations.
>
> This disturbing budget would turn the United States into a coarser nation, making life harder for most of those struggling to get by but more luxurious for those at the very top. Most Americans do not seek a new Gilded Age. And the budget is sharply at odds with what the President told voters he would do during his campaign. With this budget, the President betrays many voters who placed their trust in him.
>
> In fact, this stands as the most radical, Robin-Hood-in-reverse budget that any modern President has ever proposed...
>
> Perhaps most stunning, these proposals to impose cuts of unprecedented depth and severity on struggling families and individuals - and to starve various needed public services - are coupled with tax cuts that cost even more than the program cuts save. If the budget had honestly accounted for the tax cut proposals the President released a few weeks ago, the cost of these provisions would be seen to wipe out the savings from all of its deep cuts to NDD [non-defense discretionary] programs, basic assistance for Americans of limited means, and Social Security.
> (Robert Greenstein, œTrump Budget Proposes Path to a New Gilded Age, *Center on Budget and Policy Priorities* Statement: May 22, 2017)

680 All this suggests that neoliberal ideologues are suffering from acute, arrested cognitive development. Steve Keen has given a delightful, though probably unrealistically optimistic picture of it all:

> **PRESS RELEASE FROM THE WHO**
>
> The WHO today warned of a virulent new virus affecting vulnerable groups in the Mid-West and Eastern USA. The outbreak, which began in the Mid-West's extensive Great Lakes 'Freshwater' river system, has recently jumped the 'Saltwater' barrier, meaning that the entire population of its target species - 'Mainstream' economists - is now at risk.
>
> Speaking on behalf of the WHO, Dr Cahuc explained that the virus works by turning off the one genetic marker that distinguishes this species from the rest of its genus, the Human Race. This is the so-called 'Milton' gene (Friedman 1953), which goes dormant in other Humans as they pass through puberty. Its inactivity reduces their imaginative capacity, making it impossible for them to continue believing in such endearing infantile fantasies as the Tooth Fairy and Santa Claus. While regrettable, this drop in imagination is necessary to prepare Humans for the adult phase of their existence.
>
> 'Professor Milton Friedman found a way to re-activate this gene during PhD training, using his "as if" gene splicing technique', Dr

Zylberberg elaborated. 'This enabled a wonderful outpouring of imaginative beliefs by Mainstream Economists, which gave birth to concepts like NAIRU, Money Neutrality, Rational Expectations, and eventually even DSGE models. This wealth of imagination was regarded by Mainstream Economists as a more than sufficient compensation for returning to the child-like phase of the Human species.'

The Milton gene conferred other advantages on Mainstream Economists, which have been highly important to their success in competition against their rival species, the Heterodox Economists. 'Being endowed with a child-like nature, the arguments of Mainstream Economists were treated with the low level of critical evaluation that adult humans normally reserve for conversations with their infant stage', said Dr Cahuc. 'This made their policy recommendations much more likely to be adopted, instead of the more complicated proposals put forward by their niche rivals', he said.

The new virus - named 'Reality' - de-activates the Milton gene once more. 'Consequently', Dr Cahuc warned, 'the very beliefs that define this unique species are at risk. Unless we are very careful, it may become extinct!'. Unfortunately, there is as yet no known cure to this virus. 'The WHO therefore recommends complete avoidance of "Reality" as the only effective strategy for those wishing to remain as Mainstream Economists', Dr Cahuc concluded.
(Steve Keen, œThe WHO warns of outbreak of virulent new 'Economic Reality' virus, *Review of Keynesian Economics*, Volume: 5 Issue 1, 01 Jan 2017, Pp:107-111)

681 (02/07/16) Straitjacketing sovereign governments in these and other ways leads, inevitably, to escalating deficits (reflecting *private sector borrowing*) and increasingly shrill clamourings for 'deficit reduction' with all its tail-chasing consequences: crumbling infrastructures and services, unsustainable safety nets, and disenfranchised populations. Bill Mitchell has described the scene. His summation:

The neo-liberal Groupthink has led governments to starve public infrastructure development, squeeze public education including research in higher education, force public research bodies (such as CSIRO in Australia, which invented the Wi-Fi protocol) and the like to only pursue 'commercial' rather than pure research, and maintain elevated levels of unemployment so that generations are now missing out of work skill development and essential training.

Imagine what Greece and Spain will be like in 20 years when their youth - 50 odd percent of them unemployed and have been for years now - become the adults that the nations will rely on for productivity growth.

In relation to adjusting to the Brexit decision, British Labour should immediately announce an intention to implement a large-scale public investment program as well as a Job Guarantee.

They will be howled down by the neo-liberals which includes the class traitors masquerading as Labour MPs (The Blairites!).

But time will tell and before long it will become obvious that as public infrastructure collapses (and according to the ALGA report many bridges that link communities in Australia are becoming unusable given their condition) that this neo-liberal obsession that

> starves the forces of innovation are to blame.
> (Bill Mitchell, œWe starve the state and public infrastructure development at our peril, *Billy Blog*,June 30, 2016)

It would be good to be able to endorse his optimistic conclusion but neoliberal politicians, economists and fellow travelers have, over the past fifty years, displayed ingenuity in shifting blame for the consequences of their policies.

As several pamphlets in my mail box this morning (on the eve of the 2016 Australian Federal election) have explained [leaving me with the problem of how to dispose of such toxic waste], the fault for all the increasingly obvious employment; infrastructural; service; welfare; environmental and other problems lies, not at the door of rabid neoliberal policy and practice, but at the door of those who have 'successfully' opposed neoliberal attempts at ensuring Australia's prosperity!

Their arguments and accusations, over the years, have been so successful that many who originally opposed neoliberal drives to deregulation, globalization and weakening of worker organizations and social safety nets now justify their behaviors and plans in neoliberal terms. As Bill Mitchell says of Australian political parties,

> ...the conservatives (who call themselves liberal but oppose many freedoms) and the Labor Party (who are conservatives in drag these days) - have gone to pains to convince the voters that they will get the fiscal balance back into surplus ...
>
> They preach about how they are committed to 'Jobs and Growth' but oversee labour market developments which yield pathetic employment growth, increased casualisation and precarious work, and low wages growth (even real wage cuts).

682 (16/04/16) Any unified currency area will, unavoidably, need to address the consequences of ongoing and vastly different economic circumstances, events and long-term prospects in its various regions. It will, also, need to *institutionalize* required 'internal rebalancing' policies and procedures.[1040] Robert Skidelsky has summarized the requirements well in an examination of the problems confronting the Eurozone:

> To be sure, the 2008 crisis started with the banking collapse in the US. But most of the rest of the world has recovered, whereas most of Europe has not. To assess why, a recent symposium on the subject at Nuffield College, Oxford, focused on the lack of a sovereign authority able to protect the European economy as a whole from contagious crises starting elsewhere. The missing bits of sovereignty include a fiscal transfer system to respond to asymmetric shocks; a risk-free asset (eurobonds) in which to park redundant money; a single system for supervising banks and capital markets; a central bank able to act as lender of last resort; and the ability to organize an EU-wide stabilization/recovery program.
>
> The eurozone has weakened the nation-states comprising it, without creating a supranational state to replace the powers its members have lost. Legitimacy thus still resides at a level of political authority that has lost those attributes of sovereignty (such as the ability to alter exchange rates) from which legitimacy derives.
> (Robert Skidelsky, œA British Bridge for a Divided Europe, *Project Syndicate*, April 15, 2016)

As Anatole Kaletsky has explained, a major flaw in the original establishment of Europe's unified currency area was:

> ...what could be described as the "original sin" of the single-currency project: the Maastricht Treaty's prohibition of "monetary financing" of government deficits by the ECB and the related ban on mutual support by national governments of one another's debt burdens.
> (Anatole Kaletsky, œWhy the Greek Deal Will Work, *Project Syndicate*, July 22 2015)

Austan Goolsbee, in a discussion with Jim Tankersley on the woes of Greece, spelt out the European Union's 'internal rebalancing' options in its regional, state and local governments[1041] :

> ...Greece and its fellow Eurozone nations are trapped in a cycle of differential shocks - which is to say, they're seeing what happens when different parts of a unified currency area experience vastly different economic events....
>
> As I look at it, I think there's only four things that you can ever do when you get differential shocks. You can have labor mobility. You can have permanent subsidies. Those are the two things that we have in the U.S., and that's why nobody ever asked after Hurricane Katrina, is Louisiana or Mississippi going to drop out of the dollar? And that's because, there's mobility and there's a fiscal union where they get a big subsidy.
>
> So you could have one of those two, or you could have Germany willing to do four or five percent inflation for a couple of years, to do the equivalent of an exchange rate channel. Or else you could have Greece try to grind down its wages and find some way to get its productivity growth rate faster than Germany's. That's it! Those are the only four things you can do.
>
> The East German unification with West Germany had a similar feature. East Germany came in (to a unified Germany) at an overvalued exchange rate. They made that decision on political grounds, not economic. So overnight they went to having basically West German level wages with Polish productivity.
>
> There was a trillion euros of subsidy, there was a massive amount of labor mobility, there was a national commitment to make it all work. And that said, it's still the case that unemployment rates are higher in East German locations than the former West German ones. Which I think tells you that you should never make light of the difficulties of what they call internal rebalancing.
> (Jim Tankersley, œThe four ways to end the Greek crisis, from Obama's former top economist, *The Washington Post*,Wonkblog, June 29, 2015)

As Paul Krugman has observed,

> Europe never had the preconditions for a successful single currency - above all, the kind of fiscal and banking union that, for example, ensures that when a housing bubble in Florida bursts, Washington automatically protects seniors against any threat to their medical care or their bank deposits...
> (Paul Krugman, œGreece Over the Brink, *New York Times*, Opinion Pages, June 29, 2015)

Of course, more than currency, fiscal and banking union is required for long-term success in such a venture. There also has to be a strong commitment to political and social union - a strong understanding of, and commitment to, the whole as more than a sum of its parts.

This form of commitment presupposes an existing unity or 'nationalism' amongst the populace. Government is aimed at balancing the competing interests of citizens and regions, fulfilling their aspirations at that integrated, sovereign, *Commonwealth* level. However one might label such a union, the most obvious parallels are those of 'nation-states' as defined by List (1885) and others in the 19th century

683 And, yes, despite what 'sound' economic commentators of the 1920s and of the neoliberal present have argued, it will positively impact private enterprise activity within the 'real' economy. Bill Mitchell, lamenting the absurdity of the consequences of neoliberal claims that they need to 'run tight fiscal policy biased towards surpluses to avoid forcing the future generations to carry an unfair burden':

> The latest - œEIB Investment Report 2017/2018 - published last week by the European Investment Bank tells anyone who cares to take those Europhile Rose Coloured Glasses off for just a second how deep the failure of the European policy making structures are and how long the negative impacts of those failures will resonate. This is the true 'burden for our (their) grand kids' sort of stuff. In claiming they had to run tight fiscal policy biased towards surpluses to avoid forcing the future generations to carry an unfair burden, these European policy makers and leaders have done exactly the opposite, as predicted - they have created an appalling future for their youth and their children to follow.
> (Bill Mitchell, œMassive Eurozone infrastructure deficit requires urgent redress, *Billy Blog*, November 27, 2017)

As he has commented in a blog posting entitled 'We are being led by imbeciles':

> I was reading John Maynard Keynes recently - circa 1928 [œHow to Organize a Wave of Prosperity] - that is, 8 years before the publication of the General Theory with his Treatise on Money intervening. He was railing against the principles and practice of 'sound finance', which he noted had deliberately caused billions of pounds in lost income for the British economy. He urged the Treasury and the Bank of England to abandon their conservative (austerity) approach to the economy and, instead, embark on wide-scale fiscal stimulus to create jobs and prosperity. He concluded that with thousands of workers idling away in mass unemployment that it was "utterly imbecile to say that we cannot afford" to stimulate employment via large-scale public works - building infrastructure etc. He considered the policy makers who opposed such options were caught up in "the delirium of mental confusion". The stark reality is that 88 years later, he could have written exactly the same article and would have been 'right on the money'. We are being led (euphemism) by imbeciles.
> (Bill Mitchell, œWe are being led by imbeciles, *Billy Blog*, March 1, 2016)

684 Wolf Richter, in a website posting entitled 'Services Sector Falls off Cliff', has described the scene in 'developed' economies:

> In developed economies, the services sector - finance, insurance, health care, professional services such as technology, lawyering, or architects, and many others, including transportation, travel, tourism, restaurants, bars, clubs, etc. - account for 60% to 70% of the economy. What we're now seeing is a sudden fall-off-the-cliff collapse in the services sector in addition to a dizzying downturn in manufacturing. We got the first glimpse today, from the Eurozone where COVID-19 lockdowns were imposed well ahead of those in the US. And the data for the Eurozone released today picked up the effects....
>
> This plunge in activity was "wide-reaching across the Eurozone,".... Germany, France, Italy, and Spain - the four largest economies in the Eurozone - all experienced sharp declines, with the sharpest declines hitting Italy and Spain.
>
> Incoming work fell at a record pace in the data series, after five years of growth, with Italy and Spain getting hit the hardest.
>
> Some other horrid standouts:
>
> - Firms were also increasingly unsure of the long-term impact of the COVID-19 pandemic over the coming year. This led to a sharp and considerable drop in business confidence to a new survey low, with service providers across the whole region pessimistic about the future."
> - "Overall, employment declined for the first time in nearly five-and-a-half years and to the greatest degree in the survey history."
> - "The data indicate that the eurozone economy is already contracting at an annualized rate approaching 10%, with worse inevitably to come in the near future."
>
> ...Similar patterns are now spreading across the US and other parts of the world, where lockdowns started later.
> (Wolf Richter, œServices Sector Falls off Cliff: First Data Points from the Eurozone where Lockdowns Started Earlier, *Wolf Street*, 03 April, 2020)

Nora Lustig and Nancy Birdsall have given an account of top-down charity in a 2020 Covid-19 world:

> The pandemic has created a new, brutal inequality: between those who have a steady source of income and those who do not. This column provides some examples of how the plight of the latter is inspiring a new kind of informal, people-to-people social protection. While this is not a substitute for a publicly financed social safety, it can fill critical gaps and foster the solidarity and trust that is key to citizens' support for more comprehensive social protection during the next crisis.

As they describe, the current support processes being put in place by most sovereign governments fall short of the real needs of their constituents:

> The lockdowns throughout the world are creating a new type of brutal inequality: between those who continue to have a steady source of income and those who do not. The latter group includes not just the already poor but the millions across the world who are now at risk of falling out of the middle class: laid-off workers whose

> unemployment checks will not cover the rent, drivers, small business owners, contract workers, performing artists, the child care workers at-home parents don't need and cannot now afford. The latter are those, in the rich and in the emerging market economies at least, that provide the ballast, the invisible glue, that holds societies together.
>
> Governments are implementing new, emergency programmes of social protection, but the traditional approach will not be enough, and cannot happen quickly enough in most countries for most people (e.g. Baldwin and Weder di Mauro 2020). The pandemic calls for new thinking about social protection, beyond what governments, large corporations, large foundations and individual philanthropists can do.
> (Nora Lustig and Nancy Birdsall, "The new inequalities and people-to-people social protection, *VOX*, 02 April, 2020)

685 In 2020 there is, of course, a neoliberally driven absence of Australian Federal Government enabling policies and so Mitchell has suggested that the Reserve Bank of Australia should act as though it was an independent entity able to formulate and pursue policies of its own. Unfortunately, however, while both RBA officials and Federal Government politicians talk and act as though they believed that the RBA was an independent entity, neither would actually accept that the RBA could independently act on Mitchell's recommendations.

So, as in most Western nations, neither Government nor Reserve Bank is able to take long-term advantage of the flexibilities afforded by a fiat currency in tackling the abnormal conditions of the 2020 Covid-19 crisis.

Before policies such as those Mitchell recommends could be implemented, the Government would have to sort out this confusion and both understand and take responsibility for employing the possibilities of Reserve Bank credit creation in funding 'all state and territory government deficits for the foreseeable future'.

Eoin Higgins, reporting on a video presentation by Vermont Senator Bernie Sanders, provided a set of provisions aimed at addressing the Covid-19 crisis:

> According to the Vermont lawmaker's office, Sanders wants the next bill to include six provisions that are aimed at helping working people in the U.S. weather the crisis:
>
> - Addressing the employment crisis by ensuring workers remain employed and paid as well as providing social services for everyone in the country, regardless of citizenship or immigration status
> - Guaranteeing a free at point of service Medicare for All single payer healthcare system for everyone in the country
> - Immediately using the Defense Production Act to manufacture personal protective equipment (PPE), ventilators, and other needed healthcare equipment for frontline workers dealing with the pandemic
> - Providing food for everyone in the country for the duration of the crisis
> - $600 billion in aid to states and cities

- An immediate suspension of collections of rent, mortgage payments, medical debt, and consumer debt for four months and a suspension of student loan payments through the duration of the pandemic

In a video posted to social media, Sanders said the pandemic presents an outright "emergency" for the nation's most vulnerable populations and for all working people, and that drastic measures must be taken to protect people's health and economic wellbeing. (Eoin Higgins, "Bernie Sanders Calls for 'Boldest Legislation in History' to Halt Spiraling Covid-19 Catastrophe "In this unprecedented moment in modern American history, it is imperative that we respond in an unprecedented way.", *Common Dreams*, 04 April, 2020)

686 (01/04/18) The unfortunate and logically absurd presumption that all 'real' investment must come from the 'private sector'; that government is always and only parasitic on private wealth; has led to infrastructural crises in the Western world.

The infrastructures of capitalism require long-term investment and maintenance. They are prerequisites of capitalism but are seldom, in themselves, private wealth producing investments. They are the responsibility of governments and should be *publicly* funded.

They are, indeed, capitalism's 'commons', which provide the environment within which capitalism is able to develop and mature. They are, and should be *public investments*, publicly funded and publicly owned. They constitute the necessary environment within which the varied responsibilities and interests of communities and the varied entrepreneurial endeavors and economic enterprises of those communities are all supported.

They are not, and should never be considered as, opportunities for private profit. Since the infrastructures of capitalism are *the commons* of capitalist societies they should be freely available to all, not controlled or owned by private financial interests and developed as 'for profit' private assets but controlled and owned by 'the public'; by government.

It follows, therefore, that public-private partnerships focused on development/ maintenance of societal infrastructures are both unnecessary and problematic since they introduce the profit motive into what should always be considered necessary environmental features of the commonweal.

The 2017 abortive infrastructure 'plans' of the US Trump Administration should be stark warning to all who are truly committed to long-term capitalist development and stability [1042].

As many commentators have explained over the past 30 years, after decades of neoliberal cost-cutting, public utilities, thoroughfares and services, in many Western nations, are in increasingly desperate need of maintenance and upgrading. The infrastructures of the United States are evidence of the inevitable consequences of that neoliberal belief that 'That government is best which governs least'. They are in disrepair[1043]. The American Society of Civil Engineers (ASCE), has explained:

> Our nation is at a crossroads. Deteriorating infrastructure is impeding our ability to compete in the thriving global economy, and improvements are necessary to ensure our country is built for the future. While we have made some progress, reversing the trajectory

> after decades of underinvestment in our infrastructure requires transformative action from Congress, states, infrastructure owners, and the American people.
> (ASCE, œ2017 Infrastructure Report Card: Making the Grade, *The American Society of Civil Engineers*, 2017)

Thomas Hanna has addressed the 'public option' in funding the desperately needed infrastructure spending:

> On the campaign trail, and in his February address to Congress, President Donald Trump promised a $1 trillion infrastructure plan that would create jobs and "rebuild" the country. In January, labor leaders from several building and construction unions met with Trump at the White House and affirmed their support for such a program. On the surface, this may seem like a bright spot in the Trump policy agenda - but the plan appears seriously flawed.
>
> As Sean McGarvey, president of North America's Building Trades Unions, confirmed after the meeting, the administration's approach to infrastructure involves substantial private sector investment and so-called "public-private partnerships" (PPPs). Once considered an innovative and novel way to finance infrastructure, PPPs have lost their appeal to many experts and policymakers amidst high-profile bankruptcies, extortionary contracts, and spiraling fees, tolls, and rate increases for users....
>
> The traditional alternative of financing infrastructure involves state or local governments issuing bonds to be bought by investors and paid off over time. However, this isn't ideal either - paying off interest on the bonds can sometimes as much as double the cost of a project. According to Brown, there's a much better way: The federal government can finance infrastructure by simply issuing new money.
>
> There are at least two ways to go about this. In one, the Federal Reserve would create money just as it did through its post-financial crisis "quantitative easing" (QE) program, when trillions in new money was pumped into the financial system through the purchase of securities from banks. These funds could then capitalize a national infrastructure bank or a network of state-level infrastructure banks. She calls this "qualitative easing," because the money would be injected into the real economy rather than into the balance sheets of the major Wall Street banks.
>
> The other approach would be for the Treasury, Federal Reserve or Congress to create the money and just directly invest it in infrastructure projects. Whether funneled through a public bank or banks, or invested directly, the funds could be provided at no or very low interest, allowing states and localities to pursue a host of pressing infrastructure projects without levying or raising taxes, tolls and user fees.This isn't so radical as it sounds: As president, Abraham Lincoln printed $450 million (almost $11 billion in today's dollars) in "Greenbacks" to help pay for the Civil War, and even Milton Friedman proposed "helicopter money" - a metaphor for "dropping" newly printed money directly into communities - as a way to combat deflation.
>
> Critics will, of course, scream "hyperinflation" and conjure up images of wheelbarrows full of money in Weimar Germany or last decade's worthless Zimbabwean bank notes. But Brown has a

different take. Neither QE (despite the dire predictions of many in the economics profession) nor Lincoln's Civil War money-printing caused hyperinflation. Given the persistence of relatively low inflation (as well as other factors) there is good reason to believe that in the current economic climate, investing new money into the real economy through infrastructure projects would merely provide a much-needed boost.

While Brown's proposal may seem outside the mainstream of contemporary U.S. political discourse, it is exactly what is being proposed by major economic figures and politicians in Europe, ranging from Yanis Varoufakis, the leftist former finance minister of Greece, to Rick Rieder, the Global Chief Investment Officer of BlackRock, the world's largest investment management corporation.

A large-scale commitment to rebuilding America's decaying infrastructure is long overdue. A smart infrastructure policy could directly and indirectly create between 10 and 15 million jobs over the next decade, including good-paying union jobs in some states. It would benefit the economy: Alleviating traffic jams and improving public transit could work wonders for productivity. It would also save people's lives and keep them healthy, and keep the country competitive with others that already are actively and energetically upgrading their infrastructure.
(Thomas Hanna, œA Better Way To Fund Infrastructure: Trump's investor-friendly plan and other conventional approaches are likely to fail - it's time to try something new, *In These Times*, April 5, 2017)

But, of course, the United States has opted for President Trump, the 'president' who has promised to run the nation 'like a business'!

687 Michael Hudson has neatly described the nature of the financial parasitism which has emerged within Western capitalism over the past fifty years. This description applies with equal force to the intelligence/ surveillance/ military/ industrial complexes which have metastasized and spread like cancers within the United States of America:

Economists for the last 50 years have used the term "host economy" for a country that lets in foreign investment. This term appears in most mainstream textbooks. A host implies a parasite. The term parasitism has been applied to finance by Martin Luther and others, but usually in the sense that you just talked about: simply taking something from the host.

But that's not how biological parasites work in nature. Biological parasitism is more complex, and precisely for that reason it's a better and more sophisticated metaphor for economics. The key is how a parasite takes over a host. It has enzymes that numb the host's nervous system and brain. So if it stings or gets its claws into it, there's a soporific anesthetic to block the host from realizing that it's being taken over. Then the parasite sends enzymes into the brain. A parasite cannot take anything from the host unless it takes over the brain.

The brain in modern economies is the government, the educational system, and the way that governments and societies make their economic policy models of how to behave. In nature, the parasite makes the host think that the free rider, the parasite, is its baby,

part of its body, to convince the host actually to protect the parasite over itself.

That's how the financial sector has taken over the economy. Its lobbyists and academic advocates have persuaded governments and voters that they need to protect banks, and even need to bail them out when they become overly predatory and face collapse. Governments and politicians are persuaded to save banks instead of saving the economy, as if the economy can't function without banks being left in private hands to do whatever they want, free of serious regulation and even from prosecution when they commit fraud. This means saving creditors - the One Percent - not the indebted 99 Percent.
(Transcript of *CounterPunch Radio* - Episode 19 (originally aired September 21, 2015). œEric Draitser interviews Michael Hudson)

688 A report titled: *No Small Fees: LA Spends More on Wall Street than Our Streets*, spelt out the problem for Los Angeles, replicated in states and local authories across the US:

Key Findings

- More to Wall Street than our streets: The City of Los Angeles last year spent more on Wall Street fees than it did on our streets. It paid Wall Street $204 million in fees, spending only $163 million on the Bureau of Street Services. The city also controls $106 billion in financial and economic power that flows through its financial institutions that can be leveraged to demand better deals from Wall Street.

- Millions in cuts to services: The Wall Street crash reduced revenues and forced a 19% cut in City spending on governmental operations and activities when measured on a per capita basis in 2014 dollars. Basic neighborhood services have been halted or severely curtailed. The city has all but stopped repairing sidewalks, clearing alleys and installing speed bumps.
- Corporations shifting the property tax burden: As revenues have declined over time, debt has increased, while structural revenue problems are not being addressed. Property taxes are

the largest source of LA city revenue and there's been a big shift in who pays them. In 1977, commercial property owners paid 46% of property taxes and residential owners paid 53%. Now, commercial property owners pay only 30% of property taxes, while residential property owners pay 70%. Existing tax loopholes are a big part of the problem. If the loopholes were closed and commercial property was reassessed at market value, Los Angeles would get an additional $200 million in property tax revenue each year, enough to restore many of the services that were cut.
(œNo Small Fees: LA Spends More on Wall Street than Our Streets, A Report by the Fix LA Coalition, March 25, 2014)

689(11/05/17) Bill Mitchell, in a blog posting entitled 'œBritish labour lost in a neo-liberal haze', has provided two tables which give an excellent run-down of 'neo-liberal mumbo jumbo' and alternatives to the delusional presumptions underpinning neoliberal 'household budget' reasoning (the posting, including the comments, is both informative and depressing reading!):

First, the neo-liberal mumbo jumbo:

Table 8.1 Examples of neoclassical macroeconomic metaphors

Focus of Attack	Metaphorical claim	Implied meaning
Government spending	The nation is living beyond its means	Excess spending requires sacrifice Cuts needed immediately
	Nation has maxed out its credit card	Run out of money due to irresponsible spending
	Spending like a drunken sailor	Wanton irresponsibility and delinquent behaviour
Fiscal balance	Budget black hole	Budget beyond human control like the collapse of massive star
	Deteriorating state of the budget	Budget is like a body and is in state of ill health requiring emergency surgery, TINA
	Mushrooming budget deficit	Budget is an organic entity and is out of control
	The nation has run out of money, it is broke	Government budget is like a household budget; the economy is like us
Public Debt	The nation is bankrupt	Nation is a badly managed insolvent firm
	The public debt mountain	Debt is dangerous and insurmountable
	Burdening our grandchildren	Debt threatens fundamental unit of society and undermines future prosperity
	Mortgaging the future	Current government debt compromises future spending
Income support	Welfare dependency	Welfare net is like a drug for the populace, encouraging ill health and addiction
	Dole Bludgers, Skivers	Unemployed are lazy and undeserving

Next, explanations based in the reality obscured by neoliberal dogmas:

Table 8.2 Examples of MMT macroeconomic metaphors

Focus of Attention	Metaphorical claim	Implied meaning
Government spending	Government spending puts money in our pockets.	Government spending increases non government's income.
	Government invests in the productive capacity of our nation.	Government spending increases our capacity to provide for the needs of our population.
	Government cannot run out of money; the true constraint is our nations' resources.	There is no financial constraint although there could be a resource constraint.
Fiscal balance	Government deficits allow us to save.	Government deficits equal non government surpluses.
	Government surpluses equal non government deficits.	Government surpluses reduces non government financial saving
	The fiscal balance is largely determined by the economy's performance.	Fiscal balance outcome is not discretionary.
	The nation cannot run out of its own money.	Government 'budget' is NOT like a household budget.
Public Debt	The governments' debt is our asset.	Government debt provides a risk free financial asset to strengthen non government portfolios.
		Government debt helps to stabilise the financial system.
Income support	We take care of our own.	As our government faces no financial constraints, it uses its fiscal capacity to ensure resources are mobilised to care for its population.
	A good nation supports its people.	Unemployment is always evidence of a policy failure, a failure to put resources to work.
	A good nation helps to support those in other nations who need help.	Rich nations help to mobilise resources needed by poorer nations.

(Bill Mitchell, [oe]British labour lost in a neo-liberal haze, *Billy Blog*, May 3, 2017)

Steve Keen, commenting on an earlier British election, put all this rather well:

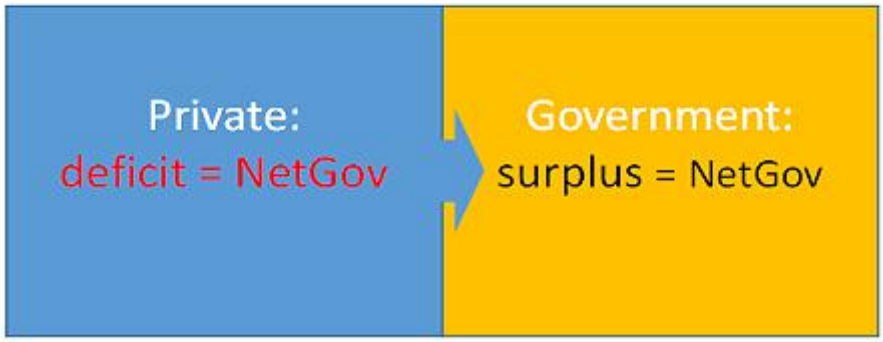
> The British election campaign has begun, and Prime Minister David Cameron is running with the slogan that his Conservative Party will deliver "A Britain living within its means" by running a surplus on day-to-day government spending by 2017/18. It is, as the UK Telegraph noted, hardly an inspiring slogan. But it is one that resonates with voters, because it sounds like the way they would like to manage their own households. And a household budget - whether you balance yours or not - is something we can all understand. If a household spends less than it earns, it can save money, or pay down its debt, or both. So it has to be good if a country does the same thing, right?
>
> If only it worked that way. In fact, a government surplus has the opposite effect on Joe Public: a government surplus means that the public has to either run down its savings, or increase its debt. And if the government runs a sustained surplus, then - unless the country

in question has a huge export surplus, like Japan or Germany - a financial crisis is inevitable.

That's the opposite of what both politicians and most of the public think that running a government surplus will achieve - and yet it's easy to prove that that is the outcome a sustained surplus will lead to.

Firstly, a government surplus means that, in a given year, the taxes the government imposes on the public exceed the money it spends (and gives) to the public. There is therefore a net flow of money from the public to the government. As a once-off, that doesn't have to be a problem. But if it's sustained for many years, then the public has to provide a continuous flow of money to the government. Let's call this flow NetGov: a sustained surplus requires the situation shown in Figure 1 (where a deficit is shown in red and a surplus in black).

Figure 1: A sustained government surplus requires the private sector to supply the government with a continuous flow of money



One way that the public can do this is to run down its own money stock - to reduce its savings. But that's the opposite of what the policy is intended to achieve: the expectation of enthusiasts for government surpluses is that it will enable the public to save more, not less. But as a simple matter of accounting, increased public savings - increased balances in the public's bank accounts - are only compatible with a government surplus if the public can produce more money than it pays to the government to maintain its surplus.This raises the question "how does the public produce money?". Anyone in the private sector can produce goods and services for sale, but the production of money is a very different thing to production of goods. The public in general can't "produce money" - but the banks can. As the Bank of England recently explained, banks create money by making loans:

> Whenever a bank makes a loan, it simultaneously creates a matching deposit in the borrower's bank account, thereby creating new money (Bank of England, "œMoney Creation in the modern economy")

So if the private sector is to finance the government sector's surplus, and if the economy is growing at the same time, then there has to be a net flow of new money created by the banking sector - part of which expands the non-banking public's money stock, and part of which finances the government sector's surplus. Therefore the banking sector has to "run a deficit": new loans have to exceed loan repayments (plus interest payments on outstanding debt).

(Steve Keen, œBeware Of Politicians Bearing Household Analogies, *Forbes/Investing*, Jan 14, 2015)

690 (08/01/16) This has largely been a result of the resurfacing of the Intermediation of Loanable funds (ILF) fallacy with the triumph of neoliberalism over the past forty years. Neoliberal economics, in its various guises, has not only denied the legitimacy of public credit creation, proponents have, all-too-often failed to understand the nature of private credit creation, leading to an unfortunate presumption that:

> Lending starts with banks collecting deposits of real resources from savers and ends with the lending of those resources to borrowers.

As Paul Krugman put it, appearing to endorse the intermediation of loanable funds (ILF) model of banking:

> Banks are just another kind of financial intermediary, and the size of the banking sector - and hence the quantity of outside money - is determined by the same kinds of considerations that determine the size of, say, the mutual fund industry.
> (Paul Krugman, Commercial Banks As Creators of "Money", *New York Times*, Opinion Pages, August 24, 2013).

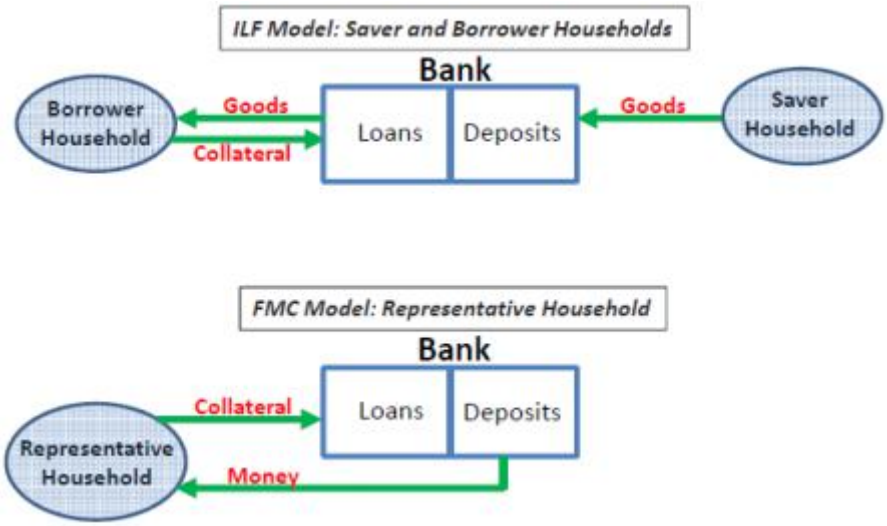
(Those who presume the validity of the ILF model, inevitably presume also that government 'debt' must come from 'somewhere'. So, it becomes inevitable that they will also presume that sovereign governments must 'borrow' from elsewhere if they wish to increase 'spending'. Krugman commonly presumes government borrowing either from the US Central Reserve as an autonomous entity which 'lends' to government or, possibly, in the private financial marketplace. One is reminded of Leo Tolstoy's observation. A number of the comments appended to the above blog entry are informative.)

As Zoltan Jakab and Michael Kumhof (2015) have explained, the ILF

> ...models are based on the highly misleading 'intermediation of loanable funds' theory of banking.... We argue instead that the correct framework is 'money creation' theory.

In a summary paper, published on CEPR's Policy Portal, VOX (18 June 2015), they provide a clear, simple graphic illustrating the major difference between the two models:

Figure 1



(08/02/16)(23/10/16)(11/04/17)

(13/07/18) There is another common fallacy which Western commentators on political issues all-too-often perpetuate: Any suggestion that individuals are preferred candidates for public office because they have been successful in business demonstrates a failure to understand the difference between:

- business activity: the pursuit of 'profit';

  and

- government activity: the pursuit of the *Commonweal*.

Despite neoclassical and neoliberal claims for the primacy of the independent individual, the two are not the same! Appointment of individuals to public office based on expertise in profit making/taking is a short-cut to plutocracy.

In a democracy, government has a *fiduciary duty* to its constituency. It takes responsibility for the commonweal. It is not a 'profit making' enterprise. To paraphrase a œWikipedia definition of fiduciary responsibility:

> In such a fiduciary relationship, people, in positions of vulnerability, justifiably vest confidence, good faith, reliance, and trust in their elected representatives; and governments provide aid, advice and protection as needed. In such a relation good conscience requires the fiduciary to act at all times for the sole benefit and interest of all those under its care and protection.

Wade Riddick, in a comment posted on the Blog Site œ*Naked Capitalism*, put the problem in a nutshell:

> When private actors provide government services at a profit - especially monopoly services like water and power - the natural tendency is to confiscate the budget for public goods and extort the captive population. These "consumers" are, in fact, captives because they have no other place to turn for affordable service. Are you going to build your own water distribution network with cars?
>
> This problem with privatizing essential government functions has been a major issue since the days of the Magna Carta and tax farming (i.e., privatized, for-profit tax collection on "commission"). (Wade Riddick, Comment, œJim Hightower: What Really Poisoned the Water in Flint, Michigan, Posted on February 7, 2016 by Lambert Strether)

(10/02/16) The reasoning Riddick employs is equally appropriate to running government as though it were a business. Once profit and loss reasoning is employed in the provision/delivery of government services, "the natural tendency is to confiscate the budget for public goods and extort the captive population".

Jim Hightower spelt out the problem:

> The mantra of every Koch-headed, right-wing politico is that government should be run like a business, always focused on cutting costs.
>
> Welcome to Flint, Michigan. This impoverished, mostly African-American city has indeed been run like a private corporation since Republican Gov. Rick Snyder appointed his "emergency manager" to seize control of Flint's heavily indebted local government. Snyder's coup d'état usurped the people's democratic voice and effectively

> imposed a corporate-style autocracy over them, run by his unelected CEO-like manager who answers only to Snyder.
>
> Flint's emergency manager holds authoritarian budgetary power and is focused not on serving the people but on the bottom line. His mandate from the governor was to slash costs ruthlessly, so bankers and other holders of the city's debt could be paid off. Snyder was delighted that his appointed czar proved to be an enthusiastic slasher, including a cleaver move in 2014 to cut a couple million dollars from the budget by shifting the source of the city's drinking water from Lake Huron to the Flint River...
>
> But - oops - the bottom line of thinking you can simply apply corporate methods and ethics to public responsibilities is that very bad things can happen. In this case, Flint's water supply is contaminated with lead, its entire infrastructure of water pipes needs to be replaced, thousands of the city's children may be permanently impaired by lead poisoning ... and Snyder's name is mud.
> (Jim Hightower: œWhat Really Poisoned the Water in Flint, Michigan: Flint reveals that there is a much deeper contamination poisoning our country's political morals, *AlterNet*, February 3, 2016)

Karen Garcia, in a comment on a *New York Times* article by Paul Krugman, summed up the consequences of the slip-shod government for 'profit' playing out in the United States and around the Western capitalist world in the second decade of the 21st century:

> Trump is the personification of capitalism run amok.
>
> He fires at whim. He's immune to public shaming.. His pursuit of wealth and power is relentless. He cares for nobody but his immediate gene pool, just as the capitalistic system itself has no regard for anyone other than owners and the investor class.
>
> He's a very stable crook and a master gaslighter. Taunting his prey one minute and fawning over them the next is how he keeps them off-balance before either lunging for the kill or leaving it for later.
>
> This is exactly how bosses, from CEOs all the way down to middle managers, instill fear into workers every day of their precarious lives.
>
> Thanks to both our major parties moving further right in the past 50 years, there are now few legal restraints against either public and private tyrannical behavior or graft.
>
> It's no surprise that Trump confuses "the country" with "my company." It's no surprise that the longstanding, pre-existing world order of profits over people has produced such a glut of reactionary global leaders like him.
>
> It's no use griping that Trump is destroying "norms," or pretending that everything was cool before he came along. More than a dozen wars, with millions killed and trillions of dollars wasted since World War II, coupled with the constant assaults on our social programs, have created a virtual Petri dish for all kinds of Trumps to grow and thrive like Blobs.
>
> We need some social democracy, and we need it right now.
>
> A new New Deal or bust.
> (Karen Garcia, Comment, on Paul Krugman, œFor Trump, Failure Is

the Only Option, *New York Times*, July 12, 2018)

Michael Hudson summed it all up in an interview on *The Real News Network*:

> KIM BROWN: So, Michael, in an interview that Jared Kushner gave the Washington Post over the weekend from his West Wing office, ...Jared Kushner says that the American government needs to be run like a business - I'm paraphrasing here. This seems to be a feeling, an ethos, if you will, shared by this Trump administration.
>
> So, is it a good idea to try to run government the way that corporations are being run?
>
> MICHAEL HUDSON: Not only is it a bad idea, but yesterday, the Financial Times of London, the premier financial paper, had a wonderful editorial, saying œWhy business cannot make government great [subtitle: Making law is not making money, and governing is not managing (March 29, 2017) - behind a pay wall]. In other words, why it can't be run like a government.
>
> The main reason is that businesses are run to make a profit....
>
> Imagine somebody working for an employer... [T]he last thing you want is for the employer to run his business the way he wants, without any safety conditions, without paying you overtime, without paying you a pension, without paying you medical care.
>
> The idea of running it like a business is... to pay labor as little as possible, and to get as much money for themselves - the businessmen - as possible. **So, when Kushner says, Let's run government like a business, what he really means is, let's run government for business**....
>
> ...[R]unning the government as a business says,
>
> - let's get rid of the environmental concerns, because that's a cost to business.
> - Let's not tax business, because that's a cost.
> - Let's get rid of any pro-labor legislation. We have our consumer protection.
> - Let's get rid of the Consumer Financial Protection Agency that blocks banks from cheating their customers, because business is all about gouging as much as you can get.
>
> So, do you really want a government that is going to be run like a business and gouge people? And then the final kicker that really makes the analogy between business - and a private balance sheet - and government different is that businesses can't run a deficit....
>
> But governments are supposed to run a deficit, because they're supposed to lose money in balance sheet terms. They're supposed to spend money into the economy; that's how the economy gets enough money to grow.
> (œTrump's Idea of Running Government Like a Business is Bad for Citizens, Posted on *Naked Capitalism*, April 10, 2017 by Yves Smith)

691 Paul Samuelson: œinterview with Mark Blaug on the superstition that the budget must be balanced at all times.

Robert Skidelsky has given "a glimpse into the mindset of a bygone era" through a discussion of "the mix of neoclassical and Keynesian

economics that defined the mainstream of the field [of economics] for 50 years" through the New Deal and post-New Deal period. As he says,

> ...it is extraordinary to realize just how confident economists of [Samuelson's] generation were that the New Economics (as the Keynesian approach was called in America) had solved the problem of depression and mass unemployment. As Samuelson put it in his 1973 introduction, "the specter of a repetition of the depression of the 1930s has been reduced to a negligible probability."
>
> Yes, there would still be small fluctuations; but, as he wrote in 1966, "Great Depressions - cumulative slumps that feed on themselves - are indeed extinct." The reason was that governments now had the tools, especially discretionary fiscal policy, to check any incipient downturn. "What is important about the budget," he said in 1970, "is whether it is inflationary or deflationary, not whether [it is] balanced or unbalanced." In other words, "A deficit in a good cause is good business." How many economists or politicians believe this today?
> (Robert Skidelsky, "œThe Fall of the House of Samuelson ", *Project Syndicate*, Jan 22, 2015)

692 That politicians and economists should strip economic support from those most in need in their communities in the interests of 'balancing the budget' is inexcusable. It is one thing to display one's naivety (dare one say 'stupidity'?) in believing the fairy tales earlier economists have spun to ensure 'economic discipline' in the community; it is quite another to callously condemn the most vulnerable to penury in doing so. Such policies are not only morally reprehensible, they are also economically absurd.

693 For an explanation of US Federal Reserve System Capital Adequacy requirements and guidelines, see: œUSFRB Capital Guidelines and Adequacy.

Simon Johnson provided a (2013) picture of British attempts at ensuring that banks œ'have enough loss-absorbing capital'. As he claimed, 'British officials - and those elsewhere - should come back to work and do their job properly, by phasing in much higher capital requirements in a responsible manner':

> The devil is always in the details. And the greatest devils of our economic age lurk in the details of how officials regard the capital - the equity funding - of our largest banks. Government officials have identified far too closely with the distorted, self-interested worldview of global banking executives. The result is great peril for the rest of us.
>
> In this surreal world, the United Kingdom takes on disproportionate influence, because London is still a top financial center - and because the biggest banks in the United States and Europe have proved very effective at playing off American and British regulators against one another. Opinion leaders around the world look to the British for a clever and nuanced approach to financial-sector policy. Unfortunately, they currently look in vain.
>
> To understand the precise problem, you must dip into the latest details of the Prudential Regulatory Authority's "œcapital shortfall exercise " with eight major UK banks. I won't pretend that the PRA's work is easy reading for a layperson; but anyone who spends a little time with the documents will first laugh and then cry.

> With great fanfare (and generally favorable press coverage), the PRA announced that some banks do not have enough loss-absorbing capital - relative to target levels of equity that are ludicrously low. The Bank of England's Financial Policy Committee (FPC) said that œthe target should be 7% of risk-weighted assets under Basel III definitions. And, œin the PRA's presentation, this amounts to a leverage ratio of around 3% for most of these banks (again using Basel III definitions), though a couple of banks will need an additional adjustment to reach that level.
>
> In plain English, a supposedly well-capitalized bank in the UK can have 97 cents of debt per one dollar of assets (and just three cents of equity)....
>
> So much for the laughs. The tragedy in the PRA's exercise is British officials' apparent belief that they are carrying out real reform, rather than setting the stage for serious trouble...
>
> But the potential for more tears for taxpayers - still reeling from the cost of rescuing the Royal Bank of Scotland (RBS) - looms large. The invitation to banks to game the risk-weighting system further is stated plainly: "In line with the FPC recommendation, the PRA has accepted restructuring actions which, by reducing risk-weighted assets, will credibly deliver improvements in capital adequacy." In other words, the banks can change how they calculate risk - for example, by tweaking their own models - in ways that will make them look better as far as regulators are concerned.
> (Simon Johnson, *Project Syndicate*, Jun. 26, 2013, œBritish Banks' Comedy of Terrors)

Anat Admati and colleagues, in 2013, addressed 'the pervasive view that "equity is expensive," which leads to claims that high capital requirements are costly for society and would affect credit markets adversely.' As they explained,

> A pervasive view that underlies most discussions of capital regulation is that "equity is expensive," and that equity requirements, while offering substantial benefits in preventing crises, also impose costs on the financial system and possibly on the economy. Bankers have mounted a campaign against increasing equity requirements. Policymakers and regulators are particularly concerned by assertions that increased equity requirements would restrict bank lending and impede economic growth.
>
> Possibly as a result of such pressure, the proposed Basel III requirements, while moving in the direction of increasing capital requirements, still allow banks to remain very highly leveraged. We consider this very troubling, because, as we show below, the view that equity is expensive is flawed in the context of capital regulation.
>
> From society's perspective, in fact, having a fragile financial system in which banks and other financial institutions are funded with too little equity is inefficient and indeed "expensive."
> (Anat R. Admati, Peter M. DeMarzo, Martin Hellwig and Paul Pfleiderer, œFallacies, Irrelevant Facts, and Myths in the Discussion of Capital Regulation: Why Bank Equity is Not Expensive, *Stanford Business*, October 22, 2013, Working Paper No. 2065)

694 Dean Baker has summed it up well:

> The third key group that has been promoting the SGD [Second Great Depression] myth is the economists and policy-types (including reporters) who deal with macroeconomic and financial issues. Their reason for promoting the SGD story is that they need cover for having failed to recognize the housing bubble and the severe downturn that would be an inevitable outcome of its collapse. The SGD myth goes along with the idea that the collapse and continuing weakness of the economy is all very mysterious.
>
> They want the public to believe that the issues involved are complicated and beyond the understanding of normal people. This is why their focus is always the financial crisis. After all credit default swaps and collaterized debt obligations can be complicated.
>
> On the other hand, the basic story of the housing bubble was pretty damn simple. When the country saw an unprecedented run-up in house prices it should have caught some economists' attention. After all, the US housing market was the largest market in the world and it was not previously subject to erratic fluctuations of this sort.
>
> The huge construction boom driven by the bubble was also not a secret. Nor was the flood of dubious loans, which even at the time were the subject of jokes about their poor quality by people in the industry.
>
> In short, the story of the housing bubble and the devastation wreaked on the economy by its collapse is a simple one that the great minds of the economics profession should have all seen coming. Rather than acknowledge that they made a colossal blunder, it's much better to build up the myth that it's all so complicated. And, if we didn't give Wall Street everything it wanted, we would be subject to the curse of the SGD.
> (Dean Baker, œLehman Day: Making Fun of the Second Great Depression Crowd, *Truthout*, Monday, 14 September 2015)

695 Blair Mcclendon summed it up well:

> The Obama presidency gave rise to a uniquely powerful iconography that projected a sense of hope and radical possibility. But behind the president's messianic imagery was a country unraveling at the seams - and a president who stood for nothing.
> (Blair Mcclendon, œBarack Obama, the Hollow Icon, *Jacobin*,September 13, 2021)

696 A comment on the article by John Grannis sums it all up:

> Several financial journalists have written books about the causes of and response to the Great Recession. I hope one of them takes the time to rewrite this piece of revisionist fluff, replacing the self serving lies with the obvious truth. I'll mention a couple of easy targets. Start with "the seeds of financial panic were sown..." No mention of conspiracy between the major banks and the credit rating authorities to create massive fraud. No word about the bogus investment instruments sold to investors around the world. Not a peep about predatory lenders or robo foreclosures. These were not flaws in the system, they were crimes.
>
> Let's move on to the response. Bernanke, Geithner and Paulson, prime suspects all, present themselves as brave firefighters, saving the world from ruin. What did they do? After Goldman Sachs' Paulson allowed Lehman Brothers to fall, the Fed and Treasury moved to bail out banks

dollar for dollar, while letting millions of people lose their homes. Did it ever occur to them that all those trillions of dollars could have been injected at the bottom of the system, rather than the top, thus saving the housing market and millions of jobs? Apparently the welfare (and immunity) of a few rich bankers was more important than that of ordinary American citizens.

The writers state that "the enemy is forgetting." I agree. Our financial lords would have us forget who is truly responsible [for] the Great Recession and all of its ongoing consequences. We refuse to comply. (John Grannis, Comment on: "What We Need to Fight the Next Financial Crisis: Congress has taken away some of the tools that were crucial to us during the 2008 panic. It's time to bring them back, *New York Times*, September 7, 2018)

697 Raphaële Chappe *et al* explained the 21st Century US 'magic money' problem:

MORAL HAZARD AS A BUSINESS MODEL

Under normal conditions, conventional monetary policy involves the Fed (and other central banks) directly influencing short-term interest rates by buying and selling short-term government securities through open-market operations. But in its efforts to contain the 2008 financial crisis and the present COVID-19 recession, the Fed has departed from that model.

In 2008, the policy of quantitative easing extended these purchases to long-term government debt and toxic assets such as mortgage-backed securities. This past March, in response to the pandemic, the Fed publicly pledged to buy a much wider range of assets from a much wider range of sellers, including corporate bonds rated below investment grade.

The idea behind the move was that investors would trade the securities on the Fed's "buy list" with the assumption that they were insulated from overall market conditions. This helped restore market confidence, prompting a stock market rally in spite of widespread economic devastation and massive unemployment....

BAILOUTS FOR ME, BUT NOT FOR THEE

In severing any remaining ties between financial markets and the real economy, policymakers seem to believe that the rising value of stocks and bonds will trickle down enough to produce GDP growth. But the belief that increased wealth can replace wage growth as the driving force in lifting aggregate demand ignores the fact that the vast majority of U.S. households are not able to build wealth in the first place.

According to recent research by Goldman Sachs, the bottom 90 percent of Americans hold a mere 12 percent of the value of stocks owned by U.S. households [almost all of it, including the 12%, in the hands of the top 20% of households]

The U.S. economy has failed to deliver inclusive growth for decades, as real wages for many workers have been stagnant since the mid-1970s. The Fed itself determined last year that the majority of American adults would not be able to cover a hypothetical unexpected expense of $400 - a scenario that for millions of Americans became a reality when the pandemic forced the country to shut down. The only remaining recourse for typical consumers

struggling to maintain their standard of living is to rely on ever more expensive credit.

In short, the United States seems to have stumbled into a monetary policy regime that has untethered the fate of economic elites, who derive most of their income from state-protected financial assets, from that of ordinary people, who rely on low and precarious wages.

Such a regime offers permanent protections to those with high incomes from financial assets; everyone else gets little more than temporary help in times of crisis. In a world of high inequality and intense polarization, this is a dangerous policy mix.
(Raphaële Chappe; Mark Blyth; Sebastian Mallaby, "Hocus-Pocus? Debating the Age of Magic Money, *Foreign Affairs*, November/December 2020)

698 As Mariana Mazzucato explains, the world cannot afford to repeat the mistakes of 2008 in the aftermath of the 2020 Covid-19 Crisis.

...[A]s countries are reeling from the COVID-19 pandemic and the resulting lockdowns, they must avoid making the same mistake. In the months after the virus first surfaced, governments stepped in to address the concomitant economic and health crises, rolling out stimulus packages to protect jobs, issuing rules to slow the spread of the disease, and investing in the research and development of treatments and vaccines. These rescue efforts are necessary. But it is not enough for governments to simply intervene as the spender of last resort when markets fail or crises occur. They should actively shape markets so that they deliver the kind of long-term outcomes that benefit everyone.

The world missed the opportunity to do that back in 2008, but fate has handed it another chance. As countries climb out of the current crisis, they can do more than spur economic growth; they can steer the direction of that growth to build a better economy. Instead of handing out no-strings-attached assistance to corporations, they can condition their bailouts on policies that protect the public interest and tackle societal problems. They can require COVID-19 vaccines receiving public support to be made universally accessible. They can refuse to bail out companies that won't curb their carbon emissions or won't stop hiding their profits in tax havens.

For too long, governments have "socialized risks but privatized rewards: the public has paid the price for cleaning up messes, but the benefits of those cleanups have accrued largely to companies and their investors. In times of need, many businesses are quick to ask for government help, yet in good times, they demand that the government step away. The COVID-19 crisis presents an opportunity to right this imbalance through a new style of dealmaking that forces bailed-out companies to act more in the public interest and allows taxpayers to share in the benefits of successes traditionally credited to the private sector alone. But if governments instead focus only on ending the immediate pain, without rewriting the rules of the game, then the economic growth that follows the crisis will be neither inclusive nor sustainable. Nor will it serve businesses interested in long-term growth opportunities. The intervention will have been a waste, and the missed opportunity will merely fuel a new crisis.
(Mariana Mazzucato, "Capitalism After the Pandemic: Getting the Recovery Right, *Foreign Affairs*, October 02, 2020)

699 That repayment was in part funded by the billions of dollars of TARP (Troubled Asset Relief Program) funds *given away* by Paulson, much of which found its way into the coffers of the troubled banks: a feat of prestidigitation. The US Fed was, in part, repaid for loans made to the too-big-to-fail banks with its own distributed TARP funds (now returned to the Fed as bank reserves (withdrawing access to that credit from the mundane economy)) - leaving those banks with the foreclosed properties they had gained from their previously toxic mortgage assets to be transferred into 'a rental market controlled by Wall Street '. As Orwell put it, "all animals are equal but some animals are more equal than others".

(For further information on the TARP program see: œAbout TARP: 5 Year Update 2008-2013, U.S. Department of Treasury, for more detail; also this article by Erik Klingenberg: The Troubled Asset Relief Program: Summary and analysis of the troubled asset relief program (*Consumer Finance Law Quarterly Report*, Volume 62, Numbers 1-2, Spring-Summer 2008, pp. 26-35) for a critical examination of its origins and implementation.)

For a critical examination of the role the Fed played as "lender of last resort" in the aftermath of the financial crisis of 2007 see Wray (2013). As Wray summarized:

> If anything, the crisis response largely restored the financial system that existed in 2007 on the eve of the crisis.
>
> ...[B]ecause the response... simply propped up a deeply flawed financial structure and because financial system reform will do little to prevent financial institutions from continuing risky practices, another crisis is inevitable - and indeed will likely occur far sooner than most analysts expect.
> (L. Randall Wray, œThe Lender of Last Resort: A Critical Analysis of the Federal Reserve's Unprecedented Intervention After 2007, Levy Economics Institute, April 2013)

For a description and explanation of SEC prosecution practices over the period (and another example of prestidigitation) see Matthew Yglesias (2014):

> The Securities and Exchange Commission is one of the main agencies that's supposed to be regulating Wall Street. But they've been essentially caught red handed working together with Goldman Sachs to make it look like Goldman was paying a huge fine when really they're paying a small one. Sadly, though, the story probably won't get much attention from the general public because the CDO prosecution issue is a little obscure and it hasn't really been in the news for years.
>
> ...What is now looking clearer and clearer is that the settlements were not as advertised. The banks paid money - in Goldman Sachs' case $550 million - not to settle one CDO suit, but to settle all the CDO suits. So rather than Goldman paying $550 million for wrongdoing around the Abacus CDO and then facing 10 more charges related to 10 other suspicious CDOs, it was paying a price of $55 million per CDO to settle all 11 cases. Except the SEC didn't want to look like it was letting the banks get away with a slap on the wrist, so it worked out an arrangement whereby both sides would publicly act as if only one case had been settled while agreeing under the table that all claims were now resolved.
> (Matthew Yglesias, œThe SEC's just been caught colluding with the

banks it's supposed to regulate, *Vox* 13 April 2014.
Yglesias, incidentally, provides a clear explanation of the nature of collateralized debt obligation (CDO) packages.)

(11/04/16) Sleight-of-hand discounting of financial settlements for wrongdoing in the US was not limited to the immediate post-2008 Global Financial Crisis fallout. Nathaniel Popper has described very similar practices in a 2016 Goldman Sachs settlement reached with the US Justice Department. As Popper explains:

> Goldman is the last of the major banks to settle with the government. Past deals with other banks also contained some of these concessions, but Goldman appears to have negotiated an even sweeter deal. For all the banks, the credits suggest that the amounts that the banks will have to actually spend on consumer relief will be much lower than the numbers announced in the news releases.
>
> "They appear to have grossly inflated the settlement amount for P.R. purposes to mislead the public, while in the fine print, enabling Goldman Sachs to pay 50 to 75 percent less," said Dennis Kelleher, the founder of the advocacy organization Better Markets, referring to the government announcement. "The problem all along, with all of these settlements - and this one highlights it even more - is that they are carefully crafted more to conceal than reveal to the American public what really happened here - and what the so-called penalty is."
>
> A Justice Department official with direct knowledge of the negotiations, who spoke on the condition that his name not be disclosed, said that the banks were given extra credit for activities that the government wanted to encourage, like funding development of low-income housing or providing relief to areas hit by natural disasters. But he also said that the final terms were a result of a back and forth between the banks and government officials.
>
> Goldman is the last of the big American banks to reach a settlement with the national working group that was set up in 2012 to investigate how Wall Street exacerbated the mortgage bubble and ensuing financial crisis. The group included several federal regulators and state attorneys general.
> (Nathaniel Popper, "Goldman Mortgage Settlement Is Much Less Than Meets the Eye, *New York Times*, DealBook, April 11, 2016

700 Both Treasury securities and agency mortgage-backed securities have been purchased. As the Federal Reserve Bank of New York explains: "Only fixed-rate agency MBS securities guaranteed by Fannie Mae, Freddie Mac and Ginnie Mae are eligible assets for purchase." See "Statement Regarding Purchases of Treasury Securities and Agency Mortgage-Backed Securities for detail.

701 Michael Hudson, in an interview conducted by Finnish journalist Antti J. Ronkainen, gave his explanation of the rationale for the US Federal Reserve's response to the 2008 crisis:

> *AJR: So let's go back to beginning. When the Great Financial Crisis escalated in 2008 the Fed's response was to lower its main interest rate to nearly zero. Why?*

MH: The aim of lowering interest rates was to provide banks with cheap credit. The pretense was that banks might lend to help the economy get going again. But the Fed's idea was simply to re-inflate the Bubble Economy. It aimed at restoring the value of the mortgages that banks had in their loan portfolios. The hope was that easy credit would spur new mortgage lending to bid housing prices back up - as if this would help the economy rather than simply raising the price of home ownership.

But banks weren't going to make mortgage loans to a housing market that already was over-lent. Instead, homeowners had to start paying down the mortgages they had taken out. Banks also reduced their credit-card exposure by a few hundred billion dollars. So instead of receiving new credit, the economy was saddled with having to repay debts.

Banks did make money, but not by lending into the "real" production and consumption economy. They mainly engaged in arbitrage and speculation, and lending to hedge funds and companies to buy their own stocks yielding higher dividend returns than the low interest rates that were available.

AJR: In addition to the near zero interest rates, the Fed bought US Treasury bonds and mortgage backed securities (MBS) with almost $4 trillion during three rounds of Quantitative Easing stimulus. How have these measures affected the real economy and financial markets?

MH: In 2008 the Federal Reserve had a choice: It could save the economy, or it could save the banks. It might have used a fraction of what became the vast QE credit - for example $1 trillion - to pay off the bad mortgages and write them down. That would have helped save the economy from debt deflation. Instead, the Fed simply wanted to re-inflate the bubble, to save banks from having to suffer losses on their junk mortgages and other bad loans.

Keeping these debts on the books, in full, let banks foreclose on defaulting homeowners. This intensified the debt-deflation, pushing the economy into its present post-2008 depression. The debt overhead is keeping it depressed.

One therefore can speak of a financial war waged by Wall Street against the economy. The Fed is a major weapon in this war. Its constituency is Wall Street. Like the Justice and Treasury Departments, it has been captured and taken hostage.
(Michael Hudson and Antti J. Ronkainen, œThe Federal Reserve and the Global Fracture, *Counter Punch*, February 17, 2016)

702 Stiglitz summed up the post-Global Financial Crisis problems and necessities well:

What was needed was more than a massive bank bailout. The US needed a fundamental reform of its financial system. The 2010 Dodd-Frank legislation went some way, though not far enough, in preventing banks from doing harm to the rest of us; but it did little to ensure that the banks actually do what they are supposed to do, focusing more, for example, on lending to small and medium-size enterprises.

More government spending was necessary, but so, too, were more active redistribution and pre-distribution programs - addressing the

weakening of workers' bargaining power, the agglomeration of market power by large corporations, and corporate and financial abuses. Likewise, active labor-market and industrial policies might have helped those areas suffering from the consequences of deindustrialization.

Instead, policymakers failed to do enough even to prevent poor households from losing their homes. The political consequences of these economic failures were predictable and predicted: it was clear that there was a risk that those who were so badly treated would turn to a demagogue. No one could have predicted that the US would get one as bad as Donald Trump: a racist misogynist bent on destroying the rule of law, both at home and abroad, and discrediting America's truth-telling and assessing institutions, including the media....

There are many lessons to be learned as we reflect on the 2008 crisis, but the most important is that the challenge was - and remains - political, not economic: there is nothing that inherently prevents our economy from being run in a way that ensures full employment and shared prosperity. Secular stagnation was just an excuse for flawed economic policies. Unless and until the selfishness and myopia that define our politics - especially in the US under Trump and his Republican enablers - is overcome, an economy that serves the many, rather than the few, will remain an impossible dream. Even if GDP increases, the incomes of the majority of citizens will stagnate.
(Joseph E. Stiglitz, œThe Myth of Secular Stagnation, *Project Syndicate*, 28 August, 2018)

703 Bill Mitchell, in a blog entry entitled: œThe government has all the tools it needs, anytime, to resist recession, (*Billy Blog*, April 20, 2016), has commented on the fact that "central banks have had little effect on economic growth despite the rather massive buildup of their 'balance sheets' via various types of quantitative easing programs". His observations complement Mike Lofgren's discussion of the *fachidiot* :

> Several new articles have appeared in the last few weeks in the major media outlets expressing surprise that central banks have had little effect on economic growth despite the rather massive buildup of their 'balance sheets' via various types of quantitative easing programs. I have indicated before that I am coming to the view that most of the media, politicians, central bankers and other likely types (IMF and European Commission officials etc) seem to be in a constant state of 'surprise' as each day of reality fails to confirm what they said yesterday or last week (allowing for lags :-)). What a group of surprised people we have to effectively run our nations on behalf of capital. Poor souls, constantly be shocked out of their certainties. That is what Groupthink does - creates mobs that deny reality until it smacks them so hard in the face that they can only utter "that was surprising!" And in that context, the latest media trend appears to be something along the lines of 'well let's get the turbines moving' or 'those helicopters are about to launch' and when we read that and what follows we learn that the media input into our lives only reinforces the smokescreen of ignorance that we conduct our daily lives within.

704 (06/06/16) While, since the 1970s, those who explain the seemingly obvious fact that banks *create* credit and 'money', appear to see this as

a newly discovered truth, it is, of course, merely a rediscovery of the New Deal understanding of the nature of credit and 'money'. The US Federal Reserve, in 1939, spelt it out:

> Federal Reserve Bank credit... does not consist of funds that the Reserve authorities "get" somewhere in order to lend, but constitutes funds that they are empowered to create.

The creation of unsecured credit by private financial institutions ***is not the same*** *as credit creation by sovereign central banks*. One is based on an assumption of 'credit-worthiness' backed by presumed access to sovereign credit; the other is the issuer of unencumbered sovereign credit. As Beardsley Ruml explained, the Roosevelt Administration based its fiscal policies and practices, which resulted in what Gorton has called the "Quiet Period" in U.S. banking, on this understanding.

Frances Coppola has explained the means by which private banks create credit and money well:

> ...when a bank creates a new loan, it also creates a new balancing deposit. It creates this "from thin air", not from existing money: banks do not "lend out" existing deposits, as is commonly thought.
>
> ...The volume of excess reserves in the system is what it is, and banks cannot reduce it by lending. They could reduce excess reserves by converting them to physical cash, but that would simply exchange one safe asset (reserves) for another (cash). It would make no difference whatsoever to their ability to lend.
> (Frances Coppola, œBanks Don't Lend Out Reserves, *Forbes*, Investing, 1/21/2014)

Dan Kervick provides additional clarity to Coppola's explanation:

> ...I wholeheartedly agree with the bottom line moral Coppola draws from the operational mechanics of bank lending, but I do think some additional clarity can be had on the question of whether or not commercial banks lend their reserves. And I also have some reservations about the justification Coppola cites for the policy of paying interest on reserves in the first place....
>
> Do banks lend their reserves? A complete answer requires being clear about which question we are asking. If the question is, "Does an individual commercial bank lend its reserves?" then the most accurate answer is "Sometimes." If the question is "Does the commercial banking system in the aggregate lend its reserves?" then the most accurate answer is "No."
> (œBank Lending and Bank Reserves, *New Economic Perspectives*, January 22, 2014. (See also the comments appended to the explanation.))

(04/01/16) Paul Sheard (2013), Standard & Poor's chief global economist, provided a detailed explanation of all this. As he explained:

> Banks lend by simultaneously creating a loan asset and a deposit liability on their balance sheet. That is why it is called credit "creation" - credit is created literally out of thin air (or with the stroke of a keyboard). The loan is not created out of reserves. And the loan is not created out of deposits: Loans create deposits, not the other way around. Then the deposits need a certain amount of reserves to be held against them, and the central bank supplies them...

> So how do reserves enter into the credit creation picture? Borrowers borrow in order to spend the money (or buy an asset), so the borrower will likely do just that. The money "circulates" in the economy, so to speak. In aggregate terms, that means one of two things: the deposit money either moves into cash in circulation (banknotes) or stays on deposit somewhere in the banking system (typically it is some combination of both). To the extent that the deposit ends up being converted into cash, reserves go down because that is where banknotes come from...
>
> Here is the link between reserves and bank lending. Reserves go down when banknotes increase. Banknotes increase when borrowers take the money they borrowed out of the bank and part or all of the money remains in cash, rather than being re-deposited in the banking system. For an individual bank, the link between reserves and loans is an indirect and largely uncontrollable one. Individual banks can try to "get rid of" their excess reserves by making new loans, and, to the extent that the deposits so created leave their bank and, importantly, do not return as new deposits (the bigger the bank the less likely this condition is to hold), this will work for them. But for banks as a whole, new lending leads to a reduction in reserves only to the extent that the deposits created move into cash in circulation.
> (Paul Sheard, "Repeat After Me: Banks Cannot And Do Not "Lend Out" Reserves, *Standard & Poor's Rating Sevices*, Economic Research, August 13, 2013, p. 7)

Zoltan Jakab and Michael Kumhof (2015) have compared the common misperception amongst both economists and others in the community:

- that "banks accept deposits of pre-existing real resources from savers and then lend them to borrowers"

with the reality:

- that "banks provide financing through money creation". (See here for a simple graphic illustrating their point.)

As they explain:

> Since the Great Recession, banks have increasingly been incorporated into macroeconomic models. However, this literature confronts many unresolved issues. This paper shows that many of them are attributable to the use of the intermediation of loanable funds (ILF) model of banking. In the ILF model, bank loans represent the intermediation of real savings, or loanable funds, between non-bank savers and non-bank borrowers. But in the real world, the key function of banks is the provision of financing, or the creation of new monetary purchasing power through loans, for a single agent that is both borrower and depositor. The bank therefore creates its own funding, deposits, in the act of lending, in a transaction that involves no intermediation whatsoever. Third parties are only involved in that the borrower/depositor needs to be sure that others will accept his new deposit in payment for goods, services or assets. This is never in question, because bank deposits are any modern economy's dominant medium of exchange.
> (Zoltan Jakab and Michael Kumhof, "Banks are not intermediaries

of loanable funds - and why this matters, *Bank of England, Working Paper No. 529*, May 2015, p.ii)

For further clarity see: Michael McLeay, Amar Radia and Ryland Thomas: œMoney creation in the modern economy *Bank of England Quarterly Bulletin* (Q1, 2014, pp. 14-27). Unfortunately the use of the term 'money' rather than 'credit' in the title of this article has caused some confusion. Of course, private banks do not create 'money' in the form of official currency, they create 'credit'.

(01/09/16) The interchange of credit and currency should be viewed independently of the creation of private credit - and it is best to avoid treating the term 'money' as synonymous with the term 'credit'. The vast bulk of private credit creation does not involve the conversion of that credit into official currency[1044] - where it does, banks draw on their official Reserve Bank bank or currency reserves. See Ann Pettifor, œOut of thin air - Why banks must be allowed to create money (*Prime* : Policy Research in Macroeconomics, 25th June 2014) for a discussion of the resulting confusion and the demand that banks not be allowed to 'create their own money'.

US Federal Reserve spokespeople, for reasons addressed by both Dan Kervick and Paul Sheard (œBanks cannot "lend out" reserves, *Nomura Global Weekly Economic Monitor*, Global Letter, 4 March 2011), appear sanguine about the dangers of releasing a flood of new currency into the economy in the present economic climate. As John Williams (FRBSF) put it:

> ...once the economy improves sufficiently, won't banks start lending more actively, causing the historical money multiplier to reassert itself? And can't the resulting huge increase in the money supply overheat the economy, leading to higher inflation? The answer to these questions is no, and the reason is a profound, but largely unappreciated change in the inner workings of monetary policy.
>
> The change is that the Fed now pays interest on reserves. The opportunity cost of holding reserves is now the difference between the federal funds rate and the interest rate on reserves...
> (John C. Williams, œMonetary Policy, Money, and Inflation, FRBSF Economic Letter, July 9, 2012)

However, the reserves held are truly unprecedented and the Federal Reserve seems to have no clear plan for significantly reducing them[1045]. One can but wonder about the long-term consequences of handing major banks such potentially powerful means of manipulating US Federal Reserve policy and practice into the future. One might speculate that such a straightjacketing of the power of the Fed has the potential to shift monetary base control from the Federal Reserve Board into the hands of a fast-emerging US plutocracy.

705 (17/02/16) Bill Mitchell has suggested a likely contributor to the 2008 Global Financial Crisis (GFC) debacle - a groupthink augmented, amoral narcissism:

> ...[A]part from the corrupt and plainly unethical conduct exhibited by Wall Street, the rating agencies and the bank[s] that fed on all the ridiculous products that were created to make complex what, in fact, was a simple strategy - make money of real estate, there was also plain dumbness at the centre of the collapse and the crisis. Dumbness created by a dangerous Groupthink where patterned

behaviour was inculcated into the financial system and, ultimately, came back to bite most of us.

While the representations of cocky, sharp, bright financial market traders with PhDs in physics or mathematics in a sequence of movies about the GFC and its aftermath lead to the conclusion that these conspirators knew what they were doing and were happy to profit for themselves at the expense of those they considered to be dumber, a recent academic research study has revealed that the traders themselves were oblivious to what they were doing and became entranced themselves by their own image.

That is what Groupthink does - it builds an impervious layer for those trapped inside the group - they are insulated from reality, consistent logic, criticism and behave in self-reinforcing ways that may involve enlarged deviations from anything reasonable, smart or evidence based. Groupthink makes people dumb and compliant.

The GFC was in no small measure the product of that sort of dumb compliance, which is not to reduce the enormity of the corruption involved. It, however, does reinforce my view that we should ban all these speculative products that provide no beneficial input to the real economy, if only because the sociopaths that are attracted to creating and selling them are too dumb to know what they are doing.
(Bill Mitchell, œIt is fuelled by stupidity ... That's not stupidity that's fraud, Bill Mitchell - *Billy Blog*, February 15, 2016)

Ing-Haw Cheng, Sahil Raina, and Wei Xiong spelled it all out:

Did Wall Street foresee the recent crash of the US housing bubble? Given the role played by Wall Street in facilitating the credit expansion that precipitated the housing market boom, understanding this question is important for systematically understanding the causes of the worst financial crisis since the Great Depression.

With the benefit of hindsight, many find it hard to imagine that Wall Street missed seeing large-scale problems in housing markets before others. For example, the Financial Crisis Inquiry Commission wrote in its report that, in the years preceding the collapse, "Alarm bells were clanging inside financial institutions" (Financial Crisis Inquiry Commission 2011).

If Wall Street was aware that the process of securitization was generating a national housing bubble that would lead to a deep financial crisis yet proceeded to securitize mortgage loans of dubious quality, this would reveal far more severe incentive problems on Wall Street than many have recognized - and confirm many of the worst fears underlying outrage from the public and policymakers.

On the other hand, if Wall Street employees involved in securitization systematically missed seeing the housing bubble, despite having better information than others, this raises fundamental questions regarding how Wall Street employees process information and form their beliefs.
(Ing-Haw Cheng, Sahil Raina, and Wei Xiong, œWall Street and the Housing Bubble, *American Economic Review*, 2014, 104(9): 2797-2829, (http://dx.doi.org/10.1257/aer.104.9.2797))

[706] Of course, we could always completely rethink the nature of 'work' and means of 'granting the right to consume'; We could revisit that 1964 report to Lyndon Johnson which suggested that:

> The continuance of the income-through-jobs link as the only major mechanism for distributing effective demand - for granting the right to consume - now acts as the main brake on the almost unlimited capacity of a cybernated productive system.

Sadly, however, I guess that is even more unlikely now than it was in 1964!

[707] Deena Zaidi has spelt out some of the looming problems resulting from the failure to regulate US shadow banking:

> Investment banks, structured investment vehicles, hedge funds, non-bank financial institutions, money market funds, mutual funds and exchange-traded funds are all a part of the shadow banking system and are not required to maintain any reserves or emergency capital. "No regulations" in a "regulated environment" could be the biggest worry of the shadow banking system. Often beyond the control of regulators and monetary policy, shadow-banking activities can resort to risky lending. According to the œNew York Fed, shadow banks have "increased the fragility of the entire financial system." While the total of non-bank financial intermediaries decreased immediately after the 2008 financial crisis, the number of shadow banks have picked up in recent years.
>
> The vulnerabilities of the traditional banking system to the unregulated risks undertaken by the shadow banking system continue to threaten the financial system in 2016. According to the Financial Stability Board's œGlobal Shadow Banking Monitoring Report 2015, the United States accounted for the largest shadow-banking sector, with $14.2 trillion in 2014. The figure is more than one-third of global shadow banking assets, and represents 82 percent of the nation's GDP.
>
> With more than 80 percent of shadow banking activities residing in the advanced economies of North America, Asia and northern Europe, shadow banking could be one of the biggest threats to the current financial system. The report identifies the difficulty in assessing the amount of risk involved due to the lack of detailed data. The Financial Stability Board, an international board that monitors the global financial system, said the shadow-banking sector posed a huge risk of $36 trillion across 26 jurisdictions across the world in 2014.
> (Deena Zaidi, œThe Rise of Shadow Banks and the Repeal of the Glass-Steagall Act, Truthout | News Analysis, Wednesday, 13 January 2016)

Jeremy Kahn and Liam Vaughan (September 13, 2013), explained how, by 2009, major players were already devising means for circumventing emerging regulatory capital adequacy requirements:

> Chenavari is one of a handful of firms that invest in capital relief trades, or CRTs. A bank pays a third party, such as a hedge fund or pension fund, to take on some of the risk associated with its loans. That makes it easier for the bank to meet regulators' capital-to-risk requirements.

Private Deals

CRTs often involve complex structures in which special-purpose companies are set up to provide protection to the bank through a credit-default swap, a derivatives contract that pays the buyer if a designated bond or loan portfolio defaults, and are in turn funded through the sale of notes to investors.

Launched in May 2011 with an initial investment of $75 million, Fery's Toro II strategy, part of the firm's Chenavari Credit Fund, is built on CRTs. Since then, Chenavari, with $4 billion under management across two funds, has invested about $1 billion in about 20 CRT deals, Fery says. The Toro II strategy earned 43 percent from its inception through the end of July.

While it's impossible to know how many CRTs exist in total because most of the deals are private, regulatory filings indicate that European banks have engaged in at least $30 billion of these trades since 2009. CRTs use the same instruments, such as collateralized loan obligations and CDSs, that precipitated the 2008 financial crisis.
(Jeremy Kahn and Liam Vaughan, œBanks Allying With Hedge Funds as Capital Rules Bite, *BloombergBusiness*, September 13, 2013)

708 Keynes, describing the US in the 1920s-1930s, put it all rather well. It seems that little has been learned since then:

> It is rare, one is told, for an American to invest, as many Englishmen still do, 'for income'; and he will not readily purchase an investment except in the hope of capital appreciation. This is only another way of saying that, when he purchases an investment, the American is attaching his hopes, not so much to its prospective yield, as to a favourable change in the conventional basis of valuation, i.e. that he is, in the above sense, a speculator.
>
> Speculators may do no harm as bubbles on a steady stream of enterprise. But the position is serious when enterprise becomes the bubble on a whirlpool of speculation. When the capital development of a country becomes a by-product of the activities of a casino, the job is likely to be ill-done.
>
> The measure of success attained by Wall Street, regarded as an institution of which the proper social purpose is to direct new investment into the most profitable channels in terms of future yield, cannot be claimed as one of the outstanding triumphs of *laissez faire* capitalism - which is not surprising, if I am right in thinking that the best brains of Wall Street have been in fact directed towards a different object.
>
> These tendencies are a scarcely avoidable outcome of our having successfully organised 'liquid' investment markets. It is usually agreed that casinos should, in the public interest, be inaccessible and expensive. And perhaps the same is true of stock exchanges.
> (John Maynard Keynes, œ*The General Theory of Employment, Interest, and Money*, Chapter 12: The State Of Long-term Expectation, Section VI)

709 Francis Bacon, in 1625, explained the state's responsibility to its citizenry:

> Above all things, good policy is to be used, that the treasure and moneys, in a state, be not gathered into few hands. For otherwise a

state may have a great stock, and yet starve.

'Unsustainable borrowing', in the 21st century, is the *raison d'être* of bubble economies. However, as John Siman, in a review of Michael Hudson's book, *And Forgive Them Their Debts: Lending, Foreclosure, and Redemption from Bronze Age Finance to the Jubilee Year*, has explained, 'in any society in which interest on loans is calculated, [borrowers are] inevitably subject to being impoverished, then stripped of their property, and finally reduced to servitude'. As he elaborates:

> ...Hudson demonstrates that we, twenty-first century globalists, have been morally blinded by a dark legacy of some twenty-eight centuries of decontextualized history. This has left us, for all practical purposes, utterly ignorant of the corrective civilizational model that is needed to save ourselves from tottering into bleak neo-feudal barbarism.
>
> This corrective model actually existed and flourished in the economic functioning of Mesopotamian societies during the third and second millennia B.C. It can be termed Clean Slate amnesty, a term Hudson uses to embrace the essential function (of what was called *amargi andníg-si-sá* in Sumerian, *andurarumand misarum* in Akkadian (the language of Babylonia), *sudutu andkirenzi* in Hurrian, *para tarnumar* in Hittite, and *deror...* in Hebrew): It is the necessary and periodic erasure of the debts of small farmers - necessary because such farmers are, in any society in which interest on loans is calculated, inevitably subject to being impoverished, then stripped of their property, and finally reduced to servitude (including the sexual servitude of daughters and wives) by their creditors, creditors. The latter inevitably seek to effect the terminal polarization of society into an oligarchy of predatory creditors cannibalizing a sinking underclass mired in irreversible debt peonage. Hudson writes: "That is what creditors really wanted: Not merely the interest as such, but the collateral - whatever economic assets debtors possessed, from their labor to their property, ending up with their lives" (p. 50).
>
> And such polarization is, by Hudson's definition, barbarism. For what is the most basic condition of civilization, Hudson asks, other than societal organization that effects lasting "balance" by keeping "everybody above the break-even level"?
> (John Siman, *Everything You Thought You Knew About Western Civilization Is Wrong: A Review of Michael Hudson's New Book, And Forgive Them Their Debts*, Posted in œ*Naked Capitalism* on November 16, 2018 by Yves Smith)

710 Perhaps that is what current US shale gas development is all about (see: Igor Alexeev, œHas the Shale Bubble Already Burst? OilPrice.com, 26 August 2013; Art Berman and Ray Leonard, œYears Not Decades: Proven Reserves and the Shale Revolution: The Apparent End of The Beautiful Story, Houston Geological Society, Houston, Texas, February 23, 2015)

Justin Mikulka has described some of the consequences of the ready funding of fracking by Wall Street through the second decade of the 21st century:

> The U.S. shale oil industry hailed as a "revolution" has burned through a quarter trillion dollars more than it has brought in over

the last decade. It has been a money-losing endeavor of epic proportions.

In September 2016, the financial ratings service Moody's released a report on U.S. oil companies, many of which were hurting from the massive drop in oil prices. Moody's found that "the financial toll from the oil bust can only be described as catastrophic," particularly for small companies that took on huge debt to finance fracking shale formations when oil prices were high.

And even though shale companies still aren't turning a profit, Wall Street continues to lend the industry more money while touting these companies as good investments. Why would investors do that?

David Einhorn, star hedge fund investor and the founder of Greenlight Capital, has referred to the shale industry as "a joke."

"A business that burns cash and doesn't grow isn't worth anything," said Einhorn, who often goes against the grain in the financial world.

Aren't investors supposed to be focused on putting money toward profitable companies? While, in theory, yes, the reality is quite different for industries like shale oil and housing.

If the U.S. financial crisis of 2008 has revealed anything, it is that Wall Street isn't concerned with making a "shitty deal" when it means profits and bonuses for its traders and executives, despite their roles in the crash.

Wall Street makes money by facilitating deals much like a Vegas bookie makes money by taking bets. As the saying about Las Vegas goes: "The house always wins." What's true about casinos and gambling also holds true for Wall Street.

Wall Street caused the 2008 financial crisis, with some of its architects personally benefiting. However, while a few executives profited, the result was a drop in employment of 8.8 million people, and according to Bloomberg News in 2010, "at one point last year [2009] the U.S. had lent, spent, or guaranteed as much as $12.8 trillion to rescue the economy."

JP Morgan (along with much of Wall Street) required large sums of money in the form of bailouts to survive the fallout from all of the bad loans made, which brought about the housing crisis. Is JP Morgan steering clear of making loans to the shale industry? No. Quite the opposite.
(Justin Mikulka, œHow Wall Street Enabled the Fracking 'Revolution' That's Losing Billions, *DeSmog*, May 4, 2018)

(Keynes provided a vivid, damning assessment of such activity: "a somewhat disgusting morbidity, one of those semicriminal, semi-pathological propensities which one hands over with a shudder to the specialists in mental disease".)

[711] Ozlem Akin, José M Marín, and José-Luis Peydró, in a study of bank insiders' awareness and anticipation of the impending 2008 financial crisis, have described their awareness and anticipation of impending crisis and their consequent share trading activities:

Banking crises are recurrent phenomena that often trigger deep and long-lasting recessions with enormous economic and political costs.

> Yet the empirical evidence is now overwhelming that banking crises do not come as bolts from the blue - they come after periods of strong bank credit growth and risk-taking, often associated with real-estate bubbles. The crisis of 2008 was no different: it is clear that banks took on more and more risk as bubbles swelled in many countries.
>
> A key research question is why banks take such excessive risks. Many defenders of finance in the recent crisis suggest that the giant institutions were really taken by surprise when the bubble popped. Otherwise, runs the argument, why wouldn't they have sold off all the junk? The implication of this "behavioral" view is that banks take on high risks because, for example, they neglect unlikely tail risks and have over-optimistic beliefs about the economy.
>
> But there is another, less innocent answer: explicit and implicit bank guarantees by states, such as deposit insurance, provision of central bank liquidity, and bail-outs make it rational for banks to take on excessive risk. Sometimes this "moral hazard" point of view is combined with an "agency failure" account, which stresses how bank managements can escape from control of their shareowners and holders of bank debt.
>
> These views of why banks take on excessive risk are testable. In a œrecent paper we tackle this question by providing sector-wide evidence from US. We examine what bank insiders were doing before the crisis and use executives' trading with their own bank shares as a proxy for their understanding of risk before the crisis hit in 2007-08. Specifically, we investigate the relationship between bank's performance in the crisis and bank executives' sale of their own bank shares in the period prior to the crisis.
>
> The paper finds that the top executives' ex-ante sale of their own bank shares predicts worse bank returns during the crisis; interestingly, effects are insignificant for independent directors' and other officers' sales of shares. That is, effects are substantially stronger for the insiders with the highest and best level of information, the top five executives. Moreover, the top five executives' impact is stronger for banks with higher ex-ante exposure to the real estate bubble, where an increase of one standard deviation of insider sales is associated with a 13.33 percentage point drop in stock returns during the crisis period. Our results suggest that insiders understood the heavy risk-taking in their banks; they were not simply over-optimistic, and hence they sold more of their own shares before the crisis.
> (Ozlem Akin, José M Marín, and José-Luis Peydró, œWas the Financial Crisis Anticipated?, *Institute for New Economic Thinking*, Jul 21, 2016)

As a commenter on all this, œposted by Yves Smith on the *naked capitalism* blog site, put it:

> One can wonder if the bank executives will tout the study because it shows they DO really know what is going on and are not unaware of their business risk.
>
> After all, they can pitch that as evidence they deserve their high pay as they are on top of the action.
>
> Maybe Alan Greenspan can be trotted out to do the PR work.

That's the ticket, spin the study for executive pay justification. (John Wright, July 23, 2016)

712 The *US Financial CHOICE Act of 2016* has provided a clear indication of the future trajectory of US financial regulation. The following is a summary of the Act's intentions by the US *Congressional Research Service*:

> This bill amends the Dodd-Frank Wall Street Reform and Consumer Protection Act, among other Acts, to:
>
> - repeal the "Volcker Rule" (which restricts banks from making certain speculative investments);
> - with respect to winding down failing banks, eliminate the Federal Deposit Insurance Corporation's orderly liquidation authority and establish new provisions regarding financial institution bankruptcy; and
> - repeal the "Durbin Amendment" (which limits the fees that may be charged to retailers for debit card processing).
>
> Certain banks may exempt themselves from specified regulatory standards if they maintain a certain ratio of capital to total assets and meet other specified requirements.
>
> The bill removes the Financial Stability Oversight Council's authority to designate non-bank financial institutions and financial market utilities as "systemically important" (also known as "too big to fail"). Under current law, entities so designated are subject to additional regulatory restrictions. Designations made previously are retroactively repealed.
>
> The bill also amends the Consumer Financial Protection Act of 2010 to:
>
> - restructure the Consumer Financial Protection Bureau by replacing its director with a bipartisan commission;
> - subject the commission to the congressional appropriations process, expanded judicial review, and additional congressional oversight; and
> - limit the commission's authority to take action against entities for "abusive" practices.
>
> In addition, the bill:
>
> - modifies provisions related to the Securities and Exchange Commission's managerial structure and enforcement authority;
> - eliminates the Office of Financial Research within the Department of the Treasury; and
> - revises provisions related to capital formation, insurance regulation, civil penalties for securities laws violations, and community financial institutions.
>
> (œSummary: H.R.5983 - 114th Congress (2015-2016), *Congressional Research Service*)

Josh Bivens and Heidi Shierholz have provided a succinct explanation of key features of the Act. As they conclude:

> These provisions of the CHOICE Act would have devastating effects on the ability of regulators to protect investors from exploitation. They would also further solidify both the policy preferences and the policy influence of the financial sector over monetary policymaking.
>
> As a whole, the CHOICE Act would expose consumers and investors to heightened risk of abuse in their normal dealings with the financial sector, and would expose the broader economy to increased risk of another financial crisis.
> (Josh Bivens and Heidi Shierholz, œA couple lesser-known bits of mayhem in the Financial CHOICE Act, Working Economics Blog, *Economic Policy Institute*, June 7, 2017).

713 Michael Hudson has described the consequences in the US (and of course, elsewhere):

> The financial overhead has grown so large that paying interest, amortization and fees shrinks the economy. So we are in for years of debt deflation. That means that people have to pay so much debt service for mortgages, credit cards, student loans, bank loans and other obligations that they have less to spend on goods and services. So markets shrink. New investment and employment fall off, and the economy falls into a downward spiral.
>
> ...The result is a slow crash. The economy just gets poorer and poorer. More debtors default, and their property is transferred to creditors. This happens not only with homeowners who fall into arrears, but also corporations and even governments. Ireland and Greece are examples of the kind of future in store for us.
> (œMichael Hudson on Debt Deflation, the Rentier Economy, and the Coming Financial Cold War, *Naked Capitalism*, Posted on March 22, 2016 by Yves Smith)

714 'Unsustainable borrowing', as Greece and many other nations have found over the past fifty years, is not simply a problem for private individuals and businesses. In a *laissez faire*, free-market-fundamentalist world, nations, also, can be encouraged to borrow beyond their capacity to repay.

In the drive to accumulate 'hard' assets, lenders, intent on gaining access to 'desirable' assets, have been all-too-ready to ensnare unwary politicians in schemes designed to drive their governments into 'bankruptcy' - though, of course, true bankruptcy with its borrower protections is not the aim of such lending practices. As Madeleine Wedesweiler, in real estate promotions, explained:

> Bargain hunters have their eyes locked on the Mediterranean as the Greek debt crisis unfolds.
>
> On Thursday the Greek parliament approved a bailout agreement which, according to œTime Magazine, means the country will consider selling off its islands to help compensate $96 billion of debt.
>
> In its latest "Island Report" British Property agent Knight Frank has predicted more "fire-sales" of Greek Islands as the long-term ramifications of the financial bail-out play out.
>
> Greece has as many as 6000 islands - 227 of which are inhabited- and if you buy now it's likely to be the best deal you'll ever get.

> With crystal clear waters, almost constant blue skies, tranquil beaches and olive groves they really are paradise and we've found a selection of the best that are currently for sale.
> (Madeleine Wedesweiler, œGreek debt crisis: Islands going cheap, *Domain*, July 17, 2015)

Simon Shuster described the 'asset sale' conditions demanded in order to "save Greece from going bankrupt":

> To regain the trust of its creditors, Greece will have to scrape together about $50 billion in state assets, which will effectively be used as collateral on the latest package of emergency loans to Greek banks and the Greek government. None of Greece's previous bailouts have included such draconian terms.
>
> In explaining this part of the deal, Dijsselbloem, the head of the so-called Eurogroup of finance ministers, said Greece would have to transfer this pile of assets into a specially created fund. "The fund will monetize these assets either by privatizing or running the assets and trying to make money from those," he added. "That money will be used to deal with debt and to reduce debt."
>
> The idea of creating such a fund came from Germany, whose Finance Ministry proposed it over the weekend as a way of guaranteeing Greek debts. The German proposal even suggested that Greece would have to transfer these state assets abroad before they could count as collateral on any further loans. But on this point, at least, Prime Minister Tsipras seemed to win a concession from his most unforgiving creditors. "It will be based in Greece," Dijsselbloem said of the so-called guarantee fund.
>
> On practically all other points in the negotiations, however, Greece capitulated to the demands of German officials and other hardliners, who faced criticism over the weekend of trying to humiliate Greece and even to force the ruling Greek government from power. Asked on Monday about the claims that European leaders were effectively staging a "coup" in Greece, the European Commission President countered that other parties to the talks had also been forced to accept unpleasant conditions.
> (Simon Shuster, œGreece Agrees to Its Third European Bailout After Marathon Talks, *Time*, July 13, 2015)

Elizabeth Lewis (2015) has described how private equity companies in the US (and, of course, elsewhere) have played this game; how they gain control of companies, take them private, asset strip them, and wind them up in bankruptcy. As she summarizes:

> Modern corporate bankruptcy law has been shaped, and some of it written, by special interests. Even so, the law is rooted in American ideals of renewal, and of viewing failure in the marketplace as a sign of effort and gumption, not moral collapse. It's a powerful idea - shedding the past to begin anew. But for decades, Chapter 11 of the U.S. Bankruptcy Code has also been used strategically - to destroy union contracts, edge out competitors, and limit product liability lawsuits.
>
> More recently, some private equity firms have honed Chapter 11 as an efficient financial engineering tool for insider sales - and for dumping pensions. Based on partial data from the Pension Benefit Guaranty Corp., at least 51 companies have abandoned pension plans in bankruptcy at the behest of private equity firms since 2001.

> They've dumped $1.592 billion in pension bills onto a government-backed agency that insures private defined benefit plans. Because pension insurance doesn't cover all benefits, their actions have left some of the nearly 102,000 workers or retirees with lost benefits amounting to at least $128 million. And they've contributed to the chronic deficits at the Pension Benefit Guaranty Corporation.
>
> Other types of businesses, including publicly held companies, have also abandoned pension plans in bankruptcy. But the business model and practices of some private equity firms can make pension-dumping in bankruptcy especially attractive.
>
> The legal and regulatory environments in the U.S. combine with those practices to add up to a form of institutional corruption. In this working paper, I explain how Oliver Wendell Holmes' hypothetical "bad man" can use bankruptcy as a strategy to profit. So, here is a bad man's guide to ditching pensions in bankruptcy - legally.
> (Elizabeth Lewis, œ*A Bad Man's Guide to Private Equity and Pensions*, Edmond J. Safra Research Lab Working Papers, No. 68, Harvard University, June 19, 2015)

715 It seems that some economists understand the obvious fact that sovereign governments can create credit but since most people believe that taxes fund governments it is expedient to explain government spending in such terms. However, they have a responsibility to educate 'most people' - not simply perpetuate the myths of their predecessors.

They need to clearly explain that governments not only have a responsibility for the commonweal but also for redistributing credit through the society. If they think this is too hard a task then they need to find some other occupation. Providing clear explanation of sovereign government responsibilities is (or should be) an important part of their job description!

716 The numbers which show up in government ledgers, giving 'accumulated debt' 'owed by government (at whatever level)' to itself, are numbers - nothing more! If a government clerk could, without drawing attention to the act, rub out the numbers (or press the 'delete' key) so that everything was reset to zero, it *would not matter*. It only matters when it either results in inflation in the money supply - leading to over-supply of credit; or it results in a crisis of confidence in the 'value of money'. We, in capitalist societies, too easily reify big numbers - and the bigger the number the scarier its consequences.

J. D. Alt has provided a clear, simple perspective on the nature of sovereign credit creation which provides a salutary reminder of the danger of simplistic reasoning when dealing with sovereign credit creation:

> ... A U.S. Dollar is an I.O.U. issued by the sovereign U.S. government which says, "I owe you one Dollar's worth of credit on the Federal Taxes you owe me." Because the FG [Federal Government] doesn't have to "earn" Dollars (or anything else) in order to fulfill this promise as many times as necessary, by logic it can never have a "deficit" of its own I.O.U.s. In contrast, all of us who use those I.O.U.s for "money" (all U.S. citizens, businesses, state and local governments, for example) must earn them, or borrow them, before we can spend them. This is true for the simple reason that we are "users" of the money, rather than the "issuer" of

> it.
> (These articles provide a simple, graphic explanation of the nature of sovereign credit creation: J. D. Alt, œDIAGRAMS & DOLLARS: modern money illustrated (Part 1), January 7, 2014; and œDIAGRAMS & DOLLARS: modern money illustrated (Part 2), *New Economic Perspectives*, January 8, 2014) [1046]

Unfortunately, the (entirely legitimate) insistence that central banks should be 'independent' of the rest of government has muddied the waters [1047]. The pseudo-independence of many central banks allows credit creation and distribution to be perceived (by those ideologically predisposed to do so) as government-incurred liabilities which must be 'repaid'. However, as Randall Wray succinctly explained for the US Federal Reserve Board:

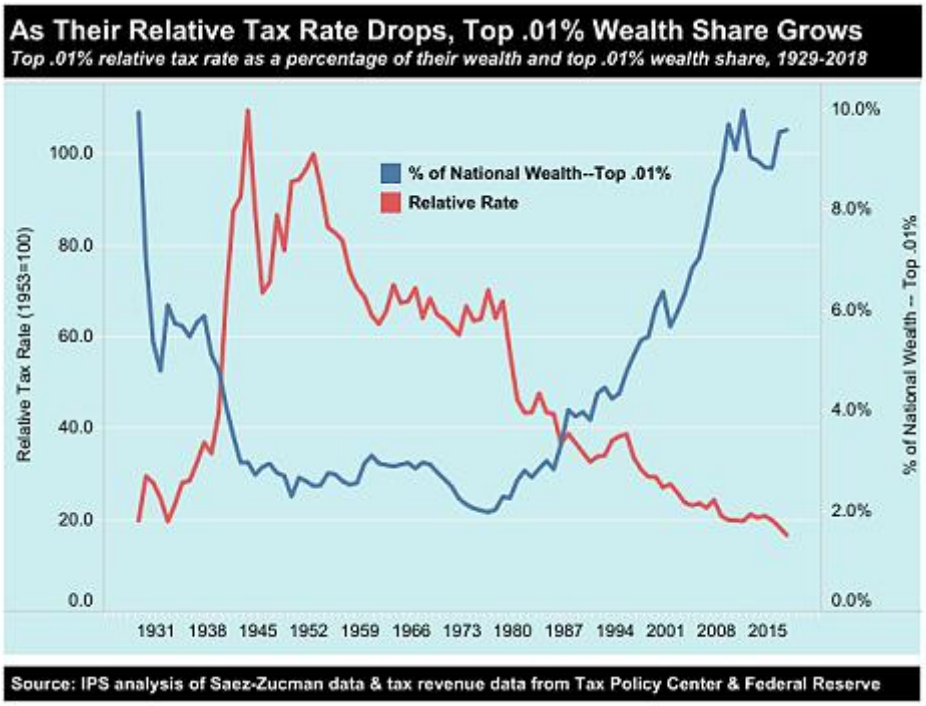
> ...the Fed is not a private institution but rather is a creature of Congress and no more independent of government than is the Treasury, the DOD, the DOT, or the IRS.... all of these other branches of government also have some independence from party politics.
> (L. Randall Wray, œTo Consolidate or Not To Consolidate, that is the Question (or maybe it isn't), *New Economic Perspectives*, June 26, 2014)

We need to remember that in capitalist societies economics and 'the economy' are the playground of secondary ideologies and magic formulae; where simplistic reasoning and impenetrable logic enhance mystique. One *should* assume ideological motives in simplistic arguments for 'deficit reduction'. From whom is the wealth being withdrawn in order to 'pay down the deficit'? As Lewis Carroll once wrote:

> Beware the Jabberwock, my son! The jaws that bite, the claws that catch! Beware the Jubjub bird, and shun The frumious Bandersnatch.
> (1871, *Through the Looking-Glass*)

[717] Of course the 'Rich' will strenuously oppose any attempt at such redistribution. And, since they are rich, they are able to marshal those with appropriate influence and/or skills to the defense of their 'wealth' - to limiting or negating redistributive policies and practices which impact on them.

Bob Lord and Chuck Collins, in a briefing paper entitled 'Wealth Concentration: The Unique and Dominant Role of Tax Policy', estimated the change in US tax payments as a percentage of wealth for the top .01 percent throughout the period 1929 to 2018



(Bob Lord and Chuck Collins, "Wealth Concentration: The Unique and Dominant Role of Tax Policy, *IPS Inequality Briefing Paper*, January 2021)

As they say:

> Only the most extreme defenders of America's billionaire class contend that wealth concentration is not at least partly a result of tax policy. Logically, reduced tax payments from those at the top compared to the rest of us would cause more wealth to accumulate in the hands of the very rich.
>
> Other factors certainly have played a role. Low- and middle-class incomes have stagnated relative to those in the upper class. Law professor "Tim Wu has shown a direct connection between lax anti-trust enforcement and wealth inequality. A rising stock market also is a factor.
>
> But how does the influence of tax policy on wealth concentration interact with the influence of other factors? Has tax policy, over the last century, been the dominant factor in the country's move from an extremely unequal society to a more egalitarian one and back again? Or are other factors equally or more important?
>
> There are no clear answers, at least from our analysis. But we believe our analysis of the relationship between tax payments of the top .01 percent as a percentage of wealth, and the share of American household wealth held by the top .01 percent, indicates that tax policy plays a unique and dominant role in the concentration of wealth. No other factor is as visibly and as directly connected to the concentration of wealth as tax policy

That is why, in most 21st century Western nations, despite the stagnation of low and middle class incomes over the period, national budgetary adjustments have focused on reductions in 'social welfare' and other infrastructural costs and on various retail taxation regimes which disproportionately impact 'ordinary people' in 'balancing the budget'.

The result, in the United States, is evident to all not blinded by a sense of their own inherent importance.

Sam Pizzigati has described the 2021 consequences well:

> [Uma] Subramanian, the aerospace engineer turned CEO of the luxury private-jet company Aero, now believes she has truly made humanity an awesome contribution.
>
> "It just so happens that we might have built the perfect product for Covid," Subramanian recently told Vice World News.
>
> Her new company, founded by Uber founder Garrett Camp, has launched a luxury "semi-private jet" experience that offers safe and comfy virus-free flights. Seats in Aero's suede-walled jets sit six feet apart in single file. "Hand-stitched Italian leather seats" aboard Aero's "sleek black planes" combine with "sophisticated art lighting" to create a "renaissance of luxury travel."
>
> That "renaissance" is building from another direction as well. Brokers of used private jets have been enjoying a boom in sales ever since the pandemic began....
>
> Amid our contemporary new Gilded Age, we've in effect come full circle. The private palaces of the original Gilded Age, structures that shed their private-pleasure status in the much more equal America of the mid-20th century, are reverting back into private palaces. The rich rule. They expect the rest of us to serve them. Some of us will cook and clean. Some of us will get them - to their vacation homes - with a minimum of hassle in the middle of a pandemic.
> (Sam Pizzigati, œThe Rich and Those Who Serve Them, Then and Now: We've already rejected the servant state once. We certainly can once again, *Inequality.org*, February 11, 2021)

As F. Scott Fitzgerald famously wrote.

> Let me tell you about the very rich. They are different from you and me. They possess and enjoy early, and it does something to them, makes them soft where we are hard, and cynical where we are trustful, in a way that, unless you were born rich, it is very difficult to understand. They think, deep in their hearts, that they are better than we are because we had to discover the compensations and refuges of life for ourselves. Even when they enter deep into our world or sink below us, they still think that they are better than we are. They are different....
> (F. Scott Fitzgerald, œThe Rich Boy, 1926)

Neoliberalism has proved most useful to the mega-wealthy in providing superficially convincing rationalizations for successfully opposing and reversing various governmental redistributive policies aimed at, as Bacon put it, 'spreading the muck'.

Arvind Subramanian, in a review of Thomas Piketty's 2019 book, *Capital and Ideology* in which he describes the evolution of Piketty's ideas, demonstrates this in a neoliberally blinkered summation of Piketty's 2019 thesis:

> The most daring parts of the book relate to Piketty's prescriptions, especially his proposal to abolish permanent private property. Piketty, along with his collaborators Emmanuel Saez and Gabriel Zucman, has blueprinted arguably the most imaginative and radical alternative to traditional capitalism. Every citizen, on reaching the age of 25, would get a capital endowment that was roughly 60 percent of the average wealth in society. This would be financed by progressive taxes on wealth, income, and inheritance. The young could start life with a sense of new possibilities, "such as purchasing

> a house or starting a business." Capital would circulate because excessive accumulation would be taxed by the state both during a person's life and at death via inheritance taxes.
>
> One might call Piketty's concept "Patek Philippe custodialism," after the luxury watch company's famous catch phrase: "You never actually own a Patek Philippe. You merely look after it for the next generation." That is Piketty's goal for capital - with the crucial difference that the transfer of wealth would happen not within a family but between citizens and the state....
>
> Piketty joins a chorus of left-wing thinkers who decry "billionairism" - the most egregious manifestation of private property - as a social pathology, an immoral blight that should never be allowed to come into being. Their policy proposals, including the imposition of wealth taxes, are as much about eliminating that blight as about tempering capitalism. That might be why Piketty neglects what economists call "size-of-the-pie effects": Wouldn't the vast redistribution he advocates be so damaging to incentives, entrepreneurship, and capital accumulation that it would leave little pie left to redistribute?
>
> Piketty's inattention to that problem comes across as deliberate and almost disdainful. One suspects that he wants to rectify an imbalance. He devotes more energy to critiquing the neoliberal purveyors of the Third Way - Presidents François Mitterrand and Emmanuel Macron in his own country; British Prime Minister Tony Blair and U.S. Presidents Bill Clinton and Barack Obama in the Anglo-American world - and their intellectual enablers. These leaders and thinkers, Piketty claims, were so enamored with markets and incentives that they pied-pipered the developed world into its current predicament. His epithet for Macron is revealing: "an inegalitarian internationalist."

Subramanian's conclusion could have been written by any well-trained neoliberal economist. Not only does he raise the classic neoliberal bogey of 'how would it all be paid for', he further argues that:

> ...[T]here is no question that Piketty's proposals are impractical. Most societies would balk at the level and progressivity of the taxes - reaching up to 90 percent - that Piketty and his colleagues propose.
> (Arvind Subramanian, œAfter Capital: A Radical Agenda to Tame Inequality, *Foreign Affairs*, July/August 2020)

One wonders what on earth 'prestigious' university economics departments teach their graduate students these days! He seems unaware of the standard Western taxation regimes from the late 1930s through to the late 1970s.

As Bob Lord and Chuck Collins very clearly illustrate above, when top marginal tax rates were high, inequality was reduced and low and middle class incomes were raised, when they have been low, inequality has snowballed and low and middle class incomes have stagnated or been reduced. One can but assume that, for Subramanian, such redistribution toward the wealthy and progressive impoverishment of the rest is desirable!

He also seems blissfully unaware of the rationale underpinning Roosevelt's New Deal legislation. I guess that, for him, redistribution toward the wealthy is part of the natural order of things and attempts at 'spreading the muck' are misguided and not worth investigating.

This, sadly, is standard neoliberal nonsense and it is long-past time to recognize it for what it is - a determined promotion of plutocracy at the expense of democracy. Such ideologically blinded, ahistorical gibberish in defense of the *status quo* brings to mind Lewis Carroll's similarly meanigless verse:

> 'Twas brillig, and the slithy toves
> Did gyre and gimble in the wabe:
> All mimsy were the borogoves,
> And the mome raths outgrabe.
> "Beware the Jabberwock, my son!
> The jaws that bite, the claws that catch!
> Beware the Jubjub bird, and shun
> The frumious Bandersnatch!"

[718] Robert Reich has described the way in which dynastic wealth produces a 'self-perpetuating aristocracy that is antithetical to democracy' in Western capitalist societies. In the United States, as in many Western capitalist 'democracies' of the early 21st century, failure to ensure effective processes of redistribution is producing its inevitable consequence. As Jefferson urged George Wythe:

> Let our countrymen know that the people alone can protect us against these evils, and that the tax which will be paid for this purpose is not more than the thousandth part of what will be paid to kings, priests and nobles who will rise up among us if we leave the people in ignorance.

Reich has spelt out the consequences:

> America is now on the cusp of the largest inter-generational transfer of wealth in history. As wealthy boomers expire, an estimated $30 trillion will go to their children over the next three decades.
>
> Those children will be able to live off of the income these assets generate, and then leave the bulk of them - which in the intervening years will have grown far more valuable - to their own heirs, tax-free.
>
> After a few generations of this, almost all of the nation's wealth will be in the hands of a few thousand families.
>
> Dynastic wealth runs counter to the ideal of America as a meritocracy. It makes a mockery of the notions that people earn what they're worth in the market, and that economic gains should go to those who deserve them.
>
> It puts economic power into the hands of a relative small number of people who have never worked, but whose investment decisions will have a significant effect on the nation's future.
>
> And it creates a self-perpetuating aristocracy that is antithetical to democracy.
> (Robert Reich, œThe Growing Dangeer of Dynastic Wealth, *robertreich.org*,16 September, 2017)

[719] (01/06/16)(24/06/16)(16/09/16) There has, for some time, been a growing enthusiasm for promotion of policies which include a 'universal basic income', funded by public credit creation. [1048]

This has much in common with such policies as the socialist 'œsocial dividend' and the Georgist 'citizen's dividend'. The primary difference

between advocacy of a universal basic income and advocacy of a citizen's dividend seems to be the source of the income or dividend.

(22/09/16) Most proposals for a *Universal Basic Income* seem to assume public generation of credit 'out of thin air'; proposals for a *Citizen's Dividend*, on the other hand, seem to presume the public generation of credit 'from revenue raised by leasing or taxing the monopoly of valuable land and other natural resources'.

A Wikipedia discussion of the Georgist 'citizen's dividend' sums it up well:

> Citizen's dividend is a proposed policy based upon the principle that the natural world is the common property of all persons (see Georgism). It is proposed that all citizens receive regular payments (dividends) from revenue raised by leasing or taxing the monopoly of valuable land and other natural resources.
> (*Wikipedia*, œCitizen's Dividend, [accessed 16 September, 2016])

It seems, however, that, whatever terminology is employed, in order to counter the concentration of all available wealth in too few hands, any such universally distributed income should be funded through broadly based progressively scaled revenue collection

(07/04/17) As legislators of the New Deal and post-New Deal periods realized, simply distributing money to those in need, without, simultaneously, implementing a range of supporting legislation to ensure their long-term welfare is a superficial, temporary solution to the problem of ensuring social welfare and equity.

(19/04/16) Unless such policies are accompanied by rigorous processes of progressively scaled revenue collection, over time they will feed, and exacerbate, growing inequality as the inevitable consequences of unregulated capitalism lead to what Iglesias and de Almeida have described as "*condensation*, i.e. concentration of all available wealth in just one or a few agents". This is why redistribution is key to community welfare.

(06/01/17) The problem, in Western capitalist communities of the 21st century, is not that credit is scarce but that it has accumulated in too few hands. The most important need of the time is not increased credit creation but effective processes of credit redistribution. A guaranteed basic income for all (or, alternatively, a universal job guarantee)[1049] and/or public funding of grass-roots, communal support and development programs and projects are great ideas, but they need, primarily, to be funded through the recirculation of existing credit, rather than the generation of new credit[1050].

To ensure the primacy of the community over the marketplace in capitalist societies, communities must be resourced to enable that. Keri Leigh Merritt has explained the need for both a unversal basic income and a universal jobs guarantee. Focusing on the US, she explains:

> In addition to standard social safety nets such as single-payer universal health care, America is in desperate need of both a universal basic income (UBI) and a federal jobs guarantee (FJG)....
>
> The UBI would be for those who truly needed it - those who could not endure traditional full-time employment, either because of age, illness, disability, caretaking or student status. As baby boomers grow old and need care, as students struggle to earn an education without becoming hideously indebted, and as parents yearn to stay

> home with infants and very young children, a UBI would truly revolutionize society....
>
> UBI would work best if paired with a federal jobs guarantee. The vast majority of Americans want to work; they derive a sense of pride and fulfilment and identity from their jobs.
>
> A FJG undoubtedly would transform the United States. Taking the best aspects of the New Deal (and learning lessons from the era about what not to do), a FJG would have the power to completely rebuild our nation's infrastructure, modernizing the country and making it accessible to most non-car owners....
> (Keri Leigh Merritt, œWhy We Need a Universal Basic Income: America is in desperate need of both a universal basic income and a federal jobs guarantee, *Moyers & Company*, September 15, 2017)

Not only should any universal basic income primarily be funded through the recirculation of existing credit, it should also be accompanied by reinforced wage rate negotiation and regulation. If it is not, then wage rates would almost certainly be adjusted downward in a 21st century reworking of the Speenhamland solution

A commenter on a blog posting by Dean Baker, in which he takes a *Washington Post* columnist to task for "his confused rationale [which] ties together many common misunderstandings", flagged the need to address a number of other issues in implementing such a scheme:

> The problem that I have with the UBI is not that it moves the finish line, but the starting point. If a landlord finds out that all his tenants suddenly have an extra $100 per month, then he can simply raise every rent by $100. Although some suppliers that cater to low-income will continue to compete on price, most will exploit the UBI as a subsidy of suppliers and providers.
>
> People who are middle-income might be better off with additional money, and people who are rich will be better off because of the subsidy, but (unless you changes the laws of supply and demand) people who are poor might be in exactly the same spot.
> (Comment by Low_Budget_Dave, on blog entry by Dean Baker, Universal Basic Income, Job Killing Robots, and the Washington Post, *Beat The Press*, 23 June 2016)

Eduardo Porter, a *New York Times* columnist, in a superficial, offhanded look at the issues involved, has suggested that:

> A universal basic income has many undesirable features, starting with its non-negligible disincentive to work. Almost a quarter of American households make less than $25,000. It would be hardly surprising if a $10,000 check each for mom and dad sapped their desire to work.
> (œA Universal Basic Income Is a Poor Tool to Fight Poverty, *New York Times*, May 31, 2016)

As a number of commenters on his article have responded, it seems clear that Porter, though all-too-willing to voice his opinions, has a poor grasp on the realities of those living on minimal incomes. Apparently, abject poverty, if it leads to greater commitment to work, is a good thing! Sir William Petty, in 1665, used similar logic: "They seem content to live in a condition little above that of animals". Edmond Fitzmaurice (1895) summed up the attitude:

> [Petty's] observations of the habits of the cloth-workers in England and of the Irish peasantry compelled him, however reluctantly, to the opinion that the general standard of living was as yet too low to make high daily wages of any advantage to the laborer, because of their tendency at once to reduce their hours and be content with wages just sufficient to support existence at a very low level of material civilization.

While Petty might have been justified in assuming that Western European peasants, still determining relative status in pre-capitalist ways which did not require the competitive accumulation and consumption of material goods and services, would reduce their work related activities, there is little likelihood that people on low incomes in Western communities today live by such understandings.

Sir Henry Pollexfen, another of those concerned 17th century citizens, made very similar observations in 1697:

> The advances of wages hath proved an inducement to idleness; for many are for being idle the oftener because they can get so much in a little time.

How easy it has always been for those in privileged circumstances to discount the hardships of poverty in promoting the virtues of 'work'.

720 Job guarantee positions should, of course, not be uncoupled from similar positions in the private sector. If they were, this would result in increasing numbers of people becoming dependent on Job Guarantee Program employment as their time away from the private sector made them less qualified for private sector jobs in the eyes of employers. The Job Guarantee Program should not be anchored to the 'minimum wage', but to the industry standard wage scales of the private sector.

The New Deal industry/ skill-based wage-floors, established through negotiation between private sector employers and employed, usually set base wage rates according to various industry skill requirements (with loadings related to demanding or onerous job-specific conditions). These should also apply within Job Guarantee employment. It would also be essential to have the various pension and similar loadings of private sector employment echoed in the Job Guarantee Program. My preference would be for such employment loadings to be minimized within both private and public sector employment in favor of communally based 'Commons' support.

People employed within the Job Guarantee program would be employed in similar ways and conditions to private sector equivalents. Yes, this does mean that private sector employers would be in competition with Job guarantee employers for skilled workers, but that is as it should be if the Job Guarantee program is to guarantee the long-term employability of workers and also reinforce base employment conditions within the wider society.

The Job Guarantee Program should not be allowed to become a devalued sump for the unemployed, sustained at 'minimum wages' with all the pejorative implications of such schemes.

Job Guarantee Programs should be valued sources of employment and those within the programs should be recognized as equivalent in both skill and competence to current private sector employees. It is time to refocus capitalist societies on people and the communities in which they

live rather than on profit, with both public and private sectors servicing those communities, each in its own ways:

- The public sector focused on giving both legitimacy and necessary support to continuing, grass-roots, public responsibility for the commonweal; the 'development' of well defined 'public' responsibilities which cannot, by definition, be transferred to private entities;
- The private sector focused not only on profitability but also on benign welfare capitalism as 'normal practice' for business

721 (08/06/16) It is easy, when dealing with economic issues, to fall into the neoclassical (and, of course, neoliberal) trap of treating the economy as a self-existent, autonomous entity with its own *raison d'ètre*, independent of 'social' and 'political' concerns. Even if it could be shown that redistribution had negative 'economic' effects[1051], the importance of redistribution as a means of ensuring both social equity and a democratically organized capitalist society is surely paramount (of course, I'm assuming that both objectives are preferable to the disenfranchising consequences of allowing a drift into plutocracy)[1052].

If one focuses on 'the economy' as an isolable entity, one might conclude that any lower-per-capita-GDP consequences of redistributional policies are negatives. If, however, these reflect improvement in individual life outcomes - e.g. lower age of retirement, higher wages leading to shorter working hours and increased leisure etc. - then economic negatives might well be found to be social positives.

The process of credit withdrawal has, all-too-often, been characterized as 'rent-seeking among bureaucrats'. I would suggest, however, that such terminology obfuscates rather than clarifies the *necessary* role of government in credit redistribution. Far too often, economic terminology reflects and reinforces particular ideological positions. To quote Hausmann (2013):

> ... a research question that goes to the heart of the debate on the proper role and actual motivations of the state in regulating markets: Does regulation exist to achieve some laudable social goal or mainly to extract rents? This question has long divided economists along a right-left axis, at least since University of Chicago economists George Stigler and Milton Friedman argued that many, if not most, regulations were motivated by rent-seeking among bureaucrats and business incumbents.
> (Ricardo Hausmann, œWhat to do with Doing Business?, *Project Syndicate*, May 27, 2013)

722 One needs to clearly differentiate between 'bigotry' and 'tradition'.

Bigotry is that intolerant inability to countenance the opinions and/or rights and responsibilities of others which leads to persecution and exclusion of others from what are considered the rights and responsibilities of community members. All societies recognize bigotry which is, inevitably, community specific and refers to such behaviors and attitudes in all areas of life.

Tradition safeguards the communal structures and forms which ensure the rights and responsibilities of community members and of others associated with those communities, again in all areas of life.

Tradition is and should be sacrosanct. But, as Heraclitus was reputed to have explained,

> all things are in motion and nothing at rest; he compares them to the stream of a river, and says that you cannot go into the same water twice.

Tradition, like language and primary ideology, is in constant flux, not primarily because individuals decide that it should change (though this might well lead to long-term change) but as a result of changes in the conditions/circumstances of communal life through time. Refusal to accept such change leads to moribundity: increasingly anachronous institutions and behaviors which over time lose the support of the community.

Bigotry is, justifiably, condemned in communities since it discriminates and divides. Tradition, on the other hand, unites and legitimizes communities and their place within larger wholes.

Attacks on 'tradition' are, in fact, attacks on the integrity of communities. Denial of communal tradition, as in the capitalist world, leads to disempowered communities, easily divided and plundered.

723 (27/06/16) With neoliberalism showing little sign of weakening as a guiding ideology for those who dominate political and economic life in most Western democracies, the possibility of change in the immediate to mid-term future seems highly unlikely. Neoliberalism, itself, despite its pre-New Deal dominance, required some thirty years of consistent and determined promotion before New Deal understandings were successfully displaced in the late 1960s. It took a further decade before the emergent neoliberal promoters could successfully take control of Western democratic processes.

As we have seen throughout history, real change takes time. It requires people with a clear vision of a future in which they can believe and a determination to ensure it. Josh Hoxie has spelt out the requirements for the US (applicable to most 21st century Western nations) well:

> ...If you're in the business of social change, you have to think in terms of decades.
>
> It's with this lesson in mind that we should consider taking on one of the most pressing problems of our time: wealth inequality. The problem with wealth inequality, after all, isn't simply that it's been growing steadily over the past 30 years. The problem is that it's showing no signs of stopping in the near *or* distant future.
>
> And things are going to get worse.
>
> **The Long View**
>
> Short of an all-out, torches-and-pitchforks revolt, reducing structural inequality means going through the legislative process - most particularly, reforming the tax code. But with an intransigent Republican Congress, a campaign-finance system dominated by wealthy donors, and a dispirited and deeply divided public, it's clear that legislative change isn't going to come soon.
>
> That places us in what Alperovitz calls "pre-history." We have to lay the foundation for change without knowing when it will come.
>
> His heroes, Alperovitz says, are the civil rights workers of the 1930s and '40s. They took on insurmountable odds - as well as serious personal risk - to lay the groundwork for what would become the

very successful civil rights movement of the 1960s. They knew they might never see the fruits of their labor - Jim Crow and its supporters in Washington seemed impossibly entrenched - but their efforts made it possible for success in the unknowable future.

With the benefit of this long view, we can look past election cycles to see what solutions would actually solve our serious problems. On wealth inequality, that means a direct tax on concentrated wealth.

We shouldn't just tax billionaires' paychecks, in other words. We need to tax the wealth they've already amassed. That idea isn't going to clear Congress anytime soon. But it's just as serious, reasonable, and likely to become law as any other genuine solution. (Josh Hoxie, œHow to Redistribute Wealth - Without the Guillotine, *The American Prospect*, April 28, 2016)

724 (26/05/16)(15/01/17) The levying of wealth taxes in the United States, matched, to varying degree, in most other Western countries, has, over the past hundred years, been strongly justified not in terms of credit redistribution, but as means of government funding in times of crisis. This has provided a superficially justifiable argument for repeal of such taxes as conditions return to 'normal'[1053].

Michael Graetz provided a description of this while examining the history of estate taxation in the US over the past two centuries in a keynote address to a Boston College Law School and American College of Trust and Estate Counsel Symposium (October 2, 2015):

> ...The modern estate tax dates from 1916, when it was enacted to fund the first World War.... During the 1940s, to finance the second World War, Congress increased the top rate to 77% and set the exemption at $60,000 - where those numbers stood for nearly thirty-five years...

The editorial abstract to a published version of his address summarizes it:

> Michael Graetz describes the fight over the repeal of the estate tax and its current diminished state. Graetz argues that the political battle over the repeal of the estate tax reflects a fundamental challenge to our nation's progressive tax system. This Address concludes that a revitalized estate tax is important for managing the national debt and reducing massive inequalities in wealth. (Graetz, Michael J., œ'Death Tax' Politics (May 5, 2016). *Boston College Law Review*, Vol. 57, No. 3, 2016)

(07/03/16) Douglas Hopkins (below), in an article subtitled:

> Giving preferential tax treatment to a privileged class of citizens violates the principles of both democracy and capitalism. An annual levy on wealth over $250,000 could begin returning us to core principles,

addressed why the Picketty/Saez proposals have largely been ignored. He claims that "arguing in favor of redistributional taxes on wealth may be factually, logically, and even morally supportable - but such arguments are counter-productive".

While he provides a sound case for "an even-handed, moderate annual wealth tax", I'm less than convinced that such an approach to the problem of credit accumulation would be any more effective than a direct argument in favor of credit redistribution through various forms of progressive taxation. Modern plutocracies are sustained by armies of

lawyers and lobbyists whose *raison d'être* is to identify and oppose any attempts at credit redistribution, however benignly presented.

(21/03/16) (02/05/16)(11/07/16) The New Deal and post-New Deal success in tackling the inevitable long-term entropic consequences of credit dissipation was based on overwhelming electoral support. This was bolstered through later appeal, by the New Deal's architects, to 'patriotic' sacrifice in support of the 'war effort' and 'post-war reconstruction', not on convincing arguments or even-handed moderation[1054].

(06/10/16) Once such a mindset dominates public understanding and has justified a constantly expanding range of policies and expenditures, it can be extremely difficult to change. Jeff Faux has explained, and illustrated, the 'national security' sales pitch which is commonly used in the US to justify and bolster support for programs which might otherwise be rejected:

> ...Whenever the economic case crumbles, "national security" becomes the fallback rationale.
>
> After a quarter century of off-shored jobs and depressed wages in the wake of corporate-driven trade de-regulation, the claim that the Trans-Pacific Partnership will make life better for American workers is so discredited that both Hillary Clinton and Donald Trump are opposed....
>
> But the Republican leadership and Barack Obama still want it, and they will try to get Congressional approval in the post-election "lame duck" session before the new president takes office.
>
> True to form, their sales pitch has shifted from the claim that the TPP will make Americans prosperous to the claim that it will make America safer.
>
> Defense Secretary Ashton Carter says "passing TPP is as important to me as another aircraft carrier." Likewise, eight former Defense secretaries assure Congressional leaders that approving the TPP will "contribute to a safer world for us, our children and our grandchildren."
>
> Obama's former chief economist Alan Krueger now tells us that "trade agreements are primarily about foreign relations."
> (Jeff Faux, œTPP: The "National Security" Sales Pitch: Like other trade deals since NAFTA, is the TPP also just a device for capitalists to drive down the wages of American workers? *The Globalist*, September 29, 2016)

The New Deal required catastrophic economic failure. One can only hope that breaking out of a mindset which presumes life in a nation under threat from 'external enemies' and/or from 'freeloaders' on 'free enterprise' will be less traumatic. However, as Mark and Paul Engler suggest,

> Social change is seldom either as incremental or predictable as many insiders suggest. Every once in a while, an outburst of resistance seems to break open a world of possibility, creating unforeseen opportunities for transformation.
> (Mark and Paul Engler, œBreaking the World Open: In Praise of "Impractical" Movements, *Truthout*, 7 March 2016)

Political *incrementalism* has a bad habit of producing cosmetic change (the metaphor 'lipstick on a pig' springs to mind); not revolutionary redirection.

Hopkins spells out his vision of effective incremental change:

> The most interesting examination of economics over the last three decades has been Thomas Piketty's *Capital in the 21st Century*. But hardly anyone has taken Piketty's policy proposals seriously, mainly because Piketty himself framed them as overtly redistributional and described them as utopian.
>
> In America today, arguing in favor of redistributional taxes on wealth may be factually, logically, and even morally supportable - but such arguments are counter-productive. Confiscatory tax policies pose a lethal threat to the rich and powerful, demanding their aggressive resistance.
>
> Redistributional policies also hold little appeal to the American voting public. Who among us really wants to go to war against a class we all aspire to join? Even progressives, who often embrace and utilize redistributional rhetoric as part of the inequality debate, have largely dismissed Piketty's proposed wealth tax.
>
> But Piketty nearly got it right. A properly structured annual wealth tax could equalize effective tax rates between labor and capital, while simultaneously stimulating more productive capital allocations - and, in the process, job creation.
>
> **Shielding wealth** from direct taxation distorts investment incentives. If the productive deployment of capital serves as a key driver of economic growth and prosperity, then our policies should carefully aim at encouraging productive domestic investment. But by taxing investment profits, while shielding wealth itself from any direct assessment, we are *subsidizing unproductive capital*.
>
> By taxing productive capital more heavily than unproductive capital, we encourage income sheltering and suppression and overburden the kind of job-creating productive domestic investments that create a growing and healthy economy.
>
> Structural preferences aimed at wealth have, in effect, made tax avoidance and valuation manipulation more profitable than productive enterprise. Repealing the inefficient, highly variable, often contradictory, and much-abused taxes currently imposed on investment income and replacing them with an assessment directly upon accumulated net wealth would remove the distorted incentives that are undermining our productive economy.
>
> **An even-handed**, moderate annual wealth tax would stimulate an aggressive redeployment of capital in search of more productive opportunities - and trigger a massive stimulus investment program financed entirely with private capital...
> (Douglas Hopkins, œA Business Case for a Wealth Tax, *Inequality.Org*, March 2, 2016)

725 As they explain:

> Concern about inequality is at least as old as the United States itself. Writing in 1792 about the necessity and dangers of political parties, James Madison made the connection between excessive wealth and its political influence:
>
>> The great object should be to combat the evil: 1. By establishing a political equality among all. 2. By withholding unnecessary opportunities from a few, to increase the inequality of property, by an immoderate, and especially an unmerited, accumulation of

> riches. 3. By the silent operation of laws, which, without violating the rights of property, reduce extreme wealth towards a state of mediocrity, and raise extreme indigence towards a state of comfort.

Excessive wealth concentration, in Madison's view, was as poisonous for democracy as war. "In war," he continued, "the discretionary power of the executive is extended; its influence in dealing out offices, honors, and emoluments is multiplied. . . . The same malignant aspect in republicanism may be traced in the inequality of fortunes."

Wealth is power. An extreme concentration of wealth means an extreme concentration of power: the power to influence government policy, the power to stifle competition, the power to shape ideology. Together, these amount to the power to tilt the distribution of income to one's advantage. This is the core reason why the extreme wealth of some can reduce what remains for the rest - why part of the income of today's superrich can be earned at the expense of the rest of society. That's what earned John Astor, Andrew Carnegie, John Rockefeller, and other Gilded Age industrialists their epithet of "Robber Barons."
(Emmanuel Saez and Gabriel Zucman, œTaxing the Superrich: For the sake of justice and democracy, we need a progressive wealth tax, *Boston Review*, April 9, 2020)

726 (07/05/16) Perhaps we can strike a medal or two that we can give them as we relieve them of the burden of having to cope with such accumulations of cash. We could have national competitions leading to an international 'Accumulator Olympics' complete with medal ceremonies, national (or perhaps Corporate) anthems and crowds of admiring supporters - and, of course, as in 'drugs in sport', ceremonial defrocking of those found to be cheating (or abusing the spirit of the rules - often described as 'tax avoidance')[1055]. Possible candidates for defrocking:

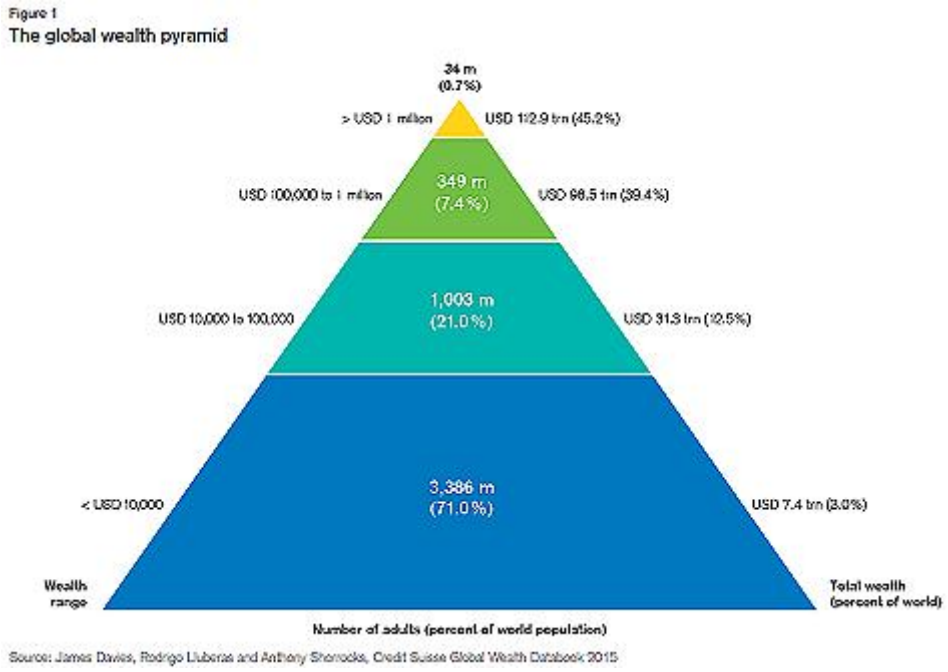
> Over the last two years, the 71 technology companies in the Standard & Poor's 500-stock index - including Apple, Google, Yahoo and Dell - reported paying worldwide cash taxes at a rate that, on average, was a third less than other S. & P. companies'. (Cash taxes may include payments for multiple years.)
>
> Even among tech companies, Apple's rates are low. And while the company has remade industries, ignited economic growth and delighted customers, it has also devised corporate strategies that take advantage of gaps in the tax code, according to former executives who helped create those strategies.
>
> Apple, for instance, was among the first tech companies to designate overseas salespeople in high-tax countries in a manner that allowed them to sell on behalf of low-tax subsidiaries on other continents, sidestepping income taxes, according to former executives. Apple was a pioneer of an accounting technique known as the "Double Irish With a Dutch Sandwich," which reduces taxes by routing profits through Irish subsidiaries and the Netherlands and then to the Caribbean. Today, that tactic is used by hundreds of other corporations - some of which directly imitated Apple's methods, say accountants at those companies.
> (Charles Duhigg and David Kocieniewski, œHow Apple Sidesteps Billions in Taxes, *New York Times*, April 28, 2012)

Gabriel Zucman, in a book on the subject, has explored the extent of the problem of tax evasion and tax 'avoidance' (a euphemism for tax evasion through clever accounting and legal maneuvering). As he says, "Tax havens are at the heart of financial, budgetary, and democratic crises." In an excerpt from his book he sketches the problem:

> ...[D]espite some progress in curtailing it in recent years, tax evasion is doing just fine. There has, in fact, never been as much wealth in tax havens as today. On a global scale, 8% of the financial wealth of households is held in tax havens. According to the latest available information, in the spring of 2015 foreign wealth held in Switzerland reached $2.3 trillion. Since April 2009, when countries of the G20 held a summit in London and decreed the "end of banking secrecy," the amount of money in Switzerland has increased by 18%. For all the world's tax havens combined, the increase is even higher, close to 25%. And we are only talking about individuals here. Corporations also use tax havens.
>
> Corporate filings show that US companies are shifting profits to Bermuda, Luxembourg, and similar countries on a massive and growing scale. Fifty-five percent of all the foreign profits of US firms are now kept in such havens. Since multinationals usually try to operate within the letter - if not the spirit - of the law, this profit shifting is better described as "tax avoidance" rather than outright fraud. But its cost is enormous - $130 billion a year for US firms alone - and since equity ownership is very concentrated, it essentially benefits only the wealthiest among us.
> (Gabriel Zucman, œHow Much Money Does the 1% Have Hidden in Tax Havens? An economist finds out, and the data is staggering, *Alternet*, October 8, 2015)

For an in-depth examination of the problem of wealth inequality around the world, see this *Credit Suisse Research Institute* study, œThe Global Wealth Report 2015 and other publications on the site. As the site advertisement says,

> In its sixth edition, the Credit Suisse Global Wealth Report offers a comprehensive portrait of global wealth, covering all regions and countries, and all parts of the wealth spectrum, from the very base of the wealth pyramid to ultra-high net worth individuals.



(Markus Stierli (*et al*), *The Global Wealth Report 2015*, Credit Suisse AG Research Institute, October 2015, p. 24)

Matias Vernengo has summed up the main features of the 2015 'Global Wealth Pyramid':

> Not much difference with previous one, but a bit worse. Now 71% of the population holds 3% of the wealth (before it was the 67% at the bottom held 3.3% approximately). And the top 0.7% of the population holds slightly more than 45% of total wealth.
>
> By the way, the US has added more people at the top, while Japan and Europe have lost a few. If you are interested on how many really wealthy people there are (not the 34 million people at the top of the figure above, which are the ones worth more than 1 million), here is what the report says:
>
>> We estimate that there are 123,800 UHNW individuals worldwide, defined as those whose net worth exceeds USD 50 million. Of these, 44,900 are worth at least USD 100 million and 4,500 have assets above USD 500 million.
>
> UHNW means Ultra-High Net Worth (or what a decade ago Citigroup analysts called the plutonomy). So about 4,500 with a net worth above 500 million dollars.
> (Matias Vernengo, œThe plutonomy is doing fine, *Naked Keynesianism*, October 15, 2015)

How strange (and patently absurd) that some of those claiming to be 'expert commentators' should suggest that the answer to such tax evasion (exploiting loopholes which have been created through mindless processes of deregulation over the past 30 years) is to stop taxing the evaders, thus giving them 'no incentive' to exploit the loopholes!! As one of those self-proclaimed experts put it when addressing the problem:

> A wide consensus of economists and tax experts finds it to be bad policy. Nobody, so far as I could find, thought that corporate taxes were a smart or efficient way for governments to raise revenue. Economic theory provides no strong argument for special taxation of corporate income, at whatever rate.
> (Evan Soltas, œApple Shows It's Time to Abolish Corporate Taxes, *The Ticker, Bloomberg*, May 24, 2013)

727 William Ripple *et al* have expanded on all this in a research paper entitled œWorld Scientists' Warning of a Climate Emergency 2022 (*BioScience*, 26 October 2022). As they say:

> We are now at "code red" on planet Earth. Humanity is unequivocally facing a climate emergency. The scale of untold human suffering, already immense, is rapidly growing with the escalating number of climate-related disasters...

728 Perhaps, if capitalism can weather the looming climate catastrophe, it will arrive at a time when all available scarce resources have been mined, processed and used and the 'necessary' energy generating infrastructure has fallen into disrepair: a dystopian world with populations eking out a living amongst those relics of a once 'grand civilization'!

729 As Wible continues:

> This special issue examines how research can engage with and support communities and governments navigating this uncertain landscape. Researchers are interweaving science and governance for community decision-making, improving integration of global and local analyses of human habitability, estimating the largely unmeasured costs of human displacement, mapping policy pathways toward retreat from rising seas, preparing destination regions to be migrant friendly, incorporating design and decision support into retreat planning, and more.
>
> The direction, quality, legitimacy, and impact of such research may depend not only on the creativity of its formulation and the rigor of its execution but also on its assumptions about who makes decisions. This is because many groups whose lives will be disproportionately disrupted by climate change have also historically experienced hardships under decisions imposed upon their communities by outsiders. Thus, we must consider not only what science can do but also how science is done, and by whom. (Brad Wible, œSpecial Section: Climate-induced Relocation: Out of Harm's Way, *Science*, Vol 372, Issue 6548, Pp.1274-1299, June 18, 2021)

Update Dates for Chapter 11: (31/07/18) (01/08/18) (19/08/18) (26/08/18) (07/12/18) (24/12/18) (21/02/19) (04/03/19) (06/06/19) (11/06/19) (28/01/20) (01/02/20) (21/04/20) (14/05/20) (29/06/20) (29/07/20) (04/08/20) (23/08/20) (04/09/20) (29/09/20) (30/09/20) (17/10/20) (20/10/20) (01/11/20) (19/11/20) (27/11/20) (31/12/20) (01/01/21) (24/01/21) (15/04/21) (16/04/21) (25/04/21) (09/05/21a) (10/06/21) (19/06/21) (29/06/21) (12/07/21) (10/08/21) (12/08/21) (22/10/21) (02/11/21) (05/11/21) (08/11/21) (10/11/21) (02/05/20) (29/05/20) (09/07/19)(11/02/20) (02/06/20) (05/08/20) (13/08/20) (14/08/20) (22/08/20) (27/08/20) (03/09/20) (26/09/20) (17/10/20) (07/11/20) (22/11/20) (19/12/20) (11/02/21) (24/02/21) (16/03/21) (18/05/21) (30/05/21) (22/08/21) (09/09/21) (02/10/21) (14/11/21) (19/11/21) (20/11/21) (02/12/21) (30/12/21) (31/12/21) (09/01/22) (28/12/18) (18/01/21) (04/02/22) (24/07/22) (26/07/22) (05/08/22) (23/08/22) (27/08/22) (28/08/22) (08/09/22) (14/09/22) (27/09/22) (13/10/22) (21/10/22) (05/11/22)

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Update Dates for 'The Last Western Colony' (23/01/19) (05/04/19) (11/04/19) (06/05/19) (17/05/21) (20/05/21) (21/05/21) (25/05/21) (17/10/23) (20/10/23) (23/10/23) (28/10/23) (01/11/23) (04/11/23) (10/11/23) (12/11/23) (14/11/23) (19/11/23) (22/11/23) (24/11/23) (29/11/23) (30/11/23) (02/12/23) (05/12/23) (10/12/23) (11/12/23) (15/12/23) (19/12/23) (22/12/23) (25/12/23) (27/12/23) (02/01/24) (08/01/24) (10/01/24) (13/01/24) (15/01/24) (21/01/24) (22/01/24) (03/02/24) (09/02/24) (13/02/24) (19/02/24) (22/02/24) (26/02/24) (27/02/24) (28/02/24) (02/03/24) (03/03/24) (17/03/24) (26/03/24) (29/03/24) (01/04/24) (06/04/24) (19/04/24)

730 But, of course, this is not going to happen to me! I've planted fire-resistant trees around my home and outbuildings and plantation trees behind them to absorb the impact of wild weather (some of the wood that was keeping the home warm in the increasingly-mild southern winter when this was written was felled by wild weather! I viewed the fallen and snapped off trees and thanked the powers that be for doing my fire-wood tree selection for me!) but I was fortunate!

I've mowed fire-breaks and strengthened more vulnerable parts of my buildings to guard against future wild weather and fire; I'm on high ground and water, after filling my dams, drains away to lower regions so flooding should never be an immediate problem - though, of course, all roads lead to those lower regions - but there are some things one can't 'prepare' for!

Surely, given my preparations, I'll be alright! Yes, this does look increasingly like self-delusion! Just 100 kilometers from my bolt-hole folks thought the same, but in 2021 hundreds lost their homes to wild weather. It becomes more real when one realizes that but for the whimsy of the weather, that could have been me!

731 The focus on United States' developments is intentional. The United States, at least since 1945, has been, and, for the foreseeable future, is the center of Western Capitalism. What the US does strongly influences the actions and determinations of other Western (and many other) nations.

732 The all-too-familiar obfuscatory dance went on... Doina Chiacu of *Reuters* explained:

> WASHINGTON, June 27 (Reuters) - Republican Senate negotiators on an infrastructure deal were optimistic about a $1.2 trillion bipartisan bill on Sunday after President Joe Biden withdrew his threat to veto the measure unless a separate Democratic spending plan also passes Congress.
>
> U.S. Senator Rob Portman said he and his fellow negotiators were "blindsided" by Biden's comments on Thursday after a rare bipartisan compromise to fix the nation's roads, bridges and ports.
>
> "I was very glad to see the president clarify his remarks because it was inconsistent with everything that we had been told all along the way," Portman said in an interview with ABC.

> Moments after announcing the bipartisan deal on Thursday, Biden appeared to put it in jeopardy with his comment that the infrastructure bill would have to move "in tandem" with a larger bill that includes a host of Democratic priorities that he hopes to pass along party lines.
>
> "If this is the only thing that comes to me, I'm not signing it," he said.
>
> The comments put internal party pressure on the 11 Republicans in the group of 21 senators who endorsed the infrastructure package to abandon the agreement.
>
> Biden issued a statement on Saturday that essentially withdrew that threat, saying that was "certainly not my intent."
>
> "We were glad to see them disconnected and now we can move forward," Portman said on Sunday.
> (Doina Chiacu, œRepublicans Senate negotiators ready to move forward on infrastructure after Biden walkback, *Reuters*, June 29, 2021)

As a once popular children's dance put it:

> You put your right foot in
>
> You put your right foot out
>
> You put your right foot in
>
> And you shake it all about
>
> ...
>
> You do the hokey pokey
>
> And you turn yourself around
>
> That's what it's all about

733 Rachit Dubey *et al* explain the capitalist drive to demonstrating self-worth through material self-promotion:

> In evaluating our choices, we often suffer from two tragic relativities.
>
> First, when our lives change for the better, we rapidly habituate to the higher standard of living.
>
> Second, we cannot escape comparing ourselves to various relative standards.
>
> Habituation and comparisons can be very disruptive to decision-making and happiness, and till date, it remains a puzzle why they have come to be a part of cognition in the first place.
>
> Here, we present computational evidence that suggests that these features might play an important role in promoting adaptive behavior.
>
> Using the framework of reinforcement learning, we explore the benefit of employing a reward function that, in addition to the reward provided by the underlying task, also depends on prior expectations and relative comparisons. We find that while agents equipped with this reward function are less happy, they learn faster and significantly outperform standard reward-based agents in a wide range of environments.

> Specifically, we find that relative comparisons speed up learning by providing an exploration incentive to the agents, and prior expectations serve as a useful aid to comparisons, especially in sparsely-rewarded and non-stationary environments. Our simulations also reveal potential drawbacks of this reward function and show that agents perform sub-optimally when comparisons are left unchecked and when there are too many similar options. Together, our results help explain why we are prone to becoming trapped in a cycle of never-ending wants and desires, and may shed light on psychopathologies such as depression, materialism, and overconsumption.
> (Rachit Dubey *et al*, œThe pursuit of happiness: A reinforcement learning perspective on habituation and comparisons, *PLoS Computational Biology* 18(8): e1010316, August 4, 2022)

[734] The United Nations Office for Disaster Risk Reduction has described how extreme weather events have come to dominate the disaster landscape of the 21st Century:

> Over the last twenty years, 7,348 disaster events were recorded worldwide by EM-DAT, one of the foremost international databases of such events. In total, ...disasters claimed approximately 1.23 million lives, an average of 60,000 per annum, and affected a total of over 4 billion people (many on more than one occasion). Additionally, disasters led to approximately US$ 2.97 trillion in economic losses worldwide.
>
> These numbers represent a sharp increase of the number of recorded disaster events by comparison with the previous twenty years. Between 1980 and 1999, EM-DAT recorded 4,212 disasters linked to natural hazards worldwide, which claimed approximately 1.19 million lives and affected over 3 billion people (Figure 1). Economic losses totaled US$ 1.63 trillion.
>
> While better recording and reporting may partly explain some of the increase in events, much of it is due to a significant rise in the number of climate-related disasters. Between 2000 and 2019, there were 510,837 deaths and 3.9 billion people affected by 6,681 climate-related disasters. This compares with 3,656 climate-related events which accounted for 995,330 deaths (47% due to drought/ famine) and 3.2 billion affected in the period 1980-1999. The number of people affected by disasters, including injuries and disruption of livelihoods, especially in agriculture, and the associated economic damage are growing in contrast to the decrease in mortality.
>
> **Key points and recommendations:**
>
> - A temperature increase of 3°C of the global climate is estimated to increase the frequency of potentially high impact natural hazard events across the world. This could render current national and local strategies for disaster risk reduction and climate change adaptation obsolete in many countries;
> - Shifting rainfall patterns and greater variability in precipitation poses a risk to the 70% of global agriculture that is rain-fed and the 1.3 billion people dependent on degrading agricultural land;

- The concentrated impact due to a single disaster type in some countries provides an opportunity for a more focused approach on disaster risk reduction. However, COVID-19 demonstrates the need for a systemic, multihazard approach in an increasingly globalized and interconnected world;
- There is a requirement for strengthening disaster risk governance to manage disaster risk with clear vision, competence, plans, guidelines, funding and coordination across sectors and in a manner which takes account of the increasingly systemic nature of disaster risk;
- Public and private investment in disaster risk prevention and reduction through structural and non-structural measures needs to be stepped up to create disaster resilient societies.

(United Nations Office for Disaster Risk Reduction, œThe human cost of disasters: an overview of the last 20 years (2000-2019), published to mark the International Day for Disaster Risk Reduction on October 13, 2020)

[735] As Sommer continues:

> The scientists contend that input and expertise of Indigenous and other local and communities is essential to understanding and managing this global issue.
>
> The commentary identifies two new features of recent Arctic fires. The first is the prevalence of holdover fires, also called zombie fires. Fire from a previous growing season can smolder in carbon-rich peat underground over the winter, then re-ignite on the surface as soon as the weather warms in spring.
>
> We know little about the consequences of holdover fires in the Arctic," noted Turetsky, "except that they represent momentum in the climate system and can mean that severe fires in one year set the stage for more burning the next summer."
>
> The second feature is the new occurrence of fire in fire-resistant landscapes. As tundra in the far north becomes hotter and drier under the influence of a warmer climate, vegetation types not typically thought of as fuels are starting to catch fire: dwarf shrubs, sedges, grass, moss, even surface peats. Wet landscapes like bogs, fens, and marshes are also becoming vulnerable to burning.
> (Shelly Sommer, œThe Arctic is burning in a whole new way, *Institute of Arctic and Alpine Research*, University of Colorado, September 28, 2020)

[736] For further detail on Arctic/ Antarctic sea ice extent and concentrations see the US *National Snow and Ice Data Center* ongoing monthly and daily sea ice measurements (with explanations of the various data gathering processes) œSea Ice Index: Arctic- and Antarctic-wide changes in sea ice

[737] Chuck Collins, in 2017, put the problem well:

> Part of the inequality problem... is that trillions of dollars are being shifted off the ledger, hidden from measurement and taxation. Some of this "hidden wealth of nations," as Gabriel Zucman calls it, is kept in offshore tax havens like the Cayman Islands and Panama that function as secrecy jurisdictions with minimal transparency or reporting requirements. Trillions more has been hidden in trusts and

other complex financial arrangements available only to the very wealthy. New research suggests that households in the top 0.01 percent, those with wealth over $40 million, evade 25 to 30 percent of person income and wealth taxes - about 10 times more than the general population.

This process is aided and abetted by professional wealth managers who facilitate and lubricate the process of hiding wealth. Many of them work in private family offices that serve wealthy families. These are not mom-and-pop financial planners who help protect families from running out of money. We're talking about the well-compensated professionals that serve the richest one-tenth of one percent of Americans....

Brooke Harrington... spent several years being trained as a wealth manager in order to gain firsthand insight into the secretive world of this discreet profession. By obtaining professional certification through the Society of Trust and Estate Practitioners (STEP), Harrington built relationships, trust, and access with 65 wealth advisers around the world. To conduct interviews, she traveled to 18 countries, including notorious offshore tax havens like the Cook and Seychelles islands...

> Wealth is not just detaching from states but from the nation-state system itself. You have these huge piles of private wealth floating around the world, untouchable by states or state authority, through the machinations of wealth managers. And people who own the wealth also detach from states. There's a certain group of well-to-do people who don't want to be subject to the laws that bind the rest of us. They don't want anarchy, because that would be inconvenient. They still want roads and the rule of law. They want murderers to go to jail. They just don't want the laws to apply to them, because it's a bummer. So, with the help of wealth managers, they put themselves above the nation-state system by changing passports at will, having multiple residences, and bouncing around strategically to ensure that no national laws apply to them.
> (Chuck Collins, œManagers to the Super-Rich Undermine Society and What We Can Do About It, *The Nation*, June 21, 2017)

[738] Zengkai Zhang *et al* have shown the contribution of extended global supply chains to global CO_2 emissions. As they summarize:

Enterprises are at the forefront of climate actions and multinational enterprises (MNEs) engage in foreign direct investment, allowing them substantial influence over the entire supply chain. Yet emissions embodied in the international supply chains of MNEs are poorly known. Here we trace the carbon footprints of foreign affiliates of MNEs and show that the gross volume of global carbon transfer through investment peaked in 2011, mainly driven by the decline in carbon intensity.

Despite declining carbon footprints of developed country-based MNEs, there has been a notable increase in carbon transfer sourced from the Chinese mainland. We propose an investment-based accounting framework to allocate carbon footprints of MNEs to the investing country. Investment-based accounting of emissions could inform targeted and effective climate policies and actions. For instance, some large MNEs play a crucial role in carbon transfer,

therefore their originating country should bear more responsibilities of carbon emissions reduction as an investor.
(Zengkai Zhang *et al*, œEmbodied carbon emissions in the supply chains of multinational enterprises, *Nature Climate Change*, 07 September 2020)

739 In February 2023 *Microsoft* introduced an 'upgrade' to their *Bing* search engine. As they announced to those willing to 'explore' this first step into a pseudo-social interactional world:

> **How To Access Bing's ChatGPT 4.0 Right Now!**
>
> Bing's ChatGPT 4.0 (Bing Chat) is a cutting-edge technology that provides users with a seamless conversational experience. As one of the most advanced chatbots in the world, ChatGPT 4.0 is capable of understanding natural language and responding in a human-like manner. For those new to Bing Chat or looking to enhance their experience, this article will provide a step-by-step guide on accessing Bing's ChatGPT 4.0 right now.

As my son emailed me (good to have perceptive offspring!):

> If you're interested in the next societally destructive piece of technology our tech overlords are about to bestow on us, the first segment of this podcast is incredible. Genuinely terrible and dangerous piece of technology.œdts.podtrac.com

And I responded (yes we do sometimes communicate!):

> ...While it seemed as though the person recounting his experience was in control of the discussion, in fact, once the first question was asked the rest of the 'conversation' was in response to the program's replies.
>
> Imagine how many people who listen to this podcast will now spend hours 'chatting' with their product!
>
> Microsoft is devious!!!!

740 A report entitled 'The missing economic risks in assessments of climate change impacts' has given a summary of some of the major problems in 2019 assessments of the consequences of climate change around the world:

- Economic assessments of the potential future risks of climate change have been œomitting or grossly underestimating many of the most serious consequences for lives and livelihoods because these risks are difficult to quantify precisely and lie outside of human experience.
- Political and business leaders need to understand the scale of these 'missing risks' because they could have drastic and potentially catastrophic impacts on citizens, communities and companies.
- Scientists are growing in confidence about the evidence for the largest potential impacts of climate change and the rising probability that major thresholds in the Earth's climate system will be breached as global mean surface temperature rises, particularly if warming exceeds 2ºC above the pre-industrial level.
  These impacts include:

- Destabilisation of ice sheets and glaciers and consequent sea level rise
- Stronger tropical cyclones
- Extreme heat impacts
- More frequent and intense floods and droughts
- Disruptions to oceanic and atmospheric circulation
- Destruction of biodiversity and collapse of ecosystems

- Many of these impacts will grow and occur concurrently across the world as global temperature climbs.
- Some of these impacts involve thresholds in the climate system beyond which major impacts accelerate, or become irreversible and unstoppable.
- When a threshold is breached, it might cause one or more other thresholds to be exceeded as well, leading to a cascade of impacts.
- Many of these impacts could exceed the capacity of human populations to adapt, and would significantly affect and disrupt the lives and livelihoods of hundreds of millions, if not billions, of people worldwide.
- These impacts would also undermine economic growth and development, exacerbate poverty and destabilise communities.
- Economic assessments fail to take account of the potential for large concurrent impacts across the world that would cause mass migration, displacement and conflict, with huge loss of life.
- Economic assessments that are expressed solely in terms of effects on output (e.g. gross domestic product), or that only extrapolate from past experience, or that use inappropriate discounting, do not provide a clear indication of the potential risks to lives and livelihoods.
- It is likely that there are additional risks that we are not yet anticipating simply because scientists have not yet detected their possibility, as we have entered a period of climate change that is unprecedented in human history.
- Some advances are being made in improving economic assessments of climate change impacts but much more progress is required if assessments are to offer reliable guidance for political and business leaders on the biggest risks.
- The lack of firm quantifications is not a reason to ignore these risks, and when the missing risks are taken into account, the case for strong and urgent action to reduce greenhouse gas emissions becomes even more compelling.

(DeFries, Ruth S. *et al*, "The missing economic risks in assessments of climate change impacts, *Earth Institute*, September 23, 2019)

741 Today's global abundance of floating ocean plastics is estimated at approximately 82 - 358 trillion plastic particles weighing 1.1 - 4.9 million tonnes. We observed no clear detectable trend until 1990, a fluctuating

but stagnant trend from then until 2005, and a rapid increase until the present. This observed acceleration of plastic densities in the world's oceans, also reported for beaches around the globe, demands urgent international policy interventions.
(Marcus Eriksen *et al*, œA growing plastic smog, now estimated to be over 170 trillion plastic particles afloat in the world's oceans - Urgent solutions required, *PLOS ONE*, March 08, 2023)

Kara Lavender Law *et al* have detailed the massive 'plastic problem' being created by residents of the United States of America. As they summarize:

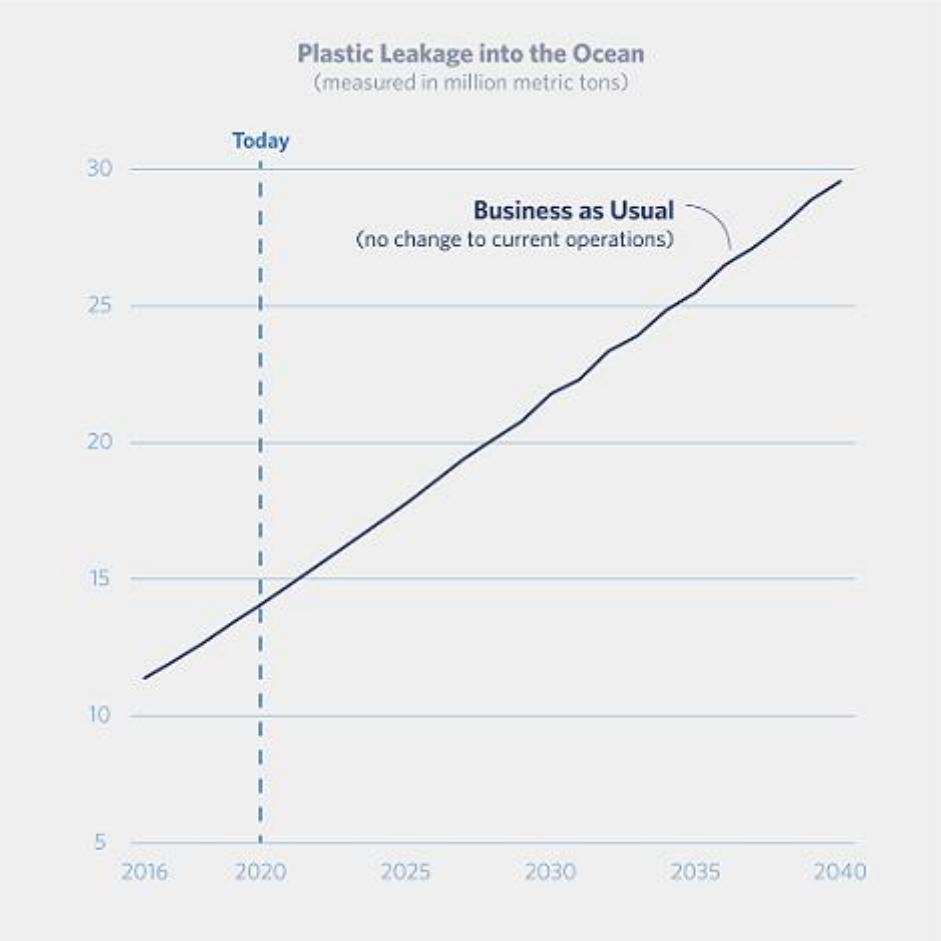
> Plastic waste affects environmental quality and ecosystem health. In 2010, an estimated 5 to 13 million metric tons (Mt) of plastic waste entered the ocean from both developing countries with insufficient solid waste infrastructure and high-income countries with very high waste generation. We demonstrate that, in 2016, the United States generated the largest amount of plastic waste of any country in the world (42.0 Mt). Between 0.14 and 0.41 Mt of this waste was illegally dumped in the United States, and 0.15 to 0.99 Mt was inadequately managed in countries that imported materials collected in the United States for recycling. Accounting for these contributions, the amount of plastic waste generated in the United States estimated to enter the coastal environment in 2016 was up to five times larger than that estimated for 2010, rendering the United States' contribution among the highest in the world.
> (Kara Lavender Law *et al*, œThe United States' contribution of plastic waste to land and ocean, *Science Advances* Vol. 6, no. 44, 30 Oct 2020)

While the 'plastic problem' facing the world is huge, it is, of course, merely one of the almost insurmountable waste problems generated by deregulated capitalism in this century. As the website *The World Counts* has described:

> Every year we dump a massive 2.12 billion tons of waste. If all this waste was put on trucks they would go around the world 24 times. This stunning amount of waste is partly because 99 percent of the stuff we buy is trashed within 6 months.
> (œA world of waste, *The World Counts* Accessed July 29, 2020)

Simon Reddy and Winnie Lau have described the deluge of plastic waste being generated in this 21st century:

> Plastic has become ubiquitous on store shelves and in our homes. From wrapped food and disposable bottles to microbeads in body washes, it's used widely as packaging or in products because it's versatile, cheap, and convenient. But this convenience comes with a price. Plastic waste is entering the ocean at a rate of about 11 million metric tons a year, where it is harming marine life and damaging habitats.
>
> How did we get here? We have been producing vast quantities of plastic products and have had few measures in place to regulate their use or properly manage their disposal.
>
> ...Without immediate and sustained action, that amount will nearly triple by 2040, to 29 million metric tons per year. That's the same as dumping 110 pounds (50 kilograms) of plastic on every meter of coastline around the world.



(Simon Reddy and Winnie Lau, œBreaking the Plastic Wave: Top Findings for Preventing Plastic Pollution, *The Pew Charitable Trusts*, July 23, 2020)

742 Military greenhouse gas emissions are huge, yet seldom factored into calculations of greenhouse gas contributions by their nations. The site œmilitaryemissions.org provides ongoing information on the issues involved. As it explains:

> Militaries are huge energy users whose greenhouse gas (GHG) emissions are making a significant contribution to the climate crisis.
>
> The UN Framework Convention on Climate Change obliges some states to report on their GHG emissions every year. But because reporting military emissions is voluntary, data is often absent or incomplete - this is the military emissions gap.
>
> This site is dedicated to tracking, analysing and closing the military emissions gap, bringing together the data that governments report into one place...

For some backgrounding see: œScientists call on world's military forces to come clean on carbon emissions (EurekAlert, 09 November, 2021)

743 In an impassioned speech to the 77th General Assembly of the United Nations (20 September 2022), President Gustavo Petro of Colombia described the problems facing us all:

> Which is more poisonous to humans: cocaine or coal or oil? The ruling of power has ordered that cocaine is the poison and must be persecuted, even if it only causes minimal deaths by overdose, and more by the mixtures caused by its dictated clandestinity, but, instead, coal and oil must be protected, so that their use can extinguish all, all humanity. These are the things of world power,

things of injustice, things of irrationality, because world power has become irrational.

They see in the exuberance of the jungle, in its vitality, the lustful, the sinful; the guilty origin of the sadness of their societies, imbued in the deep unlimited compulsion to have, to have and to consume. How to hide the loneliness of the heart, in its dryness in the midst of societies without affections, competitive until imprisoning the soul in solitude, if not blaming the plant, the man who cultivates it, the libertarian secrets of the jungle. According to the irrational power of the world, the fault is not the market that cuts existence, the fault lies with the jungle and those who inhabit it.

Bank accounts have become unlimited, the money kept by the most powerful on earth can no longer even be spent in the time of the centuries. The sadness of existence produced by this artificial call to competition, fill it with noise and drugs. The addiction to money and having, has another face: drug addiction in people who lose competition, of the artificial career in which they have transformed humanity. The disease of loneliness is not cured by glyphosate over the jungles. It is not the jungle that is to blame. The culprit is their society educated in endless consumption, in the stupid confusion between consumption and happiness that allows, of course, the pockets of power to be filled with money.

The culprit of drug addiction is not the jungle, it is the irrationality of its world power....

You gathered the scientists, and they spoke with reason, with mathematics and climate models, they said that the end of the human species was approaching, that its time is no longer millennia, or even centuries. Science set off the alarm and we stopped listening to it. The war served as an excuse for us not to take the necessary measures.

When actions were most needed, when speeches were no longer useful, when it was essential to deposit money in funds to save humanity, when it was necessary to move away from coal and oil as soon as possible, one war and another and another were invented. They invaded Ukraine, but also Iraq, and Libya and Syria. They invaded in the name of oil and gas.

They discovered in the twenty-first century the worst of their addictions: addiction to money and oil.

Wars have served as an excuse for them not to act against the climate crisis. Wars have shown them how dependent they are on what will wipe out the human species....

The climate disaster fills us with viruses that swarm sweeping us away, but you do business with medicines and turn vaccines into commodities. They propose that the market will save us from what the market itself has created. The Frankenstein of humanity is in letting the market and greed act without planning, surrendering brain and reason, kneeling human rationality to greed.

Why war if what we need is to save the human species? What good is NATO (North Atlantic Treaty Organization) and empires, if what is coming is the end of intelligence?

The climate disaster will kill hundreds of millions of people and listen well, it is not produced by the planet, it is produced by

> capital. The cause of climate disaster is capital. The logic of relating to consume more and more, to produce more and more, and for a few to earn more and more, that is what produces the climate disaster. They articulated the logic of the expanded accumulation of capital, the energy engines of coal and oil and unleashed the hurricane: the chemical change of the atmosphere deeper and deadlier. Now in a parallel world, the expanded accumulation of capital is an expanded accumulation of death....
>
> From Latin America we call on Ukraine and Russia to make peace.
>
> Only in peace can we save life in this, our common land. There is no Total Peace without social, economic and environmental justice.
>
> We are at war, too, with the planet. Without peace with the planet, there will be no peace among nations.
>
> Without justice, there is no social peace.
> (President Gustavo Petro of Colombia, œSpeech to the 77th General Assembly of the United Nations, *Ministry of Foreign Affairs*, Bogotá D.C., Colombia, 20 September 2022)

For an extensive commentary and translation of the speech see Benjamin Norton œ'War on drugs has failed': At UN, Colombia condemns 'addiction to money and oil'

744 Rebecca Henderson explained:

> ... Given the slowing global economy and the slide toward populism and nationalism in much of the world, the prospects for any kind of comprehensive global accord seem increasingly remote. So far, at least, the public sector is failing to confront the problem.
>
> But the private sector has begun to step in to fill the vacuum. In January, Larry Fink, the CEO of BlackRock, the largest asset manager in the world, declared that "climate risk is investment risk" and announced that going forward BlackRock would ask every firm in its portfolio to disclose its carbon emissions. BlackRock has roughly $7 trillion under management and is one of the largest shareholders in nearly every publicly traded firm in the world. So companies around the world paid attention when Fink went on to say that BlackRock would consider voting against boards whose firms "do not make sufficient progress" in addressing climate-related risks and would cease to invest altogether in some fossil fuel projects.
>
> Fink is not alone. Many of the world's largest asset owners are coming to the conclusion that climate change is the most important risk to the long-term health of their portfolios. More than a third of global invested capital - about $19 trillion - is controlled by the world's 100 largest asset owners. Nearly two-thirds of this money is in pension funds; the remaining third is in sovereign wealth funds. These funds are now so large that they are sometimes referred to as "universal owners" or "universal investors" since, in effect, they hold the entire market. For that reason, they cannot diversify away from the risk of climate change - a risk that Mark Carney, who until earlier this year was the governor of the Bank of England, suggested could result in an abrupt financial collapse, potentially wiping out as much as $20 trillion of assets. To avert that kind of calamity, major asset owners are starting to push the companies in their portfolios to address climate change.

> This trend is not driven by altruism or a deep commitment to the environment: it's a function of economic interests. For the world's largest asset owners, climate change is not an externality - it is a profound threat to their long-term returns. It will, after all, be significantly harder to make money in a world where most of the major ports are underwater, harvests are failing on a routine basis, and hundreds of millions of people are on the move....
> (Rebecca Henderson, œThe Unlikely Environmentalists: How the Private Sector Can Combat Climate Change, *Foreign Affairs*, Volume 99, Number 3, Pp.47-53, May/June 2020)

745 James Dyke *et al* have put the problem well:

> We have arrived at the painful realisation that the idea of net zero has licensed a recklessly cavalier "burn now, pay later" approach which has seen carbon emissions continue to soar. It has also hastened the destruction of the natural world by increasing deforestation today, and greatly increases the risk of further devastation in the future.
>
> To understand how this has happened, how humanity has gambled its civilisation on no more than promises of future solutions, we must return to the late 1980s, when climate change broke out onto the international stage....
> (James Dyke *et al*, œClimate scientists: concept of net zero is a dangerous trap, *The Conversation*, April 22, 2021)

A comedic YouTube video explanation (with a few expletives) of the nature and likely value of some of these 'promising technologies' has been provided by *The Juice Media*:

> œHonest Government Ad: Carbon Capture & Storage.

746 Service outlined some of the possible 'plans':

> Reacting these wastes with CO_2 from the air could make them safer by solidifying them - and at the same time help the world avert climate disaster. In the 2015 Paris climate agreement, most of the world's countries resolved to limit climate warming to below 2°C. For that to happen, the Intergovernmental Panel on Climate Change (IPCC) has determined, cutting greenhouse gas emissions won't be enough. Countries will also need to employ "negative emissions technologies" (NETs) to pull as much as 10 billion tons (gigatons) of CO_2 out of the atmosphere every year toward the end of this century. Possible NETs include planting vast forests, which suck carbon out of the air as they grow; chemically absorbing CO_2 from the air or power plant exhaust and pumping it underground; and growing grasses or shrubs, burning them for energy, and capturing and storing the CO_2 (Science, 16 February 2018, p. 733).
>
> But underground storage chambers can leak, and forests can burn. Mineralization is more permanent: Carbon-based minerals, or carbonates, are among the most stable on Earth, adds Siobhan "Sasha" Wilson, a biogeochemist at the University of Alberta, Edmonton. "It's a really robust place to store CO_2," she says.
>
> And suitable rock waste is plentiful. Start with ultramafic wastes, the calcium- and magnesium-rich rock in which diamonds, along with metals such as nickel, platinum, and palladium are found. A 2019 report on NETs by the U.S. National Academy of Sciences (NAS) described CO_2 storage in ultramafic mine wastes as "low-

hanging fruit." Today, some 419 million tons of this and less alkaline "mafic" wastes are produced annually. If fully carbonated, they could lock up 175 million tons of atmospheric CO_2 per year. Then there are the alkaline wastes from aluminum, iron, steel, and cement production, which could bring the total up to at least 310 million tons - and by some estimates more than 4 gigatons (GTs) - of CO_2 trapped each year. The somewhat less alkaline basalt rock powder generated by coal production could sequester another 2 GTs per year, Phil Renforth of Heriot-Watt University and his colleagues have calculated - meaning alkaline wastes could in principle provide more than half of the negative emissions that IPCC called for.
(Robert F. Service, œThe carbon vault: Industrial waste can combat climate change by turning carbon dioxide into stone, *Science*, Vol. 369, Issue 6508, pp. 1156-1159, 04 Sep 2020)

747 There is no escaping the glaringly obvious: We are in a newly emerging age of escalating natural disasters. To continue documenting the consequences around the world seems pointless: We all know what is happening and only the truly self-deluded can continue to claim that these events are 'normal' in any meaningful use of such a term.

Over the past several years increasingly powerful typhoons and similar weather events have devastated regions of the Philippines. As 2020 drew to a close it happened again. Jason Gutierrez described the scene:

> Brown water submerged nearly everything, as entire villages were swallowed by the deluge.
>
> The floods, fast and furious, left few people with enough time to make it even to their rooftops. Homes provided little refuge from the devastation.
>
> Francisco Pagulayan, 45, sat dazed as he stared at three white coffins on the roadside near his village. Two of his seven children - Ian, 17, and Frank, 19 - along with his mother-in-law, Virginia Bautista, were killed when a landslide buried their modest wooden home.
>
> "There was a loud boom, and within seconds everything was gone," said Mr. Pagulayan, who lives in Baggao, a village in Cagayan Province. "They survived the flash flood, but were buried by the landslide."
>
> ...the storms are getting more ferocious and more frequent, the tragic consequence of a changing climate that is making disasters more intense....
> (Jason Gutierrez, œWithin seconds everything was gone..., *New York Times*, November 18, 2020)

748 Keith Spencer, focusing on the 2nd decade of this century, provides links to some of the optimistic reports of such 'research'. As he says,

> ...[F]or at least a decade, the media landscape has been littered with casuist puff-pieces with headlines like:
>
> - "This Machine Just Started Sucking CO_2 Out Of The Air To Save Us From Climate Change" (œFast Company, May 2017)
> - "Start-Ups Hoping to Fight Climate Change Struggle as Other Tech Firms Cash In" (œNew York Times, May 2019)

- "Sucking carbon from air, Swiss firm wins new funds for climate fix" (œReuters, August 2018)
- "These companies are leading the fight against climate change" (œCNN Business, October 2018)
- "Why and how business must tackle climate change now" (œForbes, October 2018)

> The unsaid message behind these stories? Climate change is the kind of monetizable "problem" that business can "solve" - as if it were akin to smoothing over a supply chain hiccup or a PR crisis. But it isn't.
> (Keith A. Spencer, œTechnology won't save us from climate change, *Salon*, August 31, 2019)

Duncan McLaren and Nils Markusson have expanded on this. As they summaize:

> The nature and framing of climate targets in international politics has changed substantially since their early expressions in the 1980s. Here, we describe their evolution in five phases - from 'climate stabilization' to specific 'temperature outcomes' - co-evolving with wider climate politics and policy, modelling methods and scenarios, and technological promises (from nuclear power to carbon removal).
>
> We argue that this co-evolution has enabled policy prevarication, leaving mitigation poorly delivered, yet the technological promises often remain buried in the models used to inform policy. We conclude with a call to recognise and break this pattern to unleash more effective and just climate policy.
> (Duncan McLaren and Nils Markusson, œThe co-evolution of technological promises, modelling, policies and climate change targets, *Nature Climate Change*, 20 April 2020)

In a further extrapolation on the œEurekAlert website they 'map the history of climate targets in five phases: "stabilization", followed by a focus on "percentage emissions reductions", shifting to "atmospheric concentrations" (expressed in parts per million), "cumulative budgets" (in tonnes of carbon dioxide), and currently "outcome temperatures"

- In the first phase (around Rio, 1992) technological promises included improved œenergy efficiency, large-scale enhancement of carbon sinks, and œnuclear power
- In the second phase around the Kyoto summit (1997) policy promises focused on cutting emissions with efficiency, fuel switching and carbon capture and storage (CCS).
- In the third phase (around Copenhagen, 2009), CCS became linked to bioenergy, while policy focused on atmospheric concentrations.
- Phase four saw the development of sophisticated global œcarbon budgeting models and the emergence of a range of putative negative emissions technologies.
- Policy in phase five focused increasingly on temperature outcomes, formalised with the Paris accord of 2015.

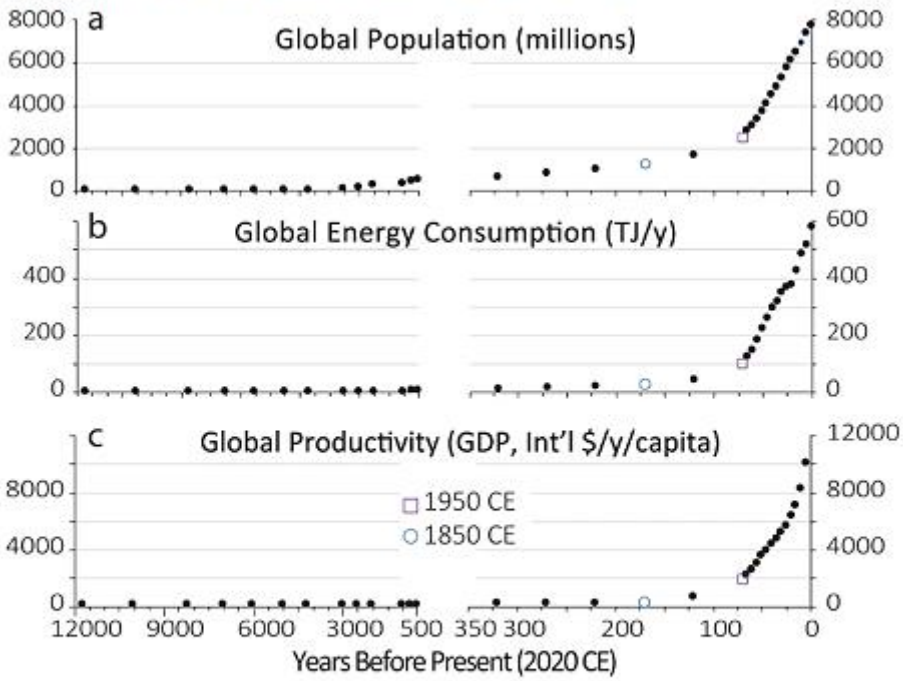
749 There is increasing concern that 'self-reinforcing feedbacks could push the Earth System toward a planetary threshold that, if crossed, could prevent stabilization of the climate at intermediate temperature rises and cause continued warming on a "Hothouse Earth" pathway'.

The rapid trajectory of the climate system over the past half-century along with technological lock-in and both political and socioeconomic inertia ensure near-term conditions beyond those which have existed at any time in the last five million years.

Jaia Syvitski *et al* have succinctly summarized the œ*great acceleration* in energy use, economic productivity and population since 1950. As they explain:

> Growth in fundamental drivers - energy use, economic productivity and population - can provide quantitative indications of the proposed boundary between the Holocene Epoch and the Anthropocene. Human energy expenditure in the Anthropocene, ~22 zetajoules (ZJ), exceeds that across the prior 11,700 years of the Holocene (~14.6 ZJ), largely through combustion of fossil fuels. The global warming effect during the Anthropocene is more than an order of magnitude greater still. Global human population, their productivity and energy consumption, and most changes impacting the global environment, are highly correlated. This extraordinary outburst of consumption and productivity demonstrates how the Earth System has departed from its Holocene state since ~1950 CE, forcing abrupt physical, chemical and biological changes to the Earth's stratigraphic record that can be used to justify the proposal for naming a new epoch - the Anthropocene.

Fig. 1: Correlation of global human population, energy consumption and productivity during the Holocene and Anthropocene epochs.



a Global human population (millions), **b** global energy consumption (TJ/y), and **c** global productivity ($/y/capita), across the Holocene and proposed Anthropocene epochs (in this paper starting in 1950 CE). All three parameters are highly correlated (Spearman's rank coefficient = 1.00). Larger circle = 1850 CE; large square = 1950 CE. Data references are listed in Supplementary Online Material.

(Jaia Syvitski *et al*, œExtraordinary human energy consumption and resultant geological impacts beginning around 1950 CE initiated the proposed Anthropocene Epoch, *Communications Earth & Environment* Vol. 1, No. 32, 16 October 2020)

Beth Gardner, in an article subtitled

> *Polluters have long exaggerated the cost of new regulations and downplayed their benefits. Now, the Trump administration is turning that approach into policy as it seeks to slash regulations governing power plant emissions and weaken other environmental laws*

has described the political inertia in the United States of America,

> "There's a whole industry of consultants and lawyers whose job it is to make prospective new pollution control requirements as horrible-looking as possible," said David Doniger, a Natural Resources Defense Council attorney who has been working on air quality since the 1970s. Under President Trump, he said, "now they have their hands on the steering wheel" at the EPA....
>
> Other administrations have used cost-benefit estimates to their advantage too, Kotchen said, adding that some see Obama-era calculations as having been designed to justify regulations the administration sought. "This goes on all the time," he said. "But I'm very confident in saying the extent, and the 180-degree shift, of the Trump administration, is at a level we've never seen before." What's more, he added, the changes are being made without review or open discussion, in part because the EPA has eliminated many of the scientific panels that advised previous administrations on such issues.
> (Beth Gardiner, œFuzzy Math: The Strategy Behind the Trump EPA's Deregulation Push, *YaleEnvironment360*, June 6, 2019)

Similar conditions have emerged in Australia since the 2019 Federal elections.

Will Steffen *et al*, in 2018 (global CO_2 concentration, in May 2018, had reached 411.24 ppm), provided a somber (but, as scientifically constrained studies inevitably are, cautious and conservative) assessment of the trajectory which is being set by Western capitalism into the 21st century:

> The Anthropocene is a proposed new geological epoch based on the observation that human impacts on essential planetary processes have become so profound that they have driven the Earth out of the Holocene epoch in which agriculture, sedentary communities, and eventually, socially and technologically complex human societies developed.
>
> The formalization of the Anthropocene as a new geological epoch is being considered by the stratigraphic community, but regardless of the outcome of that process, it is becoming apparent that Anthropocene conditions transgress Holocene conditions in several respects.
>
> The knowledge that human activity now rivals geological forces in influencing the trajectory of the Earth System has important implications for both Earth System science and societal decision making.
>
> While recognizing that different societies around the world have contributed differently and unequally to pressures on the Earth System and will have varied capabilities to alter future trajectories, the sum total of human impacts on the system needs to be taken into account for analyzing future trajectories of the Earth System....

> The Anthropocene represents the beginning of a very rapid human-driven trajectory of the Earth System away from the glacial-interglacial limit cycle toward new, hotter climatic conditions and a profoundly different biosphere(SI Appendix). The current position, at over 1 °C above a preindustrial baseline, is nearing the upper envelope of interglacial conditions over the past 1.2 million years (SI Appendix, Table S1).
>
> More importantly, the rapid trajectory of the climate system over the past half-century along with technological lock in and socioeconomic inertia in human systems commit the climate system to conditions beyond the envelope of past interglacial conditions. We, therefore, suggest that the Earth System may already have passed one "fork in the road" of potential pathways, a bifurcation (near A in Fig. 1) taking the Earth System out of the next glaciation cycle....
>
> ...[T]he risk [is] that a 2 °C warming could activate important tipping elements, raising the temperature further to activate other tipping elements in a domino-like cascade that could take the Earth System to even higher temperatures (Tipping Cascades). Such cascades comprise, in essence, the dynamical process that leads to thresholds in complex systems....
>
> **What Is at Stake?**
>
> Hothouse Earth is likely to be uncontrollable and dangerous to many, particularly if we transition into it in only a century or two, and it poses severe risks for health, economies, political stability (especially for the most climate vulnerable), and ultimately, the habitability of the planet for humans.
>
> Insights into the risks posed by the rapid climatic changes emerging in the Anthropocene can be obtained not only from contemporary observations but also, from interactions in the past between human societies and regional and seasonal hydroclimate variability. This variability was often much more pronounced than global, longer-term Holocene variability (SI Appendix).
>
> Agricultural production and water supplies are especially vulnerable to changes in the hydroclimate, leading to hot/dry or cool/wet extremes. Societal declines, collapses, migrations/resettlements, reorganizations, and cultural changes were often associated with severe regional droughts and with the global megadrought at 4.2-3.9 thousand years before present, all occurring within the relative stability of the narrow global Holocene temperature range of approximately ±1 °C.
> (Will Steffen *et al*, "Trajectories of the Earth System in the Anthropocene, *PNAS*, August 14, 2018 115 (33) 8252-8259)

750 Over the past half century the debate, for those who have taken 'climate change' seriously, has often centered on how to present information in a way that would encourage positive engagement to tackle the problems. As *Grist* staff put it:

> The question is whether fear is the right emotion to play on to get people to sit up, listen, and take action. According to Grist's own Eric Holthaus, who's been writing about climate change for more than a decade, it's not. To him, it's best to accept the scientific consensus and inspire our fellow humans to roll up their sleeves and ensure we do

whatever it takes to decarbonize the global economy rapidly.
(Grist staff, œTo fear or not to fear? *Grist*, Mar 2, 2019)

So, let's be clear about this. I am not trying, in this section, to change anyone's mind on the issues addressed.

These are the issues - I really don't care what your reaction to them might be.

Back in the 1950s, when it first became obvious (to me) that the capitalist world was setting an unsustainable course into the future, it was also clear (as others, more articulate and focused than I recognized and explained) that something could have been done about the looming problems.

But, for 'serious' 'leaders' and spokespeople for the 'mainstream', those who pointed this out were in the same camp as UFO hunters and other delusional souls - best ignored or humored as quaint oddities, the *Don Quixotes* of capitalism.

Most of those commentators and 'leaders' have passed into oblivion, but there have been many more who have readily filled their shoes.

Questioning Capitalism has always been an unacceptable pastime of dilletantes, subversives and communists. And, if we are brutally honest about it all, such presumptions, dressed in varied garb, are predominant amongst the 'leaders' of capitalism and its 'main stream media' 60+ years on, in the 21st century.

In recent times I have become aware of people who seem to believe that, while it is true that 'climate change' is happening, there must be 'responsible people' behind the scenes (whether in the 'deep state' or in the military/ surveillance/ intelligence complexes) who are actively planning for such a future.

It is all-very-well to grasp at straws but drowning people who do so drown anyway. Those complexes are not run by 'responsible' people, they are run by the servants of deregulated capitalism. There is no real possibility of the devil saving us from hell!!

I would be truly delighted to be proved wrong, but, I fear that the trajectory is now set, the die is cast, and, whether we like it or not, the near future for humanity will be catastrophic.

Please prove me wrong!

751 Tun Jan Young *et al*:

> Subglacial hydrologic systems regulate ice sheet flow, causing acceleration or deceleration, depending on hydraulic efficiency and the rate at which surface meltwater is delivered to the bed. Because these systems are rarely observed, ice sheet basal drainage represents a poorly integrated and uncertain component of models used to predict sea level changes.
>
> Here, we report radar-derived basal melt rates and unexpectedly warm subglacial conditions beneath a large Greenlandic outlet glacier. The basal melt rates averaged 14 mm ·d-1 over 4 months, peaking at 57 mm ·d-1 when basal water temperature reached +0.88 °C in a nearby borehole.
>
> We attribute both observations to the conversion of potential energy of surface water to heat in the basal drainage system, which peaked during a period of rainfall and intense surface melting. Our findings reveal limitations in the theory of channel formation, and we show

> that viscous dissipation far surpasses other basal heat sources, even in a distributed, high-pressure system.

As they further explain:

> ...[T]he observed basal melt rates are several orders of magnitude higher than predictions and previous estimates. Our observations show that the effect of viscous dissipation from surface meltwater input is by far the largest heat source beneath the Greenland Ice Sheet.
> (Tun Jan Young *et al*, œRapid basal melting of the Greenland Ice Sheet from surface meltwater drainage, *PNAS*, March 8, 2022 119 (10))

752 Boers *et al*:

> It has been suggested that, in response to anthropogenic global warming, the Greenland Ice Sheet may reach a tipping point beyond which its current configuration would become unstable. A crucial nonlinear mechanism for the existence of this tipping point is the positive melt-elevation feedback: Melting reduces ice sheet height, exposing the ice sheet surface to warmer temperatures, which further accelerates melting.
>
> We reveal early-warning signals for a forthcoming critical transition from ice-core-derived height reconstructions and infer that the western Greenland Ice Sheet has been losing stability in response to rising temperatures. We show that the melt-elevation feedback is likely to be responsible for the observed destabilization. Our results suggest substantially enhanced melting in the near future.
> (Niklas Boers and Martin Rypdal , œCritical slowing down suggests that the western Greenland Ice Sheet is close to a tipping point, *PNAS*, May 25, 2021 118 (21) e2024192118)

753 Slater and Straneo have provided further evidence of the nature of rapid ice loss:

> Rapid ice loss from the Greenland ice sheet since 1992 is due in equal parts to increased surface melting and accelerated ice flow. The latter is conventionally attributed to ocean warming, which has enhanced submarine melting of the fronts of Greenland's marine-terminating glaciers. Yet, through the release of ice sheet surface meltwater into the ocean, which excites near-glacier ocean circulation and in turn the transfer of heat from ocean to ice, a warming atmosphere can increase submarine melting even in the absence of ocean warming.
>
> The relative importance of atmospheric and oceanic warming in driving increased submarine melting has, however, not been quantified.
>
> Here, we reconstruct the rate of submarine melting at Greenland's marine-terminating glaciers from 1979 to 2018 and estimate the resulting dynamic mass loss. We show that in south Greenland, variability in submarine melting was indeed governed by the ocean, but, in contrast, the atmosphere dominated in the northwest. At the ice sheet scale, the atmosphere plays a first-order role in controlling submarine melting and the subsequent dynamic mass loss. Our results challenge the attribution of dynamic mass loss to ocean warming alone and show that a warming atmosphere has amplified the impact of the ocean on the Greenland ice sheet.

(D. A. Slater and F. Straneo, œSubmarine melting of glaciers in Greenland amplified by atmospheric warming, *Nature Geoscience*, 03 October 2022)

[754] Heather McFarland, reporting on research undertaken by a team led by Igor Polyakov, has explained:

> The eastern Arctic Ocean's winter ice grew less than half as much as normal during the past decade, due to the growing influence of heat from the ocean's interior, researchers have found.
>
> The finding came from an international study led by the University of Alaska Fairbanks and Finnish Meteorological Institute. The study, published in the Journal of Climate, used data collected by ocean moorings in the Eurasian Basin of the Arctic Ocean from 2003-2018.
>
> The moorings measured the heat released from the ocean interior to the upper ocean and sea ice during winter. In 2016-2018, the estimated heat flux was about 10 watts per square meter, which is enough to prevent 80-90 centimeters (almost 3 feet) of sea ice from forming each year. Previous heat flux measurements were about half of that much.
>
> "In the past, when weighing the contribution of atmosphere and ocean to melting sea ice in the Eurasian Basin, the atmosphere led," said Igor Polyakov, an oceanographer at UAF's International Arctic Research Center and FMI. "Now for the first time, ocean leads. That's a big change."
>
> Typically, across much of the Arctic a thick layer of cold fresher water, known as a halocline, isolates the heat associated with the intruding Atlantic water from the sea surface and from sea ice.
>
> This new study shows that an abnormal influx of salty warm water from the Atlantic Ocean is weakening and thinning the halocline, allowing more mixing. According to the new study, warm water of Atlantic origin is now moving much closer to the surface.
>
> "The normal position of the upper boundary of this water in this region was about 150 meters. Now this water is at 80 meters," explained Polyakov.
>
> A natural winter process increases this mixing. As sea water freezes, the salt is expelled from ice into the water. This brine-enriched water is heavier and sinks. In the absence of a strong halocline, the cold salty water mixes much more efficiently with the shallower, warm Atlantic water. This heat is then transferred upward to the bottom of sea ice, limiting the amount of ice that can form during winter.
>
> "These new results show the growing and spreading influence of heat associated with Atlantic water entering the Arctic Ocean," added Tom Rippeth, a collaborator from Bangor University. "They also suggest a new feedback mechanism is contributing to accelerating sea ice loss."
> (Heather McFarland, œArctic ocean moorings shed light on winter sea ice loss, *University of Alaska Fairbanks*, August 21, 2020)

[755] The term 'yr-1' may be translated as 'per year' or 'year after year'.

[756] A commenter on a Bill Mitchell blog posting summed it all up:

> It is apparent from the above comments that nobody in the comments list believes it is possible to stop climate change now.

Sadly, I have to concur. The real question, for merely intellectual interest reasons now, is why? Why has it proven impossible for humans in a modern globalized civilization to take any effective action against climate change? But first, let us look at the conclusions of œClimate Reality Check, according to some headings in their report:

1. Warming is 1.2 C and accelerating.
2. The IPCC and the climate model it relies upon do not capture all the risks.
3. 1.5 C is not a safe target.
4. 1.5 C of warming is likely around 2030.
5. 2.0 C is very dangerous and, on the current emission path, likely before 2050.
6. There is no carbon budget for 2.0 C with a low risk of overshoot.
   (Higher temperatures will result from greenhouse gases already in the atmosphere.)
7. A cascade of tipping points is unfurling.
   (Some tipping points have been passed, others are close at hand.)
8. 2.0 C may trigger a "hothouse earth" scenario of self-reinforcing warming.
   (We are perilously close to dramatic climate change that could run out of our control.)
9. 3.0 C warming would be catastrophic.
10. The world is on a 2.0 C to 3.6 C warming path by 2100.
11. Sea levels will likely rise by tens of meters.
12. Reducing emissions levels alone will have no significant impact on warming trend over next two decades." - Climate Reality Check.

These are enough headings to go on with. The rest of the headings are mainly about what we need to do to prevent human extinction and eco-collapse. What we need to do is so critical and exacting and what COP26 commits us to doing (ABSOLUTELY NOTHING!) are so far apart that the real chances of us doing anything are effectively ZERO. To repeat, why has it proven impossible for humans in a modern globalized civilization to take any effective action against climate change? The basic reasons are:

A. Capitalism - Capitalism as a system is committed to endless growth. The debt model of money commits the system to attempted endless growth to repay debt. That is the model and command system of capitalism. Debt model capital operations ARE the command system. (MMT seeks to reclaim money creation as fiat creation by the state: a more sovereign money stance.)
B. Geo-strategic competition - The biggest economy can maintain the biggest military. No large nation will voluntarily constrain or de-grow its economy to prevent climate change.

C. Jevons' Paradox or a variation thereof - Any new source of energy leads to greater total energy consumption because of A and B above. There is little to no voluntary retirement of dirty energy sources.

D. The nature of humans. - This is not judgemental, simply observational. Humans evolved to sense and viscerally react to proximal dangers, meaning near-term and near-at-hand dangers. Climate change does not fit this danger-sensing model. It is distant, requires instruments (not basic senses) to detect and operates with long lag-times. By the time humans sense the dangers with their bodily senses, it is already far too late to act. Time scales and physical scales (of the events involved) are also beyond most natural imagination which is linked to the human sensory scale. Causal chains are also too long to be easily comprehended, except by trained experts.

> Of course, we have to hope against hope. Individuals and families should attempt to consume less overall and less fossil fuels in particular. MMT principles need to be followed in a "re-claim the state" fashion. If we could re-claim the state we could do something. While neoliberal capitalism remains in charge, real action is impossible.
> (Ikonoclast, Comment on œAustralian government invokes 'can-do capitalism' to save us from climate change - disaster awaits, *Bill Mitchell - Modern Monetary Theory*, November 18, 2021)

[757] Daniel Rothman, in research into 'enigmatic transient changes in the ocean's store of carbon' has elaborated:

> The great environmental disruptions of the geologic past remain enigmatic. Each one results in a temporary change in the oceans' store of carbon. Although the causes remain controversial, these changes are typically interpreted as a proportionate response to an external input of carbon. This paper suggests instead that the magnitude of many disruptions is determined not by the strength of external stressors but rather by the carbon cycle's intrinsic dynamics. Theory and observations indicate that characteristic disruptions are excited by carbon fluxes into the oceans that exceed a threshold. Similar excitations follow influxes that are either intense and brief or weak and long-lived, as long as they exceed the threshold. Mass extinction events are associated with influxes well above the threshold.
> (Daniel H. Rothman, œCharacteristic disruptions of an excitable carbon cycle, *PNAS*, July 8, 2019)

Carl Reddin *et al* have further elaborated the consequences of rapid climate change for marine extinctions:

> Rapid climate change is postulated to cause marine extinctions, especially among climate-sensitive clades, traits and regions...
>
> ...[W]e show that experimental responses of modern marine ectotherms to single and combined climate-related stressors (such as seawater warming, hypoxia and acidification) align with Phanerozoic fossil extinction regimes across clades and functional traits [the period of geologic time from about 540 million years ago to the present, including the Paleozoic, Mesozoic, and Cenozoic Eras].

> Of climate-related stressors, the synergistic interaction between warming and hypoxia, encumbering aerobic metabolism, has the greatest potency as a proximate driver of extinction. All else being equal, this synergy particularly imperils modern warm-water organisms.
>
> Modern-fossil agreement is strongest at intermediate-high extinction intensities and hyperthermal events but may fail at extreme extinction events, perhaps due to rising prominences of, and interactions among, additional biotic and abiotic stressors. According to results from marine ectotherms, clade-based sensitivity of individuals to climate-related stressors scales up from subannual experiments and decadal range-shift response magnitudes, to extinction selectivity patterns at ancient climate-related stressor events and the Phanerozoic durations of genera. (Reddin, C.J., Nätscher, P.S., Kocsis, á.T. *et al*,. œMarine clade sensitivities to climate change conform across timescales, *Nature Climate Change*, 10 February 2020, https://doi.org/10.1038/s41558-020-0690-7,)

[758] Kunio Kaiho *et al* have explained this in detail in a 2020 research paper:

> Eruption of the Siberian Traps large igneous province (LIP) is thought to have triggered the Permian-Triassic biological crisis, the largest of the Phanerozoic mass extinctions. Mercury concentration enrichments have been widely used as a proxy for volcanic inputs to sediments, especially for ancient LIP eruptions. However, detailed correlations of magmatic pulses with extinction events in the terrestrial and marine realms are not fully resolved.
>
> Here we use paired coronene (a six-ring polycyclic aromatic hydrocarbon, a high-temperature combustion proxy) and mercury spikes as a refined proxy for LIP emplacement. In records from stratigraphic sections in south China and Italy, we identify two sets of paired coronene-mercury spikes accompanied by land plant biomarker spikes, followed by a rapid decrease coinciding with terrestrial ecological disturbance and extinction of marine metazoans. Each short-term episode is likely caused by high-temperature combustion of sedimentary hydrocarbons during initial sill emplacement of the Siberian Traps LIP. These data indicate that discrete volcanic eruptions could have caused the terrestrial ecosystem crisis followed by the marine ecosystem crisis in ~60 k.y., and that the terrestrial ecosystem was disrupted by smaller global environmental changes than the marine ecosystem. (Kunio Kaiho *et al*, œPulsed volcanic combustion events coincident with the end-Permian terrestrial disturbance and the following global crisis, *Geology*, November 04, 2020)

[759] Somini Sengupta, in a brief comment on a change in Australian conservative political leadership, summed up a common problem in early 21st century Western democracies:

> Climate change policy toppled the government in Australia on Friday.
>
> How much does that really matter?
>
> It is certain to keep Australia from meeting its emissions targets under the Paris climate agreement. It's also a glimpse into what a potent political issue climate change and energy policy can be in a

handful of countries with powerful fossil fuel lobbies, namely Australia, Canada and the United States.

In Australia, the world's largest exporter of coal, climate and energy policy have infused politics for a decade, helping to bring down both liberal and conservative lawmakers.

This week, the failure to pass legislation that would have reined in greenhouse gas emissions precipitated Malcolm Turnbull's ouster as prime minister. He was elbowed out by Scott Morrison, an ardent champion of the Australian coal industry who is known for having brought a lump of the stuff to Parliament....

The Australian parallels with the United States are striking. The Trump administration has promised to revive the coal industry, rolled back fuel emissions standards and announced the country's exit from the Paris pact altogether....
(Somini Sengupta, œClimate Change Policy Toppled Australia's Leader. Here's What It Means for Others, *New York Times*, 24 August, 2018)

[760] For a range of discussions and information on these issues see œWorld Bank Blog Topics. As might be expected, the 2020 Covid-19 pandemic has strongly impacted international resource demand.

Also, *Metal Tech News* œEditorials for discussion of many of the issues.

USGS National Minerals Information Center: œCommodity Statistics and Information

[761] The U.S. Secretary of the Interior in 2018 might not have been aware of the fact, but Christmas had not 'come a few weeks early this year'. Intelligent and aware people around the world have known of the existence of such resources for a long time (there are far more of them around the world than those the U.S. Geological Survey report has identified). But, being intelligent and aware people, they have also realized that developing such resources would quickly result in a world where climatic conditions spiraled out of control.

As Jim Reilly explained, the Permian and similar mature basins have not been considered viable for producing large new recoverable resources. That Reilly is now prepared to contemplate their development, 'thanks to advances in technology', says a lot more about US political opportunism than about mature responsibility for safeguarding future generations from the climatic disaster waiting in the wings.

Kenny Stancil, in an article entitled "'This Must Not Happen': If Unhalted, Permian Basin Fracking Will Unleash 40 Billion Tons of CO2 by 2050", has given more information on this:

"The Permian Basin has, for the past decade, been the site of an oil and gas boom of unprecedented scale," Lorne Stockman, research co-director at Oil Change International, said in a statement. "Producers have free rein to pollute and methane is routinely released in vast quantities. Oil exports fuel Permian production growth and today they constitute around 30% of US oil production."

"While climate science tells us that we must consume 40% less oil in 2030, Permian producers plan to grow production more than 50%" from 2021 to 2030, said Stockman. "This must not happen."

"If left unchecked," the report notes, "the Permian could continue to produce huge amounts of oil, gas, and gas liquids for decades to

> come. With global markets flush with Permian oil and gas, it can only be harder to steer the world's economy toward clean energy."
>
> According to the report, the nearly 40 billion tons of carbon dioxide that would be emitted from burning the fossil fuels that corporate executives expect to extract from the Permian Basin by 2050 represent about 10% of the world's remaining "carbon budget," or the amount of pollution compatible with limiting global warming to 1.5°C above preindustrial levels by the century's end.
>
> Moreover, "scientists studying methane emissions in the Permian Basin estimate that as much as 3.7% of gas production is being vented and leaked into the atmosphere," the report notes. "At this rate, methane emissions in the Permian Basin would emit over 9.5 billion tons of CO2 equivalent (CO2e) by 2050," which the authors compare to "taking 50 standard mile-long trains of coal out into the desert, dumping the coal, and just burning it in a giant pile" every day from 2021 until 2050.
> (Kenny Stancil, œ'This Must Not Happen': If Unhalted, Permian Basin Fracking Will Unleash 40 Billion Tons of CO2 by 2050, *Common Dreams*, November 9, 2021)

762 An IMF Working Paper has spelt out the true commitment of 191 nations to reining in fossil fuels use and their impact on climatic conditions and air pollution. So much for the 2015 œParis Agreement goal of limiting mean projected warming to 2°C. As the authors summarize:

> This paper updates estimates of fossil fuel subsidies, defined as fuel consumption times the gap between existing and efficient prices (i.e., prices warranted by supply costs, environmental costs, and revenue considerations), for 191 countries.
>
> Globally, subsidies remained large at $4.7 trillion (6.3 percent of global GDP) in 2015 and are projected at $5.2 trillion (6.5 percent of GDP) in 2017. The largest subsidizers in 2015 were China ($1.4 trillion), United States ($649 billion), Russia ($551 billion), European Union ($289 billion), and India ($209 billion).
>
> About three quarters of global subsidies are due to domestic factors - energy pricing reform thus remains largely in countries' own national interest - while coal and petroleum together account for 85 percent of global subsidies.
>
> Efficient fossil fuel pricing in 2015 would have lowered global carbon emissions by 28 percent and fossil fuel air pollution deaths by 46 percent, and increased government revenue by 3.8 percent of GDP.
> (David Coady, Ian Parry, Nghia-Piotr Le, and Baoping Shang, œGlobal Fossil Fuel Subsidies Remain Large: An Update Based on Country-Level Estimates, *IMF Working Paper* No. 19/89, 2 May, 2019)

763 Christian Berndt *et al*:

> The Palaeocene-Eocene Thermal Maximum (PETM) was a global warming event of 5-6 °C around 56 million years ago caused by input of carbon into the ocean and atmosphere. Hydrothermal venting of greenhouse gases produced in contact aureoles surrounding magmatic intrusions in the North Atlantic Igneous Province have been proposed to play a key role in the PETM carbon-cycle perturbation, but the precise timing, magnitude and climatic impact of such venting remains uncertain.

> Here we present seismic data and the results of a five-borehole transect sampling the crater of a hydrothermal vent complex in the Northeast Atlantic.
>
> Stable carbon isotope stratigraphy and dinoflagellate cyst biostratigraphy reveal a negative carbon isotope excursion coincident with the appearance of the index taxon *Apectodinium augustum* in the vent crater, firmly tying the infill to the PETM.
>
> The shape of the crater and stratified sediments suggests large-scale explosive gas release during the initial phase of vent formation followed by rapid, but largely undisturbed, diatomite-rich infill. Moreover, we show that these vents erupted in very shallow water across the North Atlantic Igneous Province, such that volatile emissions would have entered the atmosphere almost directly without oxidation to CO2 and at the onset of the PETM.
> (Christian Berndt *et al*, œShallow-water hydrothermal venting linked to the Palaeocene-Eocene Thermal Maximum, *Nature Geoscience*, 03 August 2023)

764 A œWikipedia entry spells it out:

> The beginning of the Eocene is marked by the Paleocene-Eocene Thermal Maximum, a short period of intense warming and ocean acidification brought about by the release of carbon en masse into the atmosphere and ocean systems, which led to a mass extinction of 30-50% of benthic foraminifera-planktonic species which are used as bioindicators of the health of a marine ecosystem - one of the largest in the Cenozoic. This event happened around 55.8 mya, and was one of the most significant periods of global change during the Cenozoic.

765 A proposed mining 'development' in the Australian state of Queensland (œapproved by the Queensland State Government on June 13, 2019 and, of course, endorsed by the newly elected Australian Federal Government) provides an excellent illustration of the process by which 'developed' Western nations minimize the impact of 'meeting their greenhouse gas emissions targets' while continuing to develop their coal reserves. The Galilee Basin (targeted for 'development' over the next 20 years) is a 247,000 square kilometer thermal coal basin in the central region of the Australian state of Queensland. It is one of the largest untapped coal reserves on the planet:

> **Government backs Galilee Basin development**
>
> The Queensland government is committed to facilitating the development of the Galilee Basin's coal resources and related infrastructure. In late 2013 the Premier of Queensland Campbell Newman announced the Galilee Basin Development Strategy plan. One of the key initiatives within the plan is the potential to class the area as the Galilee Basin State Development Area (GBSDA).
>
> A State Development Area was officially recognised in June 2014. The SDA is known as a clearly defined area of land for industry, infrastructure corridors and major public works which are established to promote economic development in the state of Queensland. Covering some 106,000 hectares, the SDA directly affects 74 landholders, which is considerably less than the 1.8 million hectares and 1400 landholders affected by the initial plan.

> The primary function of the GBSDA will be to open up the way for development of a corridor to access the southern area of the Galilee Basin and a corridor to access the central area of the Galilee Basin. The sole purpose of the corridors is to facilitate the transportation of coal to the Port of Abbot Point near Bowen.
>
> The development of the Galilee Basin coal reserves is the primary reason for this government initiative. Despite the environmental concerns around the mine(s) development, it is clear the economic benefits to the state of Queensland are simply too good to pass up. This being the case, the government is determined to pave the way for mining companies œlike Adani, GVK Hancock and China First Coal Project (Clive Palmer) to build the mega-mines that are currently awaiting federal approval.
> (iMINCO, œQueensland mining companies target Galilee Basin coal mines, Accessed 31 May 2019)

A major player in the development is Adani Mining. It is:

> A multinational company based in Ahmedabad, India, Adani Group builds and operates mines, ports and power plants. The company has operations in coal, gas and renewable energy across India, Indonesia and Australia.
>
> Adani Mining chief executive Jeyakumar Janakaraj has faced scrutiny for failing to disclose that a company he ran in Africa was guilty of serious environmental breaches, despite being asked to do so in a letter from the Federal Environment Department.
>
> But Queensland Mines Minister Anthony Lynham has expressed confidence Adani will operate its Australian mine safely and that the Great Barrier Reef will be protected, with "200 stringent conditions placed on this project"....
>
> Once complete, it will be Australia's largest coal mine, with six open-cut pits and up to five underground mines.
>
> The Queensland Government estimated the life span of the mine to be between 25 and 60 years....
>
> The mine will supply Indian power plants with enough coal to generate electricity for up to 100 million people.
>
> Coal from the mine will be processed through the Abbot Point Coal Terminal, off the coast of Bowen in north Queensland.
> (Allyson Horn, œHere's what we know about Adani and the Carmichael mine project, *ABC News*, 6 April 2017)

And, as David Crowe reported in the wake of the 2019 election of a new Liberal Government in Australia:

> A new coal-fired power station is back on the federal government's agenda in the wake of its election victory, with ministers supporting a major project in Queensland despite calls from environmentalists to accelerate the shift to renewable energy.
>
> Resources Minister Matt Canavan is backing the new power station proposal and pointing to the Coalition's strong vote in his home state of Queensland to warn off critics from southern states who want to halt the project.
>
> Senator Canavan is also heightening pressure on the Victorian and NSW governments to open up more gas fields in order to prevent further increases in energy costs for households and manufacturers.

> The message comes as Opposition Leader Anthony Albanese embarks on a "listening tour" of Queensland and prepares to reconsider party policy on climate change....
>
> Senator Canavan said a pilot scheme to build a new power station would go ahead and could be expanded into a major project within a few years.
>
> "The government will progress investments in coal-fired power," he said.
>
> "That was what we took to the election, it was a key part of our policy package in North Queensland - that we would look at building a coal-fired power station in North Queensland....
>
> Senator Canavan said former Greens leader Bob Brown had helped the Coalition in Queensland by leading a protest movement from the southern states to try to stop the Adani mine, galvanising Queenslanders who did not like the interference.
>
> "Undoubtedly Bob Brown was a net plus for our election," he said, adding that the protesters encouraged an attitude that was ungrateful, ignorant and patronising.
>
> It's ungrateful because the coal industry delivers billions of dollars in royalties to the state governments and billions of dollars in taxes to the federal government.
>
> "It's ignorant because a lot of people make comments about the coal market and they have no bloody idea about the coal market". (David Crowe, œResources Minister backs new coal plant as Labor reconsiders climate policy, *The Sydney Morning Herald*, 29 May, 2019)

[766] Han Chen, in a Natural Resources Defense Council (NRDC) report entitled œCarbon Trap: How International Coal Finance Undermines the Paris Agreement, has explained:

> A few nations within the Group of 20 (G20) account for the vast majority of international coal finance. The export credits used to finance coal mainly benefit businesses in the home countries rather than in the recipient countries. The emerging economies are then left to grapple with the financial, public health, and environmental impacts.

[767] Research in April 2017 which studied the changing temperatures at the bottom of the Southern Ocean, has provided further information on the nature of deep-ocean warming:

> In recent decades, winds blowing over the Southern Ocean have been getting stronger due to the hole in the ozone layer above Antarctica and increasing greenhouse gases. The data collected by Boaty, along with other ocean measurements collected from research vessel RRS James Clark Ross, have revealed a mechanism that enables these winds to increase turbulence deep in the Southern Ocean, causing warm water at mid depths to mix with cold, dense water in the abyss.
>
> The resulting warming of the water on the sea bed is a significant contributor to rising sea levels. However, the mechanism uncovered by Boaty is not built into current models for predicting the impact of increasing global temperatures on our oceans. (EurekAlert News Release, œBoaty McBoatface mission gives new

insight into warming ocean abyss: The first mission involving the autonomous submarine vehicle Autosub Long Range (better known as 'Boaty McBoatface') has for the first time shed light on a key process linking increasing Antarctic winds to rising sea temperatures, *University of Southampton*, June 17, 2019)

As the researchers summarize:

> **Significance**
>
> The overturning circulation of the global ocean is regulated by deep-ocean mixing, which transforms cold waters sinking at high latitudes into warmer, shallower waters. The effectiveness of mixing in driving this transformation is jointly set by the intensity of turbulence near topography and the rate at which well-mixed boundary waters are exchanged with the stratified ocean interior. We use innovative observations of a branch of the overturning circulation in the Southern Ocean to identify a previously undocumented mixing mechanism, by which deep-ocean waters are rapidly laundered through intensified near-boundary turbulence and boundary-interior exchange. As the conditions triggering this mechanism are common to other branches of the overturning circulation, our findings highlight a requirement for its representation in models of the overturning.
> (Alberto C. Naveira Garabato, Eleanor E. Frajka-Williams *et al*, œRapid mixing and exchange of deep-ocean waters in an abyssal boundary current, *PNAS*, June 18, 2019)

768 (16/03/20) While the quantities of carbon dioxide being released into the atmosphere are currently far more significant than other potent greenhouse-gasses, both *anthropogenic* methane and nitrous oxide emissions make growing and often under-estimated contributions to the problem, as explained below.

Methane clathrates (non-anthropogenic methane), as Dyonisius *et al*, in a 2020 study, concluded, will not, at a projected 4°C warming, destabilize and trigger a big release of methane from permafrost or the ocean. Their evidence comes from past levels of carbon-14 methane at intervals from 15,000 to 8000 years ago, an era when Earth switched from an ice age to a climate up to 0.5°C warmer than today. As they explain:

> ...The Oldest Dryas-Bølling (OD-B) transition (14.6 to 14.45 ka BP) represents the first large and abrupt CH_4 rise during the last deglacial sequence of events (Fig. 1B) at the time when sea level was ~100 m lower than today. This abrupt CH_4 rise was synchronous with the acceleration of Northern Hemisphere (NH) warming (Fig. 1E), ice sheet retreat, and rapid sea-level rise. This climate transition may have also coincided with the first instance of marine hydrate destabilization during the last deglaciation caused by hydrostatic pressure relief from NH ice sheet retreat and incursion of warm intermediate ocean water into shallow, hydrate-bearing Arctic sediments. During the destabilization of marine hydrate reservoirs, abrupt events such as submarine landslides or collapse of marine hydrate pingos could result in large and rapid CH_4 expulsions that may have contributed to the rapid atmospheric CH_4 rise if they were capable of bypassing oxidation in the water column.

> In contrast to old carbon reservoirs, contemporaneous CH_4 sources such as wetlands and biomass burning emit CH_4 with a 14C signature that reflects the contemporaneous $14CO_2$ at the time. Our $14CH_4$ measurements for the OD-B transition are all within 1s uncertainty of the contemporaneous atmospheric $14CO_2$ (Fig. 1A), indicating a dominant role of contemporaneous CH_4 sources.
> (M. N. Dyonisius *et al*, œOld carbon reservoirs were not important in the deglacial methane budget, *Science*, 21 Feb 2020: Vol. 367, Issue 6480, pp. 907-910)

This conclusion is consistent with past studies examining the role of such releases over millions of years. However, the problem is not that at a projected 4°C warming such destabilization might occur - this is, as Rebecca Lindsey and Michon Scott conclude, most unlikely - but that, should warming continue beyond that threshold, higher temperatures might trigger such releases. We are, indeed, as a species, heading into largely uncharted waters and the possible consequences, as we do so, are as uncharted as the waters.

As Warren Cornwall concluded:

> ...The new findings are meeting some resistance. Giuseppe Etiope, a geochemist whose calculations are challenged in the new paper, questions how the geologic emissions could be so low. One recent study, for instance, suggests that 3 million tons of methane rise every year from one part of the Arctic Ocean alone. "This [is] a scientific conundrum," says Etiope, of Italy's National Institute of Geophysics and Volcanology. "If they are right, many other people are wrong."
>
> Katey Walter Anthony, an aquatic ecologist at the University of Alaska, Fairbanks, who studies methane from lakes created by melting permafrost, has questions about the Greenland study, but she also hasn't found flaws in the U of R team's method. "What I think needs to happen is we all need to get together and be very vulnerable and say, 'Where could I be going wrong?'" she says.
>
> The study of ancient methane emissions, on the other hand, is consistent with her research, which shows that permafrost lakes didn't release vast quantities of methane as the planet left its last ice age. The danger now, she says, is that temperatures by the end of this century could rise several degrees higher than during that previous warming event. If that unleashes still more carbon trapped in permafrost, some of it might be converted into greenhouse gases including carbon dioxide or methane. "The carbon has to go somewhere," she says.
> (Warren Cornwall, œHumans are a bigger source of climate-altering methane, new studies suggest, *Science*, Feb. 20, 2020)

While researchers will continue to explore (and dispute) the possibilities of methane clathrate destabilization, the importance of anthropogenic sources of methane is becoming increasingly clear.

Benjamin Hmiel *et al*, in the same 2020 study of Atmospheric methane (CH_4), have concluded that,

> ...Geological emissions were less than 15.4 teragrams CH_4 per year at the end of the Pleistocene, about 11,600 years ago, but that period is an imperfect analogue for present-day emissions owing to the large terrestrial ice sheet cover, lower sea level and extensive

> permafrost. Here we use preindustrial-era ice core 14CH_4 measurements to show that natural geological CH_4 emissions to the atmosphere were about 1.6 teragrams CH_4 per year, with a maximum of 5.4 teragrams CH_4 per year (95 per cent confidence limit) - an order of magnitude lower than the currently used estimates.
>
> This result indicates that anthropogenic fossil CH_4 emissions are underestimated by about 38 to 58 teragrams CH_4 per year, or about 25 to 40 per cent of recent estimates. Our record highlights the human impact on the atmosphere and climate, provides a firm target for inventories of the global CH_4 budget, and will help to inform strategies for targeted emission reductions.
> (Benjamin Hmiel *et al*, œPreindustrial 14CH_4 indicates greater anthropogenic fossil CH_4 emissions, *Nature*, 19 February 2020)

Hiroko Tabuchi has summed up:

> The findings, published in the journal Nature, add urgency to efforts to rein in methane emissions from the fossil fuel industry, which routinely leaks or intentionally releases the gas into air.
>
> "We've identified a gigantic discrepancy that shows the industry needs to, at the very least, improve their monitoring," said Benjamin Hmiel, a researcher at the University of Rochester and the study's lead author. "If these emissions are truly coming from oil, gas extraction, production use, the industry isn't even reporting or seeing that right now."
>
> Atmospheric concentrations of methane have more than doubled from preindustrial times. A New York Times œinvestigation into "super emitter" sites last year revealed vast quantities of methane being released from oil wells and other energy facilities instead of being captured.
> (Hiroko Tabuchi, œOil and Gas May Be a Far Bigger Climate Threat Than We Knew, *New York Times*, Feb. 19, 2020)

The growing quantities of anthropogenic methane being released into the atmosphere should concern all who are not myopically and sociopathically fixated on the accumulation of 'profits' at the expense of all else. However, methane is not the only potent greenhouse gas being emitted in quantities which have been both under-estimated by climate scientists and is flying under the radar. Anthropogenic emissions of nitrous oxide (N_2O) have also been growing, and present an often under-rated threat.

Peter Grace and Louise Barton spell it out:

> ...Methane and nitrous oxide are also contributors to Australia's greenhouse gas account. And both have a much greater impact on the atmosphere in terms of global warming than carbon dioxide.
>
> Carbon dioxide is the currency of climate change and, in those terms, one tonne of methane emitted to the atmosphere (for example from livestock) is equivalent to 34 tonnes of carbon dioxide emissions. One tonne of nitrous oxide is equivalent to 298 tonnes of carbon dioxide.
>
> Nitrous oxide has an atmospheric lifetime of 110 years. The process that removes nitrous oxide from the atmosphere also depletes ozone. So nitrous oxide is not only a greenhouse gas, but also an

ozone destroyer.
(Peter Grace and Louise Barton, œMeet N_2O, the greenhouse gas 300 times worse than CO_2 , *The Conversation*, December 9, 2014)

Kritee Kritee *et al* (2018) have examined one of the major (and expanding) sources of atmospheric N_2O:

> Methane from global rice cultivation currently accounts for one-half of all crop-related greenhouse gas emissions. Several international organizations are advocating reductions in methane emissions from rice by promoting intermittent flooding without accounting for the possibility of large emissions of nitrous oxide (N_2O), a long-lived greenhouse gas. Our experimental results suggest that the Indian subcontinent's N_2O emissions from intermittently flooded rice fields could be 30-45 times higher than reported under continuous flooding....
>
> Our empirical data show high N_2O fluxes at medium- and intense-intermittently flooded rice farms, and extrapolation of these observations suggests that many, but not all, rice-growing regions in the Indian subcontinent (and potentially globally) could potentially be experiencing significant rice-N_2O and concomitant climate impacts (Figs. 1 and 2 and Dataset S1, Tables 41, 42, and 44). Increasing pressure on limited water resources, AWD water management, and a changing climate (i.e., higher temperatures and evapo-transpiration rates) could make additional regions susceptible to high N_2O fluxes. Thus, if we are to understand the climate implications and realistic mitigation potential of climate-smart rice production practices, it is important that rice-N_2O be intensively measured (Dataset S1, Table 43) along with the mapping of actual flooding regimes. We expect rice-N_2O to be significantly higher than present estimates.
> (Kritee Kritee *et al*, œHigh nitrous oxide fluxes from rice indicate the need to manage water for both long- and short-term climate impacts, *PNAS* September 25, 2018 115 (39) 9720-9725)

769 Elisabeth Ramm *et al* explain:

> In contrast to the intensive levels of research having been carried out to address the permafrost C climate feedback ..., research on permafrost soil N[itrogen] biogeochemistry and the associated release of the potent greenhouse gas (GHG) nitrous oxide (N_2O) under a changing climate is strongly lagging behind.
>
> Thus far, little is known about the fate of formerly protected organic N during thawing of permafrost soils that store as much as 67 Pg [Petagram - A unit of mass equal to 1,000,000,000,000,000 (10^{15}) grams] N ... Until recently, the soil N cycle in cold and pristine ecosystems was thought to be largely confined to organic N cycling due to the scarcity of N inputs, slow decomposition at low temperatures and high competition for bioavailable N between biota.... Thus, it has been postulated for a long time that N_2O emissions from permafrost soils are low as a result of limited amounts of inorganic N.... However, over the last decade, a growing number of studies have reported very high N_2O emissions from permafrost soils, which are in a comparable range as observed for tropical forests or agricultural ecosystems....

> In addition, the few available studies on experimental warming of permafrost soils hint at a stimulation of N_2O emissions by temperature.... The potential significance of inorganic N cycling and N_2O release in permafrost soils can be illustrated by a simple calculation. If 10% of the organic N stored in permafrost soils (i.e., 6.7 Pg N) is released between the present day and the year 2100, as it has been estimated for C release..., and only 1% is emitted as N_2O (67 Tg [teragram (10^{12} grams)] N_2O-N), just like the IPCC's default N_2O emission factor for N mineralized from mineral soils..., this would be equivalent to 10 times the global annual rate of N_2O emissions from soils under natural vegetation [6.6 Tg N_2O-N yr-1...]. Consequently, there is an urgent need to better understand N biogeochemistry and associated gaseous N emissions in permafrost soils under the auspices of a warming climate.
> (Elisabeth Ramm *et al*, œThe Forgotten Nutrient - The Role of Nitrogen in Permafrost Soils of Northern China, *Advances in Atmospheric Sciences*, Vol. 37, August 2020, 1-7)

770 A *EurekAlert* summary of the research has explained:

> "These findings suggest that our climate system, which depends greatly on deep ocean circulation, is critically poised near a tipping point for abrupt disruptions," said co-author Yair Rosenthal... "Although the disruptions in circulation and possible coolings may be relatively short-lived - lasting maybe a century or more - the consequences might be large."
>
> The warm North Atlantic Current - the northernmost part of the Gulf Stream - flows into the Greenland Sea. It becomes progressively colder and saltier due to heat loss to the air, eventually sinking and forming the North Atlantic Deep Water formation - a mass of deep, cold water that flows southward. Melting of the polar ice sheet in the Arctic region would result in more fresh water entering the ocean and disrupting that circulation pattern, potentially causing cooling in northern areas of Europe and North America.
> (Rutgers University, œHow stable is deep ocean circulation in warmer climate? Altered circulation might have cooled northern areas of North America and Europe, *EurekAlert*, News Release 26 March, 2020)

For more on this see:

> Eirik Vinje Galaasen *et al*, œInterglacial instability of North Atlantic Deep Water ventilation, *Science*, 27 Mar 2020, Vol. 367, Issue 6485, pp. 1485-1489
>
> and
>
> Thomas F. Stocker, œSurprises for climate stability, *Science* 27 Mar 2020, Vol. 367, Issue 6485, pp. 1425-1426

771 (26/01/18)(09/02/18) Let's start with William Blum's question to us all:

> ...[W]hat do American leaders think of their own record?

He starts the ball rolling by providing his own assessment:

> Former Secretary of State Condoleezza Rice was probably speaking for the whole private club when she wrote that in the pursuit of its national security the United States no longer needed to be guided by "notions of international law and norms" or "institutions like the United Nations" because America was "on the right side of history."

Clearly,Trump has not been the only US 'leader' prone to annunciating the bizarre - though he has elevated it to a minor art form! CBS News has compiled a list of 30 of Donald Trump's wildest quotes. As might be expected, climate change, along with shiny red buttons and sundry other absurdities, figures prominently:

> On November 6, 2012, Donald Trump tweeted: "The concept of global warming was created by and for the Chinese in order to make U.S. manufacturing non-competitive."
>
> On October 19, 2015, he then tweeted: "It's really cold outside, they are calling it a major freeze, weeks ahead of normal. Man, we could use a big fat dose of global warming!"
> (œ30 of Donald Trump's wildest quotes, *CBS News* (accessed 04 January, 2018))

Yes, he's President Trump of the United States of America - and he had and has a solid core of supporters backing him, not only from the 'rabid right' but some of the US' most prominent politicians and corporate CEOs. Jeet Heer of the *New Republic* magazine explained:

> ...Thankfully, we have actual data on Trump's supporters. Far from being idiots, they are people who would normally be considered functioning and successful. Trump's supporters are better educated and wealthier than the American average.
> (Jeet Heer, œAre Donald Trump's supporters idiots?, *New Republic*)

As William Blum put it:

> "Let me tell you about the very rich," F. Scott Fitzgerald famously wrote. "They are different from you and me."...
>
> [L]et me tell you about American leaders. In power, they don't think the way you and I do. They don't feel the way you and I do.

There is a truism which explains why this is so: human beings are (in all walks of life) predisposed to choosing friends and partners with whom they can easily interact.

And, there is another truism to be coupled with that: In Western, individualistic societies, a sociopathic personality enhances unregulated capitalist performance.

This results in communities of 'successful' people with sociopathic tendencies.

A commenter on a *Naked Capitalism* posting described those tendencies well:

> Aurelien/David has eloquently and I have no doubt correctly written about the ideology of european "elites" and what drives them in their crusade to rid if not the world so at least Europe of all these "archaic" and "dividing" notions of nation and nationalism, religion, culture and even history, as if to create a sort of eternal now, a timeless political nirvana, with only a vague sense of history as only having been a prologue to the timeless, perfect liberal endstate, but in no way something that is still ongoing....
>
> ...[F]or all their horrible lack of pretty much any other commendable human traits, psychopaths and sociopaths are usually not particularly fearful people.
>
> They may be many things, but they rarely are driven and controlled by fear.

> Instead they truly are for the most part very aggressive and confident, genuinely convinced of their superiority and far more likely to react with rage and increased aggression even at great risk to themselves when thwarted.
>
> They tend to be gambling types and adrenalin junkies and they are rather unlikely to be fundamentally ideology driven deep down, trending to thrive in chaos and love conflict for conflict's sake.
>
> Peace, rather than something to be preserved and promoted would more likely be boring to them.
>
> So the quasi utopian ideological motivation may have partly driven earlier generations of eurocrats and there might be plenty of those left even now, especially on lower and mid levels, as there surely aren't enough sociopaths around to man the entirety of the vast bureaucracies by themselves (which would include lots and lots of jobs too boring for most genuine sociopaths and their thrillseeking mentality) but with the whole structure growing ever more pathocratic over the decades at least in the positions of genuine power where the sociopaths can be expected to be especially overrepresented, there would at this point [be] little left of those misguided, utopian dreamers.
> (Commenter œ'Snailslime', *Naked Capitalism*, April 12, 2024)

The inevitable consequence is that, in Western societies, those who are socialized in communities of 'the very rich' (or of political 'elites'), tend to exhibit sociopathic tendencies. Over time, this results in communities of people who see sociopathic behavior as 'normal' and so, as F. Scott Fitzgerald described: the rest of society, in which sociopathic tendencies are considered aberrant, will see 'successful' capitalist individuals and groups as 'different from themselves'.

William Blum (2014) has provided a thought-provoking perspective on US foreign policy over the past half century and more:

> ... [L]et me tell you about American leaders. In power, they don't think the way you and I do. They don't feel the way you and I do. They have supported "awful jihadists" and their moral equivalents for decades. Let's begin in 1979 in Afghanistan, where the Moujahedeen ("holy warriors") were in battle against a secular, progressive government supported by the Soviet Union; a "favorite tactic" of the Moujahedeen was "to torture victims [often Russians] by first cutting off their nose, ears, and genitals, then removing one slice of skin after another", producing "a slow, very painful death".
>
> With America's massive and indispensable military backing in the 1980s, Afghanistan's last secular government (bringing women into the 20th century) was overthrown, and out of the victorious Moujahedeen arose al Qaeda.
>
> During this same period, the United States was supporting the infamous Khmer Rouge of Cambodia; yes, the same charming lads of Pol Pot and The Killing Fields.
>
> President Carter's National Security Adviser, Zbigniew Brzezinski, was a leading force behind the US support of both the Moujahedeen and the Khmer Rouge. What does that tell you about that American leader? Or Jimmy Carter - an inspiration out of office, but a rather different person in the White House? Or Nobel Peace Laureate Barack Obama, who chose Brzezinski as one of his advisers?

> ...More recently, the US has supported awful jihadists in Libya and Syria, with awful consequences.
>
> It would, moreover, be difficult to name a single brutal dictatorship of the second half of the 20th Century that was not supported by the United States; not only supported, but often put into power and kept in power against the wishes of the population. And in recent years as well, Washington has supported very repressive governments, such as Saudi Arabia, Honduras, Indonesia, Egypt, Colombia, Qatar, and Israel.
>
> Not exactly the grand savior our sad old world is yearning for. (Oh, did I mention that Washington's policies create a never-ending supply of terrorists?)
>
> And what do American leaders think of their own record? Former Secretary of State Condoleezza Rice was probably speaking for the whole private club when she wrote that in the pursuit of its national security the United States no longer needed to be guided by "notions of international law and norms" or "institutions like the United Nations" because America was "on the right side of history." (William Blum, œThe Historical US Support for al-Qaeda, *Foreign Policy Journal*, Jan 10, 2014)

Tom Engelhardt, with depressing clarity, describes the nature of 'US Presidencies' in this 21st Century (but, of course, not only this century!):

> ...[Trump] isn't at all unique (except in the details, except in the exaggeration of it all). What makes him so clownish, in the sense I'm describing, is that he offers a chillingly exaggerated, wildly fiery-and-furious version of the very imperial American presidency we've come to know over these last seven decades:
>
> - the one that has long ridden herd on a nuclear apocalypse;
> - that œkilled millions on its journey to nowhere in Southeast Asia in the previous century;
> - that hasn't been able to stop itself from overseeing more than a quarter-century of war-making -- two wars, to be exact -- in Afghanistan of all places;
> - that, in its pursuit of its never-ending "war" on terror, has made war on so much else as well, turning significant parts of the planet into zones of increasing chaos, failed states, œfleeing populations, and wholesale destruction;
> - the one whose "œprecision" military -- the battle against ISIS in Iraq and Syria has been termed the "most precise campaign in history" -- has helped transform cities from œRamadi and œFallujah to Mosul œand Raqqa into landscapes that, in their indiscriminate wreckage, look like Stalingrad after the battle in World War II
> - (and that now is threatening to develop a "precision" version of nuclear war as well);
>
> and
>
> - that has, in this century, overseen the creation of "œSaudi America" on a planet in which it was already easy enough to grasp that fossil fuels were doing the kinds of damage to the

human environment that nothing short of a giant asteroid or nuclear war might otherwise do.

From his America First policies to his reported desire to see (and make use of) terrorist attacks on this country, the man who has declared climate change a Chinese hoax, threatened to loose "fire and fury like the world has never seen," described other countries in language once considered unpresidential by presidents who nonetheless treated the very same countries like "shitholes," and given "his" generals a remarkably free hand to "win" the war on terror is but an eerily clownish version of all that has gone before.

He has, in a sense, ripped away the façade of dignity from the imperial presidency and let us glimpse just what is truly imperial (and imperious) about it. He continues to show us in new ways quite an old reality: how terrifying a force for destruction, possibly even on a planetary level, U.S. power can be.
(Tom Engelhardt, œCreating an Empire of Graveyards? At the Circus with Donald Trump, January 25, 2018)

772 Elizabeth Gamillo has summarized the findings:

The hefty document includes data compiled by 524 scientists working in 65 countries. A few highlights:

- Atmospheric concentrations of CO_2 - the primary planetary warming gas - last year rose by 2.2 ppm over 2016. Similar levels were last reached at least 800,000 years ago, according to data obtained from air bubbles trapped in ancient ice cores.
- Atmospheric concentrations of methane and nitrous oxide - both potent warming gases - were the highest on record. Levels of methane increased in 2017 by 6.9 parts per billion (ppb), to 1849.7 ppb, compared with 2016. Nitrous oxide levels increased by 0.9 ppb, to 329.8 ppb.
- Last year also marked the end of a world-wide coral bleaching event that lasted 3 years. Coral bleaching occurs when seawater warms, causing corals to release algae living within their tissues, turning the coral white and sometimes resulting in the death of the coral. It was the longest documented bleaching event.
- Global precipitation in 2017 was above the long-term average. Russia had its second wettest year since 1900. Parts of Venezuela, Nigeria, and India also experienced heavier than usual rainfall and flooding.
- Warmer temperatures contributed to wildfire outbreaks around the world. The United States suffered an extreme wildfire season that burned 4 million hectares and caused more than $18 billion in damages. The Amazon region experienced some 272,000 wildfires.
- In Alaska, record high permafrost temperatures were reported at five of six permafrost observatories. When thawed, permafrost releases CO_2 and methane into the atmosphere and can contribute to global warming.
- Arctic sea ice took a hit. The extent of sea ice hit a 38-year low, and was 8% below the mean extent reported for 1981 to

2010. Spring snow cover in the Arctic, however, was greater than the 1981 to 2010 average, and the Greenland Ice Sheet recovered from a record low mass reported in 2016. 2017 was also the second warmest year on record for the Arctic.

- Many countries reported setting high-temperature records, including Argentina, Uruguay, Spain, Bulgaria, and Mexico.

(Elizabeth Gamillo, œAtmospheric carbon last year reached levels not seen in 800,000 years, *Science* Magazine, Climate, Aug. 2, 2018)

773 Somini Sengupta and Lisa Friedman have described the entirely predictable reponse of 'world leaders' at The United Nations Climate Action Summit for which the report was prepared:

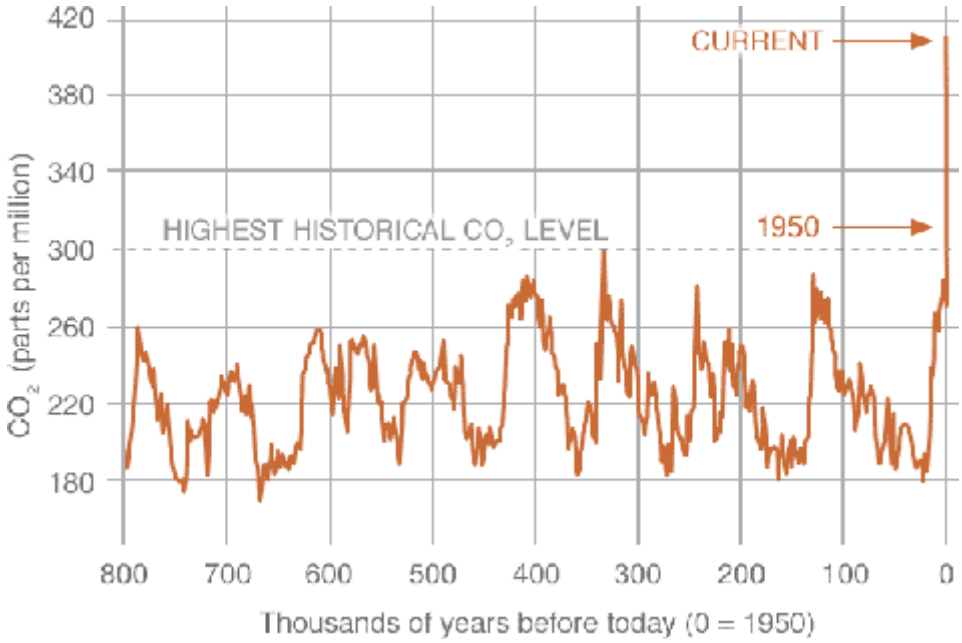
> The United Nations Climate Action Summit on Monday was meant to highlight concrete promises by presidents, prime ministers and corporate executives to wean the global economy from fossil fuels to avoid the worst effects of global warming.
>
> But despite the protests in the streets, China on Monday made no new promises to take stronger climate action. The United States, having vowed to pull out of the Paris Agreement, the pact among nations to jointly fight climate change, said nothing at all. A host of countries made only incremental promises.
>
> The contrast between the slow pace of action and the urgency of the problem was underscored by the Swedish climate activist Greta Thunberg, 16, who excoriated world leaders for their "business as usual" approach. "The eyes of all future generations are upon you," she said, her voice quavering with rage. "If you choose to fail us, I say we will never forgive you."
>
> There were some concrete measures. Roughly 60 countries announced efforts to achieve net-zero emissions by 2050, several asset fund managers said they would aim to get to a net-zero portfolio of investments by the same year, and dozens of businesses said they would aim to abide by the Paris Agreement targets...
>
> Andrew Steer, head of the World Resources Institute and a former World Bank official, said most of the major economies fell "woefully short" of expectations. "Their lack of ambition stands in sharp contrast with the growing demand for action around the world," he said.
>
> The United States did not request a speaking slot at the summit, but President Trump unexpectedly dropped into the General Assembly hall with Vice President Mike Pence in the late morning. Michael R. Bloomberg, the former New York City mayor who is now a United Nations special envoy for climate, welcomed Mr. Trump's presence and addressed the president directly by saying, "Hopefully our discussions here will be useful for you when you formulate climate policy."
>
> That was followed by laughter and applause. It signaled a sharp contrast from just a few years ago, when the United States was credited with pushing other countries, including China, to take climate change seriously. The United States has said it intends to withdraw from the 2015 Paris climate accord. It is not on track to meet its voluntary pledges under the agreement in any case. And

> the Trump administration has rolled back a host of environmental regulations that were meant to curb greenhouse gas emissions from automobile tailpipes, coal plants and oil and gas wells.
> (Somini Sengupta and Lisa Friedman, œAt U.N. Climate Summit, a Call for Action Yields Few Commitments, *New York Times*, 23 September, 2019)

774 Atmospheric carbon dioxide levels are increasing alarmingly. And, despite the impact of the Covid-19 epidemic on worldwide economic activity, it has shown no signs of reduction through to the end of May, 2021.

The *NASA Global Cimate Change: Vital Signs of the Planet* site explained:

> Over the past 171 years, human activities have raised atmospheric concentrations of CO_2 by 48% above pre-industrial levels found in 1850. This is more than what had happened naturally over a 20,000 year period (from the Last Glacial Maximum to 1850, from 185 ppm to 280 ppm).



(œCarbon Dioxide: Latest Measurement: May 2021: 416 ppm, *NASA: Global Cimate Change: Vital Signs of the Planet*, [accessed July 06, 2021])

To paraphrase Sigman *et al*,

> ...[T]he concentration of carbon dioxide in the atmosphere rose about 20 parts per million (ppm), from 260 ppm in the early Holocene to 280 ppm in the late Holocene...
>
> For comparison, since the beginning of industrialization until now, the carbon dioxide concentration in the atmosphere has increased from 280 to *more than 415 ppm* as a consequence of burning fossil fuels.

To put it even more starkly: the carbon dioxide increase of the Holocene was 20 ppm over *more than 10,000 years*; a similar atmospheric carbon dioxide increase has *now occurred in 8 years*. Atmospheric CO_2 ppm concentration œin 2011 was 393.25 ppm. In 2021 it grew to 415.68 ppm - an increase of >22 ppm!

If coupled with the possibility of methane release both from anthropogenic sources and from warming oceans and polar regions, the problems might be apocalyptic.

So, given the increasing possibility of a human 'extinction level' threat resulting from their deregulated economic and military activity, where is the concerted international effort to tackle the resulting problems?

Western nations seem more than willing to expend effort in preparing for and engaging in belligerent military aggression and 'regime change', but they show no comparable determination to tackle far more urgent looming environmental threats.

The US National Oceanic and Atmospheric Administration (NOAA) climate site has explained that threat well:

> **A methane bomb...or not**
>
> Scientists have long recognized the possibility - small, but not zero - that global warming could ignite a "methane bomb" in the Arctic: the rapid release of huge amounts of methane from thawing permafrost and underwater œmethane hydrates. Such a release could trigger œextinction-level warming...
>
> Even without a catastrophic Arctic release, methane matters. It has a shorter lifetime than carbon dioxide but a larger global warming potential...
> (Rebecca Lindsey and Michon Scott, œAfter 2000-era plateau, global methane levels hitting new highs, NOAA Climate.gov, July 11, 2017)

Given the 'extinction level' possibilities of such atmospheric green-house-gas build up, I must admit that I find it intriguing that, in 2019, the US and most of the Western World is more concerned about an imaginary 'Iranian threat' than it is about the possible extinction level threat of green-house-gas emissions! We really are a most peculiar species!!

[775] An episode from the 1980s British television series *Yes Prime Minister* spells out some of the problems of 'big government' for true democracy: *Yes, Minister S02E05 - œPower To The People* (31 minutes: most relevant part from 9 minutes)

[776] As she continues:

> "These are some pretty strange coincidences," you might find yourself thinking. "What are the odds that a society which is driven by the will of the people would so consistently benefit a small minority of rich and powerful individuals to the disadvantage of the voting majority, across so many separate nations, from generation to generation for many decades, without ever deviating from this pattern? Seems like the rich and powerful must be tipping the scales in their favor somehow."
>
> The official story holds that you are a crazy conspiracy theorist if you say this, and should be shunned and denied any platform from which to speak to a large number of people.
>
> The official story is that this sort of society, which only serves the worst people in the world by pure coincidence, is so wonderful that it needs to be exported to every corner of the earth. Also by pure coincidence, all of the nations which most urgently need freedom and democracy always just so happen to occupy land of immense geostrategic importance for planetary domination and resource control.
>
> In the official story, the United States and its allies are always on the right side of every international conflict, and it is only by a series of unfortunate accidents and intelligence blunders that this

alliance is killing far more people with military violence and starvation sanctions than any other power structure in today's world. The news media feed us accurate information about each and every one of those conflicts, explaining truthfully why each country's government needs to be toppled to free the people of that nation, and it is only by coincidence that we suddenly stop getting news reports about how those people are doing once they have been liberated from their tyrannical oppressors....
(Caitlin Johnstone, œThe Official Story, *Caitlin's Newsletter*, February 15, 2022)

[777] Margot Sanger-Katz, in a *New York Times* article entitled 'œThe Yarn Store Would Like You to Vote: And so would nearly every company out there this year', has described the enthusiasm being manufactured during the 2020 US presidential election: But, this is not 'democracy' at work, this is the alternative to (and subversion of) true democracy: Democracy is *not about 'electing leaders'.* That is elitist 'elective' government".

[778] The 'World-Wide-Web' has, over the past three decades, grown exponentially, enabling burgeoning information, opinion and prejudice sharing around the world. In the third decade of the 21st century we find ourselves able to access and share information and opinion in ways and at a scale unimagined fifty years ago.

We live in a potentially extraordinarily well informed and serviced age. In many ways what has emerged reminds one of the neural networks of living entities. A world interconnected and interacting in ways which half a century ago were the subject of science fiction but have all-too-soon become reality.

Not only is it a globally interconnected world of independent, disaggregated, communicating individuals, it is increasingly blatantly serving the interests of a profit and power driven privatized neoliberal world.

So, if there is no such thing as a 'free lunch', just what and where are the hidden costs?

All 'internet interactions' pass through network 'nodes' and every node is or can be filtered for information. That filtered information is 'commoditized', customized, focused to the requirements of clients, packaged to increase its usability and sold to the highest bidders. And, the highest bidders are, inevitably, those who have determined how best to use the provided information for profit and power.

In a globalized world of 'independent, disaggregated individuals' subliminal control by those with the tools to do so becomes increasingly inevitable.

We are facing a future of subliminally primed Hamlin children:

Once more he stept into the street;
And to his lips again
Laid his long pipe of smooth straight cane;
And ere he blew three notes (such sweet
Soft notes as yet musician's cunning
Never gave th'enraptured air)
There was a rustling, that seem'd like a bustling
Of merry crowds justling at pitching and hustling,
Small feet were pattering, wooden shoes clattering,

> Little hands clapping, and little tongues chattering,
> And, like fowls in a farm-yard when barley is scattering,
> Out came the children running.
> All the little boys and girls,
> With rosy cheeks and flaxen curls,
> And sparkling eyes and teeth like pearls, Tripping and skipping, ran merrily after
> The wonderful music with shouting and laughter.
> ...
> After him the children pressed;
> Great was the joy in every breast....
> When, lo, as they reached the mountain's side,
> A wondrous portal opened wide,
> As if a cavern was suddenly hollowed;
> And the Piper advanced and the children follow'd,
> And when all were in to the very last,
> The door in the mountain side shut fast.

What future awaits us within that 'door in the mountain side shut fast'?

Though few seem to have realized the danger, people should be aghast at the ease with which Western media censorship has been enacted since the Russian 'invasion' of Ukraine in February 2022; at the flood of absurdly biased propaganda presented almost unchallenged by Western media outlets; and at the seeming ease with which populations have been willingly coopted to the warmongering of 'ever shifting Elite factions'

779 With the advent of neoliberalism and the corporatization of public institutions in the US (and elsewhere in the Western World) those committed to its ideological understandings have quite deliberately focused their attacks on public education. They see such education as harboring forces opposed to neoliberal reorganization. The attack on public education, at all levels, has, of course, been part of a larger coordinated attack on the institutions of democracy.

Lynn Parramore has outlined what has happened in the United States through the first decades of the 21st century:

> ...It's the latest battle in a contest between two countervailing forces: one bent on reengineering America for the benefit of the wealthy, the other struggling to preserve dignity and security for ordinary people.
>
> If the story turns out the way the Jim Justices desire, the children of a first-world country will henceforth be groomed for a third-world life.
>
> Gordon Lafer, Associate Professor at the Labor Education and Research Center at the University of Oregon, and Peter Temin, Professor Emeritus of Economics at MIT, help illuminate why this is happening, who is behind it, and what's at stake as the educational system that once united Americans and prepared them for a life of social and economic mobility is wiped out of existence....
>
> After five years of research and the publication of œ*The One Percent Solution*, Lafer concluded that by lobbying to make changes like increasing class sizes, pushing for online instruction, lowering accreditation requirements for teachers, replacing public schools with privately-run charters, getting rid of publicly elected school

boards and a host of other tactics, Big Business was aiming to dismantle public education.

The grand plan was even more ambitious. These titans of business wished to completely change the way Americans and their children viewed their life potential. Transforming education was the key.

The lobbyists and associations perfected cover stories to keep the public from knowing their real objectives. Step one was to raise fears about an American educational crisis that did not, in fact, exist. Lafer notes, for example, that the reading and math scores of American students have remained largely unchanged for forty years. Nonetheless, the corporate-backed alarmists worked to convince the public that the school system was in dire condition.

Step two was to claim that unproven reforms to fix the fictional crisis, like online learning, were sure to improve outcomes, despite the fact that such schemes go directly against hard evidence for what works in education and deny students the socialization that is crucial to a child's progress. Sometimes the reformers said the changes were needed because of budget deficits; other times, they claimed altruistic aims to improve the quality schools.

In Lafer's view, their strategy had little to do with either....
(Lynn Parramore, œThe Corporate Plan to Groom U.S. Kids for Servitude by Wiping Out Public Schools, *Institute for New Economic Thinking*, April 6, 2018)

780 While we will speak of 'the commons' in this section, Sheila Kennedy has cogently argued that it is time to rethink the definition of *social safety nets*. As she has explained:

It's easy to see the persistent attacks on income-supports for disadvantaged folks as both dishonest and mean-spirited, and most efforts to rebut them tend to revolve around the realities of social supports: the percentages of recipients who are children, elderly, and disabled, the overwhelming numbers of impoverished Americans who work forty or more hours a week.

I want to suggest that we may be missing the forest for the trees.

A "social safety net," properly conceived, is the web of institutions and services that benefit all members of a given society while building bonds of community and cross-cultural connection. In this broader understanding, the safety net includes public education, public parks, public transportation and other services and amenities available to and used by citizens of all backgrounds and income categories.

Public education is a prime example. Even granting the challenges - the disproportionate resources available to schools serving richer and poorer neighborhoods, the barriers to learning created by poverty - public schools at their best integrate children from different backgrounds and give poor children tools to escape poverty. Public schools, as Benjamin Barber has written, are *constitutive* of a public.

Common schools create common cultures, and it is hard to escape the suspicion that attacks on public education have been at least partially motivated by that reality. While supporters of charter schools and voucher programs have promoted them as ways of allowing poor children to escape failing schools, the data suggests

> that most children - including poor children - are better served by schools that remain part of America's real social safety net.
> (Sheila Kennedy, œRethinking America's Social Safety Net: It may be time to re-conceptualize our social safety net, *Inequality news*, A project of the *Institute for Policy Studies*, March 6, 2017)

781 (06/07/17)(01/04/19)

When private ambitions and fortunes overtake participatory democracies, the shell of democratic government can remain, hollowed out and empty. Outwardly ornamental, a 'grand democracy': but, look closer, and you'll find a hollowed out, lifeless shell, hijacked by some alien life form, predatory on the original builders and inhabitants.[1056]

Such things do not happen overnight (except in superficially entertaining Hollywood fantasies). They happen incrementally. Step by step a democratic nation loses its way[1057]. If we focus on the past forty years of US political history we can see how the process evolves. From Richard Nixon[1058], to Reagan, with an accommodating liberal presidency between, the United States was primed for democratic degeneration.

A reader comment on a *New York Times* article has provided a scathingly accurate assessment of Ronald Reagan's contribution to US (and general Western) decline over the past half-century:

> ...Ronald Reagan's sabotaging of the rule of law and his Reagan Restoration have debilitated America and the world since 1980. He denigrated government, ushered in reckless deregulation, rejuvenated racial bias and strife with his dogwhistling and renewal of the Southern Strategy, and let slip the dogs of greed to loot America's economy and treasury. He was a right-wing demagogue in a smiley face who was a shill for corruption.
>
> Reagan was very successful in the sleight-of-hand tugging the perceived center of the American political spectrum rightward, so that anyone left of Attila the Hun is a commie. So successful he was no longer viewed by many - as he had been - as a right-wing extremist but as a benign daddy in Morning in America, restoring America to its rightful place in the cynical American Century neoimperialist and mercantile fantasy.
>
> Reagan was an inflammatory and cynical salesman. W [George W Bush] was his son and Trump his illegitimate stepchild. Brexit and the devolution of American politics can be laid at his feet and those of his political wife, Margaret Thatcher. Both were agents of oligarchy, rampant inequality and retrenchment to the gilded ages.
>
> Reagan was an artful conman. Some say his visage should be on Mt. Rushmore. I say it should be in the pantheon of anti-Americans. That he was so successful is a damning indictment of the gullibility of the American electorate.
> (Rocky, Commenter on Jamelle Bouie, œOliver North Showed Republicans the Way Out: Belligerence, shamelessness and partisanship can take you far, *New York Times*, March 28, 2019)

The time for retrospection and introspection in Western 'democracies' is fast closing. As Andrew Bacevich tells his readers:

> Like it or not, the president of the United States embodies America itself. The individual inhabiting the White House has become the preeminent symbol of who we are and what we represent as a nation and a people. In a fundamental sense, he is us.

By the start of the 21st century and the advent of the second George Bush, US citizens had been inured to the hijacking of their democratic rights and responsibilities. President Trump is merely an inevitable consequence of a process which has been fifty years in the making.[1059]

To paraphrase a 2500 year old observation:

> Of making many lists there is no end...(Ecclesiastes 12:12)

It is time for concerned citizens, everywhere, to do more than compose new lists! So, Andrew Bacevich, what now?

Charles Blow:

> Every now and then we are going to have to do this: Step back from the daily onslaughts of insanity emanating from Donald Trump's parasitic presidency and remind ourselves of the obscenity of it all, registering its magnitude in its full, devastating truth.
>
> There is something insidious and corrosive about trying to evaluate the severity of every offense, trying to give each an individual grade on the scale of absurdity. Trump himself is the offense. Everything that springs from him, every person who supports him, every staffer who shields him, every legislator who defends him, is an offense. Every partisan who uses him - against all he or she has ever claimed to champion - to advance a political agenda and, in so doing, places party over country, is an offense.
>
> We must remind ourselves that Trump's very presence in the White House defiles it and the institution of the presidency. Rather than rising to the honor of the office, Trump has lowered the office with his whiny, fragile, vindictive pettiness.
>
> The presidency has been hijacked.
> (Charles M. Blow, œThe Hijacked American Presidency, *New York Times*, July 3, 2017)

But, it is important to remember that this did not happen overnight. It is not the result of some opportunistic hijacking. It is the almost inevitable end-product of a corrosive process of stripping democratic rights and responsibilities from citizens and investing them in an amoral sociopathic plutocracy.

US citizens cannot escape responsibility for being complicit in this process. It is they who have surrendered their responsibilities to private ambition and 'big money'. Deposing Donald Trump won't fix the problem, nor will outlasting his presidency. US democratic institutions are now hostage to the semi-criminal, semi-pathological propensities of those whose driving motivation is the pursuit of profit.

This is equally true, if less glaringly obvious, elsewhere in the Western world.

In the 21st century, the United States of America provides an object lesson for participatory democracies everywhere. Timothy Egan has described it well - but, do not assume that this is all the fault of one side of politics. Both major US political parties are complicit in this hijacking of participatory democracy - the Republican Party is not the only party which has been hollowed out by private ambition and 'big money':

> ...For the United States, the biggest institutional lie of the moment is that we have a government of the people, responding to majority will.

> On almost every single concern, Congress - whether it's the misnamed People's House, or the Senate, laughably mischaracterized as the world's greatest deliberative body - is going against what most of the country wants. And Congress is doing this because there will be no consequences.
>
> We have a fake democracy, growing less responsive and less representative by the day.
>
> The biggest example of this is the monstrosity of a health care bill, which a cartel of Republicans finally allowed us to peek at on Thursday. The lobbyists have seen it; of course. But for the rest us, our first look at a radical overhaul of one-sixth of the economy, something that touches every American, comes too late to make our voices heard...
>
> Our fake democracy reveals itself daily. Less than a third of Americans support President Trump's decision to withdraw from the Paris Climate Agreement. In a truly representative government, you would see the other two-thirds, the common-sense majority, howling from the halls of Congress.
>
> Most Americans are also against building a wall along the Mexican border. They would prefer putting taxpayers' billions into roads, bridges, schools and airports. But the wall remains a key part of President Trump's agenda.
>
> Trump is president, of course, despite losing the popular vote by nearly 3 million people. Almost 60 percent of the public is against him now. In a parliamentary system, he'd be thrown out in a no-confidence vote. In our system, he's primed to change life for every citizen, against the wishes of a majority of Americans. Try calling that a democracy while keeping a straight face.
> (Timothy Egan, "Our Fake Democracy, *New York Times*, June 23, 2017)

Bill Mitchell, in a review of a book by Elizabeth Anderson (below), has explained the 'rise of "private government"', a form of government which is 'natural' to those plutocracies which are overtaking and subverting Western participatory democracies everywhere.

Peter Malcolm has described the experiences of a once proudly 'equal' New Zealand in an article entitled 'The Sad Slide of a Once Equal Nation'. As he has explained:

> Some 30 years ago, by a variety of measures, New Zealand ranked one of the world's more equal nations. We have now become one of the more unequal.
>
> Our current tax system both reflects our growing inequality and contributes to it. Thirty years ago, we had a much more comprehensive, more steeply progressive tax structure, with a top marginal tax rate of 63 percent. The top marginal tax rate today stands at half that, 33 percent.
>
> Our current tax system, note analysts like Robert Salmond, rates as much tougher on the poor and more generous to high-income earners than tax systems elsewhere in the developed world
>
> We also had inheritance taxes and a capital gains tax three decades ago. Today, apart from some small exceptions, we have neither. Instead of these levies, taxes that primarily impact the wealthy, we

now have a goods and services tax of 15 percent, a flat-tax levy that burdens the poor much more than high-income earners.

In New Zealand today, life overall rates as much tougher for the poor. Some 28 percent of New Zealand's children now live in families experiencing income poverty. Back in 1982, only 14 percent of children lived in that poverty.

New Zealand's affluent, in the meantime, have done quite well. The incomes of our nation's most affluent 10 percent averaged about five times the incomes of New Zealand's poorest 10 percent three decades ago. That gap has nearly doubled.

The bottom line: In the early 1980s, New Zealand had a level of inequality about as low as Denmark, one of the world's most equal nations. Today, New Zealand and Denmark sit at opposite ends of the inequality spectrum.
(Peter Malcolm, 'œThe Sad Slide of a Once Equal Nation', *Inequality.Org*, Research & Commentary, July 04, 2017)

Franklin Roosevelt (1938) warned of this:

...A democracy is not safe if the people tolerate the growth of private power to a point where it becomes stronger than their democratic state itself. That, in its essence, is Fascism - ownership of Government by an individual, by a group, or by any other controlling private power.

Bill Mitchell explained the rise of private government:

We ignore the benefits of collective goods and laws that protect us, but turn a blind eye to the on-going, minute-by-minute, repression in the workplace. I was reminded of this again as I was reading a new book that came out in May 2017 - Private Government: How Employers Rule Our Lives (and Why We Don't Talk About It) - by American philosopher Elizabeth Anderson.

She studies that way in which corporate America serves in effect as a "private government" minutely and vicariously controlling our daily working lives yet many of us still accept the construction that this is the 'free market' operating. It is when the word 'free' loses all meaning. I especially like her use of the term "private government" to reinforce the hypocrisy of the elites and the inconsistency of those (workers included) who call for small 'government' as if that is the exemplar of freedom....

The concept of "private government" arises because workers "are subject ... to authorities that can order them around and impose sanctions for noncompliance".

This workplace despotism leads her to conclude that "Libertarians and free market economists and politicians wrongly equate 'freedom' with private enterprise, ignoring the reality that for most workers, employment in large firms brings with it subjection to arbitrary power that extends beyond their work lives".

It is clear that "the security of private property depends on a strong state" but then "so too do many forms of freedom".

In an interview relating to her book - Where Despots Rule (June 29, 2017), Elizabeth Anderson noted that:

The history of democracy is the history of movements to make government a public thing; that is, to make it the business of the

governed - transparent to them, attentive to their interests, accountable to the public.

Private government is rule by authorities who tell the governed that the rules to which they are subject are none of their business, that they aren't entitled to know about how their government operates, that they have no standing to insist that their interests be taken into account in how they are governed, that their rulers are not accountable to them.

By US law, the default constitution of the workplace is a private government, rather than a public one. Managers run a government that is kept private from the workers they govern.

...The Anglo-world, in particular, has been at the forefront of dismantling worker protections and allowing these "private governments" to increase in power.
(Bill Mitchell, œThe rise of the "private government", *Billy Blog*, 05 July, 2017)

782 While there is much to admire in Bellamy's vision, his description of the 'rule of the rich' in a variety of historical situations, and his solution to the 'problem' need some revision!

Bellamy's very popular 1888 book, œ*Looking Backward: From 2000 to 1887* spells out a 'socialist' solution to the burgeoning inequality of late 19th century US. It fueled an almost pathological opposition to 'socialist' or any other 'solution' to the inequalities of the period. That opposition grew stronger and more coherently focused through the 20th century.

783 US citizens have been disenfranchized, their voices drowned out by those of economic elites and major business interests. Any attempt to re-enfranchise those citizens will face the coordinated opposition of both dominating groups. Martin Gilens and Benjamin Page have examined four traditions in US politics:

...[F]our families of theories: *Majoritarian Electoral Democracy*, *Economic-Elite Domination*, and two types of interest-group pluralism - *Majoritarian Pluralism*, in which the interests of all citizens are more or less equally represented, and *Biased Pluralism*, in which corporations, business associations, and professional groups predominate. Each of these perspectives makes different predictions about the independent influence upon U.S. policy making of four sets of actors: the *Average Citizen* or "median voter," *Economic Elites*, and *Mass-based* or *Business-oriented Interest Groups* or industries...

Their rather depressing conclusion:

The central point that emerges from our research is that economic elites and organized groups representing business interests have substantial independent impacts on U.S. government policy, while mass-based interest groups and average citizens have little or no independent influence. Our results provide substantial support for theories of Economic-Elite Domination and for theories of Biased Pluralism, but not for theories of Majoritarian Electoral Democracy or Majoritarian Pluralism.
(Martin Gilens and Benjamin I. Page, œTesting Theories of American Politics: Elites, Interest Groups, and Average Citizens, *Perspectives on Politics*, Volume 12, Issue 3 September 2014 , pp. 564-581)

784 Bill Gorton has summed up Popper's 'theory of democracy':

> ...Popper's theory of democracy also arguably contained conservative elements insofar as it required only a limited role for the average citizen in governing. As we saw above, the primary role of the public in Popper's democracy is to render a verdict on the success or failure of a government's policies.
>
> For Popper public policy is not to be created through the kind of inclusive public deliberation envisioned by advocates of radical or participatory democracy. Much less is it to be implemented by ordinary citizens. Popper summed up his view by quoting Pericles, the celebrated statesman of Athenian democracy in 5th-century B.C.E.:
>
>> Even if only a few of us are capable of devising a policy or putting it into practice, all of us are capable of judging it.
>
> Popper added, "Please note that [this view] discounts the notion of rule by the people, and even of popular initiative. Both are replaced with the very different idea of *judgement by the people*" (*Lessons of This Century*, 72, Popper's emphasis).
>
> This view in some ways mirrors traditional conservatives' support for rule by "natural aristocrats," as Burke called them, in a democratic society. Ideally, elected officials would be drawn from the class of educated gentlemen, who would be best fit to hold positions of leadership owing to their superior character, judgment and experience.
>
> However, in Popper's system, good public policy in a democracy would result not so much from the superior wisdom or character of its leadership but rather from their commitment to the scientific method.
> (William Gorton, œKarl Popper: Political Philosophy, *Internet Encyclopedia of Philosophy* (accessed February 17, 2017))

We all know where this elitist vision of 'democracy' has taken the Western World in the second decade of the 21st century!

785 Though Gabler's suggestion that before Trump the US was

> a country of soaring ideas and idealism, a beacon to the world, an example of freedom at home and a protector of freedom abroad, an anchor of sanity in a world often bouncing on the waves of madness

suggests a chauvinist blindness to US' contribution to the international mayhem of the post WW2 period.

786 A commenter on the same *Naked Capitalism* blog posting as *justanotherprogressive* expanded on this:

> AJ Nock's [Albert J. Nock, 1935, *Our Enemy, The State*] main idea is that coercive govt drives out what he called 'social power'. That latter is identical to what deToqueville observed and called 'civic associations'.
>
>> Americans use associations to give fètes, to found seminaries, to build inns, to raise churches, to distribute books, to send missionaries to the antipodes; in this manner they create hospitals, prisons, schools...
>>
>> In America I encountered sorts of associations of which, I confess, I had no idea, and I often admired the infinite art with which the inhabitants of the United States managed to fix a common goal to the efforts of many men and to get them to

advance to it freely.
(Alexis de Tocqueville, œ*Democracy in America*, Vol. 2, Chapter V: Of The Use Which The Americans Make Of Public Associations In Civil Life)

It's hard to dispute Nock's point. When Nock wrote his book, there were 130,000 school governance authorities in the US - with each requiring a dozen or more part-time volunteers from the community to manage it. A huge portion of adults had SOME experience in actually being on a school board. Today there are 12,000 'school districts' - all run by full-time 'professionals' and the only allowed wider responsibility is to vote periodically and pay taxes. Not only are those professionals inclined more coercively; those who vote and 'keep them accountable' are now ignorant. And no matter what the social arena, the problem is the same.
(œJfree, April 29, 2017)

787 The need for citizens of democratic states to understand their responsibilities has never been clearer than it is in the early 21st century [1060]. Neil Gabler has clearly explained the nature of the dilemma in which citizens of the United States of America find themselves. As he says,

The system wasn't supposed to work this way. The Founding Fathers deliberately devised a structure in which someone like Donald Trump - a vain, self-centered, mendacious demagogue - could never become chief executive, and in which the legislature could never be captured by a reckless, ideologically obsessed minority bent on overriding the majority interests of Americans.

Those Founders labored to create an independent judiciary that was not captive to any single ideology or party. They carefully crafted a set of checks and balances in which no single branch of government could overpower another, and in which each held its own prerogatives dearly.

In doing so, they thought they had provided posterity with a wise, cautious and magnanimous governmental operation that would serve the larger public weal rather than advantage any particular group or party, and that could withstand the gusts of any given historical moment.

It actually worked surprisingly well for 250 years, which is not to say that it didn't have plenty of hiccups or that special interests weren't often privileged. But it doesn't work anymore, and though I am optimistic enough to believe that we will have a new president and Congress someday who will change policies and perhaps set us back on the road to rationality and common decency ("Make America Good Again"), the Trump presidency and the Republican Congress have nevertheless exposed the flaws in the system itself.

The prognosis isn't good: These flaws are embedded in the Constitution and cannot be repaired without wholesale change, which isn't coming. These defects are now openly visible for the next demagogue and the next gaggle of political hypocrites and power mongers to exploit. You can forget all the alleged fail-safes. The Constitution was supposed to protect us from this. It was expressly designed to do so. It didn't.

The system failed because the Founding Fathers did not anticipate anything like the modern Republican Party. On the contrary, they

> believed that extremism and overweening self-interest of the sort Republicans routinely display could always be quarantined.
>
> Were they wrong!
>
> Instead of the Constitution circumscribing reactionary populism, reactionary populism has circumscribed the Constitution. That is where we are now. And there is no way out.
>
> The Founding Fathers weren't naive idealists. They understood the deficiencies of human nature, which is why they felt the need to devise structural defenses against them. "If men were angels," wrote James Madison in Federalist No. 51, "no government would be necessary." But men weren't, so it was. Still, our forebears were comforted by four assumptions that would underpin American democracy - four assumptions that let them believe their Constitution would sustain the new nation.
> (Neil Gabler, œHow the System Got Broken, and Why It Can't Be Fixed: Whatever happened to the separation of powers?, *Bill Moyers & Company*, March 13, 2017)

He then proceeds to a clear analysis of the consequences of those assumptions for the US.

The US Founding Fathers' Assumptions:

1. They envisioned a government of sagacious men of good will who set aside their own interests for the country's: the "best and brightest."
2. They separated the three branches of government and assumed that each would check and balance the others as a form of protection against any one branch encroaching on the power of the others.
3. They assumed that extremism could never take root in the government - not because there weren't any extremists, but because the system had safeguards against their assuming power.
4. The fourth and most important assumption: They assumed that those who aspired to power did so to govern; they didn't aspire to govern to gain power.

(18/03/17) Unquestionably, the problems faced by US citizens in the early 21st century are a result of a failure among those citizens to take their responsibilities seriously. A failure which signals a clear lack of understanding of the nature of those responsibilities.

As Jefferson argued,

> I know no safe depository of the ultimate powers of the society but the people themselves; and if we think them not enlightened enough to exercise their control with a wholesome discretion, the remedy is not to take it from them but to inform their discretion by education. This is the true corrective of abuses of Constitutional power.

(12/05/17) US citizens may or may not be able to do anything to alter the current trajectory of the nation, though, it is in times like these that, in the past, US citizens have finally found their voices and exercised that 'principle of association' which de Tocqueville found so inspiring in the early 19th century. Once again, Abraham Lincoln's Gettysburg Address

should invoke that determination which US citizens have displayed in previous times when it was desperately needed:

> It is for us the living, rather, to be dedicated here to the unfinished work which they who fought here have thus far so nobly advanced. It is rather for us to be here dedicated to the great task remaining before us - that from these honored dead we take increased devotion to that cause for which they here gave the last full measure of devotion - that we here highly resolve that these dead shall not have died in vain - that this nation, under God, shall have a new birth of freedom, and that government of the people, by the people, for the people, shall not perish from the earth.

(18/11/17) All who take government 'of the people, by the people, for the people' seriously now know that an uninformed, complacent electorate, content to carelessly 'elect leaders' without understanding the consequences, is a threat to true democracy. It is now time for US citizens to *organize*. As Al Giordano has argued: Organizing is based on attainable and quantifiable goals (be they small, as in, "put a stop sign in the neighborhood," or be they large) and now is the time for US citizens, finally, to act.

The forces of top-down, elitist 'elective' government in the US have not rested on their laurels. As Joseph OShaughnessy has summarized:

> Big Money has been paying bodies to enact treachery--anti-humane, anti-populist, anti-American Middle Class legislation--at the state level all across the country. It is a simple agenda.
>
> 1. Reduce the political power of working people to fight against Big Money. Virtually outlaw unions.
> 2. Widen the gap between rich and poor. Make it harder for the working class to find enough disposable income, or time, to combat Big Money.
> 3. Divide the people. College educated (whatever that means these days) against those without a degree. Then divide the college grads. Those with technical skills, immediately useful. Those with broader knowledge, less Spartan, whom we merely acknowledge with a certificate and a frown. We basically divide our college grads into two groups as well.
>
> Divide Blacks from Whites. Whether you like it or not, the fact is Blacks left the south, to survive, found more racism everywhere, never received adequate education or social integration or capitalization. Yeah. Capitalization. You know...what daddy and mommy did for you.
>
> Muslims...direct hit targets for phobic Fascists. That's an easy one to skim off. Muslims should smile more and tell satiric jokes. End that problem.
>
> Finally, blame the undocumented, most Hispanic, for everything else.
>
> Fascism, (Republicanism) 101
> (Joseph OShaughnessy, œComment on: Paul Krugman, Days of Greed and Desperation, Krugman Blogs, *New York Times*, November 17, 2017)

Alex Kotch has described their 2017 determination to ensure victory 'state-by-state' throughout the United States of America:

> The Bradley Foundation, which has historically supported taxpayer-funded "school choice" initiatives and work requirements for welfare recipients, is named after Lynde and Harry Bradley, two brothers who founded the profitable factory automation manufacturer Allen Bradley Co. After Lynde's death in 1942, the Allen-Bradley Foundation was established. When Allen Bradley was sold to Rockwell International in 1985 for $1.7 billion, the foundation's assets ballooned and it became the Lynde and Harry Bradley Foundation as it added a focus on promoting the brothers' conservative ideology on a national scale.
>
> Thirty gigabytes of Bradley Foundation internal documents hacked by a group named Anonymous Poland reveal that after a $200 million influx of cash in late 2012 from the trust of Caroline Bradley, Lynde's wife, the Bradley Foundation geared up to fund networks of conservative think tanks, legal centers, candidate recruitment organizations, media outlets and advocacy groups in 13 states, based on the foundation's successful efforts in Wisconsin. The foundation had already laid the groundwork for a welfare-to-work program and a private school voucher system and defended GOP Gov. Scott Walker in a campaign finance probe, helping him survive a recall election prompted by his dismantling of public-sector unions.
>
> Now the foundation is focusing on five states it views as having a strong conservative infrastructure, thus making them ripe for rightward change. The foundation is working to expand conservative power in Colorado, North Carolina, Oregon, Washington and Wisconsin by funding established networks of right-wing organizations that promote conservatism and help far-right candidates win elections. It's a long-term strategy that "can take decades," according to the longtime CEO of the foundation, Rick Graber, who recently stepped down from his post.
>
> The trove of hacked documents shows that Bradley Foundation has recently given large grants to groups in these states...
> (Alex Kotch, œDocuments Reveal a Powerful, Secretive Foundation's Blueprint for Spreading Right-Wing Ideology, State by State: Meet the Bradley Foundation, giving the Koch brothers a run for their money, *AlterNet*, May 9, 2017; See also: œTax Forms Reveal Koch Brothers Spent Millions to Shape State Politics in 2017, *TruthOut*, February 25, 2018)

A Commenter on Paul Krugman's optimistic *New York Times* article titled "Conservative Fantasies, Colliding With Reality" has summed up the 2017 US situation well:

> "Voters will quickly get a lesson in what slashing spending really means - and they won't be happy."
>
> How much nearly all Democrats, and even some moderate Republicans, would like to believe that Paul Krugman's words quoted above will turn out to be an accurate prediction!
>
> We got into this mess because of laziness.
>
> No, not the kind of mythical laziness Republicans use to indict all people who are recipients of welfare or other programs in a social

safety net.

This laziness is real, and it is the laziness of many citizens and, incredibly, many politicians to learn how government, the economy and the real world works.

It takes hard work to be a good citizen. You have to be willing to inform yourself, to listen to several sources about how things work and to read, read and read about history and politics.

A good citizen reads what is written by people with whom he or she initially disagrees.

Donald Trump's core group of supporters were lazy citizens, which made them easy to manipulate.

Donald Trump, himself, is a lazy politician because he never bothered to find out how the world works outside the hermetically sealed Trump Tower and "the shows."

Paul Ryan and most diehard conservatives are lazy, because they never bothered to learn the difference between dogma and truth. They take shortcuts out of laziness and rely on crony capitalism.

Democratic politicians were lazy because they did not engage the Trump supporters on their home ground in Middle America. (SDW, Commenter on: Paul Krugman, œConservative Fantasies, Colliding With Reality, *New York Times*, Opinion Pages, March 17, 2017)

That laziness, born of complacency, and nurtured by a lack of understanding of the nature and responsibilities of citizenship in a democratic society, has infected both citizens and the politicians they have elected, creating fertile ground for reactionary populism to flourish. As Neil Gabler has suggested, "Instead of the Constitution circumscribing reactionary populism, reactionary populism has circumscribed the Constitution."

788 Sayu Bhojwani has written an illuminating piece on the ways in which US citizens, whatever their origin, are already exercising their democratic responsibilities. De Tocqueville, in the early 19th century, would have found her story unsurprising. It is, indeed, one of the many ways in which the civic responsibilities of citizenship have, over two centuries, been exercised. As she has explained:

I still often feel like an outsider, but unlike my parents, who accept that as the price of their minority status, I fight it. Not just on my own behalf, but also on behalf of other immigrants like me, for whom America is their chosen home.

Those early years of my life created the foundation for the work I do now - helping to prepare first- and second-generation Americans to run for public office. This work is rooted in my personal journey of negotiating identity and navigating power. This parallel path is the heart of the immigrant narrative, isn't it? Understanding, loving, being who we are while learning, challenging, exploring how that makes us both powerless and powerful.

In my work at The New American Leaders Project, I search for these answers while attempting to help others find them. I am on the same journey as those we train - leaning into our stories, our power, while recognizing that our fellow citizens are not all ready for these stories, this power. Our signature training targets community

> leaders who are rooted in movement building, self-aware and ready to be champions for an inclusive democracy.
>
> Over a weekend, we teach three things, rooted in the values of authenticity, inclusivity and accountability. First and foremost, we help them explore their leadership journey, and how it has been informed by their own or their family's immigration story. With that as a foundation, they are able to craft an authentic stump speech based on the core values that motivate them to run for office.
>
> Second, our training encourages participants to think about how our current political system favors those who always vote instead of opening democracy up to new or low-efficacy voters. Often, these are immigrants or people of color who have not been invited to participate, and by reaching out to them, candidates can be far more inclusive.
>
> Finally, we push back against the message that immigrants are takers, not makers. We suggest that our communities can and should be stakeholders in democracy by contributing to campaigns. This helps ensure that elected officials are accountable to the community, as voters and donors. At its core, our training is about creating a democracy that is stronger because everyone participates.
>
> We know this model works because even in 2016, one of the most hate-filled election cycles in recent memory, 67 percent of our 39 alumni won their races for local and state office in Arizona, California, New York and Michigan. Now, these leaders from the newcomer communities most under attack in our society today - American Muslims, the formerly undocumented, children of refugees - are serving on school boards, city councils and state legislatures. (Sayu Bhojwani, "Former NYC Commissioner Is Helping Immigrants Run for Office: The New American Leaders Project targets community leaders who are rooted in movement building and ready to champion an inclusive democracy, *Moyers & Company*, May 31, 2017)

As Al Giordano explained in 2009, it is time for US citizens to get involved in ensuring that grass-roots, participatory democracy reflects and reinforces their rights and responsibilities. As someone once said, there are better ways of ensuring the future of participatory democracy, whether in the US or anywhere else, than sitting on an acorn! Unless those who believe in government of the people, by the people, for the people actively work to ensure it, participatory democracy will wither and die.

789 Al Giordano, in 2009, explained why, for him, the term *activism* was inappropriate. What Alexis de Tocqueville meant by the term *principle of association* could better be understood as political/communal *organizing*.

As Giordano explained:

> I don't believe in activism.
>
> I think activism, as it is generally practiced in the United States, is more often than not a cop out and an excuse by some to avoid doing the heavy lifting of organizing.
>
> What is the difference, you might ask, between activism and organizing?
>
> To me, it's this:

> **Activism** is the practice of preaching to the choir, rallying the already converted, and trying to convince other "activists" to do your work for you (say, call your Congressman, or write your Senator for or against a piece of legislation). Activists like to make declaratory "statements," hold "meetings," invite other activists (usually fairly hegemonic of the same socio-economic demographics as them), engage in group "process," make "decisions," veto (or attempt to do so) others from taking initiative outside of the groupthink that too often happens in activist projects, declare "party lines," enforce them, and claim that one is part of a "movement" even when there is no evidence that one really is.
>
> Activism seeks media attention through protests and other means, errantly thinking it will draw others to its cause by doing so. This dominant tendency in "activism" becomes a circular, self-reinforcing, self-marginalizing, chest-thumping, bureaucratic and anally-retentive activity and a big waste of time with little impact on the issues or policies it seeks to change or defend.
>
> **Organizing** is something completely different: It is based on attainable and quantifiable goals (be they small, as in, "put a stop sign in the neighborhood," or be they large, as occurred last year: elect an underdog as president of the United States). Here's a simple yardstick by which to measure: If it doesn't involve knocking on doors, making phone calls or otherwise proactively communicating with people demographically different than you, it's not organizing. If it doesn't involve face-to-face building of relationships, teams, chains of command, and, day-by-day, clear goals to measure its progress and effectiveness, it's not organizing. If it happens only on the Internet, that's not organizing either.
>
> Clearly, both tendencies involve some similar activities. An organizer may call everybody in the neighborhood (or go door to door) to get something done, whereas an activist will call those he knows already agree to recruit them to make some kind of statement that he believes - usually futilely - is *toward* getting something done. And once an organizer or group of organizers has built an effective organization or base, some of the tools of activists (i.e. "call your Congressman") can then be deployed effectively. But that shouldn't cause activists to think that if they do that absent a locally based organizing campaign that it somehow rises to the level of organizing or is the same thing - or even on the same side of the barricades.... (Al Giordano, œThe End of Activism and the Renaissance of Organizing, February 5, 2009)

Nancy leTourneau, in a *Washington Monthly* blog posting titled, œAdvice For the Resistance: Don't Just Mobilize... Organize (February 24, 2017), has elaborated on Giordano's theme. As she explained of the US in 2017, "It is critical to move from mobilization to organizing."

Sarah Lazare, in an *Alternet* article titled: œActivism: Why Popular Assemblies Sweeping the Country Are Building Blocks of the Resistance: From Raleigh to Los Angeles, communities on the frontlines are building the movement infrastructure for a coordinated fightback (March 01, 2017), has outlined the growth in 'popular assemblies' across the US in recent years As she says,

> While some popular assemblies are connected to regional organizations like the Atlanta-based Project South, others are springing up independently. "People are building new mechanisms of

community power," David Abud, regional organizer from the National Day Laborer Organizing Network, told AlterNet. "This is coming from an understanding that there will continue to be state violence against our communities. The state isn't going to be the one to stop that violence coming to us; we are the ones that will be able to stop it."

790 Ira Chernus has described it like this:

> **Diagnosing Our Deep Sickness**
>
> The Sixties spawned many analyses of the ills of the American system. The ones that marked that era as revolutionary concluded that the heart of the problem was a distinctive mode of consciousness - a way of seeing, experiencing, interpreting, and being in the world. Political and cultural radicals converged, as œhistorian Todd Gitlin concluded, in their demand for a transformation of "national if not global (or cosmic) consciousness."
>
> Nor was such a system uniquely American, they discovered. It was nothing less than the hallmark of Western modernity.
>
> In exploring the nature of that "far deeper malady," Martin Luther King, for instance, turned to the European philosopher Martin Buber, who found the root of that consciousness in modernity's "I-It" attitude. From early childhood, he suggested, we learn to see other people as mere objects ("its") with no inherent relation to us. In the process, we easily lose sight of their full humanity. That, in turn, allows us free rein to manipulate others (or as in Vietnam simply destroy them) for our own imagined benefit.
>
> King particularly œdecried such dehumanization as it played itself out in American racism: "Segregation substitutes an 'I-it' relationship for the 'I-thou' relationship and ends up relegating persons to the status of things." But he œcondemned it no less strongly in the economic sphere, where it affected people of all races. "The profit motive, when it is the sole basis of an economic system," he said, "encourages a cutthroat competition and selfish ambition that inspire men to be more I-centered than thou-centered... Capitalism fails to realize that life is social."
> (Ira Chernus, œTrump, A Symptom Of What? A radical message from a half-century ago, *Moyers & Company*, April 18, 2017)

791 In the 3rd decade of the 21st century, many who have built their reputations and opinions on neoliberal understandings assert that claims that central reserve authorities *create* credit out of thin air and that

> The only limitations on the funding of the credit requirements of public commons institutions, processes and activities are those of resource availability and the will of government to take responsibility for maintaining economic stability through well-crafted taxation policies which remove excess credit from the economy when it has fulfilled its varied purposes

are profound threats to economic stability and social wellbeing. Leo Tolstoy's observation is apposite. It brings to mind a well-worn aphorism:

> The ignorant can be educated; but stupidity is genetic!

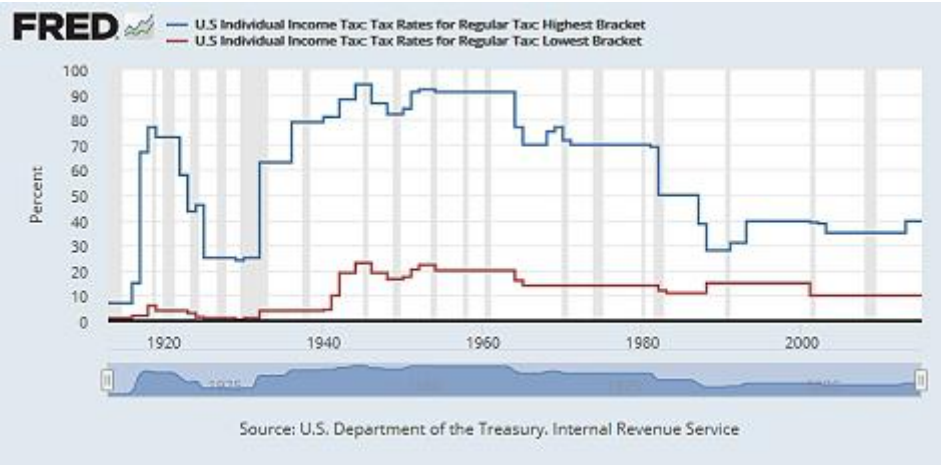
792 While those who benefit most from low marginal tax rates are most likely to provide doomsday scenarios should rates be raised, the experience of Western nations from 1936 to 1980 makes their protestations groundless. The highest bracket tax rate in the US was set

at 79% in 1936; above 90% from 1952-1963; and never fell below 70% over the entire period of 44 years.

The graph below, produced by the US Federal Reserve Bank of St Louis (September, 27, 2018), entitled (somewhat hyperbolically - in line with Daniel Thornton's presumptions on how to 'finance deficit spending') 'Tumultuous tax brackets: U.S. income tax brackets have varied (sometimes wildly) over time', demonstrates the variation in US tax rates over the period 1913-2015.

Paul Krugman has explained the rationale underpinning high marginal tax rates on extreme wealth:

> Diminishing marginal utility is the common-sense notion that an extra dollar is worth a lot less in satisfaction to people with very high incomes than to those with low incomes. Give a family with an annual income of $20,000 an extra $1,000 and it will make a big difference to their lives. Give a guy who makes $1 million an extra thousand and he'll barely notice it.
>
> What this implies for economic policy is that we shouldn't care what a policy does to the incomes of the very rich. A policy that makes the rich a bit poorer will affect only a handful of people, and will barely affect their life satisfaction, since they will still be able to buy whatever they want.
>
> So why not tax them at 100 percent? The answer is that this would eliminate any incentive to do whatever it is they do to earn that much money, which would hurt the economy. In other words, tax policy toward the rich should have nothing to do with the interests of the rich, per se, but should only be concerned with how incentive effects change the behavior of the rich, and how this affects the rest of the population.
> (Paul Krugman, œThe Economics of Soaking the Rich, *New York Times*, January 5, 2019)



(œU.S Individual Income Tax: Tax Rates for Regular Tax: Highest Bracket)

As the authors explain,

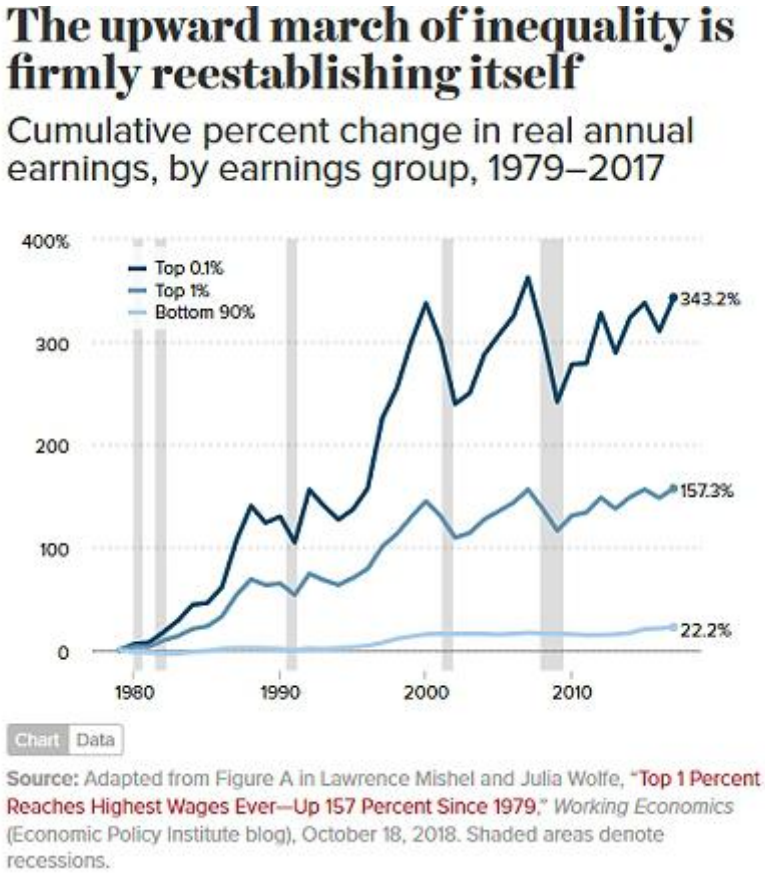
> Income tax law is complex and many of its variables change over time. One much-discussed example is its progressivity - that is, how much the tax rate increases when taxable income increases. In the United States, this progression is determined by a system of brackets: Once a taxable income threshold is reached, any additional income is taxed at a higher rate (the so-called marginal tax rate). The number of those brackets, the incomes at which they

kick-in, the associated tax rates, and what constitutes taxable income are all elements in the complex formula of taxes. The graph shows just two elements of that formula: the first and the last marginal tax rates. This highlights how much these rates have varied through history (compared, let's say, with the past decade or two) and also how high they have been.
(The FRED® Blog, œTumultuous tax brackets: U.S. income tax brackets have varied (sometimes wildly) over time, *Federal Reserve Bank of St Louis*, September 27, 2018)

[793] This has been demonstrated elsewhere but bears repeating. The *Economic Policy Institute* has highlighted this for the US in a posting entitled 'Top Charts of 2018':

> As the economy normalizes following a long, slow recovery from the Great Recession, we are quickly resuming our prerecession course of rising inequality. The fruits of economic growth are bypassing typical families and going straight into the hands of the already-rich.
>
> Our current policy trajectory is doing nothing to reverse the trend of inequality. But it's doing plenty to widen it. This year's edition of Top Charts highlights how policy choices continue to exacerbate inequality and how we can achieve more broadly shared prosperity through better policy choices.

Their first chart:



> While top 1 percent earnings took a dive following the Great Recession, by 2017 those earnings had risen to their highest level ever, and the annual earnings of the top 1 percent had risen 157 percent cumulatively since 1979. For the top 0.1 percent, earnings have grown a whopping 343.2 percent since 1979. In contrast, earnings of the bottom 90 percent of workers rose just 22.2 percent over the same period.

> The dynamic of large but temporary earnings declines for the highest earners during the Great Recession reflects the composition of their pay packages. For CEOs and other executives in the top 1 and 0.1 percent, earnings include stock options and other compensation measures linked strongly to firms' stock market performance. As the stock market fell rapidly during the recession, this led to a sharp decline in earnings. But as stock prices went back up, so did the earnings of the top 1 and 0.1 percent - and so did inequality.
> (œTop charts of 2018: Twelve charts that show how policy could reduce inequality - but is making it worse instead *Economic Policy Institute*, December 20, 2018)

794 The 'cooperatives' movement in Western capitalist communities is a step in this direction, though, for widespread adoption and success, it needs to be publicly supported through legislative empowerment and by a deep, abiding commitment to communal interdependence - to what de Tocqueville (1835) called the "principle of association". In the absence of both protective legislation and community commitment to that 'principle of association', successful cooperative movements can find themselves in a no-holds-barred war with the private sector.

Jay Walljasper has painted an optimistic picture of cooperative activity in Quebec. The most important achievements of the movement he describes are in raising the profile of existing cooperative organizations and in providing a sheltered and supportive environment within which new ventures can grow and mature. As he says,

> Quebec's social economy (also translated as "solidarity economy") extends far beyond the province's two major cities and includes manufacturing, agricultural cooperatives, daycare centers, homecare services, affordable housing, social service initiatives, food coops, ecotourism, arts programs, public markets, media and funeral homes. The capital that fuels all this economic activity comes from union pension funds, non-profit loan funds, credit unions, government investment and philanthropy.
>
> "We always say the social economy is simply the formalization of the commons. It's social ownership, the goal of which is a sustainable, democratic economy with a market - instead of a market economy," explains Nancy Neamtan, co-founder of Chantier de l'Economie Sociale, a network of social economy organizations whose anniversary banquet is described above. "Our mission is building a broader vision of what the economy actually is."
>
> "When Chantier started out, a lot of people said it wouldn't work. We had unions, women's organizations, green groups, and many thought it was too diverse," Neamtan says. "But it does work." Evidence for her assertion is visible all around - Chantier's office is tucked into a six story building that takes up most of a city block, all of which is filled with social economy organizations.
>
> Not all of these social businesses are new - some of the credit unions, cooperatives and union pension funds go back a hundred years. "But they were largely invisible to many people until the name social economy became popular," Neamtan adds...
> (Jay Walljasper, œA More Equitable Economy Exists Right Next Door: In Quebec, co-ops and non-profit businesses account for 8-10 percent of GDP, *Alternet*, Local Peace Economy, March 22, 2017)

795 (24/07/17) Over the past half century, Western nations have been gripped not only in a fever of privatization but also in a fever of corporatization.

(09/10/17) Public services have been reorganized to mimic private corporations and their administrations have been charged with reorganizing their responsibilities as though they were private corporations delivering dividends to their shareholders (in this case their governments). Their *raison d'être* has shifted from the efficient delivery of public services to citizens to the 'profitable' management of 'resources' in order to ensure a dividend to government.

This was, of course, an inevitable consequence of the neoliberal presumption that sovereign governments must 'borrow' in private money markets to cover the costs of government. Through corporatization of government services those services could, at last, begin to 'cover their costs'.

Damian Paletta, in a *Washington Post* article describing the 'Federal deficit' inconsistencies of the US Republican Party, succinctly summarized the prevailing neoliberal understanding of the nature and importance of 'the deficit':

> With the House passing a critical budget resolution this past week, GOP lawmakers are charging forward next week with plans to cut taxes in a way that could add more than $1.5 trillion to the government's debt over 10 years, with the goal of legislation by early next month. That is on top of an effort to significantly increase military spending. White House officials say their focus is on growing the economy now and dealing with the debt later.
>
> The moves come as the federal deficit, the *difference between what the government earns in revenue and spends on programs*, is growing more quickly. It will be $600 billion this year and is projected to reach $1.46 trillion in a decade, even without additional policy actions.
> (Damian Paletta, œIn a switch, GOP deserts its budget-cutting mantra, *Washington Post*, October 7, 2017) (My emphasis)

After all, as Margaret Thatcher explained to the faithful,

> If the State wishes to spend more it can do so only by borrowing your savings or by taxing you more. It is no good thinking that someone else will pay - that "someone else" is you. There is no such thing as public money; there is only taxpayers' money.

Citizens become transformed into 'customers' who should accept responsibility for the costs of the services they choose to use. Administrations become central and the resources they 'manage' include not only the services they traditionally provided but also the personnel they employ.

In what ways can available 'resources', such as employees and infrastructures, be reorganized to maximize profits?

Citizens become merely one of the means by which profits are realized and employees become a resource to be mined for profit. In many cases, the delivery of the services which originally justified the existence of those 'corporate entities' becomes a less-profitable distraction from more 'rewarding' pursuits.

Investopedia has succinctly defined and spelled out the aim of corporatization:

> The act of reorganizing the structure of a government owned entity into a legal entity with the corporate structure found in publicly traded companies. These companies tend to have a board of directors (B of D), management and shareholders. However, unlike publicly traded companies, the government is typically the company's only shareholder and... the shares in the company are not traded publicly...
>
> The main goal of corporatization is allowing the government to retain ownership of the company but still enable it to run as efficiently as its private counterparts because government departments sometimes are inefficient with the level of bureaucracy involved.
>
> Furthermore, the government may one day feel that the private sector could do a better job of running the company, possibly conducting an offering on the stock market in order to divest it. (*Investopedia*, œDefinition of Corporatization, [accessed 24 July 2017])

As JTMcPhee has observed of US citizens, in a comment on an article posted on the *naked capitalism* website (September 27, 2019) by Yves Smith:

> Most of us don't know the history of corporations as legal entities. The corporate charter was a privilege, and a very limited one too. It had a finite term, and could be and was revoked for violations and illegal behavior. And there were laws and enforcement and a different attitude toward corporations. Corporate officers were subject to liability... and there's no reason (ha ha) that the old rules could not be brought back.
> (œJTMcPhee, Comment (September 27, 2019) on Michelle Meagher, œWe Can't Rely on Corporations to Reform Themselves - We Must Challenge Their Power, openDemocracy, 26 September, 2019)

(See this site (œReclaim Democracy!) for an explanation of the hidden history of Corporations in the United States)

Wikipedia has defined the resulting managerialism well:

> Managerialism is a belief in the value of professional managers and of the concepts and methods they use. Contemporary management writers such as Thomas Diefenbach associate managerialism with hierarchy. But managerialism is also linked to control, accountability and measurement, and an ideologically determined belief in the importance of tightly managed organizations, as opposed to individuals, or to groups that do not resemble an organization.
>
> Following Enteman's classic on Managerialism: *The Emergence of a New Ideology* (1993), American management experts Robert Locke and J C Spender see managerialism as an expression of a special group - management - that entrenches itself ruthlessly and systemically in an organization. It deprives owners of decision-making power and workers of their ability to resist managerialism. In fact the rise of managerialism may in itself be a response to people's resistance in society and more specific workers' opposition against managerial regimes
>
> Building on Enteman (1993) and Locke/Spender (2011) the most up-to-date definition of Managerialism has been delivered by

Thomas Klikauer in "Managerialism - Critique of an Ideology" (2013) defining Managerialism as

> [....] Managerialism combines management knowledge and ideology to establish itself systemically in organisations and society while depriving owners, employees (organisational-economical) and civil society (social-political) of all decision-making powers. Managerialism justifies the application of managerial techniques to all areas of society on the grounds of superior ideology, expert training, and the exclusive possession of managerial knowledge necessary to efficiently run corporations and societies.
> (Wikipedia, œManagerialism, [accessed 23 July, 2017])

796 It is time for all who understand the importance of 'the commons' in a democratically organized state to think outside the box; to imagine solutions which might not depend upon the activities and imaginations of capitalist 'wealth-makers'. Here is an example of such thinking; a vision of a world where real people provide real solutions to that soul-destroying poverty which results from loss of employment and income in an unregulated capitalist world:

> ...It is time to begin imagining specific, concrete solutions to what is becoming a fundamental dilemma of our time.
>
> Imagine, for example, that every American citizen over the age of 16 can choose to earn a living-wage in exchange for providing a useful service to their local or regional community. Imagine that every local community has a free health and pharmacy clinic (in conjunction with a free methadone and counseling center) - where some of the employees are the living-wage earners. Imagine further that every local community has a housing co-op system (built in part by some of the living-wage earners) that makes available - to every family that needs it - a basic dwelling unit that is warm, dry, well-ventilated, and which provides for cooking, bathing, sleeping, and family gathering. Imagine that every local community has at least one community garden and rookery (managed by some of the living-wage earners) which grows, harvests, and processes vegetables, fruits, eggs, cheese - and perhaps fish - for local consumption. Imagine that every local community has at least one pre-school day-care (manned at least in part by some of the living-wage earners) which provides, free of charge, a safe, early child-hood learning environment between the hours of 6 A.M. and 6 P.M. Imagine that every local community has a system of retirement co-housing villages (built and staffed, in part, by the living-wage earners).
>
> Imagine, in other words, replacing what we now define as "poverty" with another kind of living condition - we might call it "community subsistence."...
> (J. D. Alt, œThe New Poverty, *New Economic Perspectives*, December 28, 2017)

797 Alt has asked why 'we - whether intentionally or by happenstance - have put in place and operate a money system that seamlessly creates dollars, as necessary, for profit-making enterprise, but specifically does NOT create dollars for not-for-profit ventures'.

Why does our monetary system only benefit and facilitate activity within the for-profit economy, while, at the same time, making activity focused

on the commonweal unsustainable? As he explains:

> In aggregate, then, the money system we've established and operate so efficiently only creates money, as it's needed, to cover the profits of profit-seeking ventures. No money is created for ventures which do not make profits. This dynamic is doubled down on by the fact that we also operate with the institutional insistence that the sovereign government, if it decides to undertake something for the collective good, must pay for for that collective good with "tax dollars" - which are dollars previously created in the profit-earning system.
>
> There are two things peculiar about this. First is the implied premise that profit-seeking ventures are inherently good, while not-for-profit ventures are merely optional "niceties" that we can pay for on the side, so to speak. The second is our insistent belief that the money system we have cannot rationally be managed in any other way.
> (J. D. Alt, œTwo Loaves, *New Economic Perspectives*, October 7, 2016)

798 This enthusiasm for supporting the international sale of Western armaments is scarcely new to President Trump. As William Hartung explained:

> To be fair, Donald Trump is hardly the first American president to make it his business to aggressively promote weapons exports. Though seldom a highlighted part of his presidency, Barack Obama proved to be a weapons salesman par excellence. He made œmore arms offers in his two terms in office than any U.S. president since World War II, including an astounding œ$115 billion in weapons deals with Saudi Arabia...
> (William D. Hartung, œWeapons for Anyone: Donald Trump and the Art of the Arms Deal, *TomDispatch*, April 1, 2018)

799 Michael Beckley has described the problem when a nation's armed forces become almost independent; setting their own agendas and developing their own priorities:

> The United States has spent $19 trillion on its military since the end of the Cold War. That is $16 trillion more than China spent and nearly as much as the rest of the world combined spent during the same period. Yet many experts think that the United States is about to lose a devastating war.
>
> In March, Admiral Philip Davidson, then the commander of U.S. forces in the Indo-Pacific, warned that within the next six years, China's military will "overmatch" that of the United States and will "forcibly change the status quo" in East Asia. Back in 2019, a former Pentagon official claimed that the U.S. military routinely "gets its ass handed to it" in war games simulating combat with China. Meanwhile, many analysts and researchers have concluded that if China chose to conquer Taiwan, the Chinese People's Liberation Army (PLA) could cripple whatever U.S. forces tried to stand in its way.
>
> It has become conventional wisdom that this gathering storm represents the inevitable result of Beijing's rise and Washington's decline. In fact, it is nothing of the sort. The United States has vast resources and a viable strategy to counter China's military expansion. Yet the U.S. defense establishment has been slow to

adopt this strategy and instead wastes resources on obsolete forces and nonvital missions.

Washington's current defense posture doesn't make military sense, but it does make political sense - and it could very well endure. Historically, the United States has revamped its military only after enemies have exposed its weaknesses on the battlefield. The country may once again be headed for such a disaster.
(Michael Beckley, œAmerica Is Not Ready for a War With China: How to Get the Pentagon to Focus on the Real Threats, *Foreign Affairs*,June 10, 2021)

800 A well balanced, researched and documented account of the United States military industrial complex and its funding and operations entitled 'The Business of War', provides an excellent summary of it all. As a promotional introduction explains:

As the Ukrainian conflict drags on, the U.S. continues to send weapons to Ukraine whilst American arms dealers profit. "The Business of War ", a 30-minute CGTN special, explores the history of U.S. arms dealers and how they benefit from conflicts. The special will focus on 4 chapters - Profit from Conflict, The Military Industrial Complex, Wars & American interests, and American Leadership or Hegemony
(œThe Business of War, *CGTN*, Video 21:25, 14 August 2022)

801 For a comparison of national military expenditures, see œList of countries by military expenditures, *Wikipedia*.

Andrew Cockburn in an article entitled œGetting the defense budget right: A (real) grand total, over $1.4 trillion (*Responsible Statecraft*, May 07, 2023) and subtitled:

Laying it out in graph form shows past and present gimmicks used to manipulate the public's perception of what is considered 'defense'

described the ways in which the true US 2023 military budget is massaged to minimize its apparent size.

Rebecca Kheel, in a report entitled 'Biden requests $753B defense budget, a slight increase'' outlined the continued growth of US military funding in 2021:

A $753 billion defense budget would be a modest increase over this year's $740 billion, as would a $715 billion Pentagon budget compared to this year's $704 billion.

The increases roughly reflect the rate of inflation, likely not enough to appease Republicans who have been pushing Biden to increase the budget by 3 to 5 percent over inflation. That's the amount of annual increases officials early in the Trump administration said would be necessary to properly fund a strategy that reorients the military toward competition with China and Russia.

Progressive Democrats, meanwhile, have been urging Biden to slash the defense budget by at least 10 percent, arguing the COVID-19 pandemic has demonstrated U.S. spending priorities have been misguided.

Liberal groups were fuming ahead of Friday's budget release after reports of the $715 billion Pentagon figure.

"President Trump's Pentagon budget was already outrageous. President Biden just outdid it," Win Without War advocacy director

> Erica Fein said in a statement Thursday night. "Following a year of deadly proof that throwing money at the Pentagon does not keep us safe from modern day threats, it is unconscionable to not only extend Trump's spending spree, but to add to it."
>
> In response to progressive criticism, an administration official defended the request by arguing the budget works to bring non-defense spending "back to its 30-year historical average."
> (Rebecca Kheel, œBiden requests $753B defense budget, a slight increase, *The Hill*, April 09, 2021)

As Burns and Lardner explained, in 2018 the US military budget remained on growth steroids:

> It's the biggest budget the Pentagon has ever seen: $700 billion...
>
> And next year it would rise to $716 billion. Together, the two-year deal provides what Defense Secretary Jim Mattis says is needed to pull the military out of a slump in combat readiness at a time of renewed focus on the stalemated conflict in Afghanistan and the threat of war on the Korean peninsula.
>
> The budget bill that President Donald Trump signed Friday includes huge spending increases for the military: The Pentagon will get $94 billion more this budget year than last -- a 15.5 percent jump. It's the biggest year-over-year windfall since the budget soared by 26.6 percent, from $345 billion in 2002 to $437 billion the year after, when the nation was fighting in Afghanistan, invading Iraq and expanding national defense after the 9/11 attacks.
>
> The extra money is not targeted at countering a new enemy or a singular threat like al-Qaida extremists or the former Soviet Union. Instead the infusion is being sold as a fix for a broader set of problems, including a deficit of training, a need for more hi-tech missile defenses, and the start of a complete recapitalization of the nuclear weapons arsenal.
> (Robert Burns and Richard Lardner, Associated Press, œCongress, Trump give Pentagon a budget the likes of which it has never seen, *Chicago Tribune*, February 9, 2018)

Kimberly Amadeo, in a well-researched article entitled 'U.S. Military Budget: Components, Challenges, Growth: Why Military Spending Is Bigger Than You Think', has given a breakdown of the focuses of US military spending for the period October 1, 2018 through September 30, 2019 (Financial Year 2019 (FY2019)):

> Estimated U.S. military spending is $886 billion. That's from œPresident Trump's budget for Fiscal Year 2019 submitted to Congress. It covers the period October 1, 2018 through September 30, 2019. Military spending is the second largest item in the federal budget after Social Security. The United States spends more on defense than the next nine countries combined.
>
> There are four components.
>
> - First is the $597.1 billion base budget for the Department of Defense.
> - Second is the overseas contingency operations for DoD to fight the Islamic State group ($88.9 billion).
> - Third is the total of other agencies that protect our nation. These expenses are $181.3 billion. They include the

Department of Veterans Affairs ($83.1 billion), the State Department ($28.3 billion), Homeland Security ($46 billion), FBI and Cybersecurity in the Department of Justice ($8.8 billion) and the National Nuclear Security Administration in the Department of Energy ($15.1 billion).

- The last component is $18.7 billion in OCO funds for the State Department and Homeland Security to fight ISIS.

On February 9, 2018, Congress passed a spending bill that appropriates $700 billion for the defense base budget and overseas contingency operations. Congress will delineate spending for each of the other departments by March 2018.
(Kimberly Amadeo, œU.S. Military Budget: Components, Challenges, Growth: Why Military Spending Is Bigger Than You Think, *the balance*, February 15, 2018)

802 Of course, disappointingly, Wertheim feels obliged (perhaps because he is writing for *Foreign Affairs*) to truncate history, ascribing 'blame' to those maneuvered into conflict by United States' policies and agencies (truly a nation which only remembers the past when it is to its advantage):

> One can hardly blame U.S. policymakers for the turmoil. It was Russian President Vladimir Putin who decided to invade Ukraine in 2022, and Hamas that chose to attack Israel in 2023. No one had a crystal ball to predict these shocking actions years in advance. Yet American officials bear responsibility for making a failed wager of their own. They hoped entire regions of the world would sit still because they preferred to turn their gaze elsewhere, even as the United States remained ensconced in those regions' security arrangements. The Biden administration wanted to prioritize what in its view mattered most while declining to disentangle the United States from what mattered less.
>
> This is a form of wishful thinking - perhaps as naive as invading countries to liberate them - and ought to be recognized as such. The Biden administration is not the first to indulge in it. The rationale for American global dominance after the Cold War, as articulated by the Pentagon in 1992, was that by maintaining military primacy in most world regions, the United States would suppress competition among other countries, dissuade challengers from emerging, and keep the peace at a reasonable cost to Americans. But the unipolar era is over. Going forward, the options are stark: the United States can selectively retrench and control costs and risks, or it can stick with global primacy and lurch from crisis to crisis.
> (Stephen Wertheim, œWhy America Can't Have It All: Washington Must Choose Between Primacy and Prioritizing, *Foreign Affairs*, February 14, 2024)

803 Claims made through 2022 of the 'true intentions' of various negotiators involved in delivering the 2014 and 2015 Minsk Agreements seem heavily propagandized. As has been true throughout 2022, the intentions of those involved in the Minsk negotiations have become the subject of an avalanche of biased commentary.

Angela Merkel's 2022 explanation of her motivation in endorsing the agreements would seem to indicate that she was not, in fact, acting in 'good faith':

> ...the 2014 Minsk agreement was an attempt to give Ukraine time.
>
> She has also used this time to become stronger, as you can see today. The Ukraine of 2014/15 is not the Ukraine of today. How to take part in the battle for Debaltseve (railway town in Donbass, Donetsk Oblast, ed.) In early 2015, Putin could easily have overrun them. And I doubt very much that the NATO states could have done as much then as they do today to help Ukraine...
>
> It was clear to all of us that this was a frozen conflict, that the problem had not been solved, but that was exactly what gave Ukraine valuable time...
> (Tina Hildebrandt and Giovanni di Lorenzo, œAngel Meerkel: "Did you think I was coming with a ponytail?", *ZEIT ONLINE*, December 07 2022) [translated from German]

And, of course, it remains true that the Ukrainian authorities throughout the eight years following the Agreements did very little to honor the commitments made.

RT has reported Putin's response to Merkel's comments:

> Putin said he was surprised and disappointed by former German chancellor Angela Merkel's confession that the purpose of the Minsk peace agreements was to "buy time" for Ukraine. However, he added that it justified Moscow's military operation against Kiev.
>
> "Their point was only to load up Ukraine with weapons and prepare it for hostilities. We see that. Honestly, we may have realized that too late, and maybe should have started all this sooner," Putin said.
>
> While he knew that Ukraine did not intend to implement the deal, "I thought other participants in that process were honest. Turns out they too were deceiving us," said the Russian president.
> (œPutin talks Ukraine, Merkel and nuclear war, *RT*, 09 December, 2022)

M. K. Bhadrakumar (November 29, 2022)), one of the less obviously biased of those commentators (as always, readers are left to sift through the deluge of disinformation as best they can), œdescribed the purpose of Western European negotiators and their US 'advisors' in entering into what Russia assumed to be 'good faith' negotiation of the two Minsk Accords.

It appears that those Western negotiators realized that Russia really did want to find a peaceful solution to the 'Donbass problem' and played on that perceived 'weakness' in order to prepare for a prolonged war in the region:

804 When a nation's wellbeing is inextricably merged with and dependent on the 'necessities' and 'profitability' of its military/ industrial/ security organizations, then, the elaboration of internal security institutions and the focus on both internal and international adventurism, weapons development, manufacture and sales become inevitable.

In a military Keynesian state, forever-war is not a consequence of external threat but of internal necessity. 'Threats' (both internal and external), if they do not present themselves, must be manufactured to justify constantly expanding 'budgets'.

The *United States Department of Defense* 'œIntergovernmental Affairs Program' website explains:

> National security requires a 'Whole of Government' approach. DoD's Federal agency partners, states, localities, non-profit groups, and the private sector play a critical role in mission readiness and economic security. Supporting and protecting our nation's defense activities and men and women in uniform goes far beyond the military fence line.
>
> To effectively and efficiently address the pressing and complex security challenges this nation faces, DoD must enlist the support of stakeholders at all levels of government and industry. A primary goal of this program is to assist states, counties, municipalities, regions, and other communities to foster cooperation with military installations to:
>
> - enhance the military mission;
> - achieve facility and infrastructure savings and reduced operating costs;
> - address encroachment and compatible land use issues;
> - support military families; and,
> - increase military, civilian, and industrial readiness and resiliency.
>
> OLDCC's Intergovernmental Affairs (IGA) program is the foundation for the success of all our activities. Our IGA program leverages, integrates, and amplifies the goals and activities of each OLDCC's programs to ensure defense priorities benefit from the synergy created by a diverse and crosscutting set of stakeholders. For instance, the Economic Adjustment Committee coordinates all our Federal partners on economic, workforce, manufacturing, environmental, and infrastructure challenges and opportunities to better the National Defense Strategy.

The annual œReport on Defense Spending by State published by the *United States Department of Defense* provides a breakdown of spending in each State.

Amanda Winters, in a report to *The National Governors Association*, has provided a summation of the impact of such spending within each state. As she explains:

> Clear and contextual data that outlines the ecosystem of defense-related spending and the intersections to state investment can maximize efficiency, state-federal collaboration, and positive outcomes for infrastructure and community impact...
>
> States play a critical role in supporting the national defense mission. Installations, supply chains, service members and communities rely on a complex web of state, territorial, and federal systems. This ecosystem of investment and support builds off of the Department of Defense's National Defense strategy and is resourced by Congress. Installation, equipment, personnel, and service spending drives the development of industry supply chains and regional economies. Foundational data on these DoD investments is captured in the annual Defense Spending by State (DSBS) report.
>
> This analysis is compiled to help state and local leaders assess a region's defense assets and identify opportunities to target assistance to support more resilient and innovative communities

and businesses. The National Governors Association is partnering with the DoD to explore the ways the DSBS data can inform and strengthen state economic and infrastructure planning.
(Amanda Winters, œDefense Spending By State Report: Federal Data To Support State Strategic Planning, *National Governors Association*, October 25, 2021)

805 Lee Lacy, in an essay replete with standard US presumptions about the nature of the 'Soviet Union', explained the post-war reasoning behind the Interstate Highway construction program:

> The IHS was the largest public works project undertaken in the Unites States and came at a time when the Cold War consumed not only a large part of the federal budget but also the attention of the U.S. public.
>
> The Cold War played a pivotal role in the creation of the IHS. Shortly after Eisenhower took office in 1953, Soviet leader Josef Stalin died, setting off a power struggle in the Kremlin. It was not until September that Nikita Khrushchev emerged as the general secretary of the Communist Party of the Soviet Union.
>
> On Aug. 12, 1953, the Soviets exploded their first hydrogen bomb, thus moving closer to the United States in nuclear parity. It was unsettling to have a superpower with an unstable government armed with the latest nuclear weapons technology. This event further jolted an already rattled U.S. public, which routinely engaged in civil defense drills. Citizens built bomb shelters, stockpiled food, and prepared for imminent nuclear war.
>
> In a July 1954 speech to the Governors' Conference, Vice President Richard Nixon expressed concern over the "appalling inadequacies" of the existing U.S. road infrastructure and its inability to meet the needs for responding to a national emergency on the scale of atomic war. Nixon mentioned atomic or atomic war no less than 10 times in the speech.
> (Lee Lacy, œDwight D. Eisenhower and the birth of the Interstate Highway System, *Army Sustainment Magazine Archives*, February 20, 2018)

806 Hal Brands asked the question which the first year of Biden's presidency evokes: 'Does America Have More Rivals Than It Can Handle?':

> The United States is an overstretched hegemon, with a defense strategy that has come out of balance with the foreign policy it supports. Biden's first year has already shown how hard it is to manage an unruly world when Washington has more responsibilities - and more enemies - than it has coercive means. Over the longer term, a superpower that fails to keep its commitments in line with its capabilities may pay an even heavier price.
> (Hal Brands, œThe Overstretched Superpower: Does America Have More Rivals Than It Can Handle?, *Foreign Affairs*, January 18,2022)

I must confess that I find Brands' apparent belief that these 'rivals' and 'threats' are 'real' less than convincing. They seem, to me, largely those of an aging empire experiencing a common problem of 'the aged'. As a œwebsite dedicated to helping those who care for the aged has explained:

> Aggressive behaviors may be verbal or physical. They can occur suddenly, with no apparent reason, or result from a frustrating

> situation. While aggression can be hard to cope with, understanding that the [empire]... is not acting this way on purpose can help.

The late œJanuary 2022 nonsense in Ukraine seems to have been clearly aimed at testing the tolerance of Russia to unprovoked threat escalation:

> U.S. officials confirmed to CBS News that the Biden administration had given permission to several NATO allies to send emergency shipments of U.S.-made weapons - including anti-tank missiles - to Ukraine to reinforce the country's defenses. State Department sources said allies including Estonia, Latvia, Lithuania and the U.K. were cleared to make "Third Party Transfers" of U.S.-made and supplied equipment to Ukraine, which one official described as part of a race "to get as much gear to the Ukrainians as quickly as possible."

There is a sad insanity about US behavior. They have walked away from responsible engagement in negotiations to address Russia's clearly explained security concerns.

Instead, they have opted to increase the very risks to Russia's security which lie at the heart of the 2022 tensions between Ukraine (and other border nations) and Russia.

This cannot be justified as rational foreign policy. It seems that those responsible for US foreign policy were prepared to sacrifice Ukraine in a tawdry, sociopathic determination to provoke war. And on April 26 2022 it appears that they are œtrying to provoke Russia into a confrontation with Moldova!

US behavior reminds one of similar escalation in provocations in other regions of the world - leading to US invasion and the devastation of those targeted nations - over the past several decades. This should signal to all who are not blind followers that there is something seriously wrong with US 'foreign policy' leadership.

Given the US track record in fomenting Western 'outrage' against targeted nations and then engineering 'coalitions of the willing' to become involved in invasion and subjugation of those targeted nations, there is nothing irrational in Russia's subsequent behavior. Meekly accepting continued escalation of tensions and provocations can, given US' previous history this century, only ensure mounting US belligerence.

Bullies are not deterred by lack of retaliation - that merely encourages escalated bullying!

Following George Bush into the Middle East (because '9/11') proved to be based on serious distortions of reality and outright lying but, following Joe Biden into an unprovoked escalation of tensions in Europe and Asia cannot be justified in any way!

It is long-past time for 'The West' to wake up to the reality of an aging empire acting increasingly irrationally in attempts to demonstrate its 'indispensability'.

807 The range of activities in which US forces are engaged in vassal states is wide, many of them clandestine in nature and readily denied by US officials. These include, since 2001, œsecret prisons operated by both the CIA and US Special Forces.

Among the œclandestine activaties routinely denied by the US is involvement with vassal states in 'managing' biological research laboratories (by divorcing 'management' - and funding - from

'ownership', the US believes it is justified in claiming that it does not have any such facilities in vassal states). The closest any US official has come to admitting this has come from the 2022 United States Undersecretary of State, Victoria Nuland:

> Ukraine has biological research facilities which in fact we are quite concerned Russian troops, Russian forces, may be seeking to gain control of, so we are working with the Ukrainians on how they can prevent any of those research materials from falling into the hands of Russian forces should they approach,
> (œVictoria Nuland, United States Undersecretary of State, March 08, 2022)

Shortly after that admission, all sites coming from Russian sources were 'forbidden' to Western audiences:

> 403 - Forbidden . That's an error.
>
> Client does not have access rights to the content so server is rejecting to give proper response. That's all we know.

All information coming from Russia was 'censored'. No further information on who is responsible for this has been provided.

This blanket censorship of alternative voices to the US and its 'allies' has enabled the United States to shape and control the narrative. Western audiences, tuning in to their permitted 'news' sources, find themselves 'informed' of what is happening in this new 21st Century US manufactured 'Cold War' by 'correspondents' from 'Washington'!.

So, in 2022, in turning off the lights, what are they trying to hide?

In an article entitled 'Russia presents new evidence from US-funded Ukraine biolabs', The Russian television site *RT* provided its version of what Nuland was alluding to:

> Moscow believes that laboratories in Ukraine funded by the US military were making biological weapons components, but that local staff was being kept in the dark about their research, a senior Russian general said on Thursday.
>
> Lieutenant-General Igor Kirillov, who commands the Nuclear, Biological and Chemical Protection Forces of Russia, presented documents and imagery showing why the military has come to such a conclusion.
>
> "We believe that components of biological weapons were being made on the territory of Ukraine," said Kirillov.
>
> He noted that the documents he was presenting "have the signatures of real officials and are certified by the seals of organizations," for those journalists and experts in the West doubting their veracity.
> (œRussia presents new evidence from US-funded Ukraine biolabs, *RT:Russia & former Soviet Union*, 17 Mar, 2022)

Given the abysmal depths to which this new Cold War 'news' reporting has sunk, one needs to examine what is being presented; seek other versions of the 'information' and then, from the avalanche of disinformation, try to distil 'reality'. May the gods smile upon our endeavors!

Russian claims, that the materials were 'components of biological weapons', have since been elaborated with claims, backed by 'authenticated' documentation that the research has been aimed at

finding and engineering pathogens which can be targeted at specific 'ethnic' populations.

If even remotely connected to such ambitions, this is the very definition of 'murderous' research and military aspirations.

'Evil' is too tame a descriptor for such activity. The United States has an obligation to humanity to provide clear and unambiguous evidence of the true nature of its Ukraine (and Georgia) biological research activities. Claims of protecting 'security sources' in order to deny such provision cannot be justified - this is a matter of species survival, not of 'breaches of confidentiality'!

Chinese officials have, entirely reasonably,

> ...demanded that Washington reveal the details of the biological laboratories that it had established in Ukraine. Beijing also took a swipe related to the COVID-19 pandemic, as it asked the US to unveil the information regarding the type of viruses that it had stored for research purposes in Kyiv.
> (Zaini Majeed, œRussia Invades Ukraine: China Asks US To Publish Data On Military Biological Labs In Kyiv, *Republic World*, 8th March, 2022)

To date (April 22, 2022) the United States has dismissed all such demands, refusing to elaborate on biological research being undertaken in vassal states around the world (what has been happening in Ukraine seems to have been replicated in a number of other nations bordering both Russia and China).

This must not, for humanity's sake, be allowed to go unanswered. The world needs verifiable controls on all such biological research. One rogue nation, successfully engineering 'ethnically targeted' biological weapons will guarantee the proliferation of such weapons. We seem hellbent on damning ourselves as a species!!

With 'U.S. special operations forces deployed to 154 countries, or roughly 80 percent of the world's nations' in 2020 and responsible for capturing and imprisoning or killing "thousands of terrorists" around the world (an unremarkable year for USSOCOM activity), perceived problems loom large.

But, of course, if those nations which will not bend to US direction can be 'freed' from control by 'authoritarian' and 'totalitarian' regimes they will become useful bases from which the United States can 'continue to lead the 'liberal international order' and 'fulfill its historic responsibility as the indispensable nation'.

So many peoples to free; so many 'mortal enemies who will seize upon our vulnerabilities to bloody us, to murder our citizens, to commit horror for the purpose of forcing horror upon us'; so many oppressive governments to be removed, so many 'regime change' responsibilities!

But, of course, the US has no option, it must stand as a shining city upon a hill, as a model of freedom to the rest of the world! It must lead the peoples of the world out of the wilderness and into the Promised Land!

So, not only Russia and China but all those nations dominated and infected by them, must be transformed!

As in Syria, in 2012, so in Kazakhstan in 2022: There appear to have been two very different forms of civil unrest, one highjacking the other.

The first was an entirely justified civil protest against unreasonable corporate profiteering in the nation. Balihar Sanghera and Elmira Satybaldieva, in an informative explanation of this entitled 'Rentier capitalism and class warfare in Kazakhstan' explained:

> The recent protests in oil-rich Kazakhstan have highlighted the devastating effects of rent extraction. The country's largest sellers of liquefied petroleum gas (LPG), including KazMunaiGas, Kazgermunai, CNPC-AktobeMunaiGas and Kazakhoil, have been accused by the government of increasing fuel prices by abusing their oligopoly power. When the state lifted its price cap on LPG at the start of 2022, the market price doubled within a couple of days. The impact was immediately felt by poor and vulnerable sections of Kazakhstani society, which relied on the commodity for heating and vehicles.
>
> Ultimately, the price hike was a violent attempt by powerful oil corporations to extract rent - they knew that most of the population had no alternative but to pay up or go without. Akin to social historian EP Thompson's moral economy of the 18th-century English crowd that rioted against soaring food prices, Kazakhstan's working class revolted against the market price and the injustice of the 'free' market.
> (Balihar Sanghera and Elmira Satybaldieva, œRentier capitalism and class warfare in Kazakhstan: Blame 'free' market reforms that benefit the rich and powerful at the expense of the working class for the country's recent protests, *Open Democracy*, 14 January 2022)

The second seems to have been a coordinated 'terrorist' insurrection using the civil unrest as cover for a coup d'état attempt:

Pepe Escobar, in an article subtitled 'What happened in Kazakhstan increasingly looks like a US-Turkish-British-Israeli-led coup d'état attempt foiled dramatically by their Eurasian adversaries', has described the first 2022 US attempt at 'regime change':

> The year 2022 started with Kazakhstan on fire, a serious attack against one of the key hubs of Eurasian integration. We are only beginning to understand what and how it happened.
>
> On Monday morning, leaders of the Collective Security Treaty Organization (CSTO) held an extraordinary session to discuss Kazakhstan.
>
> Kazakh President Kassym-Jomart Tokayev framed it succinctly. Riots were "hidden behind unplanned protests." The goal was "to seize power" - a coup attempt. Actions were "coordinated from a single center." And "foreign militants were involved in the riots."
>
> Russian President Vladimir Putin went further: during the riots, "Maidan technologies were used," a reference to the Ukrainian square where 2013 protests unseated a NATO-unfriendly government.
>
> Defending the prompt intervention of CSTO peacekeeping forces in Kazakhstan, Putin said, "it was necessary to react without delay." The CSTO will be on the ground "as long as necessary," but after the mission is accomplished, "of course, the entire contingent will be withdrawn from the country." Forces are expected to exit later this week.

> But here's the clincher: "CSTO countries have shown that they will not allow chaos and 'color revolutions' to be implemented inside their borders."
>
> Putin was in synch with Kazakh State Secretary Erlan Karin, who was the first, on the record, to apply the correct terminology to events in his country: What happened was a "hybrid terrorist attack," by both internal and external forces, aimed at overthrowing the government.
>
> **The tangled hybrid web**
>
> Virtually no one knows about it. But last December, another coup was discreetly thwarted in the Kyrgyz capital, Bishkek. Kyrgyz intel sources attribute the engineering to a rash of NGOs linked with Britain and Turkey.
>
> That introduces an absolutely key facet of The Big Picture: NATO-linked intel and their assets may have been preparing a simultaneous color revolution offensive across Central Asia.... (Pepe Escobar, œAfter Kazakhstan, the color revolution era is over, *The Cradle.co*, January 12 2022)

808 United States involvement in the Ukraine and wider Black Sea region in the 21st Century has been the subject of very different and inevitably biased commentaries. In large part this obfuscation has been a consequence of the diversification of US Central Intelligence (CIA) activities, using subsidiaries to prosecute its agendas, including the National Endowment for Democracy (NED) and various 'special forces' teams.

Russian Defence Minister Sergei Shoigu provided a clear explanation of Western involvement in the 2022 conflict in Ukraine:

> In Ukraine, the Russian military is being confronted by combined Western forces that run the leadership of that country in a hybrid war against Russia.
>
> The supply of weapons and military equipment to Ukraine is being stepped up, and training of the Ukrainian army is being carried out. Huge financial resources are transferred to maintain the viability of the nationalist regime.
>
> The actions of Ukraine's armed forces are planned and coordinated by foreign military advisers. Reconnaissance data is supplied from all available NATO sources. The use of armaments is supervised by Western specialists.
>
> NATO's efforts are aimed at prolonging the agony of the Kiev regime. However, we know for a fact that no one in NATO has any doubt that the goals of the Russian leadership's special military operation will be achieved, and that plans to strategically and economically weaken Russia are failing. The dollar has not reached the ceiling of 200 roubles, as predicted by the US president, the Russian economy has stood firm.
>
> The special military operation has dispelled the myth of "super-weapons" supplied to Ukraine by the West, which are capable of fundamentally changing the situation on the front. Initially, they were talking about deliveries of Javelin anti-tank systems, some kind of "unique" drones. Lately, the Westerners have been promoting the role of super-weapons with HIMARS multiple launch rocket systems and long-range howitzers. However, these weapons

> also grind to a halt in battle. They did not make a significant impact. The Russian weapons, for their part, have proved their best qualities in combat.
>
> We are taking a close look at trophy weapons from the West. The features and their specific qualities are taken into account in order to improve the way combat operations are conducted and the effectiveness of Russian armaments.
>
> The supply of NATO weapons to Kiev means that Western countries are responsible for their inhumane use and for the deaths of civilians in Donbass and in the liberated territories. Ukrainian armed forces operations are planned in Washington and London. Not only are the coordinates of the targets to be attacked provided by Western intelligence, but the input of this data into weapons systems is conducted under the full control of Western specialists.
>
> Kiev's role in the West's combat approach has been reduced to supplying manpower, which is seen as expendable. This explains the huge loss of personnel in Ukraine's armed forces and territorial defence formations.
> (Russian Defence Minister Sergei Shoigu, œRussian Defence Minister Sergei Shoigu's welcoming speech at the opening of 10th Moscow Conference on International Security, *The Embassy of the Russian Federation in the Republic of India*, August 16, 2022)

Kit Klarenberg has provided a well-documented explanation of the extent and nature of United States and European Union involvement in both Ukraine and other territories. As he explained:

> Obvious examples of Central Intelligence Agency covert action abroad are difficult to identify today, save for occasional acknowledged calamities, such as the long-running $1 billion effort to overthrow the government of Syria, via funding, training and arming barbarous jihadist groups.
>
> In part, this stems from many of the CIA's traditional responsibilities and activities being farmed out to "overt" organizations, most significantly the National Endowment for Democracy (NED).
>
> Founded in November 1983, then-CIA director William Casey was at the heart of NED's creation. He sought to construct a public mechanism to support opposition groups, activist movements and media outlets overseas that would engage in propaganda and political activism to disrupt, destabilize, and ultimately displace 'enemy' regimes. Subterfuge with a human face, to coin a phrase.
>
> Underlining the Endowment's insidious true nature, in a 1991 Washington Post article boasting of its prowess in overthrowing Communism in Eastern Europe, senior NED official Allen Weinstein acknowledged, "a lot of what we do today was done covertly 25 years ago by the CIA."
>
> It Begins
>
> Fast forward to September 2013, and Carl Gershman, NED chief from its launch until summer 2021, authored an op-ed for The Washington Post, outlining how his organization was hard at work wresting countries in Russia's near abroad - the constellation of former Soviet republics and Warsaw Pact states - away from Moscow's orbit.

> Along the way, he described Ukraine as "the biggest prize" in the region, suggesting Kiev joining Europe would "accelerate the demise" of Russian President Vladimir Putin. Six months later, Ukraine's elected president Viktor Yanukovych was ousted in a violent coup....
> (Kit Klarenberg, œAnatomy of a Coup: How CIA Front Laid Foundations for Ukraine War, *Kit's Newsletter*, July 02, 2022)
> [Links to explanatory documents have been omitted but it is well worth accessing his blog posting for them]

It is indisputable that, in 2014 Ukraine, as in Syria in 2012 and in Kazakhstan in 2022, there were two very clearly different phases to the 'revolutionary' protests in those nations. This is perhaps most clearly illustrated in the 2022 experience of Kazakhstan.

The initial civil protests, in all three regions, were based in legitimate and very strongly held reactions to internal social, economic and political circumstances and conditions. The second phase involved the weaponization of elements within the protest movements.

The situation in Ukraine[1061], as outlined by Mike Madden (below), began as a popular, internal uprising. This was quickly followed by the involvement of US politicians and US State operatives in 'guiding' the direction and nature of those protests. And, it was, chronologically, in the aftermath of the US involvement that those protests turned violent.

The nature of that violent weaponizing of the protests is, inevitably, clouded in controversy but, as in Syria, the likelihood of US involvement in that phase of the 'revolution' is high. One can but say -"if it walks like a duck..."!

Mike Madden has given a clear and depressing description of what the United States has been doing in the Ukraine (and in much of the Black Sea) region over the past decade. As we have seen elsewhere, this has been the US response around the world over more than fifty years to those elected governments which resist being transformed into vassal states:

> U.S. Undersecretary of State for Political Affairs Victoria Nuland, who choreographed the 2014 coup that overthrew Ukraine's democratically-elected government and set the current crisis in motion, was invited by PBS NewsHour on Dec. 7 to explain the standoff in Ukraine.
>
> Typical of Western media, the story began with Russia's involvement in eastern Ukraine and the annexation of Crimea, which took place in March 2014. The crisis actually began a week earlier with the violent overthrow of democratically-elected President Viktor Yanukovych on Feb. 22, 2014. While accusations flew of Russian aggression, invasion and annexation, there was not a word about the U.S. instigated coup or Nuland's role in it.
>
> For the sin of declining a Western aid package loaded with austerity measures, and accepting instead an unencumbered Russian package, Yanukovych became a target for U.S. regime change. Undersecretary Nuland's role in the coup is essential to the story....
> (Mike Madden, œHow Not to Explain the Ukraine Crisis, *Consortium News*, December 24, 2021)

Ivan Katchanovski has provided further information on what happened (his explanation provides links to source materials not replicated here

but important to understanding what happened):

> The narratives that are propagated by the Western governments and the mainstream media concerning the origin and the nature of the Ukraine conflict are truly Orwellian. They state that the pro-Russian government in Ukraine was ousted as result of peaceful mass Euromaidan protests in February 2014 and that President Viktor Yanukovych fled Ukraine because he ordered the massacre of the peaceful Maidan protesters by government forces. These protests took place on the main square in Kyiv, which is called Maidan, and they were directed against the Yanukovych government and his decision to suspend signing the EU association and free trade agreement. According to these narratives, Russia then annexed Crimea by using pure military force and launched a war with Ukraine in Donbas. These narratives assert that Ukraine is a sovereign democratic state which has a right to join the North Atlantic Treaty Organization (NATO) in the future and that Russia plans to invade Ukraine within days or weeks.
>
> Various evidence presented in studies by Western scholars who have researched the Ukraine conflict shows that these narratives are false. This mass killing of the Maidan movement's own supporters - perpetrated by the oligarchic and far right elements of the Maidan alliance - made it possible for Maidan leaders to falsely blame the pro-Russian Yanukovych government and its police and security forces for the killing and then seize power in Ukraine. Western governments backed this undemocratic overthrow of the democratically elected Ukrainian government....
> (Ivan Katchanovski, œLies About Ukraine Conflict Are Standing in the Way of a Peaceful Resolution, *Truthout*, February 16, 2022)

With Ukraine transformed into a compliant vassal state (with encapsulated Russian minorities required to accept the new US imposed 'reality' in the nation), the US has used it as a base from which to threaten its old 'enemy' (still, in its jaded mind, very possibly) an 'evil empire' which threatens the peace and security of all 'freedom loving' 'democratic' and 'capitalist' nations around the world.[1062]

The US, as the world's quick-gun sheriff with a custodial mandate to ensure compliance with the 'Rule of Law' (whatever that might mean for a less than coherent, prematurely aging empire), is threatening expansion of NATO into a nation directly bordering Russia (encapsulating regions which have long identified themselves as closely allied with Russia and included within the Soviet Union).

It is, simultaneously, supplying armaments and military training, and, in a Newspeak distortion of reality, accusing Russia of making this 'necessary' in order to protect Ukraine from Russian invasion.

We've been here before! Since the Second World War, The United States, using a range of pretexts for threatening and invading nations which they have felt unable to convert into vassal states, has formed military alliances ('coalitions of the willing') with compliant nations, leading them into military and diplomatic quagmires from which they find it difficult to extricate themselves: The Korean War did not 'end' in 1953! it has festered for more than seventy years with no apparent means of ending the stalemate!

We should not underestimate the delusional incompetence of US Administrations when it comes to warmongering and 'winning' its wars of

choice!.

Dmitri Trenin has described Russia's response:

> As 2021 came to a close, Russia presented the United States with a list of demands that it said were necessary to stave off the possibility of a large-scale military conflict in Ukraine. In a draft treaty delivered to a U.S. diplomat in Moscow, the Russian government asked for a formal halt to NATO's eastern enlargement, a permanent freeze on further expansion of the alliance's military infrastructure (such as bases and weapons systems) in the former Soviet territory, an end to Western military assistance to Ukraine, and a ban on intermediate-range missiles in Europe. The message was unmistakable: if these threats cannot be addressed diplomatically, the Kremlin will have to resort to military action.... (Dmitri Trenin, œWhat Putin Really Wants in Ukraine: Russia Seeks to Stop NATO's Expansion, Not to Annex More Territory, *Foreign Affairs*, December 28, 2021)

809 A commenter, on a *Naked Capitalism* blog posting by Yves Smith, named œJonnyJames, summed it up:

> In addition to making Europe weaker and more dependent on the US, the objectives of US foreign policy (crudely put) is to weaken Russia financially and economically, destabilize the country, then "regime change", then break up the RF into smaller states. However, this looks like the typical hubris of a declining power. Zbig B.[Zbigniew Brzezinski], for example, outlined much of this back in 1997 in *The Grand Chessboard*.
>
> This one from Rand (2019) sums it up. https://www.rand.org/pubs/research_briefs/RB10014.html
>
> The Russians, aware of this, are taking slow, cautious steps to achieve their objectives, and it looks like they have been very careful not to overextend, not to over-spend or dedicate too many resources to the SMO in Ukraine. Going forward, I would imagine a similar approach. Successfully achieving those objectives won't be easy and it seems like Russian leadership must walk a fine line in more ways than one.

810 And in early March 2022, it has all happened again. Western media outlets have been flooded with ill-informed, superficial 'explanation':

> Russia's unprovoked assault on Ukraine did not come as a surprise. The United States and its European allies learned last fall what Russia planned to do, and even publicized the Kremlin's plans to the world. Even so, they failed to prevent Russia's onslaught on its much weaker neighbor. Once they ruled out direct military assistance to Ukraine, deterring a Russia bent on controlling its neighbors and upending the post-1990 European security order was always going to be a tall order.
>
> The same threats that failed to dissuade Russia from invading before - severe sanctions, military assistance to Ukraine, and beefing up NATO - are unlikely to compel Russia from changing course now. Instead, Washington and its democratic allies need to embark on a strategy of containment that increases the cost to Russia and eventually forces internal political change that brings the brutal regime of Vladimir Putin to an end.

(Ivo H. Daalder, œThe Return of Containment: How the West Can Prevail Against the Kremlin, *Foreign Affairs*, March 01, 2022)

No in depth analysis of underlying causes or of other players in what has unfolded, just 'a strategy of containment that increases the cost to Russia and eventually forces internal political change that brings the brutal regime of Vladimir Putin to an end'!

Media sources which might have provided such analysis have been blocked, their attempts at providing alternative explanation denounced as 'propaganda'. All the information Western populations 'need' is to be provided by the mainstream media of the West. Audiences are being conditioned to a renewed 'policy of containment' of those who personify 'evil' in the West's 2022 world!

811 Pilger on propaganda:

> Marshall McLuhan's prophecy that "the successor to politics will be propaganda" has happened. Raw propaganda is now the rule in Western democracies, especially the US and Britain. On matters of war and peace, ministerial deceit is reported as news. Inconvenient facts are censored, demons are nurtured. The model is corporate spin, the currency of the age. In 1964, McLuhan famously declared, "The medium is the message." The lie is the message now.
>
> But is this new? It is more than a century since Edward Bernays, the father of spin, invented "public relations" as a cover for war propaganda. What is new is the virtual elimination of dissent in the mainstream.
>
> The great editor David Bowman, author of The Captive Press, called this "a defenestration of all who refuse to follow a line and to swallow the unpalatable and are brave". He was referring to independent journalists and whistle blowers, the honest mavericks to whom media organisations once gave space, often with pride. The space has been abolished.
>
> The war hysteria that has rolled in like a tidal wave in recent weeks and months is the most striking example. Known by its jargon, "shaping the narrative", much if not most of it is pure propaganda. (John Pilger, œWar in Europe and the Rise of Raw Propaganda, *CounterPunch*, February 18, 2022)

812 Western 'expert commentators' have, in 2022 - as in 2001 and its aftermath and, of course, in earlier 'adventures' undertaken by the United States and its acolytes - readily provided the 'serious commentary' required to justify its behavior.

Before reading the nonsense (yes it is nonsense) below, a blog posting by Yves Smith on the blogsite *Naked Capitalism* entitled 'œThe Danger of Underestimating Russia' provides a sane and much needed corrective to both Western political and 'Western Expert' commentaries.

Michèle Flournoy (Co-Founder and Managing Partner of WestExec Advisors and Co-Founder and Chair of the Board of Directors of the Center for a New American Security), in an essay subtitled 'Washington Must Ramp Up Support for Vulnerable Partners - Before It's Too Late', has demonstrated this well. The reader is left to critically assess the legitimacy of her commentary!

Those who have allowed themselves to be blinkered by the pervasive Western censorship of alternative understandings of reality in 2022 will,

no doubt, be fully persuaded by the 'logic' of her descriptions, assertions and arguments:

> It is too soon to predict how Russia's brutal, unjustified war against Ukraine will end. But for now, it is clear that the Russian military has shockingly underperformed in the first phase of the war, whereas the Ukrainian military has punched far above its weight. Other revisionist powers contemplating aggression will be looking closely at Russia's failings to avoid making the same mistakes, and the countries they threaten will be looking to Ukraine's example for insight into how to fend off a larger, better-equipped adversary.
>
> But there are also lessons for the United States. U.S. defense leaders need to consider what outcomes in Ukraine mean not only for how Washington assesses the military capabilities of adversaries in the future but also for how the United States and its allies can use asymmetric tactics to undermine those adversaries' strengths and exploit their weaknesses. For example, militaries fielded under leaders who do not tolerate dissent or question assumptions will be vulnerable to a host of problems, from strategic miscalculation and inadequate logistics to poor battlefield command and troop morale. This is a systemic weakness of authoritarian regimes, but other states can also be susceptible. In addition, militaries that have not been tested in battle may struggle to train troops for the actual conditions they will face in war, to fight effectively as a joint force, and to adapt in real time to an adversary's asymmetric tactics.
>
> Moscow's war effort has been deeply flawed, but that is not the only reason Ukrainian forces have fared so well: they have been able to take advantage of Russian weaknesses thanks in part to the help they have received from the West. The remarkable performance of Ukraine's military is a direct result of a multiyear security-assistance effort undertaken by the United States and its NATO allies since Russia's 2014 invasion of Crimea. In those eight years, support in the form of equipment, training, and help with planning transformed the Ukrainian military into a far more capable fighting force. Over the past three months, unified Western assistance has made a difference on the battlefield, too. Dozens of countries have come together to share intelligence, offer military and economic aid, and impose severe economic and political costs on Russia...
> (Michèle A. Flournoy, œHow to Prepare for the Next Ukraine, *Foreign Affairs*, May 23, 2022)

[814] An examination of the consequences of United States' (and general 'Western') diplomatic negotiations with Russia since 1990 clearly illustrates the dilemma for Russia in attempting to 'negotiate' lasting agreements with Western nations. As Benjamin Norton demonstrates in a *YouTube* video presentation entitled œUkraine's Zelensky sabotaged peace deal with Russia, West blocked negotiations, Russia is left with no option but to assume their duplicity.

[813] As the United States Office of The Historian summed it all up:

> The Cuban missile crisis stands as a singular event during the Cold War and strengthened Kennedy's image domestically and internationally. It also may have helped mitigate negative world opinion regarding the failed Bay of Pigs invasion. Two other important results of the crisis came in unique forms. First, despite the flurry of direct and indirect communications between the White House and the Kremlin - perhaps because of it - Kennedy and

> Khrushchev, and their advisers, struggled throughout the crisis to clearly understand each others' true intentions, while the world hung on the brink of possible nuclear war. In an effort to prevent this from happening again, a direct telephone link between the White House and the Kremlin was established; it became known as the "Hotline." Second, having approached the brink of nuclear conflict, both superpowers began to reconsider the nuclear arms race and took the first steps in agreeing to a nuclear Test Ban Treaty.
> (œThe Cuban Missile Crisis, October 1962)

815 As Lavrov continued:

> We are grateful to our Belarusian allies for completely understanding the causes, goals and tasks of the special military operation. President Vladimir Putin discussed these issues in his remarks yesterday concerning the results of the Caspian Five Summit in Ashgabat.
>
> We focused on biological security, while exchanging opinions on strategic stability and arms control. We agree that US activities on post-Soviet space are quite dangerous and non-transparent. The activities of Pentagon's biolabs in Ukraine highlight the risks they bear. We exposed these facts but failed to obtain a US response. So, we initiated a process, stipulated by the Biological and Toxin Weapons Convention, in full compliance with its Article 5. We sent inquiries to countries, parties to this important international treaty. We perceive threats to the national security of Russia and Belarus, the reluctance of the United States to ensure the transparency of its military-biological activities in many countries on post-Soviet space, primarily those around Russia and Belarus. We have an agreement, within the framework of the Collective Security Treaty Organisation, to establish close and transparent interaction on these issues, in order to counter attempts to advance such projects (that cause concern in our countries) behind the scenes and without due transparency.
>
> We are also cooperating in order to counter the dirty information war unleashed by the collective West against our countries. We agreed to expand and upgrade Russian-Belarusian media cooperation, and you should be particularly interested in this issue....
>
> ...As for our relations with the EU, Russia has not had them since 2014. Brussels swallowed the humiliating move by the opposition forces which perpetrated a coup in Ukraine in defiance of EU guarantees. In response, the Crimea residents refused to live in a neo-Nazi state. Ukraine's eastern regions did the same, and the European Union failed to muster enough courage to talk sense into the putschists who carried out an illegal power grab, and in fact began to support them in their attack, including physical, on the people of Crimea and eastern Ukraine.
>
> When the referendum took place in Crimea and the DPR and the LPR were proclaimed, the European Union, instead of pushing for compliance with the agreements between President Yanukovych and the opposition it had co-sponsored, sided with the ultranationalist and deep down neo-Nazi regime which proclaimed fighting the Russian language and culture as its goal. In the years that followed,

the regimes led by Poroshenko and Zelensky proved Kiev's loyalty to this particular course.

In 2014, when it all happened, the EU, feeling powerless and aware of its own inability to enforce implementation of its own proposals, said the Russian Federation was to blame. ...

With regard to the Iron Curtain, it is already on its way down. They should make sure they don't get anything caught in it as it goes down. In all other matters, we have a straightforward position: we are for things being fair....
(œForeign Minister Sergey Lavrov's statement and answers to media questions at a joint news conference with Foreign Minister of Belarus Vladimir Makei following talks, Minsk, June 30, 2022, *The Ministry of Foreign Affairs of the Russian Federation*, 30 June 2022)

816 As they claimed:

Russian President Vladimir Putin appears poised to launch a large-scale invasion of Ukraine. He has amassed troops near the border, spurned Western attempts at a diplomatic resolution, and most recently recognized the independence of the so-called Luhansk and Donetsk People's Republics, with Russian troops and weapons entering the region soon after.

U.S. President Joe Biden has called Russia's move into the Donbas an "undeniable invasion," and announced a set of sanctions on Russian financial institutions, sovereign debt, and individuals. These were interim steps; Biden warned that more sanctions will follow should Russia continue to escalate the crisis.

Berlin has also halted the certification of the controversial Nord Stream 2 pipeline linking Russian natural gas to Germany, marking a major shift in its policy toward Russia and sounding a warning to Putin that his aggression is alienating the country, along with others in Europe.

The Kremlin is undoubtedly watching the U.S. and European responses closely, and Putin is likely contemplating a range of potential scenarios.

Russia may still launch a large-scale invasion of Ukraine, as the Biden administration expects. Or, since the United States and Europe have now announced new sanctions and are threatening more, Putin may choose a different strategy: the long grind.

In this scenario, he would seek to consolidate control over Ukraine without triggering more severe punishment from the United States and Europe. He would work to weaken Ukraine's sovereignty by squeezing its economy, launching crippling cyberattacks, and inciting coup attempts to undermine the country's political system....
(Alina Polyakova and Daniel Fried, œPutin's Long Game in Ukraine, *Foreign Affairs*, February 23, 2022)

817 Here is the kind of logic which justifies this:

...Ukraine will run short of fuel, ammunition, antitank weapons, air defense systems, unmanned combat aerial vehicles (UCAVs), and aircraft long before its manpower is exhausted or its morale breaks.

Western democracies have the necessary resources to close this gap and ensure that Ukraine prevails.

> Talk of supporting a hypothetical Ukrainian insurgency is premature and counterproductive while the Ukrainian army and territorial defense battalions remain far from defeated.
>
> To give those forces a fighting chance, Washington and its allies should establish a lend-lease program modeled on the one that provided arms and assistance to U.S. allies in Europe during World War II. This program would allow the United States and other NATO members to loan or give aid to Ukraine at little or no cost; such aid could include medium- and long-range air defense systems, antitank weapons (beyond the Javelins that have already been provided), advanced extended-range antiarmor capabilities, coastal defense systems, high mobility artillery, and critically important UCAVs.
>
> Kyiv could also benefit from systems that could be leased from the United States and its allies, albeit with the understanding that the weapons and equipment would not necessarily be returned after the war....
> (Alexander Vindman and Dominic Cruz Bustillos, œAmerica Must Do More to Help Ukraine Fight Russia: A Lend-Lease Plan for the Ukrainian Military, *Foreign Affairs*, March 6, 2022)

818 William Hartung has provided an excellent synopsis of the 2022 US weapons industry and its impact around the world. As he says

> These are good times to be an arms maker. Not only are tens of billions of dollars in new military spending headed for the coffers of this country's largest weapons contractors, but they're being praised as defenders of freedom and democracy, thanks to their role in arming Ukraine to fight the Russians.
> (William D. Hartung, œArsenal of Autocracy?, *TomDispatch*, May 24, 2022)

819 When it comes to the armaments business, the Western hegemon will brook no competitors - not even among its vassals!

Marco Seliger, in a report on the early 2023 decision by Western nations to supply tanks to Ukraine, described the tension between Washington and Berlin on armaments production and sales:

> So far, the delivery of Leopard 2 to Ukraine has always been discussed from the military aspect. But arms deliveries are also associated with armaments policy interests. This is where German and American perspectives diverge....
>
> **US wants to offer its own tanks**
>
> When US Secretary of Defense Lloyd Austin appeared before the press in Ramstein shortly after Pistorius, he was asked whether Germany was sufficiently committed as a leading power in Europe. Austin couldn't help but smile, but then replied that Germany was doing enough and was a "reliable ally". He should know exactly why Pistorius spoke of good reasons for and good reasons against tank deliveries. The reasons for this are military: without tanks, Ukraine cannot successfully defend itself.
>
> The reasons for this have so far been named by the German government rather evasively. From the German arms industry, however, the concern can be heard that the Americans were just waiting to offer the Europeans a replacement with their own tanks for their Leopard delivery. After helicopters, fighter jets and

> missiles, the Ukraine war offers the USA the opportunity to gain a foothold in the European arms market with armored vehicles and to oust German competition.
> (Marco Seliger, œGerman tank debate: What role do American armaments interests play?, *Neue Zürcher Zeitung*, January 22, 2023)

820 In a display of ignorant arrogance, the US confrontation with Russia was set in motion in the 1990s by Clinton and his 'foreign affairs' advisor Strobe Talbott. A couple of Talbott quotes give some idea of the ideological bent of this US 'specialist':

> In the next century, nations as we know it will be obsolete; all states will recognize a single, global authority. National sovereignty wasn't such a great idea after all (œAmerica Abroad: The Birth of the Global Nation. *Time*, July 20, 1992)

and

> We already know that the Kremlin helped put Trump into the White House and played him for a sucker... Trump has been colluding with a hostile Russia throughout his presidency (œAnti-Trump Frenzy Threatens to End Superpower Diplomacy. *The Nation*. January 16, 2019).

Frank Costigliola, in an article entitled 'Kennan's Warning on Ukraine: Ambition, Insecurity, and the Perils of Independence', described 'the stupidity of excess hubris and unconditional love of ones own theories and ideology' that have shaped United States foreign policy over the past half century and more:

> Unlike Kennan, many Kremlinologists did not see the collapse of the Soviet Union coming. He was hailed as a prophet at the end of the Cold War. Nonetheless, in the ensuing debate over NATO expansion, he was honored rather than heeded. This paradox was illustrated in 1995, when U.S. President Bill Clinton's adviser on Russian affairs, Strobe Talbott, sought to pay homage to Kennan, whom he deeply admired. Talbott invited Kennan to fly with the president to Moscow for the 50th anniversary of Victory in Europe Day on May 9 commemorating Nazi Germany's surrender. Back in 1945, Kennan, the ranking U.S. official in Moscow, had warmly greeted the cheering Russians thronging the embassy. Now, however, the 91-year-old declined the invitation because of ill health. His refusal to go was probably for the best.
>
> Kennan likely would have felt used had he learned of the full agenda for the trip. In a memorandum to Clinton, Talbott characterized the day after the anniversary festivities as "May 10: Moment of Truth." In his meeting with Russian President Boris Yeltsin, Clinton did as Talbott suggested and pressured the Russians to accept both NATO's expansion and Moscow's participation in the Partnership for Peace, an association best understood as "NATO-lite" that was crafted to soothe Russian concerns. Talbott admitted to Clinton that "virtually all major players in Russia, all across the political spectrum, are either deeply opposed to, or at least deeply worried about, NATO expansion."
> (Frank Costigliola, œKennan's Warning on Ukraine: Ambition, Insecurity, and the Perils of Independence, *Foreign Affairs*, January 27, 2023)

821 As Kathryn Watson and Rebecca Kaplan reported:

> The House on Thursday approved the Ukraine Democracy Defense Lend-Lease Act of 2022 by 417-10, after the Senate passed it by unanimous consent earlier this month. The lend-lease bill allows the president to lend or lease defense equipment to Ukraine for fiscal year 2022 and 2023, and also slashes bureaucratic red tape to make sure equipment is delivered quickly. The legislation is named for the revival of a World War II era program that helped supply allies in the fight against Nazi Germany.
>
> "We have heard clearly from Ukrainian President Zelenskyy: Ukraine desperately needs more military aid to sustain its fight for sovereignty and defend its civilian population," said Rep. John Katko, one of the bill's cosponsors. "I cosponsored this bill and was proud to support it on the House floor because it will expand our nation's ability to expeditiously deliver additional defense articles to the government of Ukraine as they fight back against Vladimir Putin's barbaric and unlawful invasion. This is a necessary step to protect the future of Ukraine and the safety of its people."
>
> The World War II-era lend-lease program was viewed as a pivotal tool that allowed for the allies' victory against Nazi Germany. It allowed the U.S. government to lend or lease war supplies, rather than selling them, to any country deemed vital to the United States' defense. The aid particularly helped Great Britain in its battle against Nazi Germany.
>
> The bill's passage comes as President Biden urged Congress to swiftly pass a $33 billion assistance package for Ukraine as it continues to block Russian President Vladimir Putin's assault. The White House says nearly all of the $3.5 billion in drawdown authority Congress provided last month for military assistance is depleted....
> (Kathryn Watson and Rebecca Kaplan, œCongress passes bill letting U.S. lend weapons systems to Ukraine, *CBS News*, April 29, 2022)

822 œMaxwell Johnston summed it up well: "UKR leadership might look to the past (Hungary 56, Prague 68, Saigon 75, Iran 79, Kurdistan 91, Kabul 21, to name the most obvious candidates) as a guide to their future as a USA proxy."

823 The United States has a propensity for manouevering itself, its 'willing' vassals and proclaimed 'enemy' state(s) and/ or 'terrorist' organisations into foreign policy quagmires.

The creation and maintenance of weapons markets in support of 'the war effort' has become an essential 21st century responsibility of the US Administration. War is good business and necessary for a nation built on and sustained by military industrial facilities and activities spread through the nation.

Vladimir Putin explained it well:

> This is why the collective West - the so-called collective West - is deliberately undermining the European security system and knocking together ever new military alliances. NATO is crawling east and building up its military infrastructure. Among other things, it is deploying missile defence systems and enhancing the strike capabilities of its offensive forces. This is hypocritically attributed to the need to strengthen security in Europe, but in fact quite the opposite is taking place. Moreover, the proposals on mutual security

> measures, which Russia put forward last December, were once again disregarded.
>
> They need conflicts to retain their hegemony. It is for this reason that they have destined the Ukrainian people to being used as cannon fodder. They have implemented the anti-Russia project and connived at the dissemination of the neo-Nazi ideology. They looked the other way when residents of Donbass were killed in their thousands and continued to pour weapons, including heavy weapons, for use by the Kiev regime, something that they persist in doing now.
> (Vladimir Putin, œAddress to participants and guests of the 10th Moscow Conference on International Security, August 16, 2022)

Forever war ensures the financial health and wellbeing of both participating states and their populations. Congress knows this and, inevitably, actively promotes and ensures the health of this form of military Keynesianism.

John Mearsheimer described the process of ensuring prolonged military entanglements/ commitments well:

> Western policymakers appear to have reached a consensus about the war in Ukraine: the conflict will settle into a prolonged stalemate, and eventually a weakened Russia will accept a peace agreement that favors the United States and its NATO allies, as well as Ukraine. Although officials recognize that both Washington and Moscow may escalate to gain an advantage or to prevent defeat, they assume that catastrophic escalation can be avoided. Few imagine that U.S. forces will become directly involved in the fighting or that Russia will dare use nuclear weapons.
>
> Washington and its allies are being much too cavalier. Although disastrous escalation may be avoided, the warring parties' ability to manage that danger is far from certain. The risk of it is substantially greater than the conventional wisdom holds. And given that the consequences of escalation could include a major war in Europe and possibly even nuclear annihilation, there is good reason for extra concern.
>
> To understand the dynamics of escalation in Ukraine, start with each side's goals. Since the war began, both Moscow and Washington have raised their ambitions significantly, and both are now deeply committed to winning the war and achieving formidable political aims. As a result, each side has powerful incentives to find ways to prevail and, more important, to avoid losing. In practice, this means that the United States might join the fighting either if it is desperate to win or to prevent Ukraine from losing, while Russia might use nuclear weapons if it is desperate to win or faces imminent defeat, which would be likely if U.S. forces were drawn into the fighting.
>
> Furthermore, given each side's determination to achieve its goals, there is little chance of a meaningful compromise. The maximalist thinking that now prevails in both Washington and Moscow gives each side even more reason to win on the battlefield so that it can dictate the terms of the eventual peace. In effect, the absence of a possible diplomatic solution provides an added incentive for both sides to climb up the escalation ladder. What lies further up the rungs could be something truly catastrophic: a level of death and destruction exceeding that of World War II....

(John J. Mearsheimer, œPlaying With Fire in Ukraine: The Underappreciated Risks of Catastrophic Escalation, *Foreign Affairs*, August 17, 2022)

Gilbert Doctorow provides a cautionary critique of Mearsheimer's essay:

> I freely acknowledge the merit of Mearsheimer's new article: to warn how the conflict in Ukraine could easily spin out of control and escalate to a nuclear war. The White House team of inexperienced and ignorant advisers must be shaken from their complacency and anything published in Foreign Affairs will necessarily be brought to their attention, whereas a piece published by www.antiwar.com, for example, will be burned before reading.
>
> However, this does not excuse Mearsheimer from basing himself on the same restricted and distorted sources of information as are used by mainstream media and mainstream academics, while ignoring other sources of information that would give greater depth to his analysis and possibly change his conclusions substantially. To be explicit, I believe he has been listening too closely to Washington and Kiev's rosy forecasts of a counter-offensive that will result in a stalemate, possibly in a Russian defeat, and he is not listening to Russian reporting on the progress of their campaign on the ground, which points to a slow and steady grinding down of all in their path to conquest of the Donetsk oblast, meaning the capture of the entire Donbas.
> (Gilbert Doctorow, œJohn Mearsheimer's latest article on Ukraine in "Foreign Affairs" - a critique, August 20, 2022

824 The United States has, since the 1949 Communist defeat of the Chinese Nationalist government (the Kuomintang), used the Nationalist claim to being the legitimate government of all of China (including Taiwan) to legitimize its own interference in mainland Chinese 'ambitions'. (The Nationalist Government ruthlessly suppressed Taiwan Islanders' protests in 1947 and subsequently relocated to Taiwan in 1949.)

Despite US insistence that it promotes 'democracy' around the world, the United States' relationship with Taiwan did not require 'democratic government'. Taiwan, the very definition of an 'autocratic' government in the post-1949 era, has long been considered the US' 'aircraft carrier' in the South China Sea.

Following the Kuomintang's relocation, Taiwan has been 'developed' as a US vassal state, with formal legislation - such as the 1979 Taiwan Relations Act promising to help the island defend itself - passed long before there was any suggestion of it becoming 'a leading democracy in the heart of Asia'.

The United States was long-content to deal with Nationalist leader Chiang Kai-shek who ruled the island with an iron fist, appointing his son to replace him before his death in 1975. The œfirst full elections in Taiwan, aimed at consolidating US control of the island, were not held until 1992 - 43 years after the final Nationalist abandonment of Mainland China and relocation to the island.

Jude Blanchette and Ryan Hass summarized the US' presumptive 'responsibility' to protect Taiwan from the consequences of its own long held insistence that it is an integral part of China:

> For 70 years, China and the United States have managed to avoid disaster over Taiwan. But a consensus is forming in U.S. policy

> circles that this peace may not last much longer. Many analysts and policymakers now argue that the United States must use all its military power to prepare for war with China in the Taiwan Strait. In October 2022, Mike Gilday, the head of the U.S. Navy, warned that China might be preparing to invade Taiwan before 2024. Members of Congress, including Democratic Representative Seth Moulton and Republican Representative Mike Gallagher, have echoed Gilday's sentiment.
>
> There are sound rationales for the United States to focus on defending Taiwan. The U.S. military is bound by the 1979 Taiwan Relations Act to maintain the capacity to resist the use of force or coercion against Taiwan. Washington also has strong strategic, economic, and moral reasons to stand firm on behalf of the island. As a leading democracy in the heart of Asia, Taiwan sits at the core of global value chains. Its security is a fundamental interest for the United States.
> (Jude Blanchette and Ryan Hass, œThe Taiwan Long Game: Why the Best Solution Is No Solution, *Foreign Affairs*, January/February 2023)

Patrick Lawrence has summarized this 'failure in American foreign policy':

> As readers will know, I am always on for another failure in American foreign policy. House Speaker Pelosi just gave us the biggest and best we have seen in years, although the Ukraine mess is a contender for the title. Equally, I favor each step the non-West takes toward the condition of parity it seeks, and that I count as a 21st century imperative. We will see many of these in the post - Pelosi era, if I may call it that.
>
> During the two-and-some hours Xi Jinping and Joe Biden spoke by telephone prior to the Pelosi misadventure, the Chinese president made a few points it is useful to note. Here is one, as Global Times, the English-language paper owned by People's Daily, summarized the Foreign Ministry readout of the call:
>
>> "Faced with a world of change and disorder, the international community and the people around the world expect China and the U.S. to take the lead in upholding world peace and security and in promoting global development and prosperity. This is the responsibility of China and the U.S. as two major countries."
>
> The key thought there is joint responsibility, the duty the People's Republic and the U.S., as the world's most powerful nations, share toward the rest of the human community. I read it as some 5 - to - midnight effort on Xi's part to talk sense into Biden.
>
> **Sudden Breach**
>
> When Pelosi went ahead anyway, the breach was sudden. Apart from the live-fire military exercises, which we read Sunday are going to be held regularly, Beijing severed diplomatic relations with the U.S. in a range of areas - drug interdiction, illegal migrants, cross-border crime and so on. Among these, are several big ones: Talks on climate change and contacts on the defense side, at policy and operational levels, are canceled. So are consultations on maritime security.

> In effect, Beijing has given up on the joint responsibility Xi urged Biden to think about. Any spirit of bilateral cooperation that survived the past several years of Washington's diplomatic assaults, military provocations, and the whittling away of Washington's commitment to the One China principle is now dead....
> (Patrick Lawrence, œThe Pelosi Fallout: The U.S. now operates as a bulwark against time and history - a hopeless but destructive project, *Consortium News*, August 9, 2022)

825 While Eisenhower's 'domino theory" drove and justified both the Vietnam War and the enveloping 'Cold War' through the second half of the 20th Century, the term 'domino effect' fell out of favor in this. But that did not mean that 'The West' was no longer driven to root out 'communism', 'socialism' and any other form of government which was not directly allied with 'The West'. It remained committed to its evangelical fervor to rid the world of all forms of government attempting to 'defeat' its drive to the neoliberal privatization of the world.

There has remained a solid core of influential politicians, 'capitalists' and other ideologues who firmly believe that if they do not successfully oppose 'socialism' in all its forms, it will 'win the war' and impose its ideologies on all those who are 'defeated'. This has driven much of the 'regime change' nonsense of the past seventy and more years. As Evgeny Mikhaylov accurately explained,

> "There have been many difficult, dramatic, and bloody events in the history of each nation. But when we assess other people, when we assess other states, other peoples, we are always looking in the mirror. We always see ourselves there", Putin said

826 Thomas Christensen *et al* have injected a little sanity into the 'Taiwan' confrontation engineered by the United States:

> As tension rises between Beijing and Washington over Taiwan, strategists on all sides seem to have forgotten what the American game theorist Thomas Schelling taught years ago: deterring an adversary from taking a proscribed action requires a combination of credible threats and credible assurances. Instead of heeding that lesson, a growing number of U.S. analysts and officials have called for the United States to treat Taiwan as if it were an independent state and to abandon the long-standing policy of "strategic ambiguity" in favor of "strategic clarity," defined as an unconditional commitment to use military force to defend the island in the event of a mainland Chinese attack. These calls have intensified since Russia's invasion of Ukraine, with some commentators even advocating for formal recognition of Taiwan as a sovereign country. Still others have called for a permanent (and significant) deployment of U.S. forces to Taiwan to lend credibility to the U.S. threat of a military response to a mainland attack. In testimony before the U.S. Senate last year, Ely Ratner, the assistant secretary of defense for Indo-Pacific security affairs, implied that the United States could never allow Beijing to control Taiwan because such an outcome would make it impossible to defend other U.S. allies in Asia.
>
> But shifting U.S. policy toward support for Taiwan's permanent separation from the mainland is more likely to provoke than to deter an attack on Taiwan. Deterrence requires credibility in both of its elements: threat and assurance. The threat requires signaling both the costs of a proscribed action and sufficient political will to impose

> those costs. The assurance requires conveying to the target, in a way that it can trust, that it will not be taken advantage of if it refrains from taking the proscribed action.
>
> Avoiding war in the Taiwan Strait requires all sides to be deterred. At a minimum, Taiwan must be deterred from declaring formal independence, Washington must be deterred from recognizing Taiwan as an independent state or restoring a formal alliance with the island, and Beijing must be deterred from using military force against Taiwan to compel unification. All sides must not only be threatened with harm for crossing these redlines but also be assured that they will not suffer catastrophic losses to their interests if they refrain from these actions. Triangular deterrence has succeeded for over 40 years in keeping the peace across the Taiwan Strait. But rising tensions have made this delicate arrangement more fragile.
> (Thomas J. Christensen *et al*, œHow to Avoid a War Over Taiwan: Threats, Assurances, and Effective Deterrence, *Foreign Affairs*, October 13, 2022)

827 On 29th November, 2021, An advertisement flashed across Australian screens: It read "LOCKHEED MARTIN Australia". A key member of the pernicious, parasitic United States' military-industrial complex was announcing its presence in Australia. A Merchant of Death had its feet under the table in 'The Land Down Under'!

Earlier in the same year the Australian government had announced to the Australian people that it had entered into an alliance with the United States to develop hypersonic missile technology; then it announced that it was entering into an agreement to procure nuclear submarines. Now it has welcomed United States weapons manufacturers to establish branch offices in Australia (or is Australia to be a branch office of the US Military Industrial Complex - obediently playing the part, which so many other nations (including the US) have played, of expendable vassal to the US MIC?).

Kelley Beaucar Vlahos summed it up:

> An unclassified œsummary of the [US] Defense Department's Global Posture review [GPR] was released Monday and in the words of the indomitable Jimmy Page and Robert Plant, the song of American military primacy worldwide pretty much "remains the same."
>
> Of course the summary of the GPR, which has been long anticipated, doesn't offer much detail, but the bottom line is this: China remains a key "pacing threat" and it will be met. There seems to be no plan, however, for reshuffling U.S. military forces from other theaters to grow the foot print in East Asia. Instead, Washington aims to build upon its strategic partnerships in the region. Where there is actual growth in the footprint, mentioned below, much of that had already been announced previously:
>
>> (The GPR) directs additional cooperation with allies and partners to advance initiatives that contribute to regional stability and deter potential Chinese military aggression and threats from North Korea. These initiatives include seeking greater regional access for military partnership activities; enhancing infrastructure in Australia and the Pacific Islands; and planning rotational aircraft deployments in Australia, as announced in September. The GPR also informed Secretary Austin's approval of

> the permanent stationing of a previously-rotational attack helicopter squadron and artillery division headquarters in the Republic of Korea, announced earlier this year.

> Most of the hullabaloo over the Australia-UK-U.S. (AUKUS) agreement in September had been over the transfer of nuclear submarine technology to Australia. But as David Vine pointed out in œthis RS article, AUKUS is also allowing the U.S. to station more assets and personnel Down Under, including, "combined logistics, sustainment, and capability for maintenance to support our enhanced activities, including... for our submarines and surface combatants" and "rotational deployments of all types of U.S. military aircraft to Australia."
> (Kelley Beaucar Vlahos, œPentagon: U.S. military footprint staying right where it is: The long-awaited Global Force Posture review shows that status quo is the key refrain as the China song remains the same, *Responsible Statecraft*, November 30, 2021)

Australia has entered into a public-private-partnership with Lockheed Martin to develop hypersonic weaponry. A militant United States, seeking to shore up its military presence in the Pacific, is in the process of co-opting another sovereign nation to serve as a militant proxy and put itself in the firing line of any future military confrontation. David Vine spelt it out:

> Largely overlooked in last week's announcement of the U.S. - Australia nuclear-powered submarine deal is the fact that the U.S. government plans to build new U.S. military bases Down Under.
>
> In a September 16 press conference, Australia Defence Minister Peter Dutton announced plans to establish new facilities for naval, air, and ground forces with "combined logistics, sustainment, and capability for maintenance to support our enhanced activities, including...for our submarines and surface combatants" and "rotational deployments of all types of U.S. military aircraft to Australia." The U.S. military already has at least seven installations in Australia.
>
> While mainstream media outlets frequently raise fears of China's "escalating military presence in the South China Sea," the U.S. military has hundreds of bases throughout the Asia Pacific region, surrounding China's borders.
>
> Worldwide, despite the recent withdrawal from Afghanistan, the U.S. government still maintains approximately 750 military bases abroad in 80 foreign countries and colonies, according to a new, exhaustive list of U.S. overseas military installations that I helped compile for the Quincy Institute and World BEYOND War.
>
> That the Biden administration intends to expand the already massive collection of bases in Australia and elsewhere in the Pacific is deeply troubling.
> (David Vine, œNot just about subs, AUKUS expands US military footprint in Australia, too, *Responsible Statecraft*, September 20, 2021)

Hal Brands and Michael Beckley described the danger facing Australia in its acceptance of this frontline role in future US military adventures,

> The United States is getting serious about the threat of war with China. The U.S. Department of Defense has labeled China its

> primary adversary, civilian leaders have directed the military to develop credible plans to defend Taiwan, and President Joe Biden has strongly implied that the United States would not allow that island democracy to be conquered.
>
> Yet Washington may be preparing for the wrong kind of war. Defense planners appear to believe that they can win a short conflict in the Taiwan Strait merely by blunting a Chinese invasion. Chinese leaders, for their part, seem to envision rapid, paralyzing strikes that break Taiwanese resistance and present the United States with a fait accompli. Both sides would prefer a splendid little war in the western Pacific, but that is not the sort of war they would get.
>
> A war over Taiwan is likely to be long rather than short, regional rather than local, and much easier to start than to end. It would expand and escalate, as both countries look for paths to victory in a conflict neither side can afford to lose. It would also present severe dilemmas for peacemaking and high risks of going nuclear. If Washington doesn't start preparing to wage, and then end, a protracted conflict now, it could face catastrophe once the shooting starts.
> (Hal Brands and Michael Beckley, œWashington Is Preparing for the Wrong War With China: A Conflict Would Be Long and Messy, *Foreign Affairs*, December 16, 2021)

There is, indeed, madness in the Australian air! It is entering into a pact with a very real 'Evil Empire': one that has indiscriminately sold weaponry of every kind to buyers around the world and has, just as indiscriminately, used the threat of military conflict to secure its interests in that world.

Australia's descent into branch office status had begun with an œAustralian prime ministerial visit to the United States in 2019 during which President Trump, in a typically flamboyant manner, effusively flattered both Australia and its Prime Minister. As a variation on a well-worn aphorism would have it: 'Beware of the flattery of US Presidents bearing gifts!'.

828 As Wertheim continued:

> The years that followed were not kind to Biden's assurances. President Donald Trump rejected a world-ordering role for the United States, unleashing 'America first' nationalism instead. More important, perhaps, Trump exposed the shallow domestic political support for the high-minded abstractions for which foreign policy elites ask soldiers to fight and citizens to pay.
>
> By the time of his presidential campaign in 2020, Biden no longer spoke much about the liberal international order or American indispensability. He emphasized healing the country's domestic wounds and influencing others 'not merely by the example of our power, but by the power of our example.'
>
> But Biden will need to be much bolder if his presidency is to succeed. He is inheriting a long-standing U.S. grand strategy that is systemically broken and that no tonal adjustment or policy nuance can fix.
>
> For three decades, successive presidents - Trump included - continually expanded U.S. wars, forward deployments, and defense

commitments in the pursuit of armed dominance across the globe.
(Stephen Wertheim, œDelusions of Dominance: Biden Can't Restore American Primacy - and Shouldn't Try, *Foreign Affairs*, January 25, 2021)

829 As Patrick argues:

> The biggest problem with their proposal is its lack of global political legitimacy. Over the past two centuries, the international system has grown to include 193 independent sovereign nations and developed a dense array of multilateral organizations and treaties that regulate everything from the use of force to the allocation of orbital slots in outer space. Haass and Kupchan give short shrift to this vast if imperfect institutional architecture, particularly the unmatched global authority the United Nations enjoys - for better or worse - by virtue of its universal membership and legally binding Charter. A case in point is the global concert's envisioned crisis-response function, which would compete directly with the role of the U.N. Security Council - and without the latter's grounding in international law.
>
> Most U.N. member states already consider the Group of 20, let alone the G-7, unrepresentative and illegitimate. Creating a new, self-appointed global directorate - a "G-6," if you will - would elicit much louder howls from those left outside, not least from Africa, Latin America and the Middle East. Haass and Kupchan propose to mollify them by granting regional bodies like the African Union, the Organization of American States, the Arab League and the Association of Southeast Asian Nations periodic audiences before the new concert. But the optics would reinforce a global caste system pitting the dominance and privilege of great powers against the submission and supplication of weak ones. The concert would also likely encourage the world's fragmentation into at least tacit spheres of influence, as each great power asserts a right, and is even granted leeway, to police its respective neighborhood. The authors reassure the reader this will not occur, insisting that this new concert "would promote regional integration and look to existing regional bodies to encourage restraint." But history provides few examples of that.
> (Stewart M. Patrick, œA Concert of Powers Is an Idea Whose Time Has Come - and Gone, *World Political Review*, April 5, 2021)

830 Caitlin Johnstone summarized it well:

> So what the US intelligence cartel is asking us to believe this time around is that America's democracy has suffered yet another invisible attack, the evidence for which is of course top secret, and that the culprits involved are most of the governments the US intelligence cartel doesn't like. Also, we're being asked to believe that US-aligned nations like Saudi Arabia and Israel have had no similar interventions in the US electoral process at all.
>
> And of course we're already getting reports that this narrative will be used to justify sanctions against many of the accused nations, including Iran (which would necessarily kill the nuclear deal Biden campaigned on re-entering).
> (Caitlin Johnstone, œUS Intelligence Cartel: All The Governments We Hate Interfered In Our Election, *Caitlin's Newsletter*, March 17, 2021)

[831] Michael Hudson put it well:

> There is incompatibility between a rentier society controlled by the finance and real estate interests and military interests and an industrial democracy.
>
> Industry in England and Europe in the 19th century - the whole fight for democratic reform to increase the role of the House of Commons against the House of Lords in England and the lower house in Europe - was a fight to get labor on the side of industry [and] to get rid of the landlord class. And it was expected that ... capitalism [would then be] free of the landlord class, free of something that wasn't really capitalism at all, it was a carry-over from feudalism. Once you free capitalism, you wouldn't have this overhead of the idle 1 percent, only consuming resources and going to war, anymore.
>
> And then World War I changed all of that . ... Already, in the late 19th century, the landlords and the banks fought back, and they fought back largely through the Austrian School of individualism and the English marginalist and they called it freedom. They call it free markets. Free market meant giving power to the monopolists, to the oppressors, to violence. A free market was where armies can come in, take over your country, impose a client dictatorship like [Gen. Augusto] Pinochet in Chile or the neo-Nazis in the Ukraine. And you call that a free market.
>
> The free world was a world centrally planned by the American military and finance together. So, it's Orwellian, and the dynamic of this world is shrinking because it's polarizing and you've seen with the Covid pandemic in the United States, the economy has polarized much more sharply than ever before between the 1 percent, the 10 percent and the rest of the economy.
>
> Well, as opposed to that here, you have economies that are not run by a rentier class, that do not have a banking class and the landlord class controlling the economy, but a partnership. The kind of thing you had in Germany in the late 19th century, government industry and labor, all working together to design how we provide the financing for industry so that it can provide not only industrial capital formation, but public funding for us to build infrastructure and uplift the population.
>
> What China is doing is what made America rich in the 19th century, what made Germany rich. It's exactly the same logical engineering plan. Now, this plan because it's based on economic expansion, and environmental preservation and economic balance instead of concentration, this is going to be a growing economy. So, you're having a growing economy outside of the United States and a shrinking economy in the States and its satellites in Europe. (Michael Hudson and Pepe Escobar, œIn Quest of a Multi-Polar World, *Consortium News*, March 26, 2021)

Caitlin Johnstone has summed up the US (and general Western) limits of political 'freedom':

> One of the most consequential collective delusions circulating in our society is the belief that our society is free. Our society is exactly free enough to create the illusion that we have freedom; from that line onwards it's just totalitarianism veiled in propaganda....

> It is true that dissidents are permitted to criticize the government systems of the US-centralized empire to an extent, but only to an extent. Yes, as long as my criticisms of capitalism, oligarchy and imperialism remain relegated to the fringes of influence I am indeed permitted to express my views unmolested. If however I somehow ascended to a position of significant mainstream influence I would be targeted and smeared until my reputation was ruined or I had a psychological breakdown and went away. You may be certain of this. (Caitlin Johnstone, œThey Don't Work To Kill All Dissent, They Just Keep It From Going Mainstream, February 20 2021)

832 Here is how it is all-too-often done:

1. Select target nations, one of which will be the 'justification' for the coming conflict and another which can be used as a conflict proxy, buffering the United States and its 'allies' from direct involvement in the coming 'war';

2. Provoke conflict through 'regime changing' the conflict proxy and convincing the new administration that ethnic minorities within its borders must be compelled to relinquish their own traditions, language and identities and become members of a homogeneous majority (most post-colonial nations have such populations);

3. Convince the conflict proxy that it needs a strong, well organized military to compel compliance with its new 'integration' demands;

4. Convince the nation with which the selected minorities can be identified that it has a responsibility to protect them from the fomented aggression (most post-colonial territories include ethnic groups divided by the arbitrary drawing of colonial borders, perpetuated in post-colonial nation national boundaries);

5. Establish a 'coalition of the willing' which will be committed to underwriting a 'war' to protect the conflict proxy from the 'unwarranted aggression' of its neighbor, requiring it to supply massive quantities of all sorts of armaments - preferably from existing stockpiles of weaponry in those nations (where they purchased those weapons is a secondary irrelevance);

6. Flood the conflict proxy with weaponry and provide 'instructors' to organize and focus its military;

7. Convince the target nation that the selected minorities are under imminent threat of brutal attack by that weaponized military;

8. As the newly contrived 'war of aggression' develops require members of the 'coalition of the willing' to deplete their current stocks of weaponry and reassure them that, since they will be vulnerable without a stockpile of weaponry, the United States will 'guarantee' replacement of their depleted weapons stockpiles.

833 Whether Australia realizes it or not, accepting sophisticated US military nuclear technology means accepting ongoing US control over its deployment. Australia is not merely upgrading its maritime 'defense' capabilities though purchasing sophisticated nuclear submarines, it is also accepting an ongoing US involvement in both the maintenance and

deployment of those acquisitions. It is tethering its naval future, and, therefore, its foreign policy to US military agendas. French continued

> Some degree of French anger in this matter is surely understandable. But the lingering smoke from Paris' ongoing fit of temper has obscured the most meaningful implications of what will likely stand as one of the most consequential geopolitical realignments of the post-Cold War era.
>
> Upon the scaffolding of the new submarine deal, a new security relationship is being established between Australia, the United Kingdom and the United States under the ungainly name AUKUS, one that gives the first real heft to the idea of an American "pivot" to the Pacific, first proposed early in the Obama administration but until now never meaningfully advanced.
>
> Before speaking to the profound ramifications that will flow from this development, it is worth examining the French emotional outburst up close, to cut through all the surface color in order to get to the heart of the matter.
>
> It is true that France, a European ally of the United States, received little to no prior warning of the cancellation of its $66 billion submarine contract in advance of Biden's announcement of the AUKUS deal. It is equally true that if Canberra, or Washington, had informed Paris well beforehand, France would have pulled out every stop to try to preserve its agreement with Australia and prevent the deal with the U.S. and Britain from going forward....
>
> ...More important even than the nature of the technology involved, the three parties to the AUKUS alliance must have concluded, whether separately or in discussion with each other, that if push ever comes to shove in the Pacific with China - over, say, Taiwan, which is the most dangerous potential flashpoint in the region at present - that the French were far less likely to commit human lives, or indeed even risk their business interests with China, in such a faraway contest than any of the new partners would be.
>
> We must all ardently hope that war between Western powers and China never breaks out, but war, at heart, means risking real human lives. And we must be more candid in acknowledging that this is what this entire brouhaha is really about - a grim fact that, so far, the public broadly ignores in all of the countries concerned, save perhaps Australia.
> (Howard W. French, œLooming Over the AUKUS Deal Is the Shadow of War, *World Politics Review*, September 22, 2021)

834 Two short videos illustrate US attitudes toward its 'enemies' and acolytes and the kind of thinking which underlies US 'Russia' paranoia.

The first provides a potted (and superficial but not inaccurate) history of US post-1950s involvement with Australia, culminating in a thinly veiled threat of US retaliation should Australia attempt to side with China against US aggression by a prominent US political scientist, John Mearsheimer:

œThe American Colony of Australia - 'Security wise you really want to go with us... if you go with China you are our enemy":
(https://youtu.be/IER2SGbjCWo)

The second is a propaganda video by well-known US personalities explaining that Putin - and therefore Russia - is threatening the US and

so, consequently, the US is at war with Russia:

œCommittee to Investigate Russia: War (https://youtu.be/Uz9PNoecNxU)

835 As Nexon described:

> ...[T]he fate of a central plank of Trump's foreign policy remains uncertain: the focus on great-power competition, which according to his administration's National Security Strategy has "returned." In a major address at the U.S. State Department, Biden underscored his intention to "work with Beijing when it's in America's interests to do so," but days later noted the likelihood of "extreme competition" with China. This rhetoric may reflect either pragmatism or that great-power competition is on its way to assuming a dominant place in Biden administration policy....
>
> For all the concept's influence in recent years, great-power competition is not a coherent framework for U.S. foreign policy. Treating it as a guiding principle of American grand strategy risks confusing means and ends, wasting limited resources on illusory threats, and undermining cooperation on immediate security challenges, such as climate change and nuclear nonproliferation. In the long run, a fixation on great-power competition is likely to undermine, rather than enhance, U.S. power and influence.
> (Daniel H. Nexon, œAgainst Great Power Competition: The U.S. Should Not Confuse Means for Ends, *Foreign Affairs*, February 15, 2021)

836 As Savell summarizes:

> From 2018 to 2020, the United States government undertook what it labeled "counterterrorism" activities in 85 countries.
>
> The map illustrates countries in which the U.S. government conducted operations it explicitly described as counterterrorism, in an outgrowth of President George W. Bush's "Global War on Terror."
>
> These operations include air and drone strikes, on-the-ground combat, so-called "Section 127e" programs in which U.S. special operations forces plan and control partner force missions, military exercises in preparation for or as part of counterterrorism missions, and operations to train and assist foreign forces.
>
> (The map does not comprehensively cover the full scope of U.S. post-9/11 warfare, as it does not document, for instance, U.S. military bases used for counterterror operations, arms sales to foreign governments, or all deployments of U.S. special operations forces.)
>
> Despite the Pentagon's assertion that the U.S. is shifting its strategic emphasis away from counterterrorism and towards great power competition with Russia and China, examining U.S. military activity on a country-by-country basis shows that there is yet to be a corresponding drawdown of the counterterror apparatus. If anything, the map demonstrates that counterterrorism operations have become more widespread in recent years.
> (Stephanie Savell *et al*, œUnited States Counterterrorism Operations, 2018-2020, *Watson Institute For International And Public Affairs, Brown University*, Accessed February 28, 2021)

837 Lawrence explained:

The Pentagon employs more than seven contractors for every service member in Afghanistan, figures from U.S. Central Command show.

More than 18,000 contractors remain in Afghanistan, a Defense Department report released this week said, after the Pentagon announced Friday it had reduced its troop total in the country to 2,500.

The contractor population decreased by about 4,300 from last October, down about 20%. The drawdown of U.S. troops over the last year "drove reductions in requirements for contracted support," the report said.

About one service member deployed for each contractor a decade ago, at the height of the U.S. troop presence in Afghanistan.

The ratio grew as limits on troop levels led to a reliance on contractor and temporary duty personnel, a Congressional Research Service paper in 2019 found.

Concerns about DOD contractor use go back more than a decade. In 2008, Congress established the bipartisan Commission on Wartime Contracting in Iraq and Afghanistan to look into the issue.

The commission found in 2011 that the two wars led to an "unhealthy over-reliance" on contractors, which often overwhelmed the U.S. government's ability to effectively oversee or manage them, it said.

About 4,700 of the contractors are Afghans hired locally, but nearly three-quarters come from outside the country, including about a third who are U.S. citizens, the data in this week's report show. Many of the rest are from developing countries such as Uganda and Nepal.
(J. P. Lawrence, œTroop levels are down, but US says over 18,000 contractors remain in Afghanistan, *Stars and Stripes*, January 19, 2021)

838 Tom Engelhardt, in an introduction to Klare's post, put it well:

For a moment, imagine an upside-down military world. Instead of U.S. guided-missile destroyers and other ships regularly carrying out "freedom of navigation operations" near Chinese-claimed islands in the South China Sea and such destroyers no less regularly passing through the Strait of Taiwan between that disputed island and the People's Republic of China, consider how any administration would react if Chinese naval vessels were ever more provocatively patrolling off the coast of California. You know that official Washington would quite literally go nuts and we'd find ourselves at the edge of war almost instantly.

Or, in a similar fashion, imagine that Russia had moved nuclear weapons close to the southern Mexican border, was selling advanced weaponry and offering other military aid to Mexico, and acting as we've been doing in relation to Ukraine. Washington would be up in arms, again all too literally.

Don't misunderstand me: I hold no torch for either Chinese President Xi Jinping or Russian President Vladimir Putin. (And I suspect, by the way, that if Putin were foolish enough to invade Ukraine he might find himself involved in an updated version of the Soviet Union's disastrous Afghan War of the 1980s in a far more

explosive part of the world.) I'm merely pointing out that the American urge to be militarily anywhere it wants to be on this planet in any fashion it chooses might not be quite what's needed these days. A new Cold War on an ever hotter and more pandemic planet? Just what we really (don't) need.

I mean honestly, on a planet in deep doo-doo, where the major powers should be cooperating big time, having a post-Trump administration (with, admittedly, an old cold warrior as president) so ready to return us to a Cold War-style world seems, to say the least, both a tad out of date and a bit reckless as well.
(Tom Engelhardt, Michael Klare, "Welcome to the New Cold War in Asia; None Dare Call It "Encirclement", *TomDispatch*, January 13, 2022)

[839] Remarks by US Secretary of Defense Mark T. Esper at the Munich Security Conference Feb. 15, 2020:

...The NDS states that we are now in an era of Great Power Competition, with our principal challengers being China, then Russia, and that we must move away from low intensity conflict and prepare once again for high-intensity warfare.

At the same time, it recognizes that our second tier priorities are rogue states such as North Korea and Iran.

And finally, dealing with Violent Extremist Organizations will likely be an enduring threat for years to come.

Being in Europe, I know that there has been much discussion about the challenges from Russia, so this morning I want to focus on the Pentagon's top concern: the People's Republic of China.

Next year will mark the 20th anniversary of a decision that fundamentally altered the course of international affairs: China's admission into the World Trade Organization.

I was working in the United States Senate at the time, and two competing arguments over China's membership dominated the public debate.

The prevailing notion of the day was that, if we allowed the PRC into the WTO and other multilateral institutions, China would continue on its path of economic reform and eventually become a market-oriented trading partner.

More broadly, increased engagement with the liberal world order would also spur political opening and help transform the PRC into a responsible global stakeholder.

The more skeptical voices argued that, if granted membership, China would use the benefits of free trade and an open international order to grow its economy and access the technology required to build a strong military and security state capable of expanding the reach of their authoritarian rule.

These were both credible arguments, but we all know which one is winning right now.

It's not the former.

In fact, under President Xi's rule, the Chinese Communist Party is heading even faster and further in the wrong direction - more internal repression, more predatory economic practices, more

heavy-handedness, and most concerning for me, a more aggressive military posture.

It is essential that we - as an international community - wake up to the challenges presented by China's manipulation of the long-standing international, rules-based order that has benefited all of us for many decades.

The Communist Party and its associated organs, including the People's Liberation Army, are increasingly operating in theaters outside its borders, including Europe, and seeking advantage by any means, and at any cost...

Unfortunately, their current behavior leaves great cause for concern.

The United States' National Defense Strategy recognizes this critical challenge as we adapt and prepare our force to deal with China in this new era of great power competition.

The PRC's growing economic, military, and diplomatic power often manifests itself in ways that are threatening, coercive, and counter to the rules-based international order.

Over time, we have watched them seize and militarize islands in the South China Sea, and rapidly modernize their armed forces, while seeking to use emerging technologies to alter the landscape of power and reshape the world in their favor ....and often at the expense of others.

I continue to stress to my friends in Europe - and just this past week again at the NATO Defense Ministerial in Brussels - that America's concerns about Beijing's commercial and military expansion should be their concerns as well.

This September will mark the 75th commemoration of the end of World War II, and the birth of the international rules-based order that has supported security and prosperity across the globe.

The United States, our NATO allies, and partners across the Indo-Pacific have sacrificed blood and treasure over the decades to protect and preserve it.

Yet, the PRC seeks to undermine and subvert this system, the same one that allowed them to rise and become what they are today.

As we speak, Communist China is exerting financial and political pressure, publicly and privately, on many Indo-Pacific and European nations - large and small - while pursuing new strategic relationships worldwide.

In fact, the smaller the country, the heavier the hand of Beijing.

Through its Belt and Road Initiative, for example, the PRC is leveraging its overseas investments to force other nations into sub-optimal security decisions.

This has wide-reaching ramifications for the United States and our allies in critical areas like data security, interoperability, and military readiness.

While we often doubt the transparency and forthrightness of Beijing, when it comes to their security aims, we should take the Chinese government at its word.

- By 2035, the PRC intends to complete its military modernization,
- And, by 2049, it seeks to dominate Asia as the preeminent global military power.

Furthermore, the global community should be deeply concerned about the Party's use of artificial intelligence and other cutting-edge technologies to surveil and repress Muslim minorities, journalists, and pro-democracy protestors.

To make matters worse, the government is now exporting these tools worldwide in a manner that could bolster other authoritarian regimes.

China's rapid ascent has stirred much debate over the primacy of the United States and the West in the 21st century...

China's growth over the years has been remarkable, but in many ways it is fueled by theft, coercion, and exploitation of free market economies, private companies, and colleges and universities.

American and European institutions and corporations face the brunt of these malign activities, and we have seen a multitude of examples where our economies and companies have suffered as a result.

But Beijing's bad behavior will only take them so far.

The world is increasingly aware of its motives - and responding in turn.

Regrettably, rather than change course, Party leadership continues its rampant technology theft, while resolving to eventually end its reliance on foreign innovation altogether, independently develop its own systems, and then dominate critical sectors and markets.

Huawei and 5G are today's poster child for this nefarious activity.

History has proven time and again, though, that authoritarianism breeds corruption, promotes conformity, smothers free thinking, and suppresses freedom.

In stark contrast to this are our values, sense of fairness, and culture of opportunity, which encourage disruption and unleash the very best of human intellect, spirit, and innovation.

This is why it is critical that, together, we directly and unambiguously, address Beijing's actions and intentions, so that we are never intimidated, duped, or pushed into bad security, economic, or political choices.

And maybe, just maybe, we can get them on the right path.

Again, make no mistake, we do not seek conflict with China.

That's not what we want; not at all. Rather, we seek fair and open competition in the economic realm.

And in general, we simply ask of Beijing what we ask of every nation: to play by the rules, abide by international norms, and respect the rights and sovereignty of others.

To restore an equal footing, the Department of Defense is doing its share.

> We are focused on deterring bad behavior, reassuring our friends and allies, and defending the global commons.
>
> And to maintain the peace, through strength, we are implementing the United States' National Defense Strategy.
>
> As part of this strategy, we are doing our part to safeguard American innovation and reinvigorate our industrial base.
>
> Thanks to our largest Research and Development budget in 70 years, we are investing in cutting-edge technologies and accelerating the modernization of our force, while at the same time, divesting from legacy systems and re-investing those savings into hypersonic missiles, artificial intelligence, autonomous systems, and other game-changing technologies.
>
> Unlike China and others, we will use these advanced capabilities to help keep the peace, promote prosperity, ensure security, and protect the sovereignty of all freedom-loving countries....
>
> The United States does not want an adversarial relationship with China.
>
> It is a great country with an extraordinary history, a rich culture, and a wonderful people.
>
> Rather, we want China to behave like a normal country that adheres to the international rules and order that generations before us have fought hard to protect and preserve.
>
> And that means the Chinese government needs to change its policies and behaviors.
>
> If the PRC will not change its ways, then defending this system must be our collective priority.
>
> We can only do this by making greater investments in our common defense; by making the hard economic and commercial choices needed to prioritize our shared security; and by working together to maintain a ready and capable alliance network that is prepared to deter any threat, defend any Ally, and defeat any foe.
> (Mark T. Esper, US Secretary of Defense, œSpeech the Munich Security Conference 2020, US Department of Defense, Feb. 15, 2020)

840 Alexander Cooley and Daniel Nexon provide a Western-centric explanation of the driving forces behind this 2020 US apprehension.

The description of Chinese and Russian 'projects' as 'autocratic and illiberal', rivaling the 'U.S.-led liberal international system'' is frankly chauvinist. As is the juxtaposition of terms like 'vicious' and 'virtuous' 'cycles' or their description of 'illiberal, often right-wing transnational networks' which 'are pressing against the norms and pieties of the liberal international order'.

With those cautions in mind, here is their explanation:

> ...[P]redictions of American decline and a shift in international order are far from new - and they have been consistently wrong. In the middle of the 1980s, many analysts believed that U.S. leadership was on the way out....
>
> But this time really is different. The very forces that made U.S. hegemony so durable before are today driving its dissolution. Three developments enabled the post-Cold War U.S.-led order. First, with

> the defeat of communism, the United States faced no major global ideological project that could rival its own. Second, with the disintegration of the Soviet Union and its accompanying infrastructure of institutions and partnerships, weaker states lacked significant alternatives to the United States and its Western allies when it came to securing military, economic, and political support. And third, transnational activists and movements were spreading liberal values and norms that bolstered the liberal order.
>
> Today, those same dynamics have turned against the United States: a vicious cycle that erodes U.S. power has replaced the virtuous cycles that once reinforced it. With the rise of great powers such as China and Russia, autocratic and illiberal projects rival the U.S.-led liberal international system. Developing countries - and even many developed ones - can seek alternative patrons rather than remain dependent on Western largess and support. And illiberal, often right-wing transnational networks are pressing against the norms and pieties of the liberal international order that once seemed so implacable. In short, U.S. global leadership is not simply in retreat; it is unraveling. And the decline is not cyclical but permanent. (Alexander Cooley and Daniel H. Nexon, œHow Hegemony Ends: The Unraveling of American Power, *Foreign Affairs*, July/August 2020)

[841] As a reviewer of Pierre Landry's 2008 book œ*Decentralized Authoritarianism in China: The Communist Party's Control of Local Elites in the Post-Mao Era* has summarized:

> China, like many authoritarian regimes, struggles with the tension between the need to foster economic development by empowering local officials and the regime's imperative to control them politically...the Chinese Communist Party (CCP) manages local officials in order to meet these goals and perpetuate an unusually decentralized authoritarian regime.

Like so many Western analyses of Chinese political/ economic/ social organization and practice, both Landry and Milanovic provide Western-centric explanations of those integrated forms of organization and practice. These manage, simultaneously, to provide both convincing explanations of them for Western audiences and yet miss that fundamental difference between Western and Chinese understandings which Tsui, Farh and Lih (1997) identified:

> Chinese often view themselves interdependent with the surrounding social context, and it is the 'self in relation to other' that becomes the focal individual experience. This view of an interdependent self is in sharp contrast to the Western view of an independent self.

To use a metaphor from the insect world:

> How does the solitary wasp understand the beehive?[1063]

All this is further confounded by a failure to recognize that China is, like so many non-Western communities in the 21st century, having to grapple with the historical consequences of enforced reorganization of their worlds to fit the requirements of capitalism.

Here is Milanovic's explanation of China's 'top-down structure':

> The Chinese government's greatest asset in the management of the crisis has been the centralization of its power and its ability to control vast resources. Because of this top-down structure, China

was able to impose draconian policies extraordinarily quickly and to shift assets (including human assets, such as doctors and nurses) to the areas where they were needed most. Without these measures, China could not have achieved such remarkable results: Shanghai, a city 24 million strong, experienced coronavirus deaths only in two digits, and just three months after its quarantine was imposed, Wuhan is now mostly free of new infections.

But a centralized political system also has vulnerabilities. The economist Xu Chenggang has described the Chinese system as one of regionally decentralized authoritarianism, in which provincial authorities have broad powers, so long as they deploy them in the pursuit of objectives determined by the center. The central government's priorities include maximizing economic growth, attracting foreign investors, and, sometimes, controlling pollution. The system is efficient in allowing provincial and local authorities to pursue these objectives using the means they know best and deem most appropriate. But central authorities reward local ones based on how they perceive their management, so local authorities also have an incentive to hide undesirable developments.

...The provincial authorities reacted with hesitation - and even denial - because they did not want to create an impression of lack of control or of poor management. They relayed as little information as possible to the center about the mysterious infections, even as the seeds of the pandemic were sown. Only when the problem was too obvious to conceal was the truth allowed to flow upstream. At that point, China's central government responded with an efficiency and professionalism that made up for some lost ground....

The American political system has reacted to the virus in a manner exactly opposite to that of China. The central authorities - the U.S. federal government and its agencies - have presented a picture of disarray and amateurism. In the pandemic's first moments, the federal government was absent altogether, and so it has more or less remained. But American federalism assigns a role to the states that has helped compensate for the weakness of the center.

When the U.S. federal government disappeared, consumed by meaningless press conferences, the states took over management of the crisis. In doing so, they showcased the power and resilience of federalism, which, unlike "regionally decentralized authoritarianism," devolves real powers to the states even when they may conflict with federal priorities. ...

The world is carefully watching two systems - political and liberal capitalism, decentralized authoritarianism and federalism - respond to an identical crisis. Many people will overlook the origin of the crisis and compare the Chinese response favorably to the American one. China, after all, is returning to a normal life that stirs envy and longing: companies back at work, retail stores open, relaxed Starbucks patrons sipping coffee.

So far, political capitalism is winning....
(Branko Milanovic, "Is the Pandemic China's Sputnik Moment? What a Virus Reveals About Two Systems, *Foreign Affairs*, May 12, 2020)

842 As they say:

The U.S. ambassador on the spot in an Asian economic powerhouse put it bluntly in a cable to the secretary of state in Washington:

Don't cut them off. Give them some "economic elbow-room," or they'll be forced to carve out an economic empire of their own by force. But Washington was in the grip of economic nationalists battling a historic economic downturn. The White House, consequently, was deaf to the Ambassador Joseph Grew's pleas from Tokyo in 1935.

Within a few years, the United States ramped up economic pressure on Japan, culminating in a trade and oil embargo. Six years after Grew wrote his dispatch, the two countries were engaged in total war.

Today, American policymakers are consumed by the economic and geopolitical confrontation with another Asian heavyweight. And, as in the 1930s, economic decoupling is all the rage.

For the more hawkish members of the Trump administration, undoing 40 years of ever-closer economic relations with China and rolling back U.S. reliance on Chinese factories, firms, and investment was always the end game of the endless trade war - even before the coronavirus pandemic turbocharged Washington's desire to disentangle itself from what many view as a dangerous economic bear hug. Now, lawmakers and administration officials are mulling a raft of measures to cleave parts of the two largest economies in the world: Bans on a wide variety of sensitive exports, additional tariffs on Chinese goods, forced reshoring of U.S. companies, even pulling out of the World Trade Organization altogether, which is seen by some as facilitating China's so-called economic imperialism.

It's not just economic ties between China and the United States that are in danger. Europe, too, is increasingly talking of rolling back the deep trade and investment ties it has developed with Beijing in recent decades (even as it is cutting trade ties with itself, as the United Kingdom leaves the European Union). Other countries are also pulling up the drawbridges - all leery that today's unprecedented level of economic integration has gone too far, bringing more pain and less gain.

The threat of a great decoupling is a potentially historic break, an interruption perhaps only comparable to the sudden sundering of the first huge wave of globalization in 1914, when deeply intertwined economies such as Britain and Germany, and later the United States, threw themselves into a barrage of self-destruction and economic nationalism that didn't stop for 30 years. This time, though, decoupling is driven not by war but by peacetime populist urges, exacerbated by a global coronavirus pandemic that has shaken decades of faith in the wisdom of international supply chains and the virtues of a global economy.
(Keith Johnson and Robbie Gramer, "The Great Decoupling: Washington is pressing for a post-pandemic decoupling from China. But the last big economic split brought on two world wars and a depression. What's in store this time?, *Foreign Policy*, May 14, 2020)

843 As Lee Hsien Loong explained:

The status quo in Asia must change. But will the new configuration enable further success or bring dangerous instability? That depends on the choices that the United States and China make, separately

and together. The two powers must work out a modus vivendi that will be competitive in some areas without allowing rivalry to poison cooperation in others....

...Every year, the Chinese premier travels to an ASEAN member state to meet the ASEAN countries' leaders, well prepared to explain how China sees the region and armed with proposals to enhance Chinese cooperation with the grouping's members. As China's stake in the region has grown, it has launched its own initiatives, including the Belt and Road Initiative and the Asian Infrastructure Investment Bank. These have helped deepen China's engagement with its neighbors and, of course, increased its influence.

But because the regional architecture is open, China's influence is not exclusive. The United States remains an important participant, underpinning regional security and stability and enhancing its economic engagement through initiatives such as the Asia Reassurance Initiative Act and the BUILD Act. ASEAN also has formal dialogue mechanisms with the European Union, as well as with India and many other countries. ASEAN believes that such a network of connections creates a more robust framework for cooperation and more space to advance its members' collective interests internationally.
(Lee Hsien Loong, œThe Endangered Asian Century: America, China, and the Perils of Confrontation, *Foreign Affairs*, July/August 2020)

[844] Bilahari Kausikan has explained:

When I served as a Singaporean diplomat, I once asked a Vietnamese counterpart what an impending leadership change in Hanoi meant for his country's relations with China. "Every Vietnamese leader," he replied, "must get along with China, every Vietnamese leader must stand up to China, and if you can't do both at the same time, you don't deserve to be leader."

As U.S. President Joe Biden begins his term in office, his team should heed those words. Southeast Asia is the epicenter of the competition between China and the United States. To different degrees and in their own ways, every country in the region has adopted that approach to China - and to the United States, too.

Southeast Asia has always been a strategic crossroads, where the interests of great powers intersect and sometimes collide. It is naturally a multipolar region, never under the sway of any single external power, except for in the brief period of Japanese occupation during World War II. Today's competition between China and the United States is just another phase of a centuries-old dynamic that has embedded the instinct to simultaneously hedge, balance, and bandwagon in the region's political DNA....

Biden should be cautious about promoting American values in response to Trump's indifference to them. Such values are not necessarily a strategic asset in Southeast Asia, where they are not shared by all. "Democracy" is a protean term, "human rights" is subject to many interpretations, and Southeast Asia generally places more emphasis on the rights of the community than on those of the individual.

The United States has not deployed forces on the mainland of Southeast Asia since the end of the Vietnam War. As an offshore balancer, the United States will always find it difficult to determine

just how it should position itself: too forceful a stance against China will evoke fears of entanglement in the region; too passive a stance will elicit fears of abandonment.

This cannot be helped. But Biden must avoid Obama's mistake of thinking that the United States needs to de-emphasize competition to secure Beijing's cooperation on issues such as climate change.

As any undergraduate student of international relations should know, cooperation is not a favor one state bestows on another. If it is in its interest, Beijing will cooperate. States can and do compete and cooperate simultaneously. That understanding is fundamentally what Southeast Asia expects of the United States.
(Bilahari Kausikan, "The Arena: Southeast Asia in the Age of Great-Power Rivalry, *Foreign Affairs*, March/April 2021)

845 Observations by two commenters on a blog posting by Yves Smith provide some insight into this:

Palaverve

China doesn't solely calculate direct returns to an industry, but takes the overall economic, social and political impact into consideration.

Infrastructure is in effect their "national loss leader" and other sectors are expected to make up for the losses. By bringing countries into their sphere of influence they save on military resources, increase their market share, and can offset their demographic decline with access to younger labor pools (hiring their competition). In a neomercantilist world, the cost of logistics is outweighed by victory.

Unfortunately, Americans are shortsighted stingy bean counters which was bred into them by their obsession with stock market[s] and the dopamine hit they get from market volatility. China is hacking the developing world the same way it hacked America's political system:...

laodan

Yes. Succinct but to the point.

I follow up with some more...

Societies are assemblies of extremely complex systems interacting non-stop with one another. And the fact is that Western societies and China's society are operating along the lines of different paradigms :

- their cultural fields have nothing in common
- their economic fields operate according to different textbooks
- their social field is directly impacted by the place reserved to their capital holders in the public decision making process. Seen the radical difference in the nature of the capital ownership of both, their social realities on the ground are radically diverging.
  The handling of Covid-19 is a case in point. The Chinese citizens are reading this as such and consequently their rates of appreciation for the actions of their government are increasing to unheard levels of satisfaction... (95% presently).

- their relations with the rest of the world are grounded in opposite perceptions of "the other" and so their approaches toward the rest of the world have nothing in common.

In light of the rather fundamentally different approaches of these societies it is imperative to understand that the categories, defining the working of one, are not applicable in defining the working of the other. In other words using Western categories to understand China is ludicrous.

In my view we have entered in a very volatile historical process that will not stabilize before - or [until] - one of them collapses under her own contradictions, or China's economy grows so overwhelmingly bigger than Western economies that the fact is simply registered by all and life continues under a new paradigm.

From where I sit here in Beijing I think that the Chinese leadership is strategizing the latter. And consequently its outside interventions are bound to a momentary slow down....

The belt and Road until now was in a phase of testing and it was decided at the time of its launch that the strategy relating to the project would be finalized during the year 2021 !

This is a whole century project !

How many in the West are taking this publicly available information into account ?

In China's calculus the first priority with the outside is the unification of East-Asia and so the rest of the world should await less imports and less investments from China in the coming years.

The priority for the next 5 to 10 years is an internal strengthening of the nation economically, technologically, culturally, and in daily life while prioritizing the following outside projects :

1. East-Asian cultural commonalities and economic inter-dependencies will be strengthened by absorbing the cost of a trade balance deficit with ASEAN, Korea and Japan
2. there will be an intensification of trade and diverse science and tech cooperation projects with Russia
3. The China - Pakistan Economic Corridor (CPEC) remains a priority
4. the participation in the development of Iran and Iraq is an extension of the CPEC priority.
   Yes China needs to secure its procurement of energy over the coming years. It has announced getting out of dependency from fossil fuel by 2060. This leaves thus 4 decades of needs to be fulfilled by imports of oil and gas.

(Comments on Yves Smith *NakedCapitalism* Blog posting: "China Retrenches on Belt and Road Initiative as Defaults Rise, December 16, 2020)

[846] Frank Tang has summed up China's trade position at the close of 2020:

In the first 11 months of the year, China's biggest trade partner was the Asean bloc of nations, followed by the Europe Union, according to customs data.

> The United States was China's third largest trade partner between January and November, but it remained its biggest export market. Japan was China's fourth largest partner....
>
> Despite a push from Washington for decoupling, the US bought US$51.9 billion worth of merchandise in November, up 46 per cent, year on year.
>
> The US trade deficit with China was US$37.6 billion in November, up 52 per cent from a year earlier, and more than 70 per cent since the day Donald Trump entered office vowing to narrow the gap.
>
> "Despite all of the rhetoric, the trade relationship between China and the US is getting even closer this year," said Larry Hu, chief China economist at Macquarie Capital. "Given the rising interdependence, it's hard for the new president to escalate the trade war in the near term."
>
> President-elect Joe Biden has not yet revealed his China policy, but has said he will not immediately dismantle the phase one trade deal agreed to in January.
> (Frank Tang, œUS-China decoupling: has China cast aside US threat with booming exports in 2020? *SCMP*, 09 December, 2020)

847 Dean Baker, commenting on the article, summed it up:

> ...Perhaps the paper considered the risks so apparent that it didn't need to mention them in the article, because it didn't. Yes, we all know the coronavirus originated in China and that its government was not forthcoming with information about the disease and its spread, but what does that have to do with "relying economically" on China? Is the NYT suggesting as an alternative a complete ban on trade and travel between China and the rest of the world?
>
> If not, the issue of "relying economically" on China is pretty much beside the point. I guess we infer from the article that the NYT doesn't like China's government, but other than that, the piece is incoherent...
> (Dean Baker, œNYT Gives Up on Logic in News Reporting - Tells Readers of Risk of Relying on China, with Zero Argument, CEPR Blog, 15 June, 2020)

848 Michael Schuman has explained:

> TikTok has become a symbol of the new challenge a rising, tech-enabled China presents not simply to a free society, but to American dominance in the technology sector. The internet today is largely run - for better or worse - by American corporations such as Alphabet, Amazon, and Facebook, and TikTok is the first Chinese company to truly break through to the American, and global, consciousness, something its compatriots, including Alibaba, Baidu, and Tencent, have yet to do.
>
> Fears are percolating in the U.S. that Beijing, thanks to its growing technological might, may be amassing an immense storehouse of information that could be used to identify or blackmail American citizens - or for purposes we haven' t yet thought of. The worry is that TikTok could be a powerful vacuum, sucking up images of and details on unsuspecting Americans to feed Beijing's voracious appetite. China's widespread collection of data on its own people - whether through the surveillance state it has built in Xinjiang, the social-credit system that is being implemented, or its intrusive

tracking of movements and meetings to combat the spread of the coronavirus - has further driven fears of its willingness to gather such information from abroad for its own ends. TikTok thus finds itself not simply the symbol of China's ascendance and penetration into America, but on the front lines of a new battle between the U.S. and China.
(Michael Schuman, œWhy America Is Afraid of TikTok, *The Atlantic*, July 30, 2020)

849 Paul Rosenzweig and Arthur Rizer (July 27, 2020) have described the US Administration's justification for all this:

> Last week Attorney General William Barr went full interventionist, telling the press that he was deploying federal law-enforcement officers to Chicago and Albuquerque, New Mexico (this coming after the previous week's deployment to Portland), to combat "violent criminal activity." President Trump said much the same thing as he rattled off cities his administration was eyeing for future intervention - Chicago, Philadelphia, Detroit - because of "gun violence" and "drugs."
>
> How greatly have traditional conservative values of federalism and limited government been transformed. Today, a sitting Republican president invokes the power of the federal government to send militarized Department of Homeland Security agents (equipped with military-grade weapons, body armor, tear gas, and camouflage, like armed forces entering a war zone) to swarm American city streets under unwritten rules of engagement. If video evidence now circulating is to be credited, these agents are not merely protecting federal property; they have detained citizens who aren' t violating any law and used the power of their presence to chill civil protests and disobedience....
>
> The consequences of this radical expansion of federal law-enforcement authority are enormous - and none of them are likely to be good. This is what is keeping both of us awake at night. We are conservatives who are united in our love of the Constitution, the limited rule of law, effective government, individual rights, and civil discourse. We believe in checks and balances and the separation of powers.
>
> And we are watching all of this crumble before our eyes, as the executive branch deploys unchecked power.
> (Paul Rosenzweig and Arthur Rizer, œThere Is Nothing Conservative About What Trump Is Doing in Portland *The Atlantic*, July 27, 2020)

850 Kristina Wong, August 2019, explained:

> President Trump announced on Thursday the official creation of the United States Space Command - the U.S. military's 11th war-fighting geographic combatant command.
>
> "The establishment of the 11th combatant command is a landmark moment. This is a landmark day. One that recognizes the centrality of space to America's national security and defense," Trump said in a Rose Garden ceremony.
>
> "Spacecom will soon be followed very importantly by the establishment of the United States Space Force as the sixth branch of the United States Armed Forces, and that's really something if you think about it," he added.

The ceremony marked a major milestone in one of the administration's top national security priorities, to renew American interest and investment in outer space.

Senate Armed Services Committee Chairman Jim Inhofe (R-OK) praised the official establishment of Spacecom.

"I applaud President Trump for standing up United States Space Command as a Unified Combatant Command today," he said in a statement, which continued:

> This is an important step to support the space warfighting domain and ensures our strategic competitors, Russia and China, realize we are serious about implementing our National Defense Strategy. The next step is establishing the United States Space Force, which we are working on as part of the final National Defense Authorization Act.

Rep. Mike Waltz (R-FL), a member of the House Armed Services and the Science, Space and Technology Committees, said in a statement: "I'm grateful to President Trump and his Administration for making a unified, combatant Space Command a reality and I'm also looking forward to the authorization of a new military branch to protect American assets in space."

Air Force Gen. John Raymond, the new U.S. Space Command commander, warned during an earlier press conference that the U.S.'s edge in space was diminishing:

We're the best in the world in space, but our level of superiority is diminishing. The scope, scale, and complexity of the threat to our space capabilities is real and it is concerning. We no longer have the luxury of operating in a peaceful benign domain and we no longer have the luxury of treating space superiority as a given.

Our adversaries have had a front row seat in our many successes of integrating space, and they don't like what they see, because it provides us with such a great advantage and they're developing capabilities to negate our access to space. It's an imperative that we stand up this command today.

He named China and Russia as countries that pose the more "significant threats" in space, in terms of being able to jam or target U.S. satellites.

"China and Russia in particular are updating their organization, in fact they had reform in 2015 where they've created a greater focus on space and they are updating their doctrine and their capabilities both space to enable to their terrestrial forces, and counterspace," said Defense Assistant Secretary of Defense Steve Kitay, adding:

> Their doctrine, and there's a perception that space represents an achilles heel and that this is a way an asymmetric advantage for them to then take on the United States' power because we project power globally through space-enabled capabilities...space will not become an achilles heel. We will protect and defend it and provide it for our way of life and our way of war.

Raymond said the hope is not to fight a war in space, but to prevent one.
(Kristina Wong, œPresident Trump Announces the Official Establishment of U.S. Space Command, *Breitbart*, 29 August, 2019)

851 These developments are not new - they are *not* a reluctant response to 'Russian' and 'Chinese' threats. The US has been planning and preparing for this escalation. As Lockheed Martin CEO Marillyn Hewson explained:

> "We've been investing in hypersonics for many, many years," she said. "As a result of that, I think that's why we're leading in this front end of being able to bring capability forward."

Jon Harper, in a 'Weapons of Mass Destruction' subsection of the Defense Industry magazine *National Defense*, entitled 'U.S. Nukes Russia in Simulation Exercise', has described US Department of Defense involvement in it all:

> Secretary of Defense Mark Esper earlier this week participated in a "mini exercise" in which the United States launched a simulated nuclear strike against Russia, a senior Pentagon official announced Feb. 21.
>
> While the U.S. military frequently conducts exercises to practice the mechanics of nuclear warfare and plays tabletop games to simulate crises, it is unusual for senior Pentagon officials to describe the results and for the secretary of defense to take part.
>
> During the exercise that took place this week at Strategic Command in Nebraska, Esper played himself in a simulated showdown in Europe between Russia and NATO, a senior defense official told reporters during a briefing at the Pentagon under condition of anonymity.
>
> "They attacked us with a low-yield nuclear [warhead], and in the course of the exercise we simulated responding with a nuclear weapon," the official said, adding that it was a "limited" response. The official did not say what type of platform launched the attack in the simulation.
>
> The pretend Russian attack was against a NATO target in Europe. The official did not say what type of target the U.S. military simulated attacking in retaliation.
>
> During the briefing with reporters, senior Pentagon officials made the case for beefing up investments in the nation's nuclear forces. The Trump administration is continuing plans drawn up by the Obama administration to modernize the military's inventory of intercontinental ballistic missiles, bombers, submarines and air-launched cruise missiles. The plan is to bring online a new Ground-Based Strategic Deterrent, B-21 bomber, Columbia-class submarine and Long-Range Stand-Off weapon in the next decade or so.
>
> The Trump administration has additional initiatives for the sea-based leg of the triad that were not part of the Obama administration's plans. They include a low-yield submarine-launched ballistic missile warhead and a sea-launched cruise missile. Earlier this month, the Defense Department announced that the low-yield SLBM warhead, the W76-2, had been deployed. Pentagon officials are currently conducting an analysis of alternatives for a new sea-launched cruise missile, with the aim of fielding it in the next seven to 10 years.
>
> Plans also call for modernizing the nuclear stockpile, which is managed by the Department of Energy's National Nuclear Security Administration. The Trump administration will start a program of

> record for a new warhead, the W93, to replace aging warheads such as the W88, the official said.
>
> The official noted that the United States is an era of great power competition with Russia and China, as outlined in the 2018 National Defense Strategy. "The other side is building their nuclear weapons up, modernizing their stockpiles, and so this [U.S. modernization effort] is just a sensible response to that."
>
> During his visit to Stratcom, Esper was briefed on Russian, Chinese and North Korean nuclear threats, and discussed the challenges of replacing legacy systems with next-generation capabilities.
>
> We spoke a little bit about the transition risks involved with maintaining the old systems - the ICBMs, subs, bombers, cruise missiles - and making sure that the new systems come online before the old systems expire," the official said. "The secretary is very much captured with ... managing this so-called transition risk.
>
> "We've had a couple of deep dives with the secretary so he understands that that period is going to be very risky," the official added. "You've been tracking acquisition programs at the Pentagon for a long time, and there's always a risk that the systems won't be delivered on time. And so how do you manage that risk? We spent a lot of time on that - not just the weapon systems themselves but also the nuclear command-and-control that supports that."
>
> Plans to modernize the U.S. strategic arsenal are expected to come with a hefty price tag. The Congressional Budget Office, among others, has estimated that it will be north of $1 trillion...
> (Jon Harper, œBREAKING: U.S. Nukes Russia in Simulation Exercise, *Natioonal Defense*, 21 February, 2020)

Yasmin Tadjdeh, in a special report for the *National Defense* magazine (The business and technology magazine of the National Defense Industrial Association (NDIA)), explained the urgency:

> A renewed sense of urgency spurred by rivals Russia and China has pushed the U.S. military to speed up the development of hypersonic technology. The Army, Navy and Air Force are all closely involved in the campaign with more test flights coming in 2020.
>
> The systems are characterized by their maneuverability and ability to reach speeds of Mach 5 and greater.
>
> Michael Griffin, undersecretary of defense for research and engineering, has been an outspoken advocate for hypersonic weapon research and development.
>
> "Hypersonic capabilities remain a major department-wide modernization focus, and DoD is accelerating hypersonic systems development and demonstration," he said in March during testimony before the House Armed Services Committee's subcommittee on intelligence and emerging threats and capabilities.
>
> The Defense Department requested $2.6 billion toward hypersonics in President Donald Trump's fiscal year 2020 budget request and is nearly doubling its long-term investments from $6 billion to $11.2 billion over the next five years, Griffin noted.
>
> "We have significantly increased flight testing, as we intend to conduct approximately 40 flight tests over the next few years, to

accelerate the delivery of capability to our warfighters years earlier than previously planned," he said in his prepared testimony....

Meanwhile, as the services invest in and develop new hypersonic weapons, Defense Department leadership is considering how it can bolster the industrial base to manufacture such systems.

"We are going to have to create a new industrial base for these systems," Griffin said in December during a discussion hosted by NDIA. "Industry will get a very clear message from the department as to the paths we are pursuing in hypersonic offensive and defensive systems development, and we're confident that you guys will respond."

The department needs "multiplicity and redundancy" in the supply chain, he added.

Acting Secretary of Defense Patrick Shanahan, who at the time was serving as deputy secretary of defense, noted that producing thousands of hypersonic weapons and other systems to defend against them has implications for the size of the industrial base, the number of needed suppliers and the amount of government investment required.

"As we're looking at kind of setting up the industrial base or production system or development, we want to have two or three competitors," he said. "So instead of a winner-take-all, it's 'How do we create that ecosystem that has sustained competition?'" (Yasmin Tadjdeh, œSPECIAL REPORT: Defense Department Accelerates Hypersonic Weapons Development, *National Defense*, 07 Novermber, 2019)

852 In a further explanation of issues being discussed Lavrov continued:

We discussed the Joint Comprehensive Plan of Action designed to settle matters related to the Iranian nuclear programme. In conjunction with other nations that signed this plan, we have been striving for a long time now to correct the mistake made by the United States. Washington withdrew from this deal and from the corresponding UN Security Council resolution, once again trampling upon its commitments under international law. We will push for the JCPOA to be restored in its original configuration, the way it was approved in 2015 by a UN Security Council resolution, without exceptions or additions, to make sure that the illegal sanctions on Iran that are inconsistent with the JCPOA are lifted. We hope Washington will make a rational choice, although we cannot fully rely on that.

We spoke about our cooperation on a Syrian settlement, primarily in the Astana format that includes Russia, Iran and Turkey. We highly rated the regular session in this format which took place in the capital of Kazakhstan in early June of this year. We agreed to continue coordinating our efforts to achieve the implementation of UN Security Council Resolution 2254, resolve humanitarian problems in Syria and encourage the international community to start practical work on restoring the infrastructure, preparing for the return of refugees and in general, ensuring the country's return to normal life.

Iran and the Russian Federation are doing much in this area, helping to implement relevant projects on the ground in the Syrian

Arab Republic. Unfortunately, the majority of the Western members of the international community are doing everything to delay fulfilment of the requirements of this resolution and impede the efforts of international organisations to this end, primarily the relevant UN agencies. This politicised course of action prevents the settlement of problems in Syria and, zooming out, in the Middle East and North Africa.

Russia and Iran have a common position on the need to resume direct talks between the Palestinians and the Israelis with a view to implementing all decisions of the international community, including the creation of the State of Palestine and the OIC-approved Arab Peace Initiative. We will uphold this position in the UN and closely cooperate with the OIC and the Arab League.

We talked about the developments in the South Caucasus, Afghanistan and Yemen. Russia and Iran have many opportunities to use their influence and contacts with a view to achieving a durable settlement and normalisation.

We reaffirmed our commitment to facilitate stabilisation in the Persian Gulf. As you know, Russia has introduced and continues promoting a concept for collective security in this important part of the world. We are willing to help promote dialogue between the Arab countries and the Islamic Republic of Iran.

We are members of the Caspian Five. Next week, the Caspian states will meet for a summit in Ashgabat. We coordinated our preparations for this important event.

Talking yesterday with President of Iran Ebrahim Raisi and today with Foreign Minister of Iran Hossein Amir-Abdollahian, we described in detail the current developments in and around Ukraine. We thanked our Iranian friends for their entirely correct understanding of the events. Above all, they realise that during the past decade our US-led Western colleagues have been trying to turn Ukraine into a bridgehead for threatening and "deterring" Russia, in part, by developing Ukraine's territory militarily. We repeatedly sought to engage with the West on this matter. All our concerns have been ignored. President Vladimir Putin and other high-ranking officials explained many times that Russia simply did not have another choice but to ensure the interests of Donbass and its Russian residents in the face of a threat from the increasingly aggressive neo-Nazi regime that took power in Kiev after the anti-Constitutional coup d'état. The Kiev authorities and those who put them in power and continue supporting officially refuted all our attempts to achieve the implementation of the Minsk agreements that were approved by the UN Security Council.

We are convinced that an overwhelming majority of the world's countries understand the current situation. The Americans are trying to impose a "rules-based order" on all others. This concept is designed to subordinate the security of all countries to the interests of the Western world and ensure the total, "eternal" domination of Washington and its allies. Understandably, this concept goes against the entire historical process and the objective trend towards forming a multipolar world order under which countries, with their independence and self-worth intact, will uphold their interests in conformity with the principles of the UN Charter. The Islamic Republic of Iran and the Russian Federation are among these

countries.
(Sergey Lavrov, œForeign Minister Sergey Lavrov's statement and answers to media questions at a joint news conference following talks with Minister of Foreign Affairs of Iran Hossein Amir-Abdollahian, Tehran, June 23, 2022, *The Russian Federation*, 23 June 2022)

853 As Sanders continues:

> It is quite remarkable how quickly conventional wisdom on this issue has changed. Just over two decades ago, in September 2000, corporate America and the leadership of both political parties strongly supported granting China "permanent normal trade relations" status, or PNTR. At that time, the U.S. Chamber of Commerce, the National Association of Manufacturers, the corporate media, and virtually every establishment foreign policy pundit in Washington insisted that PNTR was necessary to keep U.S. companies competitive by giving them access to China's growing market, and that the liberalization of China's economy would be accompanied by the liberalization of China's government with regard to democracy and human rights.
>
> This position was seen as obviously and unassailably correct....
> (Bernie Sanders, œWashington's Dangerous New Consensus on China: Don't Start Another Cold War, *Foreign Affairs*, June 17, 2021)

854 Patrick Lawrence has clearly summed up the sad and most unfortunate reality. Putin felt it necessary to explain to Russian listeners that:

> Mr. Biden is a professional, and you need to be very careful when working with him so as not to miss something. He himself does not miss a thing, I assure you, and this was absolutely clear to me. Let me say it again: he is focused, he knows what he wants to achieve and does it very skillfully, and you can instantly sense it.

As Lawrence says,

> I do not write this in a spirit of partisanship, or to ridicule, having no interest in the former and no inclination toward the latter. It is time we put all such ancillary things aside and look squarely at this reality: Our forty-sixth president, the latest in a long line indicating a declining direction in our leadership (and I do not exclude the clownish Obama), is not entirely competent....
>
> Think about the nature of these comments and the Russian president's subtext. There can be only one reason Putin bent so far backward to praise the very things so evidently missing in Joe Biden's capacities. I suspect others world leaders will act similarly to spare Biden and 325 million other Americans embarrassment in so extraordinary a circumstance as ours. But this, of course, does little good at the horizon. It does not make Biden any more capable.
>
> ...No room for ridicule or YouTube segments here. The matter is simply too grave.
>
> Two highly consequential treaties - Open Skies and New START - tensions NATO provokes on Russia's western flank, the Syria mess, the Ukraine mess, Russia's hypersonic weaponry, Israel's apparent intent to go for broke this time with the Palestinians, all the cyberbusiness - little to nothing got done in Geneva on any of these questions.

(Patrick Lawrence, œ"Something happened in Geneva.": Second thoughts on the summit, *The Scrum*, June 23, 2021)

855 Caitlin Johnstone explained the US dilemma well:

> ...What kind of person seeks power over others? Psychologists have been saying for years that psychopaths routinely ascend to power not just in political spheres but in business, academia and law enforcement as well. The competition-based models that shape our society tend to reward those who are willing to do whatever it takes to get to the top, and the type of person who is willing to do whatever it takes to get to the top happens to be the type of person who enjoys the power which comes from being at the top.
>
> When all your systems inevitably reward psychopaths with power and money, you will necessarily find yourself ruled by psychopaths. (Caitlin Johnstone, œOn Psychopathy, Power, Empire And Ego, *Caitlin's Newsletter*, May 06, 2022)

856 Reference to 'The West' and 'The Rest' assumes that 'The West' comprises all those European nations and their 'new world' offspring which have, over the past 500+ years, been involved in colonizing 'The Rest' of the world and see themselves as, in the words of Josep Borrell, High Representative of the Union for Foreign Affairs and Security Policy, of the European Union, living in 'gardens' surrounded by the 'jungles' of the non-Western world.

Those nations which have accepted subordinate status "by special favor and grudgingly made, citizens" (often expressed through incorporation into various Western dominated 'alliances' such as NATO, AUKUS etc.) are included in an expanded 'West'.

'The Rest' then refers to all those nations which have resisted vassalage to 'The West' and have to one degree or another insisted on their right to sovereign independence.

The alternative to this dichotomy is use of alternative terms, each a distortion of 21st century realities, such as 'The global South' or The Third World'

857 Michael Klare has explained what was happening in June 2020:

> America's pundits and politicians have largely concluded that a new Cold War with China - a period of intense hostility and competition falling just short of armed combat - has started. "Rift Threatens U.S. Cold War Against China," as a New York Times headline put it on May 15th, citing recent clashes over trade, technology, and responsibility for the spread of Covid-19. Beijing's decision to subject Hong Kong to tough new security laws has only further heightened such tensions. President Trump promptly threatened to eliminate that city-state's special economic relationship with this country, while imposing new sanctions on Chinese leaders. Meanwhile, Democrats and Republicans in Congress are working together to devise tough anti-Chinese sanctions of their own.
>
> For anyone who can remember the original Cold War, the latest developments may seem eerily familiar. They bring to mind what occurred soon after America's World War II collaboration with the Soviets collapsed in acrimony as the Russians became ever more heavy-handed in their treatment of Eastern Europe. In those days, distrust only grew, while Washington decided to launch a global drive to contain and defeat the USSR. We seem to be approaching

such a situation today. Though China and the U.S. continue to maintain trade, scientific, and educational ties, the leaders of both countries are threatening to sever those links and undertake a wide range of hostile moves.

Admittedly, some of the steps being discussed in Washington to punish China for its perceived bad behavior will have little immediate impact on the lives of Americans. A lot of the threats, in fact, may turn out to be little more than good old-fashioned chest thumping. Consider, for instance, the proposal floated by the top-ranking majority and minority members of the Senate Armed Services Committee, Oklahoma Republican Jim Inhofe and Rhode Island Democrat Jack Reed, to fund a multibillion dollar "Pacific Deterrence Initiative" intended to bolster American forces in Asia. That effort, they avowed, will "send a strong signal to the Chinese Communist Party that the American people are committed to defending U.S. interests in the Indo-Pacific."

Well, that was easy! All we, the taxpaying citizens of the United States, need to do in this opening salvo of a new Cold War is salute Congress as it funnels yet more billions of dollars to the usual defense contractors and thereby "send a signal" to Beijing that we will "defend U.S. interests" somewhere far across the globe. (Now there's a moment to wave your American flag!)

But don't count on such a moment lasting long, not if a new Cold War starts in earnest. ...
(Michael T. Klare, œThe new Cold War with China, *Responsible Statescraft*, June 14, 2020)

858 As Gailberger continues:

The Department of Defence will hold a meeting with industry representatives on Friday then assess involvement in the lucrative contract over the next six months.

The missiles, which will be launched from fighter jets, are part of a $9.3bn Federal Government investment in hypersonic research and high-speed, long-range strike capabilities and missile defence.

"Investing in capabilities that deter actions against Australia also benefits our region, our allies and our security partners," Defence Minister Linda Reynolds said.

"The Morrison Government remains committed to keeping Australians safe, while protecting the nation's interests in a rapidly changing global environment."

The hypersonic weapons will travel up to Mach 5, and will be launched from aircraft already in the RAAF fleet including Super Hornet, Growler, P-8 and F-35.

The missiles will have the capacity to destroy infrastructure including offshore aircraft or warships, with defence hoping they will be part of Australia's arsenal within the next five to 10 years....

The deal to develop and test prototypes, inked last week, follows discussions Senator Reynolds had during her landmark visit to the US in July.

Some testing of the hypersonic missiles will occur in Australia once the prototypes are built, with one expected to occur soon.

> "Developing this game-changing capability with the US from an early stage is providing opportunities for Australian industry," Senator Reynolds said.
>
> "We remain committed to peace and stability in the region, and an open, inclusive and prosperous Indo-Pacific."
>
> US Defense Department spokesman Michael Kratsios said the collaboration was a true testament to the strong partnership between the US and Australia.
>
> "This initiative will be essential to the future of hypersonic research and development," he said.
>
> The air-launched missile prototypes will also inform the development of additional ground and sea-launched weapons as Australia seeks to bolster its warfighting capability.
> (Jade Gailberger, œAustralia signs hypersonic missile development and testing deal with the US: Australia will transform its warfighting capability with fastest missiles it has ever developed under a new agreement with the US, *NCA NewsWire*, December 01, 2020)

859 The race is now on! The world is going to arm itself with the kinds of weaponry only insanity could 'justify'.[1064]

In accordance with President Trump's oft-stated insistence that œUS 'allies' must 'pull their weight' and purchase military equipment which Washington has determined they 'need' in order to demonstrate their commitment to the US National Defense Strategy, Australia's prime minister announced that

> We are looking to the future by investing in technology such as hypersonic weapons and increasing our defence capabilities in space.

A loyal 'ally' and supporter of US strategic ambitions is now going to spend billions of dollars on technology prescribed by the US National Defense Strategy.

Elliot Williams, in a *Canberra Times* report entitled 'Hypersonic missiles and Australia's futuristic defence exploits' outlined Australia's July 2020 military ambitions:

> The Australian Defence Force Structure Plan, released on Wednesday, states that Australia wants to implement "a development, test and evaluation program for high-speed, long-range strike and missile defence, including hypersonic weapons, leading to prototypes".
>
> The defence force has indicated it will spend between $6.2 and $9.3 billion on high-speed, long-range strike options including hypersonic research.
>
> **Why does Australia want them?**
>
> Given so many actors in the Indo-Pacific region either have or are pursuing hypersonic weapons, it is hardly surprising Australia is seeking to join their ranks.
>
> The defence force highlighted its desire to develop advanced strike capabilities with improved speed and range, and views hypersonic missiles as a natural progression to its existing capabilities.
>
> However, as Professor Williams notes, it may be less constructive to consider the offensive capabilities of hypersonic missiles, and much

more important to plan on defending against them.

"The speed and manoeuvrability of hypersonic weapons make it very difficult to detect, track, target, and engage them - or even to confirm the intended target until it is too late to react." he wrote in November last year.

"They are ideal first-strike weapons for blinding and incapacitating an opponent. Unless concerted international action is taken to limit hypersonic weapons, we risk another arms race as nations scramble to arm themselves with large numbers of them in the years ahead."

Why now?

In announcing the push for hypersonic weaponry and other funding, the Prime Minister made it clear that Australia was to become more self-reliant in regards to defence.

While he recommitted to our partnership with the US, he also hinted that Australia may elect to avoid entering conflicts with the US in future if it went against our interests closer to home.

The Prime Minister referenced tensions in the Indo-Pacific region, such as China's exploits in the South China Sea and said that Australia needed to prepare for "a post-COVID world that is poorer, more dangerous and more disorderly."
(Elliot Williams, œHypersonic missiles and Australia's futuristic defence exploits, *The Canberra Times*, July 2, 2020)

860 The 2020 US military budget was inflated further. The *National Priorities Project* explained:

A Militarized Budget

The United States is the single biggest military spender in the world. This report takes note of that fact, and ties U.S. military spending - which is primarily focused on current and potential conflicts abroad - to its analog here at home: spending on veterans of foreign wars, incarceration, immigration enforcement, and the war on drugs.

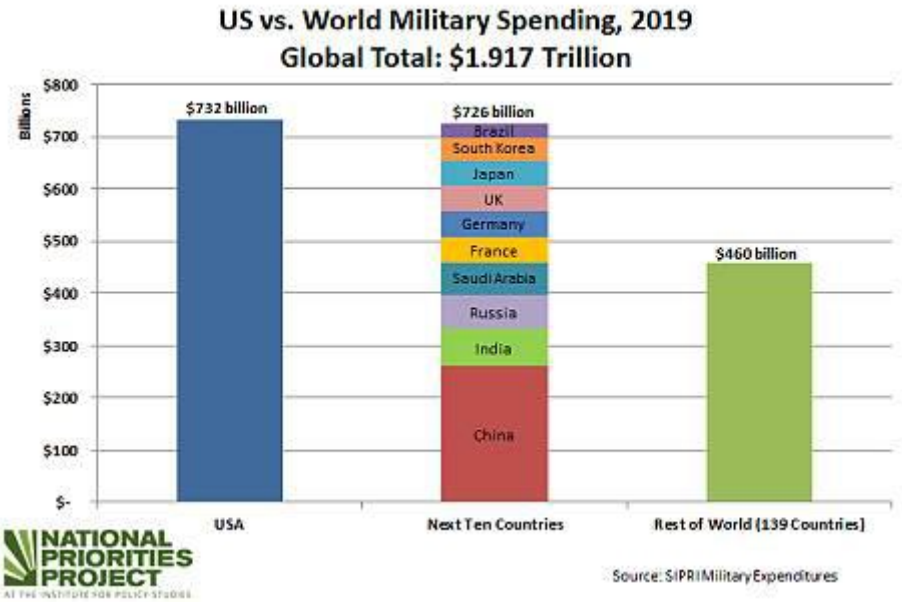
In 2019, the militarized budget amounted to 64.5 percent of discretionary spending.

U.S. military spending, traditionally defined, was $730 billion in 2019. Studies that seek to define a 'national security' budget - which includes the military, and also veterans' affairs, homeland security, and similar expenses - can easily arrive at estimates approaching or exceeding $1 trillion per year. That amount approaches the size of the entire U.S. discretionary budget.

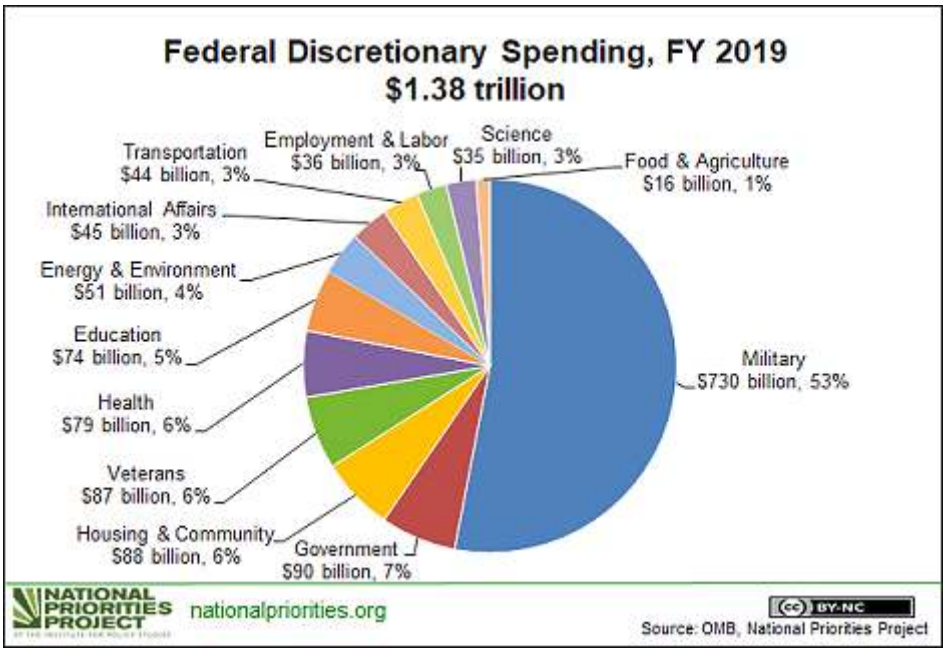
This report defines a different, but related, concept: the militarized budget. In recognition that the U.S. maintains both the world's highest military spending, and one of its highest incarceration rates, the militarized budget includes the traditional military budget, as well as spending on veterans' affairs, homeland security, incarceration, law enforcement, immigration enforcement, and the still-ongoing war on drugs.

The U.S. Military Budget

The United States has a military budget that is greater than the next ten countries combined: more than rivals like China and Russia, and more than allies like Saudi Arabia, the United Kingdom, and France.



At $730 billion in 2019, military spending accounted for more than 53 percent of the federal discretionary budget - the budget that Congress sets each year during its annual appropriations process.



(œThe Militarized Budget 2020, *National Priorities Project*, June 22, 2020)

861 Lora Lumpe, in a 'Climate Crisis' article entitled 'œWill the US end military domination to save the planet?' (*Responsible Statecraft*, January 28, 2021), provides a link to maps showing the location of œUS military bases around the world.

Stephanie Savell, in an article entitled 'America at War', provides updated information. As she says,

> We found that, contrary to what most Americans believe, the war on terror is not winding down - it has spread to more than 40 percent of the world's countries. The war isn't being waged by the military alone, which has spent $1.9 trillion fighting terrorism since 2001. The State Department has spent $127 billion in the last 17 years to train police, military and border patrol agents in many countries and to develop antiterrorism education programs, among other activities.

> Because we have been conservative in our selections, U.S. efforts to combat terrorism abroad are likely more extensive than this map shows. Even so, the vast reach evident here may prompt Americans to ask whether the war on terror has met its goals, and whether they are worth the human and financial costs.
> (Stephanie Savell *et al*, œAmerica at War, *Smithsonian Magazine*, January/February 2019)

862 As the Plan summary has explained:

> This annual plan provides a single, integrated picture of current and future nuclear security enterprise activities funded by the Weapons Activities account in support of the Nation's nuclear deterrent and is developed to be consistent with the Nuclear Weapons Council's Strategic Plan for FY 2017-2042.
>
> To achieve mission success, highlights of near-term and out-year objectives include:
>
> - Advance the innovative experimental platforms, diagnostic equipment, and computational capabilities necessary to ensure stockpile safety, security, reliability, and responsiveness.
> - Complete production of the W76-1 warheads by FY 2019.
> - Deliver the first production unit of the B61-12 by FY 2020.
> - Deliver the first production unit of the W88 Alteration (Alt) 370 (with refresh of the conventional high explosive) by FY 2020.
> - Achieve a first production unit of the W80-4 by FY 2025.
> - Produce not less than 10 War Reserve pits in 2024, not less than 20 War Reserve pits in 2025, and not less than 30 War Reserve pits in 2026.
> - Create a modern, responsive nuclear infrastructure that includes the capability and capacity to produce 50 to 80 pits per year by 2030.
> - Cease enriched uranium programmatic operations in Building 9212 at the Y-12 National Security Complex and deliver the Uranium Processing Facility for no more than $6.5 billion by 2025.
> - Implement the "3+2 Strategy" for a smaller stockpile with upgraded safety and security and interoperable nuclear explosive packages for the missile warheads.
> - Achieve exascale computing and deliver an exascale machine by the early 2020s.
> - Ensure a trusted supply of strategic radiation-hardened microsystems by 2025.
> - Develop an operational enhanced capability for subcritical experiments by the mid 2020s.
> (Executive Summary, *Fiscal Year 2018 Stockpile Stewardship and Management Plan*, US Department of Energy/National Nuclear Security Administration, November 2017, Page vii)

863 The timing of Eisenhower's warning, at the end of his presidency, should be recognized. Andrew Bacevich has provided some context:

> As for Eisenhower, although there is much in his presidency to admire, his errors of omission and commission were legion. During his two terms, from Guatemala to Iran, the CIA overthrew governments, plotted assassinations and embraced unsavory right-wing dictators - in effect, planting a series of IEDs [improvised explosive devices] destined eventually to blow up in the face of Ike's various successors. Meanwhile, binging on nuclear weapons, the Pentagon accumulated an arsenal far beyond what even Eisenhower as commander-in-chief considered prudent or necessary.
>
> In addition, during his tenure in office, the military-industrial complex became a rapacious juggernaut, an entity unto itself as Ike himself belatedly acknowledged. By no means least of all, Eisenhower fecklessly committed the United States to an ill-fated project of nation building in a country that just about no American had heard of at the time: South Vietnam. Ike did give the nation eight years of relative peace and prosperity, but at a high price - most of the bills coming due long after he left office.
> (Andrew Bacevich, œTomgram: Andrew Bacevich, Pseudo-Election 2016, *TomDispatch*, August 4, 2016)

[864] 'An independent audit of the Department of Defense' was suspended in November 2018 after auditors announced that they were unable to complete the job. A report on their findings has been summarized by Dave Lindorff of *The Nation* (amongst others) under the title 'Exclusive: The Pentagon's Massive Accounting Fraud Exposed: How US military spending keeps rising even as the Pentagon flunks its audit'. His conclusion:

> ...So here's the situation: We have a Pentagon budget that a former DOD internal-audit supervisor, Jack Armstrong, bluntly labels "garbage." We have a Congress unable to evaluate each new fiscal year's proposed Pentagon budget because it cannot know how much money was actually spent during prior years. And we have a Department of Defense that gives only lip service to fixing any of this. Why should it? The status quo has been generating ever-higher DoD budgets for decades, not to mention bigger profits for Boeing, Lockheed, and other military contractors.
>
> The losers in this situation are everyone else. The Pentagon's accounting fraud diverts many billions of dollars that could be devoted to other national needs: health care, education, job creation, climate action, infrastructure modernization, and more. Indeed, the Pentagon's accounting fraud amounts to theft on a grand scale - theft not only from America's taxpayers, but also from the nation's well-being and its future.
>
> As President Dwight D. Eisenhower, who retired from the military as a five-star general after leading Allied forces to victory in World War II, said in a 1953 speech, "Every gun that is made, every warship launched, every rocket fired signifies, in the final sense, a theft from those who hunger and are not fed, those who are cold and are not clothed." What would Eisenhower say today about a Pentagon that deliberately misleads the people's representatives in Congress in order to grab more money for itself while hunger, want, climate breakdown, and other ills increasingly afflict the nation?
> (Dave Lindorff, œExclusive: The Pentagon's Massive Accounting

Fraud Exposed: How US military spending keeps rising even as the Pentagon flunks its audit, *The Nation*, November 27, 2018)

List of Update Dates: for 'Short-circuiting Political Safeguards...' (05/11/17) (15/04/18) (05/05/18) (06/09/18) (16/09/18) (20/09/18) (18/10/18) (30/10/18) (03/11/18) (27/01/19) (03/02/19) (31/01/19) (15/03/19) (23/03/19) (04/05/19) (19/08/19) (02/12/19) (10/02/20) (18/03/19)(28/02/20)(20/03/20) (28/03/20) (29/03/20) (27/09/20) (18/11/19) (19/06/17)(30/07/17) (28/11/19) (11/03/19)(05/03/20) (28/01/19) (25/10/19) (15/06/20) (22/02/20) (17/05/20) (28/10/19) (18/10/20) (22/10/20) (28/10/20) (30/10/20) (04/12/20) (11/12/20) (29/12/20) (10/02/21) (17/02/21) (08/03/21) (11/03/21) (14/03/21) (21/03/21) (25/03/21) (10/04/21) (2704/21) (29/04/21) (12/05/21) (15/05/21) (06/06/21) (13/06/21) (09/07/21) (13/07/21) (16/07/21) (05/08/21) (15/08/21) (16/08/21) (20/08/21) (26/08/21) (27/08/21) (07/09/21) (10/10/21) (15/10/21) (12/01/22) (13/01/22) (27/01/22) (21/06/22) (09/10/22) (15/11/22) (16/11/22) (19/12/22) (10/01/23) (13/01/23) (22/01/23) (08/03/23) (10/03/23) (12/04/23) (02/05/23) (07/05/23) (26/06/23) (22/08/23) (05/09/23)

865 That anyone took this nonsense seriously boggles the mind. The presumption that deregulated capitalism constitutes

- the 'end point of mankind's ideological evolution'
- the 'final form of human government,' and
- constitute[s] the 'end of history.'

is so obviously absurd as to require us to ask - how was this ever able to gain an audience, much less be promoted as a 'reasonable' account of what was happening in the 1990s and beyond?

866 As Brunoli continues:

> ...[W]e Americans fought fascism in WWII, We cannot go around saying that we are fascists. So we say we are Capitalists.
>
> This has never really made any sense. It is simply ridiculous to think that a farmer or a worker who owns no stocks and barely pays their bills every month - in short someone without one cent in Capital - would nonetheless proudly call themselves a Capitalist.
>
> I really think that this is simply due to an aversion to the word fascist. Yes, the American elite have built a fascist State, but we don't call it that. We say we are Capitalists and, as Nancy Pelosi famously said, "that's just the way it is."
>
> Because of such sloganeering, many Americans believe incorrectly that capitalism is a form of society. It is not. Capitalism has no political or social component. It is purely an economic system.
>
> By contrast, fascism is a political and social system, but not an economic one. So you can see how fascism and capitalism complement each other. Fascism is a political and social order in search of an economic system; capitalism is an economic system in search of a political and social order in which to operate.
> (Joe Brunoli, œCapitalism, Nationalism, and Militarism: A History of American Fascism, *Due Dissidence*, November 27, 2020)

867 The documentary œ*Shadow World* (2016), provides a compelling feature length investigation into the multi-billion dollar international arms trade which, in the post WW2 world, has largely driven US and general Western militarism around the world and, far too often, has made diplomacy a prelude to war.

[868] East and South-East Asian nations have shown that it is possible to take advantage of the opportunities provided by short-sighted Western corporations 'as individual production stages are located where the costs of production are lowest'. However, in order do so, they need to have invested in the development of a pool of educated people with the necessary skills to take advantage of such opportunities.

They also need to be willing and able to provide the seed-funding necessary for those trained personnel to develop and exercise their entrepreneurial and experimentation activities. They need to be able to tolerate and encourage those who experience short-term hiccups and failures on the road to success.

No nation can succeed merely by hosting corporate activities within their borders. They need politicians and administrations with foresight and vision to prepare their populations to take advantage of the opportunities afforded and to support them as they hone their various aptitudes and skills.

China had the good fortune to be blessed with political leaders who understood the importance of state involvement in preparing their populations to take advantage of offered opportunities:

Long before their 'miraculous' take-off into entrepreneurial success, East and South-East Asian nations invested heavily in education through the 1980s and beyond, offering competitive salaries and work conditions to the necessary personnel to ensure the quality of their educational facilities. They also provided funding for students in overseas educational facilities.

Dan Wang has provided an example of the consequent developing technological independence in China

> In 2007, the year Apple first started making iPhones in China, the country was better known for cheap labor than for technological sophistication. At the time, Chinese firms were unable to produce almost any of the iPhone's internal components, which were imported from Germany, Japan, and the United States. China's overall contribution to the devices was limited to the labor of assembling these components at Foxconn's factories in Shenzhen - what amounted to less than four percent of the value-added costs.
>
> By the time the iPhone X was released, in 2018, the situation had dramatically changed. Not only were Chinese workers continuing to assemble most iPhones, but Chinese firms were producing many of the sophisticated components inside them, including acoustic parts, charging modules, and battery packs. Having mastered complex technologies, these firms could produce better products than their Asian and European competitors. With the latest generation of iPhones, this pattern has only accelerated. Today, Chinese tech firms account for more than 25 percent of the device's value-added costs.
>
> Although the iPhone is a special case - as one of the most intricate pieces of hardware in existence, it relies on an exceptional range of technologies - its expanding footprint in China captures a broader trend. In a majority of manufactured goods, Chinese firms have moved beyond assembling foreign-made components to producing their own cutting-edge technologies....
> (Dan Wang, "China's Hidden Tech Revolution: How Beijing Threatens U.S. Dominance, *Foreign Affairs*, February 28, 2023)

[869] The US relocation of industrial activity to China seems to have been indiscriminate! Mike McCormack explained:

> High-ranking U.S. officials and corporate executives have sounded the alarm bells for years: U.S. national security is at risk due to our military's reliance on foreign nations for raw materials, parts and products.
>
> It is time for leaders to walk their talk and wrestle back the manufacturing and defense industrial base.
>
> U.S. corporations have outsourced more than 5 million jobs and 91,000 manufacturing plants since 1998, according to the Economic Policy Institute. The closing of factories in the nation for the past 24 years has forced the U.S. military to increasingly rely on imports to keep forces armed and ready.
>
> The Alliance for American Manufacturing has been calling attention to this precarious issue since 2013, when it published a report, "Remaking American Security," that identified many of the weaknesses in the military supply chains and overall defense preparedness. The organization proclaimed that the health of the manufacturing sector is inextricably intertwined with national security, and it is vital we strengthen the sector.
>
> Five years later, the situation had not improved. A Pentagon-led review ordered by then President Donald Trump in 2018 identified hundreds of instances where the U.S. military was dependent on foreign countries, especially China, for critical materials. For example, an analysis from the U.S. Geological Survey at the time said the United States produced no rare earth minerals in 2017, while China accounted for 81 percent of global mine production. Rare earth minerals are used in magnets, radars and other electronics critical to defense systems.
>
> Four years later, the next administration raised the same concerns. A February report developed on the order of President Joe Biden warned of the consequences of low manufacturing investment in the United States. The study pointed out that the U.S. share of the world market in goods has continuously declined, and manufacturing output as a percentage of GDP has similarly declined, from more than 25 percent in 1947 to 11 percent at the end of 2020. The report went on to outline 64 recommendations as initial steps in a longer-term effort to build a strong and responsive supply chain in the coming years.
>
> Despite the warnings, the situation continues to get worse. The COVID-19 pandemic highlighted the need for a continued push for onshoring and revitalizing North American manufacturing. When the outbreak began, supply lines necessary to sustain production within the defense industry were frozen, drawing attention to the vulnerability of the defense industrial base to being cut off. According to the consulting firm McKinsey and Company, only 22 percent of automotive, aerospace and defense players had regionalized production to boost their supply chain resilience by May 2020, even though they indicated previously they had prioritized the approach.
> (Mike McCormack, œAmericanize the Defense Industry Supply Chain, *National Defense*, September 30, 2022)

Of course they transferred not only industrial technology, organizational processes and activity but also the jobs of Western workers to what was assumed to be an alternative unregulated non-unionized, compliant, cheap-labor region.

These organizations displayed no commitment to the Western regions where they were based (and within which they still, despite their betrayal, receive privileged tax and other benefits).

There also seems to have been a presumption that, unlike the 'high cost' Western 'welfare states' which had spawned them, China would remain a low cost, 'authoritarian', anti-welfare, vassal state, tied and beholden to Western Corporate power; ensuring a permanent, state-controlled, cheap and manipulable labor force. A Global Capitalist's fantasy world!

870 M. K. Bhadrakumar explained:

> A commentary in the Global Times, the Chinese Communist Party daily, on Thursday under the byline of a noted India hand in Tsinghua University took stock of the state of play in the US-India relationship as characterised by trust deficit and growing wariness on the part of the Indians regarding American intentions. Let me quote a concluding passage in the commentary:
>
> "India should not be viewed as a loyal supporter of the US, or a force that blindly follows the US. Judging from the country's foreign policy orientation since the Russia-Ukraine conflict, India has withstood waves of pressure from the US and the West, insisting on maintaining a neutral position in the Ukraine crisis.
>
> "New Delhi has kept a relatively large extent of its strategic autonomy and adopted policies based on the need to safeguard its own national interests. As India acts as an emerging power with growing self-confidence, it is impossible to expect New Delhi to be completely incorporated into the system dominated by Washington." (M. K. Bhadrakumar, "Whose game is Pakistan's Khar playing?, *Indian Punchline*, January 20, 2023)

871 Ashley Tellis summed it up:

> Washington's current expectations of India are misplaced. India's significant weaknesses compared with China, and its inescapable proximity to it, guarantee that New Delhi will never involve itself in any U.S. confrontation with Beijing that does not directly threaten its own security. India values cooperation with Washington for the tangible benefits it brings but does not believe that it must, in turn, materially support the United States in any crisis - even one involving a common threat such as China....
>
> India's view of military cooperation, which emphasizes nurturing diversified international ties, represents a further challenge. India treats military exercises more as political symbols than investments in increasing operational proficiency and, as a result, practices with numerous partners at varying levels of sophistication. On the other hand, the United States emphasizes relatively intense military exercises with a smaller set of counterparts....
>
> The Biden administration is now going to great lengths to reverse the failure of the Defense Trade and Technology Initiative. Last year, it announced the Initiative on Critical and Emerging Technology, which aims to fundamentally transform cooperation between the two countries' governments, businesses, and research entities

pertaining to technology development. This endeavor encompasses a wide variety of fields, including semiconductors, space, artificial intelligence, next-generation telecommunications, high-performance computing, and quantum technologies, all of which have defense applications but are not restricted to them.

For all its potential, however, the Initiative on Critical and Emerging Technology does not guarantee any specific outcomes. The U.S. government can make or break the initiative, as it controls the release of the licenses that many joint ventures will require. Although the Biden administration seems inclined to be more liberal on this compared with its predecessors, only time will tell whether the initiative delivers on India's aspirations for greater access to advanced U.S. technology in support of Modi's "Make in India, Make for World" drive, which aims to transform India into a major global manufacturing hub that could one day compete with, if not supplant, China as the workshop of the world.
(Ashley J. Tellis, œAmerica's Bad Bet on India: New Delhi Won't Side With Washington Against Beijing, *Foreign Affairs*, May 01, 2023)

[872] *Hans India:*

New Delhi: A series of suspiciously-timed and targeted events suggest that there is an Anglo-American destabilization being launched to topple Prime Minister Narendra Modi in the coming months, claims F. William Engdahl of the Centre for Research on Globalization[œWashington Is Out to Topple India's Modi, *Global Research*, February 20, 2023]. One of the most critical economic partners of Russia amid the unprecedented Western economic sanctions from Washington and the EU over the Ukraine war has been the Indian government.

In the past several years, Modi, playing a delicate balancing act between alliances with Russia and also with the West, has emerged as a vital trade partner of Russia amid the sanctions. Despite repeated efforts by US President Joe Biden's administration and UK officials, Modi has refused to join sanctions against Russian trade, above all oil trade, the article said.

India under Modi has repeatedly refused to join Washington in condemning Russia's Ukraine actions. It has defied US sanctions on Russian oil buying, despite repeated US threats of consequences. In addition to being a fellow BRICS member, India is also a major long-time buyer of Russian defense equipment. Modi is facing a national election in Spring 2024, and important regional ones this year, that will determine his future. In January a clear Anglo-American assault on Modi and his key financial backer was launched.
(œConspiracy to topple Modi in coming months: Report, *Hans News Service*, 8 March 2023)

[873] *Global Times:*

In the face of China's rise, the US is incapable of promoting itself, but can only rely on maximum suppression of its opponents to maintain a narrow lead. The launch of a unit focused on China by the US State Department is the latest example....

US Secretary of State Antony Blinken on Friday presided over the launch of the new Office of China Coordination, informally known as China House. Reuters portrayed it as "an internal reorganization" to

help expand and sharpen the US policymaking toward its top geopolitical rival.

This is evidently a step forward of the US government in an attempt to have more intense competition with China rather than cooperation, embodying that the Biden administration has pushed its China policy to a more dangerous zone. ...

The creation of a unit focused on China by multiple departments in the US demonstrates that the US positioning of its relations with China is confrontation, instead of win-win cooperation that China has underlined. The US will go further on the road in antagonizing China. Today, when the US holds summits with ASEAN, the EU, or African leaders, it will directly or indirectly involve the theme of confronting China. With the creation of units focusing on China, experts anticipate that US promotion of competition with China on bilateral, regional and global basis will become even more worrying. Notably, it may continue to demonize China in public opinion, distort China's contribution to the international community, and further rope in its allies to contain China. ...

Blinken announced the creation of China House in May. And he called China the "most serious long-term threat" to the world order. How has China threatened the world order? What has triggered the US to use such rhetoric is its belief that China has challenged its global hegemony. In light of this, Washington intends to do everything possible to hinder China's development and curb China's influence. The international community should not have illusions that the US will sincerely seek cooperation with China.
(Editorial, œ'China House' shows US pushing China policy to more dangerous zone, *Global Times*, December 18, 2022)

874 As Bhadrakuma says,

... India's ruling elite traditionally finessed the art of placating the US when differences took a serious turn - such as over the US' proxy war against Russia in Ukraine....

...[M]ake no mistake, India also has a strong motivation today to tilt toward the Biden administration. For the first time since the Sino-American detente in the early 1970s, here is an administration that is dominated by the neocons who are openly pursuing hostile policies toward China.

Put differently, the scale of the US-Indian congruence of interests is unprecedented. Indeed, it is highly symbolic that US nuclear capable heavy bombers, including two B-1Bs, are heading to India to participate in the Cope India exercise at this juncture when tensions are spiking around Taiwan.

At one stroke, the forthcoming state visit by Modi to the US assumes profound significance not only in the Asian power dynamic but internationally, as India stands up to be counted as the West's quasi-ally. The Pentagon must be feeling elated.

We may never know how far this wild swing in Indian policy is a "œbutterfly effect."
(M. K. Bhadrakumar, œGeorge Soros poses no danger to India, *Indian Punchline*, April 11, 2023)

875 Bhadrakumar on India's ambivalent attitude:

The opening address by Prime Minister Narendra Modi at the SCO event failed to convince, leave alone stimulate the other member countries - especially Russia and China who invented the 'Shanghai spirit' almost three decades ago, which became five years later in 2001 the guideline for the SCO cooperation.

The saddest part is that Modi seems unaware of the Shanghai spirit, although his government fortuitously came to harvest the foreign policy initiative by the previous Manmohan Singh government to seek SCO membership for India. Modi's speeches on the multilateral platforms have by now come to acquire a familiar trait - aiming barbs through innuendoes at Pakistan and China. They enthrall the anti-Muslim and Sinophobic lobbies within India but will have no use for the SCO collective....

Asserting that the historical trend of peace, development, and win-win cooperation is unstoppable, Xi called for efforts to maintain regional peace and safeguard common security and reminded his audience that sustaining peace and security in the SCO region is a common responsibility.

Both Putin and Xi dilated on the issue at some length. They seem to inhabit the same planet, Planet Earth. In contrast, the Indian statement dismissed this topic rather perfunctorily and curtly in two sentences. Modi said, 'The present times mark a crucial phase in global affairs. In a world surrounded by conflicts, tensions and pandemics; food, fuel, and fertiliser crises is a significant challenge for all nations.' Period!

It's as simple as that! Does India have any views at all on such a 'crucial phase in global affairs'? Instead, Modi's speech took a detour, wandering aimlessly through Venus and Mars - Startups and Innovation; Traditional Medicine; Youth Empowerment; Digital Inclusion; Shared Buddhist Heritage; Emerging Fuels; Decarbonisation in the Transportation Sector; Digital Public Infrastructure and so on - which, ironically, would have made the business of the moribund SAARC [South Asian Association for Regional Cooperation: the regional intergovernmental organization and geopolitical union of states in South Asia].

This is becoming hilarious as India pretends that it is not even aware that SCO is quintessentially a security platform. In reality, Delhi seems to be increasingly frustrated that more and more countries from South Asia (eg., Maldives, Bangladesh, Nepal, Pakistan) are finding SCO to be an alternative to the SAARC, which India is subjecting to slow death.
(M. K. hadrakumar, œIndia's discontent with the SCO, *Indian Punchline*, July 06, 2023)

876 India's ambivalent attitude to involvement in 'a new world order'

...Russia and China are under US sanctions. On the contrary, India's relationship with the US is perhaps at its highest point in history - almost a quasi-alliance - and Washington describes it as the "defining partnership" of the century. Arguably, the US sanctions against China could even hold advantages for India. The close bonding between the two countries that is in the pipeline for the chip industry is a case in point. Suffice to say, life may even be getting better for India, and the country's elite would see no reason to trade its modest revisionist wishes for a most fundamental

restructuring of the existing international order, let alone its destruction.

The bottom line is that India is content if the influence of BRICS [and the *Shanghai Cooperation Organization*] in the shaping of the main aspects of the global agenda can make the world more just and stable. Indeed, that is not a far-fetched dream, as BRICS is on the right side of history. None of the group's members have their economic opportunities and political influence grounded in a history of bloody wars, conducted with the purpose of establishing regional and global dominance centered around the wealth accumulated over several centuries. India feels at home.
(M. K. Bhadrakumar, œWhy India doesn't want BRICS to dismantle the world order built by the West, *RT*, 21 Aug, 2023)

877 The consequences of China's emergence as a threatening competitor to Western hegemony:

Two-way trade between the US and India is on an upward spiral. The dominant Western narrative is that a "decoupling" of US and Chinese economy and the disruptions brought by the pandemic has heightened the importance of diversification for global businesses, and India can become the "next factory" of the world as multinational corporations relocate portions of their global supply chain to countries like India. However, this deviates from reality.

Indeed, India's foreign trade with the US has seen an increase, but this is not the whole story. There are three important aspects. First, China is rapidly moving up the manufacturing value chain, producing more sophisticated goods, and creating a higher-paid workforce in the process. It helps to boost the overall market competitiveness of Chinese high-tech corporations with an increased export to the US markets.

Second, the cost of production in China, especially in the major coastal cities, is on the rise, so some low-end manufacturers are moving portions of their production to other countries like India. Bloomberg said in September that India, believed by many to have the potential to become the next China, is finally making headway in the exports market as it has become one of the top five suppliers of Christmas decorative items and T-shirts to the US. Bilateral trade is indeed on an upward spiral, but low-cost manufacturing segments remain the highlight.

Third, although multinational corporations relocate some of their supply chain to India, manufacturing companies will not entirely move out of China. It will take time to build a complete and comprehensive industrial chain in India, and before the nation achieves that milestone, it has to import a range of intermediate products from China. An increase in demand of intermediate products in India is an inevitable result of the production shift.

There is an interesting phenomenon happening: China's exports to the US, India's exports to the US, and China's exports to India all increase at the same time. And when the three are combined together it tells the whole story....
(Editorial, œUS-India trade friction to increase despite communication mechanism like TPF, *Global Times*, January 10, 2023)

[878] Shekhar Gupta, in an endorsement of a Western-focused future for India:

> The Shanghai Cooperation Organisation (SCO) foreign ministers' meeting in Goa has produced the usual photo-ops and probably even some important outcomes in backroom conversations. It should also make us reflect on the proliferation of similar multilateral organisations, what they stand for, and what they mean for India.
>
> As the name indicates, the SCO is a China-inspired and, whatever the pretence, China-led organisation. Look at the two others that have come up more or less in the same era, the past two decades: The BRICS (Brazil, Russia, India, China, South Africa) and RIC (Russia-India-China) forums.
>
> Three countries are common to these. China, Russia, and India. The common factor in all three forums is the pre-eminence of China. Which is the reason we have listed India as the last of the three. We know all governments love the razzmatazz of summitry, and the Narednra Modi government revels in it more than any since probably Indira Gandhi's. But the downside of participating with such enthusiasm in three regional groups led and dominated by China, with Russia as its loyal follower, has to be debated.
>
> We also know that the buzzword these days is multilateralism. However, what quality and what kind of multilateralism can be expected from China-launched and China-run organisations with a couple of its loyalists, if not near-vassals, and an adversarial India? (Shekhar Gupta, œPerils of new multilateralism, *Business Standard*, May 07, 2023)

[879] The US New Deal relied on similar funding.

The resulting unprecedented speed and sophistication of China's industrial and infrastructural development is well illustrated in these YouTube videos:

> œExploring China's Huge & Facinating Road Network: The Grand Tour; and
>
> œThe Unstoppable Growth of China's High-Speed Rail Network

[880] China's remarkable poverty alleviation programs have transformed impoverished regions. These videos provide graphic illustration of the process:

> œA model of China's poverty alleviation: Stories shared by Xi Jinping; and
>
> œChina's poverty alleviation "a great historic accomplishmen": U.S. economist

[881] China's "dual circulation" strategy:

> Beijing will... seek to reduce its exposure to U.S. financial sanctions, including by promoting the use of the renminbi in foreign trade and investment.
>
> Last year, it started trials of a digital currency in a handful of large cities, an innovation that could one day allow China and its business partners to conduct international transactions outside SWIFT, the financial messaging system, which is under de facto U.S. control and a major source of American geopolitical leverage.

> China will, of course, not turn inward altogether: the Belt and Road Initiative,Beijing's massive global infrastructure campaign, will continue, although progress has been slow during the pandemic.
>
> Since the "dual circulation" strategy enshrines the domestic market, and not global linkages, as Beijing's primary political focus, the BRI's projects will henceforth be based more on market demand than on political considerations.
>
> China will also continue to seek technological cooperation with other countries, provided they can resist U.S. pressure to decouple from China on this front.
> (Yan Xuetong, œBecoming Strong: The New Chinese Foreign Policy, *Foreign Affairs*, July/August 2021)

882 It should not be presumed that Trump's intervention to continue arms sales to Saudi Arabia was unusual. Since the 2nd World War, all US presidents (including President Obama) have displayed similar commitment to maintaining the trade. Michael LaForgia and Walt Bogdanich have described what happened:

> Weapons supplied by American companies, approved by American officials, allowed Saudi Arabia to pursue the reckless campaign. But in June 2017, an influential Republican senator decided to cut them off, by withholding approval for new sales. It was a moment that might have stopped the slaughter.
>
> Not under President Trump.
>
> With billions at stake, one of the president's favored aides, the combative trade adviser Peter Navarro, made it his mission to reverse the senator. Mr. Navarro, after consulting with American arms makers, wrote a memo to Jared Kushner and other top White House officials calling for an intervention, possibly by Mr. Trump himself. He titled it "Trump Mideast arms sales deal in extreme jeopardy, job losses imminent."
>
> Within weeks, the Saudis were once again free to buy American weapons.
> (Michael LaForgia and Walt Bogdanich, œWhy Bombs Made in America Have Been Killing Civilians in Yemen, *New York Times*, 16 May, 2020)

883 Hillary œClinton on Gaddafi:

> We Came, We Saw, He Died.

The BBC, in a 25 May 2017 News item titled 'œWhy is Libya so lawless?', provided a synopsis of Libya's post-Gaddafi experiences:

> **How bad is the situation in Libya?**
>
> Only Libya's myriad armed militias really wield power - and it is felt they often hold the politicians they supposedly back to ransom. During the uprising, anyone with a gun could command respect, and lots of armed groups emerged - up to 1,700, according to some estimates.
>
> There are two rival parliaments and three governments - the latest government was formed in UN-brokered talks with the aim of replacing the other two. But this initiative is still on the rocks, partly because of concerns that the new government is being imposed by Western powers.

> The oil-rich country once had one of the highest standards of living in Africa, with free healthcare and free education, but six years on from the uprising, it is facing a financial crisis.
>
> This turmoil has allowed IS to gain a foothold in the country....
>
> Some security analysts describe Libya as an arms bazaar. It is awash with weapons looted from Gaddafi's arsenal - making an ideal playground for jihadists fleeing air strikes in Syria and Iraq.
>
> IS has been attacking Libyan oil facilities, has kidnapped several foreign oil workers and in 2015 was behind two high-profile attacks on Tunisia's tourism industry - carried out by gunmen trained in Libya.
>
> Tunisia has built a partial security barrier and trench along its border with Libya aimed at preventing further atrocities....
>
> Former US President Barack Obama, in an œinterview published in April 2016, said that the "worst mistake" of his presidency was the failure to prepare for the aftermath of Col Gaddafi's overthrow.
>
> He partly blamed then-UK Prime Minister David Cameron for "the mess", saying he had not done enough to support the North African nation whose instability was threatening its neighbours and was a factor in Europe's migrant crisis.

William Rivers Pitt said it well, though, of course, presumptuous bombing raids aimed at 'regime change' have not been confined to US Republican presidents:

> The administrations and legacies of Richard Nixon, Ronald Reagan and George W. Bush combine to tell a long, sorry tale of corruption, greed, brazen lies, abused power and religious fundamentalism gone wild that, in whole and in part, put us where we are today. Remove any one of those men from... history, and Donald Trump would likely be just another late-night punchline you slept through, again. Nixon, Reagan and W. Bush made Donald Trump possible. (William Rivers Pitt, œThe Terrible Trump Portrait That Explains Everything, *Truthout*, October 18, 2018)

884 As they conclude:

> On the eve of the meeting, Washington had set its own confrontational tone by sanctioning 24 Chinese and Hong Kong officials for their role in rewriting the city's election laws, which further erode Hong Kong's autonomy. That followed a flurry of meetings that Secretary of State Antony Blinken and Secretary of Defense Lloyd Austin had held in Seoul and Tokyo, shoring up America's two main military alliances in Asia, while Biden met with the leaders of Japan, India and Australia in the first online summit of the so-called Quad, to push back against China's growing assertiveness in the region.
>
> For its part, Beijing announced the opening of the trials of two Canadians whose arbitrary detentions in China in 2018 were largely viewed as an act of hostage diplomacy in retaliation for Canada's arrest of Huawei executive Meng Wanzhou. The hearings for Canadian businessman Michael Spavor and former diplomat Michael Kovrig were held in secret last week, with foreign diplomats barred from entering the court. The verdicts are still being withheld, raising the stakes for the U.S., which is seeking to extradite Meng for fraud charges.

In Anchorage, the gloves came off right at the opening statements, and were followed by further sparring. Blinken started by expressing "deep concerns" with China's actions in Xinjiang, Hong Kong and Taiwan - all issues that Beijing sees as "internal affairs" and characterizes as "red lines" that cannot be crossed. Along with cyberattacks on the U.S. and economic coercion toward American allies, "each of these actions threaten the rules-based order that maintains global stability," Blinken said.
(Rachel Cheung and Benjamin Wilhelm, œThere Won't Be Any 'Reset' With China, *World Politics Review*, March 24, 2021)

885 Venezuela's President Maduro (13 February 2020) has, justifiably, called the US sanctions œa 'crime against humanity' and their use against Venezuela an economic 'weapon of mass destruction' and has instructed Foreign Minister Jorge Arreaza to file a complaint with the International Criminal Court (ICC) against the United States and its sanctions.[1065]

As Garikai Chengu explained in 2019,

> American economic sanctions have been the worst crime against humanity since World War Two. America's economic sanctions have killed more innocent people than all of the nuclear, biological and chemical weapons ever used in the history of mankind.
>
> The fact that for America the issue in Venezuela is oil, not democracy, will surprise only those who watch the news and ignore history. Venezuela has the world's largest oil reserves on the planet.
>
> America seeks control of Venezuela because it sits atop the strategic intersection of the Caribbean, South and Central American worlds. Control of the nation, has always been a remarkably effective way to project power into these three regions and beyond.
>
> From the first moment Hugo Chavez took office, the United States has been trying to overthrow Venezuela's socialist movement by using sanctions, coup attempts, and funding the opposition parties. After all, there is nothing more undemocratic than a coup d'état.
>
> United Nations Human Rights Council Special Rapporteur, Alfred de Zayas, recommended, just a few days ago, that the International Criminal Court investigate economic sanctions against Venezuela as a possible crime against humanity perpetrated by America.
> (Garikai Chengu, œSanctions of Mass Destruction: America's War on Venezuela, *Counterpunch*, 01 February, 2019)

The US Congressional Research Service (using explanatory language best suited to a US Orwellian reality) has provided an overview of sanctions imposed on Venezuela. As the report explains:

> For more than a decade, the United States has imposed sanctions in response to activities of the Venezuelan government and Venezuelan individuals. In response to the authoritarian leadership of Nicolás Maduro, the Trump Administration has significantly expanded sanctions. As of January 22, 2020, the Treasury Department has imposed sanctions on at least 144 Venezuelan or Venezuelanconnected individuals, and the State Department has revoked the visas of hundreds of individuals and their families. The Trump Administration also has imposed sanctions on Venezuela's state oil company (Petróleos de Venezuela, S.A., or PdVSA), government, and central bank.

> Sanctions have increased economic pressure on the Maduro government, accelerating a decline in oil production. Nevertheless, Maduro remains in power a year since the United States ceased to recognize him as president. The Trump Administration has promised continued support to National Assembly President Juan Guaidó, whom the United States and 57 governments recognize as interim president of Venezuela. Recent U.S. sanctions targeted legislators who tried to block Guaidó's January 2020 reelection as National Assembly president. On February 18, 2020, Treasury sanctioned Rosneft Trading S.A., a subsidiary of the Russian state-controlled Rosneft Oil Company, for facilitating Venezuelan oil exports (œVenezuela: Overview of U.S. Sanctions, *Congressional Research Service*, Updated February 21, 2020)

The U.S. Department of the Treasury has also provided a summary of œVenezuela-related Sanctions together with œFrequently Asked Questions Regarding Venezuela-related Sanctions

886 John McEvoy put it well:

> There are clear and disturbing parallels between the events that led to the 2003 invasion of Iraq and the current frenzy promoting regime change in Venezuela. From the state actors to the massive disinformation campaign, Washington and its "coalition of the willing" appear to be following the same old imperialist formula.
>
> The Canary spoke to activist journalists Mike Prysner and Fiona Edwards about the parallels between the lead-up to the invasion of Iraq and current events in Venezuela. Prysner was 19 years old when he was deployed to Iraq in March 2003. He is now an anti-war activist, producer and writer for The Empire Files, and co-host of the Eyes Left podcast. Edwards, meanwhile, is a national officer of Stop the War coalition (a central organising force against the Iraq invasion) and a writer on Latin America.
>
> **Déjà vu in Venezuela**
>
> Prysner began by saying:
>
> > The biggest parallel I see at the moment is the creation of a pretext for US invasion on two separate fronts; the first being the rhetoric of a 'national security threat'. Like with Iraq, the administration is building a case that Venezuela actually poses a threat to US security.
>
> On 7 February, US secretary of state Mike Pompeo told Fox News that "Hezbollah has active cells" in Venezuela. This is today's equivalent to false and exaggerated claims surrounding Iraq's WMDs and links to Al Qaeda.
>
> Prysner continued:
>
> > To me, [Pompeo's claims] are not taken seriously, but neither were WMDs in Iraq.... It was under the 'humanitarian intervention' that was ultimately the rationale I went to war with.
> >
> > In Iraq and Venezuela alike, the evidence of this humanitarian crisis was something actively manufactured by US policy through the use of sanctions and economic blockade. For the US government to asphyxiate the country for years, then be the saviors, really exposes that their policy never had anything to do with what was best for its people.

(John McEvoy, œThe ocean of lies on Venezuela recalls the lead-up to the invasion of Iraq, *the Canary*, 11 February 2019)

Goebbels spelt it out:

> If you tell a lie big enough and keep repeating it, people will eventually come to believe it. The lie can be maintained only for such time as the State can shield the people from the political, economic and/or military consequences of the lie. It thus becomes vitally important for the State to use all of its powers to repress dissent, for the truth is the mortal enemy of the lie, and thus by extension, the truth is the greatest enemy of the State.
> (œJoseph Goebbels: On the "Big Lie", *Jewish Virtual Library*, Accessed:18 March, 2019)

As Stephanie Sarkis put it:

> **1. They tell blatant lies.**
>
> You know it's an outright lie. Yet they are telling you this lie with a straight face. Why are they so blatant? Because they're setting up a precedent. Once they tell you a huge lie, you're not sure if anything they say is true. Keeping you unsteady and off-kilter is the goal.
>
> **2. They deny they ever said something, even though you have proof.**
>
> You know they said they would do something; you know you heard it. But they out and out deny it. It makes you start questioning your reality - maybe they never said that thing. And the more they do this, the more you question your reality and start accepting theirs.
> (Stephanie A. Sarkis, œ11 Warning Signs of Gaslighting, *Psychology Today*, January 22, 2017)

Anatoly Kurmanaev and Clifford Krauss, in a US main stream media white-washing of its presumptuous regime change behavior (signaled in such phrases as 'Venezuela's "authoritarian leader"' and 'years of gross mismanagement and corruption'), have heralded the capitulation of Venezuela's elected president to US demands for control of its oil industry:

> ...Under Venezuelan law, the state-run oil company must be the principal stakeholder in all major oil projects. But as that company, Petróleos de Venezuela, or Pdvsa, unravels - under the weight of American sanctions, years of gross mismanagement and corruption - the work is unofficially being picked up by its foreign partners.
>
> Private companies are pumping crude, arranging exports, paying workers, buying equipment and even hiring security squads to protect their operations in a collapsing countryside, according to managers and oil consultants working on the country's energy projects.
>
> In effect, a stealth privatization is taking place, said Rafael Ramírez, who ran Venezuela's oil industry for more than a decade before breaking with Mr. Maduro in 2017, in a video address this week.
>
> "Today, Pdvsa doesn't manage our oil industry, Venezuelans don't manage it," said Mr. Ramírez. "In the middle of the chaos generated by the worst economic crisis suffered by the country in its history, Maduro is taking actions to cede, transfer and hand over oil operations to private capital."
> (Anatoly Kurmanaev and Clifford Krauss, œTo Survive, Venezuela's

Leader Gives Up Decades of Control Over Oil: Faced with a severe economic crisis, the country's leader, Nicolás Maduro, is letting foreign firms take over daily operations of its oil fields. It's a break with core tenets of his socialist revolution, *New York Times*, Feb. 8, 2020)

887 The next stage in the process of Venezuelan regime-change echoes similar regime-change activity of the past. Stephen Kinzer has summarized Iran's experiences through the first half of the 20th century:

> Early in the 20th century, the people of Iran began moving towards democracy. It was a very difficult struggle. It was back and forth. But finally, after the Second World War, democracy did emerge in Iran. It was the one parenthesis, the one period of real democracy that we've had in Iran over the last hundred years. So, the problem came when the Iranians chose the wrong leader. They did something that the United States never likes: They chose a leader who wanted to put the interests of his own country ahead of the interests of the United States. And that alarmed the West, and particularly the United States.
>
> Mosaddegh's first move was to nationalize Iranian oil. We thought this would be a terrible example for the rest of the world. We didn't want to start this process going in other countries. So, in order to set an example, the United States decided we would work with the British to overthrow the elected democratic government of Iran. We sent a senior CIA officer, who worked in the basement of the American Embassy in Iran organizing the coup. The coup finally succeeded in the summer of 1953. Mosaddegh was overthrown.
>
> And, more important, the democratic system in Iran was destroyed forever. This was not just an attack on one person, but an attack on democracy. And the reason why we attacked that democracy is the democracy produced the wrong person. So, we like elections and democratic processes, but they have to produce the candidates we like; otherwise, our approval disappears.
> (Transcript of Discussion, œOverthrow: 100 Years of U.S. Meddling & Regime Change, from Iran to Nicaragua to Hawaii to Cuba, *Democracy Now*, March 12, 2018)

Noam Chomsky spelt out Nicaragua's experiences through the second half of the last century:

> In the ten years prior to the overthrow of the Nicaraguan dictator Anastasio Somoza in 1979, US television - all networks - devoted exactly one hour to Nicaragua, and that was entirely on the Managua earthquake of 1972.
>
> From 1960 through 1978, the New York Times had three editorials on Nicaragua. It's not that nothing was happening there - it's just that whatever was happening was unremarkable. Nicaragua was of no concern at all, as long as Somoza's tyrannical rule wasn't challenged.
>
> When his rule was challenged, by the [popular, left-wing] Sandinistas in the late 1970s, the US first tried to institute what was called "Somocismo [Somoza-ism] without Somoza" - that is, the whole corrupt system intact, but with somebody else at the top. That didn't work, so President Carter tried to maintain Somoza's National Guard as a base for US power.

> The National Guard had always been remarkably brutal and sadistic. By June 1979, it was carrying out massive atrocities in the war against the Sandinistas, bombing residential neighbourhoods in Managua, killing tens of thousands of people. At that point, the US ambassador sent a cable to the White House saying it would be "ill-advised" to tell the Guard to call off the bombing, because that might interfere with the policy of keeping them in power and the Sandinistas out.
>
> Our ambassador to the Organisation of American States also spoke in favour of "Somocismo without Somoza," but the OAS rejected the suggestion flat out. A few days later, Somoza flew off to Miami with what was left of the Nicaraguan national treasury, and the Guard collapsed.
>
> The Carter administration flew Guard commanders out of the country in planes with Red Cross markings (a war crime), and began to reconstitute the Guard on Nicaragua's borders. They also used Argentina as a proxy. (At that time, Argentina was under the rule of neo-Nazi generals, but they took a little time off from torturing and murdering their own population to help re-establish the Guard - soon to be renamed the contras, or "freedom fighters.")
>
> Ronald Reagan used them to launch a large-scale terrorist war against Nicaragua, combined with economic warfare that was even more lethal. We also intimidated other countries so they wouldn't send aid either.
>
> And yet, despite astronomical levels of military support, the United States failed to create a viable military force in Nicaragua. That's quite remarkable, if you think about it. No real guerrillas anywhere in the world have ever had resources even remotely like what the United States gave the contras. You could probably start a guerrilla insurgency in mountain regions of the US with comparable funding.
>
> Why did the US go to such lengths in Nicaragua? The international development organisation Oxfam explained the real reasons, stating that, from its experience of working in 76 developing countries, "Nicaragua was...exceptional in the strength of that government's commitment...to improving the condition of the people and encouraging their active participation in the development process."
>
> Of the four Central American countries where Oxfam had a significant presence (El Salvador, Guatemala, Honduras and Nicaragua), only in Nicaragua was there a substantial effort to address inequities in land ownership and to extend health, educational and agricultural services to poor peasant families. (Noam Chomsky, œThe contra war in Nicaragua, 8 September, 2006)

And, in 2020, they are at it again. Having failed in every other attempt to oust the Venezuelan government and install a puppet regime in the nation, they have resorted to a means they have used before. They have, after 20 and more years of attempting every other means short of military invasion, decided to accuse the legitimately elected president of Venezuela and members of his inner circle of converting Venezuela's state into a criminal enterprise at the service of drug traffickers and terrorist groups. Joshua Goodman and Jim Mustian of *Associated Press* have explained:

> The Trump administration will announce indictments against Venezuela's Nicolas Maduro and members of his inner circle for effectively converting Venezuela's state into a criminal enterprise at the service of drug traffickers and terrorist groups, according to four people familiar with the situation.
>
> The indictments from prosecutors in Miami and New York, which will encompass money-laundering and drug-trafficking charges, will be announced at a news conference by U.S. Attorney General William Barr on Thursday, according to the four, who spoke on condition of anonymity to discuss the indictments ahead of their unsealing.
>
> The U.S. is also expected to announce $25 million in rewards for information leading to the arrest or prosecution of Maduro and Diosado Cabello, head of the ruling socialist party. That's according to two U.S. officials familiar with the matter. The State Department is expected to announce the reward offers at the same time the Justice Department goes public with the indictments, the officials said.
>
> The indictment of a functioning head of state is highly unusual and is bound to ratchet up tensions between Washington and Caracas as the spread of the coronavirus threatens to collapse a health system and oil-dependent economy driven deep into the ground by years of corruption and U.S. sanctions.
>
> Analysts said the action could boost Trump's re-election chances in the key swing state of Florida, which he won by a narrow margin in 2016 and where Venezuelans, Cubans and Nicaraguans fleeing authoritarian regimes have political muscle.
>
> But its unclear how it brings Venezuela any closer to ending a 15-month standoff between Maduro, who has the support of Russia and China, and the U.S.-backed opposition leader Juan Guaidó. It also could fragment the U.S.-led coalition against Maduro if European and Latin American allies think the Trump administration is overreaching.
>
> "This kind of action does nothing to help a negotiated solution - something that's already really difficult," said Roberta Jacobson, who served as the State Department's top diplomat for Latin America until 2018.
> (Joshua Goodman and Jim Mustian, œU.S. Indicts Venezuelan President Maduro, Aides for Drug Trafficking and Money Laundering, *Time*, 26 March,. 2020)

A malignant, mendacious cancer has metastasized within the United States of America since the Second World War: warping foreign policy; fueling war and armaments manufacture and sales; and justifying regime-change activity around the world. It's first symptom seems to be a willingness to distort the truth and invent lies in order to manufacture consensus within the United states population in favor of the distorted reality US politicians and administrators have invented to support their belligerence.

Time and again US Administrations and their political and media supporters have resorted to this reinvention of reality to suit their purposes. Time and again they have demonstrated the validity of Goebbels' assertion that 'if you tell a lie big enough and keep repeating it, people will eventually come to believe it.'

Roger Cohen has put it nicely (though Trump is not the first, and will certainly not be the last, US politician to engage in repeated fabrications to justify his behavior):

> Trump is like the Bellman in Lewis Carroll's "œThe Hunting of the Snark": "I have said it thrice: What I tell you three times is true."...
>
> He is working hard at voter suppression and attempts to disqualify legitimate votes. "Mail ballots, they cheat," the president claims. Mail ballots are "substantially fraudulent." Mail ballots "will be printed by foreign countries."
>
> *What I tell you three times is true*. Like saying over and over that a Biden victory will lead to destruction or that he has done more for African-Americans than any president since Lincoln....
> (Roger Cohen, œAn American Disaster Foretold, *New York Times*, 28 August, 2020)

US Main Stream Media (MSM) commentators and 'reporters' have become so infected by the cancer that they barely need a repetition of the distortions to convince them of their 'reality'. There seems little point in addressing the latest, Trumpian example of this.

A œ *New York Times* contribution to the swelling MSM chorus in support of the Trump administration's latest set of unsupported assertions - including a $15 million reward for information leading to a conviction - demonstrates the willingness with which the media fall into line in supporting such distortions.

A comment by a reader pseudonymed 'Alan' puts it into some perspective (how good it is to find that at least some US residents are still capable of independent assessment of the reality of administration assertions):

> It's both unbelievable and unsurprising that the Trump administration would bring these charges at this moment in history, as a deadly pandemic rages across the world. These are the same people who are starving Venezuela of food, medicine and other necessities of life by imposing a cruel and illegal sanction regime.
>
> AG Barr knows full well that the Justice Department will never have to prove its case, as no trial will ever take place in a U.S. court. Hence, he is free to accuse President Maduro of any crimes that cross his mind, as their true purpose is propaganda. Anti-Maduro partisans can be expected to jump on the bandwagon, but they have no knowledge of the facts and are not even slightly interested in facts. Again, propaganda and narrative control are what matter most to them.

888 With a US presidential election looming in 2020, US administration officials have, once again, demonstrated the depths to which they will sink in œimposing irrationally justified and abusive sanctions on nations around the world merely to bolster election prospects at home. As *Prensa Latina* explained:

> Iranian Foreign Minister Mohammad Yavad Zarif called the unilateral U.S. sanctions that are hindering the battle against Covid-19 economic and medical terrorism, local media reported today.
>
> Zarif spoke via Internet in an intergovernmental forum called Conference on Interaction and Confidence Building Measures in Asia, broadcast on the Iranian channel Press TV.

> 'We need to jointly address the impact of unilateral coercive measures against efforts to combat the pandemic. They are nothing more than economic and medical terrorism,' he said. In any case, he said, cooperation is imperative, because these common challenges affect the health and well-being of the 27 Asian states and humanity.
>
> The head of Iranian diplomacy called for promoting multilateralism and enhancing collaboration, while the Covid-19 pandemic challenged geographical, political and socioeconomic divisions.
>
> The doctrine of U.S. President Donald Trump, he explained, is characterized by a unilateral approach that led to the withdrawal of the nuclear agreement signed in 2015 between Tehran and other world powers and the re-imposition of sanctions against the Islamic Republic.
>
> The latter, he added, even covered food and vital medicines in the midst of a scourge that has killed 980,000 people in the world until today, including 25,000 in Iran.
> (œIran says: US sanctions equivalent to medical terrorism, *Prensa Latina*, September 26, 2020)

889 In a time of dire crisis, with a rampant corona virus pandemic threatening people around the world, Venezuela and Iran remain hobbled by US sanctions, unable to access needed resources to safeguard their populations from its consequences. Vijay Prashad and Paola Estrada have described the response of the US controlled International Monetary Fund (IMF) to a request for assistance:

> ...[T]he Venezuelan Foreign Ministry sent a letter to the IMF asking for funds to finance the government's "detection and response systems" for its efforts against Covid-19. In the letter, President Nicolas Maduro wrote that his government was "taking different preventive measures and following through strict and exhaustive controls to protect the Venezuelan people." These measures required funding, which is why the government was "turning to your honorable organization to request its evaluation about the possibility of authorizing Venezuela a financing line of $5 billion from the Rapid Financing Instrument emergency fund."
>
> Georgieva's policy to provide special assistance to countries should have been sufficient for the IMF to provide the assistance that the Venezuelan government had requested. But, very quickly, the Fund declined the request from Venezuela.
>
> It is important to underline the fact that the IMF made this denial at a time when the coronavirus that causes Covid-19 had begun to spread in Venezuela.
>
> On Sunday, the day the government sent the letter to the IMF, Maduro met with senior government officials in Caracas. The Venezuelan pharmaceutical body (CIFAR) and Venezuelan medical equipment companies said they would be able to increase production of machines and medicines to stem the crisis; but, they said, they would need key raw materials that have to be imported.
> (Vijay Prashad and Paola Estrada, œIMF refuses aid to Venezuela in midst of Covid-19 crisis, *Asia Times*, March 19, 2020)

A comment on a œ*nakedcapitalism* reposting of the piece by a commenter pseudonymed *Thuto* has summed it all up:

Thuto
Most leaders who steer their nations through this crisis will see their popularity soar and their legacies bolstered, if not cemented. The IMF, no doubt under US instructions, is refusing to provide the funds for Nicolas Maduro to help this battered nation fight the spread of this virus, lest they give him the springboard to endear himself to his people.

The US puppet Guaido on the other hand is surely being prepared to undermine the official government's response, and to point at the inevitable death rate as a failure by Maduro.

How utterly predictable from an evil and imperial playbook, weaponizing a public health crisis of global import for political ends. Just when one thinks an opportunity is at hand for the US to arrest its decades long decline into a murderous regime and show a semblance of conscience in the face of a common enemy confronting humanity, they redefine the very notion of what it means to be evil.

890 David Goldman has continued:

> Washington is angry at Germany for building a natural gas pipeline with Russia, at India for purchasing a Russian air defense system, at Russia for mistreatment of President Putin's opponents and at China for treatment of its Uighur Muslim minority.
>
> None of Washington's recent threats is consistent with identifiable policy objectives. On the contrary, recent outbursts from Biden and his cabinet will cement a Sino-Russian alliance against the US, undermine US efforts to rebuild relations with European allies and damage US efforts to create a "Quad" alliance against China in the Pacific.
>
> It is hard to avoid the conclusion that no one is in charge at the White House, and that senior officials are jockeying for position in a power vacuum by signaling to domestic constituencies. But the net effect recalls the old joke about the firing squad that stands in a circle.
>
> President Biden March 16 called Russia's President Putin "a killer" who "has no soul," and averred that Putin would "pay a price" for allegedly trying to help Trump in the 2020 presidential election - an unprecedented combination of threat and insult that no Western leader ever has uttered except in wartime.
> (David R. Goldman, œBiden's firing squad stands in a circle, *Asia Times*, March 22, 2021)

891 (01/10/18) Over the past fifty and more years, US soldiers have been eulogized as 'war heroes', nobly defending US 'freedom' and 'democracy'. As an editorial in *The Economist* put it, the majority of Americans

> ...see the world in terms of good and evil. They think America should be willing to use military power to defeat the forces of chaos.

To question this is to attack those who are 'defending America'. They are shielded from scrutiny of the reasons for their presence in diverse regions of the world and, equally, of the ways in which US wars and 'peace keeping' activities have been pursued, by claims that those who do so are 'un-American'.

A œcomment on a *Naked Capitalism* site by a commenter pseudonymed 'Temporarily Sane' summed up the 21st Century US 'nation building' reality well:

> *Haven't we done this destroying the village in order to save it thing before? This is absolute madness.*

> Yup...and it makes the preformative "concern" for women and children, and the tweeted and facebooked pics of grunts holding Afghan babies that the internet has recently been inundated with, even more revolting.
>
> Fake empathy and compassion has become de rigueur in neoliberal America while at the same time the brutal domination and suffering that is inflicted by our country on innocent people with no means to defend themselves has become so normalized that the entire MSM loudly clamoring for more war barely raises eyebrows any more.
>
> The dissonance on display here is downright depraved...evil even.
>
> The United States of (wilful?) Amnesia indeed.

And, in the 21st century, œthe Patriot Act has given the government extensive new powers to spy, interrogate and detain. Attorney General John Ashcroft (2003) explained why patriotic Americans should neither question nor challenge its provisions:

> To those who scare peace-loving people with phantoms of lost liberty, my message is this: Your tactics only aid terrorists.

As William Astore explained, US troops have morphed into 'a post-democratic force that prides itself on its warrior ethos', to be praised, not scrutinized. 'War crimes' are committed by others. US troops, defend 'honor and duty' and lay down their lives for noble causes.

So, in a strangely twisted logic, those who die, sanctify all as 'heroes'. Both the purposes of war and the actions of the 'heroes', sanitized and sanctified by the loss of life.

Morality becomes defined as that which 'had to be done' to ensure victory. And victory, itself, is defined as "attacking our enemies". The U.S. military now loses only if it stops fighting. And those war heroes 'on the front line' only lose if and when they become demobilized 'veterans': the 'Once Were' forgotten ones of unending wars.

A statement on the charitable œ*headstrong* website, dedicated to providing US 'post-9/11 military veterans with free mental health care that works' summed it up:

> For every soldier we have lost in combat, 25-30 take their own lives.

US Veteran Joe Quinn:

> "Thank you for your service" comes from a good place, but it's meaningless if it's not followed up by serious interest in a veteran's life and story and, more important, followed up with actions for veterans' care.
>
> I carry a deep-seated sense of shame and guilt that so many veterans have been killed or injured following 9/11. Many are dealing with trauma and the invisible wounds of war.
> (Joe Quinn, œWhat Is the Point of War?, *New York Times*, October 1, 2018)

A œWikipedia entry has defined the concept of the Nietzschean übermensch well:

> Philosopher Friedrich Nietzsche's concept of an übermensch ("Overman") was that of a New Man who would be a leader by example to humanity through an existentialist will to power that was vitalist and irrationalist in nature.... The übermensch emerges as the new meaning of the Earth, a norm-repudiating individual who overcomes himself and is the master in control of his impulses and passions.

It's all about sociopathic hubris, self-belief and a presumption that morality and history are what übermenschen decide to make them: that morality is whatever is expedient and, when employed by übermenschen, 'might is right'.

892 As he continues:

> Since their military defeat, the US and its allies have imposed another of their interventionist pet policies: strangling the Syrian population with economic warfare. As Syria now faces a famine and tries to rebuild, the US military is occupying one-third of Syria, depriving it of access to a resource-rich region containing vital oil reserves and wheat, as US officials openly boast. In the summer of 2020, the Trump administration imposed a new round of crippling sanctions under the bipartisan Caesar Act. These sanctions explicitly target reconstruction, and have, in the proud words of Trump envoy James Jeffrey, "crushed the country's economy."
>
> Rather than challenge their own governments' decade-long military and ongoing economic terror campaign in Syria, a coterie of Western academics, media personalities, and journalists have emerged to champion it, and to dismiss any heretics as dictator-loving "Assadists." In the name of defending "the Syrian revolution," these voices promote Western chauvinism and whitewashing its catastrophic consequences for the Syrian people. The claim of democracy promotion is cruelly absurd: no Syrian voted for the NATO states and Gulf autocracies who, acting as a global dictatorship, arrogate to themselves the right to decimate a foreign country by funding, arming, and training a vast army of jihadist proxy militias.
> (Aaron Maté, œMcCarthyite meltdown shows how Russiagate, Syria propaganda captured 'left' media, *Aaron Maté's Newsletter*, June 09, 2021)

893 Benjamin Norton has provided an excellent discussion of the origin and nature of Western sanctions on Syria in a *YouTube* video entitled œHow Western war and sanctions devastated Syria, where earthquake now kills thousands.

894 Tom Allard, in a *Reuters* news report explained:

> For months, by Zoom calls and then by jet, Indonesian ministers and officials scoured the world for access to a vaccine for the coronavirus that Southeast Asia's biggest country is struggling to control. This month, their campaign paid off.
>
> Three Chinese companies committed 250 million doses of vaccines to the archipelago of 270 million people. A letter of intent was signed with a UK-based company for another 100 million.
>
> Absent from these pledges: the United States.

> Not only was it not promising any vaccine, but months earlier the United States shocked Indonesian officials by asking to land and refuel its spy planes in the territory, four senior Indonesian officials told Reuters. This would reverse a decades-long policy of strategic neutrality in the country.
> (Tom Allard, œVaccines, not spy planes: U.S. misfires in Southeast Asia, *Reuters*, October 27, 2020)

895 On November 10th 2019 the *duly elected* President of Bolivia, Evo Morales, stepped down from the presidency. *Aljazeera* described it:

> Bolivian President Evo Morales said on Sunday he would resign after the military suggested he step down and allies resigned amid a fierce backlash to a disputed election last month.
>
> "I resign my post as president," Morales said in a televised address, capping a day of fast-moving events in which several ministers and senior officials quit as support for Latin America's longest-serving president crumbled.
>
> "I want to tell you, brothers and sisters, that the fight does not end here. The poor, the social movements, will continue in this fight for equality and peace," he said.
>
> The commander of Bolivia's armed forces earlier called on the embattled Morales to resign.
>
> "After analysing the internal conflict situation, we ask the president of the state to renounce his presidential mandate, allowing for peace to be restored and the maintenance of stability for the good of Bolivia," armed forces commander Williams Kaliman told reporters.
>
> Speaking on national television, Kaliman also appealed to Bolivians to refrain from violence. He stepped in after Morales agreed earlier in the day to hold a new election.
> (œBolivia's beleaguered President Morales announces resignation, *Aljazeera*, November 11, 2019)

As that paragon of democratic virtues, US President Trump, repeatedly explained of Venezuela to his voting base,

> The problem... is not that socialism has been poorly implemented, but that socialism has been faithfully implemented.

Evo Morales (and before him, Venezuelan President Maduro) has discovered a commonplace of such bullying: It is the nature of schoolyard bullying that victims of abuse are, almost inevitably, blamed for the persecution they must endure. Trump exemplifies the crude bullying tactics which US leaders have all-too-often employed.

Anatoly Kurmanaev of the *New York Times* described the result:

> The interim leader of Bolivia took power this week promising to unify a nation in turmoil. But she has since stacked her cabinet with conservative ministers and thrust religion to the forefront of government at the risk of deepening the divides.
>
> The leader, Jeanine Añez, also called on security forces to restore public order and police responded by opening fire Friday on coca farmers protesting against the government in the central city of Cochabamba. The clash left nine protesters dead and dozens injured, the worst violence yet in the country's monthlong political crisis.

> Ms. Añez already appeared to be reaching beyond her caretaker mandate of organizing national elections by January - taking steps, for example, to reshape the country's foreign policy. Her actions threaten to complicate negotiations with allies of former President Evo Morales to reach a democratic solution to the crisis....
>
> The new Bolivian government has accused Venezuela and Cuba of destabilizing the country and financing subversive groups, an allegation regularly used by the region's right-leaning governments when faced with internal discontent. On Friday, Bolivian police detained nine Venezuelan citizens, whom they claimed were undercover security agents.
>
> On Thursday, Ms. Añez issued a presidential decree exempting the military from criminal prosecution when maintaining public order. The following day, police cracked down with lethal force on the protesters in Cochabamba.
>
> The new interior minister, the right-wing Senator Arturo Murillo, began by promising to hunt down Mr. Morales's top former minister, Juan Ramón Quintana, who has gone into hiding.
>
> "We're going to go hunting for Juan Ramón Quintana," said Mr. Murillo, "because he is an animal that feeds on the blood of the people."...
> (Anatoly Kurmanaev, œIn Bolivia, Interim Leader Sets Conservative, Religious Tone, *New York Times*, Nov. 16, 2019)

But, of course, there really was no alternative! Harriet Marsden (among many other 'main stream' commentators) had explained why:

> The Amazon is burning, and everybody is looking to Brazilian president Jair Bolsonaro. They should be looking a little further south. In Bolivia, wildfires have been rampaging across the dry savannah of the country for weeks. On the southwest border with Paraguay and Brazil, at least 1 million hectares of farmland have been destroyed. In the northeast, the fires have spread to the Amazon.
>
> Leaving aside the danger to indigenous tribes and the consequences of losing that much farmland, Bolivia's fires have grave geopolitical implications. Bolivia's president Evo Morales refused western aid for weeks, until domestic and international pressure forced his hand on Sunday. But that initial refusal - from an inferior economic power, no less - both taunts and emboldens neighbouring strongman Bolsonaro, who is also set to reject foreign aid for the emerging crisis, preferring to scrap with Macron about his wife.
>
> Coica, the pan-Amazon organisation, has accused both Morales and Boslonaro of environmental genocide - but it is Bolsonaro who is being targeted by the G7. While Sao Paulo was plunged into darkness from smoke last week, the world is in metaphorical darkness about the problem of Bolivia.
> (Harriet Marsden, œThe world believes the Amazon is in trouble because of Bolsonaro. Instead, they should look to Bolivia: The Amazon rainforest is trapped, burning, between a pincer-grip of unstable left-wing Morales, and unstable right-wing Bolsonaro. This could be the spark that sets a civil war alight, *Independent*, Tuesday 27 August)

Wyatt Reed described the process:

> With fires set by landowners raging throughout the Amazon for nearly a month, a group of Western-backed information warriors has begun working to redirect outrage from the far-right Brazilian government toward a more convenient target.
>
> After a flurry of media pinned the blame on everyone from poor people eating meat to China, a new target has come into focus: the leftist Bolivian government of President Evo Morales.
>
> Originally content to merely accuse Bolivians of not responding fast enough, the regime-change machine is switching gears and making the absurd claim that Bolivia bears the majority of responsibility for the Amazon fires.
>
> The campaign has been orchestrated by Jhanisse Vaca Daza, an anti-Morales operative identified merely as an "environmental activist" in a recent BBC report pointing the finger at the Bolivian president for the fires.
>
> A closer look at Daza's work, however, reveals that she is the spearhead of a network of Western organizations that trained and advised the leaders of regime-change operations from Venezuela to Eastern Europe to the ongoing anti-China protests in Hong Kong. (Wyatt Reed, œWestern regime-change operatives launch campaign to blame Bolivia's Evo Morales for Amazon fires, *The GrayZone*, August 29, 2019)

Marjorie Cohn, in her own inimitable style, has spelt it all out:

> Once again, the United States is complicit in an illegal coup d'état in Latin America, this time in Bolivia. On November 10, a right-wing, anti-Indigenous group seized power after the Bolivian military's removal of President Evo Morales, who had declared victory in the October 20 presidential election.
>
> The United States' fingerprints are all over the coup. Advisers from the U.S. Southern Command have been stationed on Bolivia's border with Argentina, Ivanka Trump made a surprising visit to an Argentine province near the Bolivian border in September, the pro-U.S. Organization of American States (OAS) cast unfounded doubt on Morales's election victory, and the U.S.'s National Endowment for Democracy provided suspicious grants to Bolivia....
>
> During Morales's nearly 14 years in office, his Movement Towards Socialism (MAS) party reduced poverty by 42 percent and extreme poverty by 60 percent. It cut unemployment by 50 percent and nearly tripled the per-capita G.D.P. "It's indisputable that Bolivians are healthier, wealthier, better educated, living longer and more equal than at any time in this South American nation's history," œAnthony Faiola wrote in *The Washington Post*.
>
> There was discontent about Morales seeking a fourth term among some sectors in Bolivia, who thought there should be space for new leadership. But Morales had a strong record of establishing policies to help the people of Bolivia, which angered the U.S. government, Western corporations and the corporate media, "who function as ideological shock troops against leftist governments in Latin America," œAlan MacLeod wrote at Fairness and Accuracy in Reporting.
>
> The U.S. and Argentine governments helped to engineer the Bolivian coup, Stella Calloni reported in *Resumen: Latinoamerico*.

> She cited the presence of advisers from the U.S. Southern Command on the Argentine border with Bolivia....
> (Marjorie Cohn, œUS Is Again Complicit in an Illegal Coup, This Time in Bolivia, *Truthout*, November 27, 2019)

896 Less than a year later, in a new election, the Bolivian *Movement for Socialism* (MAS) was resoundingly returned to power. The US backed coup had 'failed' and the unelected politicians who promoted it were seeking asylum in the United States.

Not only have Bolivians insisted on a return to a 'socialist' government, in Brazil, in 2021, 'Lula' Da Silva has been acquitted of the manufactured charges brought against him - which enabled a rightwing coup and Bolsonaro's election - and is once again eligible to run for office.

Are US 'regime change' experts losing their touch?

Is it too optimistic to hope that this heralds the end of US meddling in Bolivia and Brazil?

Medea Benjamin and Nicolas Davies, in a *CodePink* report entitled 'Ending Regime Change - in Bolivia and the World', explained what happened:

> Less than a year after the United States and the U.S.-backed Organization of American States (OAS) supported a violent military coup to overthrow the government of Bolivia, the Bolivian people have reelected the Movement for Socialism (MAS) and restored it to power.
>
> In the long history of U.S.-backed "regime changes" in countries around the world, rarely have a people and a country so firmly and democratically repudiated U.S. efforts to dictate how they will be governed. Post-coup interim president Jeanine Añez has reportedly requested 350 U.S. visas for herself and others who may face prosecution in Bolivia for their roles in the coup.
> (Medea Benjamin and Nicolas J S Davies, œEnding Regime Change - in Bolivia and the World, *CodePink*, October 28, 2020)

897 Frida Ghitis provided a 'balanced', US mainstream media (MSM) version of how the Bolivian MAS government behaved on reelection:

> The cautious optimism that greeted the election of Luis Arce as Bolivia's president has abruptly turned to profound concern. Arce, the socialist technocrat who came to office in the midst of dangerously inflamed political divisions last year, had vowed to "rebuild the country in unity," including by making the judiciary independent of politics. Yet he just had Bolivia's previous president, Jeanine Anez, along with more than a dozen former officials, arrested and imprisoned on dubious charges of "terrorism," "conspiracy" and "sedition" connected to the ouster of her predecessor, Evo Morales.
> (Frida Ghitis, œArce's Promise of 'Unity' Rings Hollow in Bolivia, *World Politics Review*, March 18, 2021)

And, in a commentary of similar refrain on Brazil's prospects with Luis Inacio "Lula" da Silva cleared of all charges against him and free to contest the next presidential election, Frida Ghitis provided a US mainstream media version of its future in an article entitled 'With Lula Back, Is Brazil's Center Doomed?'

It's always nice to know that there are 'journalists' out there who will not disappoint when one goes looking for mainstream media versions of

unfolding events - what would we do without them?

> The news hit Brazil like an earthquake. Former President Luiz Inacio Lula da Silva, widely known as Lula, was suddenly free to run for president in next year's election. That was the principal, if potentially reversible, result of a surprising decision issued Monday by a Brazilian Supreme Court judge, tossing out criminal corruption cases against the iconic leftist leader. The 2022 presidential race has now taken on a dramatic new player who poses a major threat to the reelection of Brazil's controversial far-right president, Jair Bolsonaro.
>
> The court ruling, which still faces possible challenges, sets the stage for an extraordinarily divisive election next year, with two personalities whose political views are polar opposites and who each inspire their own passionate supporters. Brazil has spent years in the grip of political acrimony, and the next election is all but certain to make it much worse.
>
> The conventional wisdom is that the presence of Lula and Bolsonaro on the ballot all but forecloses the possibility that a centrist candidate could emerge victorious. But the conventional wisdom could be wrong. Brazilian voters, not unlike those in the United States, are exhausted from headline-grabbing, outrage-inducing, family-splitting political leaders. Just as the long-time centrist Joe Biden might have seemed too moderate and too low-key to take on Donald Trump last year, the appeal of a calm, steady hand during a time of crisis in Brazil could yet surprise the pundits.
> (Frida Ghitis, "With Lula Back, Is Brazil's Center Doomed?, *World Politics Review*, March 11, 2021)

898 *Deutsche Welle*, in a Business story subtitled "The US has a total embargo on Venezuela. The EU has imposed new sanctions. The goal is to oust President Nicolas Maduro. But the measures are hitting Venezuelans hard and are likely to kill many people" has described the nature and consequences of such sanctions:

> ...U.S. sanctions have become increasingly aggressive since they were first announced by former US President Barack Obama in 2015. Under pressure from the United States, foreign companies stopped doing business with the country. Citibank closed Venezuela's foreign accounts.
>
> President Donald Trump intensified sanctions in 2017 and this year imposed an oil embargo that blocked the purchase of petroleum from Venezuela's state oil company, PDVSA. It also confiscated Venezuela's US subsidiary CITGO, worth $8 billion. It was a huge blow for Venezuela, which received 90% of government revenue from the oil industry.
>
> The U.S. government has also frozen $5.5 billion of Venezuelan funds in international accounts in at least 50 banks and financial institutions. Even if Venezuela could get money abroad, the United States has long blocked international trade by threatening sanctions on foreign companies for doing business with the country...
>
> **Failing equipment and broken parts**
>
> According to representatives from Hidrocapital, the state water agency for the capital, Caracas, roughly 15%-20% of Venezuelans don't have access to potable water in their homes, because the

government cannot acquire new foreign-built parts to fix broken pumps and pipes.

"With the blockade, we've had situations, where we have the pumps and the motors and they are about to ship and then comes the all-powerful hand of the United States and they block the money in the bank or sanction the company that is working with us, just for selling us this equipment and without seeing that they are affecting people's lives," says Maria Flores, vice president of operations at Hidrocapital.

In response, Hidrocapital ships truckloads of water each week to needy communities. But the blockade, and the lack of parts for vehicles, is also impacting the number of water trucks Hidrocapital can keep on the road. Maria Flores says their fleet has been reduced by 75% over the last three years, to now only a handful of trucks.

An unequal crisis

Those with access to dollars, in the wealthier neighborhoods of Caracas, are weathering the storm.

Shoppers pour in and out of the upscale Sambil mall on the eastern end of the city. On the top floor, a sushi restaurant is packed. A two-person meal there can cost several times more than the monthly minimum wage.

But in the poor barrios, many try to hold down multiple jobs. Jobs with access to dollars, if possible. Millions have left the country in search of opportunities abroad.

Carolina Subero's husband is one of them. He sends money home each month. But it's still not enough to pay for their little girl's medicine or to make ends meet.

Subero is not a huge fan of President Maduro. But she also doesn't blame the government. The problem, she says, are the US sanctions.

"They don't care. They think they are hurting President Maduro, and they're really hurting the people," says Subero. "If they really wanted something good for Venezuela, they would not be doing what they are doing right now."
(Michael Fox, œThe human cost of the US sanctions on Venezuela, *DW*, October 01, 2019)

899 (26/02/20)

It seems that, as the 21st century unfolds, various 'intelligence' organizations, politicians and their advisors have become convinced that what they have been doing to other sovereign nations is now being done to the United States of America. 'Foreign powers' - particularly 'Russia', and, of course 'China', but others too - are attempting to subvert 'American democracy' and 'influence elections'.

Julian Barnes and Sydney Ember have described it in 2020:

...Senior intelligence officials told members of the House Intelligence Committee last week that Russia was continuing its election sabotage campaign, including intervening in the Democratic primaries.

Intelligence officials also warned House lawmakers that Russia was interfering in the campaign to try to get President Trump re-elected, according to people familiar with the matter. They said that the

> disclosure to Congress angered Mr. Trump, who complained that Democrats would use it against him.
> (Julian E. Barnes and Sydney Ember, œRussia Is Said to Be Interfering to Aid Sanders in Democratic Primaries, *New York Times*, 21 February, 2020).

It appears that 'Russian interference' lacks coherence - or is it that US paranoia does?

Michael Hudson has provided an alternative explanation to paranoia:

> To hear the candidates debate, you would think that their fight was over who could best beat Trump. But when Trump's billionaire twin Mike Bloomberg throws a quarter-billion dollars into an ad campaign to bypass the candidates actually running for votes in Iowa, New Hampshire and Nevada, it's obvious that what really is at issue is the future of the Democrat Party. Bloomberg is banking on a brokered convention held by the Democratic National Committee (DNC) in which money votes. (If "corporations are people," so is money in today's political world.)
>
> Until Nevada, all the presidential candidates except for Bernie Sanders were playing for a brokered convention. The party's candidates seemed likely to be chosen by the Donor Class, the One Percent and its proxies, not the voting class (the 99 Percent). If, as Mayor Bloomberg has assumed, the DNC will sell the presidency to the highest bidder, this poses the great question: Can the myth that the Democrats represent the working/middle class survive? Or, will the Donor Class trump the voting class?
>
> This could be thought of as "election interference" - not from Russia but from the DNC on behalf of its Donor Class. That scenario would make the Democrats' slogan for 2020 "No Hope or Change." That is, no from today's economic trends that are sweeping wealth up to the One Percent.
>
> All this sounds like Rome at the end of the Republic in the 1st century BC. The way Rome's constitution was set up, candidates for the position of consul had to pay their way through a series of offices. The process started by going deeply into debt to get elected to the position of aedile, in charge of staging public games and entertainments. Rome's neoliberal fiscal policy did not tax or spend, and there was little public administrative bureaucracy, so all such spending had to be made out of the pockets of the oligarchy. That was a way of keeping decisions about how to spend out of the hands of democratic politics....
> (Michael Hudson, œThe Democrats' Quandary - In a Struggle Between Oligarchy and Democracy, Something Must Give, posted on website *naked capitalism* by Yves Smith, 25 February, 2020)

Alexey Kovalev (2019) described Russian reaction to the suggestion that their politicians and 'intelligence agencies' were attempting to manipulate US elections (though, of course, US operatives have certainly been guilty of such behavior toward Russia in past years):

> It's not just the state media that has rejected the idea that Mr. Trump colluded with Russia. Even liberals and opponents of President Vladimir Putin have been deeply skeptical, pointing out that Russia's ruling circles are barely competent enough to prop themselves up, let alone manipulate a superpower.

> When the news broke last week that Mr. Mueller had finished his report, Moscow's political and media circles reacted with a mixture of contempt and derision. Far from being a top news story, it was practically forgotten after a few angry comments from state officials.

Perhaps the US is not beyond redemption and this is paranoia induced by, as Obafemi Awolowo put it, a 'compunction of conscience which usually dawns on any evil-doer who is not hardened beyond redemption'!

900 A recent œcomment by Elizabeth Pula on a *Project Syndicate* contribution entitled 'The Powerlessness of the Most Powerful', compared the regular use of teleprompter training-wheels by prominent US politicians, with President Vladimir Putin's ability to easily and competently deal with wide ranging issues in response to public questioning, as in his performance at œthe Valdai Club: an example of 'reasonable, civil, global political leadership'. As she says,

> There is no representative from the US that could present any on-task, focused and immediately responsive direct verbal messages for approximately 2 hours, without a... teleprompter and totally pre-scripted comments...

901 SourceWatch, a project of the œ*Center for Media and Democracy*, has provided a succinct explanation of the 'School of the Americas'. As it says:

> The U.S. Army School of the Americas (SOA), located in Fort Benning, Georgia, is a military training institution focused on training officers from Latin American countries. Since its creation in 1946, some 60,000 Latin American military officers have graduated from the school...
>
> Many of its graduates have been implicated in serious human rights abuses and manuals used at the school appear to condone if not promote the use of torture. This has resulted in a grassroots human rights campaign to close the SOA, led by the organization SOA Watch. Activists opposed to the SOA often refer to the school as the "School of Assassins" and the "School of Coups."
>
> Abuses SOA graduates have alleged to have committed include "the death or disappearance of 200,000 Guatemalans and innumerable other atrocities.... In Colombia 2 million have been displaced and thousands are still reliving the horrors of their torture - not surprising since, with 10,000 graduates from the SOA, Colombia is the school's largest customer and has the worst human rights record on the continent."...
>
> In 2000, pressure on Congress to stop funding the SOA increased to the point where the Pentagon decided to rename the school the Western Hemisphere Institute for Security Cooperation, abbreviated as WHISC or WHINSEC.
> (œSchool of the Americas, *SourceWatch*, accessed 18 October, 2020)

Jeffrey Smith and Nic Cheeseman, having sketched the US scene in June 2020, ironically suggest that what the US has been doing around the world should now be done at home: that, "to save its democracy", the United States needs a dose of its own medicine - though, perhaps, this trivializes what are egregious behaviors in other countries and communities:

Imagine the following scene: A country is burning. Minority communities and their allies are flooding major cities to protest human rights abuses and inequality. The president is a divisive demagogue who openly endorses violence against his critics in a cynical effort to bolster his waning support. The media, once a respected institution, has become caught in real-life crossfire, at risk of arrest and attack. And the police are no longer respected as guarantors of the rule of law but are instead seen as a threat to public safety.

Smoke plumes are visible in the capital city; government buildings and neighborhoods are tagged with anti-establishment graffiti while police headquarters are set ablaze; storefronts are shattered; police and ambulance sirens blare while helicopters buzz overhead; and citywide curfews are imposed.

This is precisely the kind of country that the United States regularly invests millions of dollars in to promote democracy. But today we are not speaking of the Democratic Republic of the Congo or the Philippines or Venezuela. It is the United States itself. The irony is that the U.S. government is crying out for the kind of democracy aid program that it regularly implements "over there" in so-called developing countries.

...Indeed, the United States urgently needs the sort of democracy promotion program that its leaders, often on a bipartisan basis, have long advocated abroad.

The complacency exhibited by U.S. political leaders is deeply entrenched, especially in Washington, where officials of all stripes appear to be oddly comfortable overseeing the steady erosion of the country's democratic norms. The malaise has a deep cultural component that has its roots in the notion of American exceptionalism. According to this worldview, the United States is portrayed, envisioned, and often believed by its citizens to be fundamentally different from its global counterparts - often in a manner that elevates it above criticism.

This tendency to idealize U.S. democracy has been reinforced by the work of some of the organizations analyzing global democratic trends - such as Freedom House - which for too long framed the American project as the epitome of what a democracy should look like - the very standard, in other words, by which other countries are judged. Although organizations like Freedom House and others have recently raised serious concerns about the downward trajectory of U.S. democracy, as well as its global ramifications, this has yet to fully permeate the national consciousness.

As a result, this often distorting feedback loop, and the prevailing presumption of the United States' strong institutions and good intentions, has served to mask the country's fundamental flaws. Over the past several years in particular, these have included the continued economic and political marginalization of minority groups; the woeful underrepresentation of women in elected office; heavily gerrymandered electoral districts that create an uneven political playing field; the fomenting of political violence by extremist elected officials; and the grossly distorting influence of big money in politics.
(Jeffrey Smith and Nic Cheeseman, œTo Save Its Democracy, the

United States Needs a Dose of Its Own Medicine, *Foreign POlicy*, June 14, 2020)

[902] A Wikipedia entry details the sociopathic bombing campaigns of the 'Vietnam Era':

> The bombing campaigns of the Vietnam War were the longest and heaviest aerial bombardment in history. The United States Air Force, the U. S. Navy, and U. S. Marine Corps aviation dropped 7,662,000 tons of explosives. By comparison, U. S. forces dropped a total of 2,150,000 tons of bombs in all theaters of World War II. (Wikipedia, œList of bombing campaigns of the Vietnam War, accessed 08 June, 2020)

There is an extensive literature dealing with the unconscionable US and US instigated atrocities in all three regions. Among them is Nick Turse's œBLOOD ON HIS HANDS, Survivors of Kissinger's Secret War in Cambodia Reveal Unreported Mass Killings, *The Intercept*, May 23 2023.

[903] US interference throughout Central and South America over the past century and more has been so common, and, often, so devastating to the nations on the receiving end of its attentions, that it is easy to simply pass over the egregious nature of those interferences. Where does one start, and when does one finally decide that enough is enough and so pass on to other issues? But, a close study of US activity *should* leave one feeling a helpless outrage for the millions of victims, passed over by the US authorities as mere 'collateral damage' of their activity.

By no means the most egregious, but a well-documented, text-book example of US regime-change activity in Central and South American nations is Nixon's use of the CIA to engineer a violent overthrow of the elected Chilean government in 1973. The democratically-elected Popular Unity government of Salvador Allende was systematically destabilized, and Allende killed. General Pinochet was then installed and supported to head a US friendly, repressive right-wing government.

Nixon's instruction to his national security adviser, Henry Kissinger, to 'make the Chilean economy scream' is an example of a recurring approach to engineering economic and political chaos within target nations as a means of 'justifying' US led regime-change. An approach crudely mimicked in President Trump's ham-fisted imposition of 'sanctions' on nations around the world.

Peter Kornbluh has summarized the Chilean experience:

> Washington, D.C. - September 11, 1998 marks the twenty-fifth anniversary of the military coup led by General Augusto Pinochet. The violent overthrow of the democratically-elected Popular Unity government of Salvador Allende changed the course of the country that Chilean poet Pablo Neruda described as "a long petal of sea, wine and snow"; because of CIA covert intervention in Chile, and the repressive character of General Pinochet's rule, the coup became the most notorious military takeover in the annals of Latin American history.
>
> Revelations that President Richard Nixon had ordered the CIA to "make the economy scream" in Chile to "prevent Allende from coming to power or to unseat him," prompted a major scandal in the mid-1970s, and a major investigation by the U.S. Senate. Since the coup, however, few U.S. documents relating to Chile have been actually declassified- -until recently. Through Freedom of

> Information Act requests, and other avenues of declassification, the National Security Archive has been able to compile a collection of declassified records that shed light on events in Chile between 1970 and 1976.
>
> These documents include:
>
> - Cables written by U.S. Ambassador Edward Korry after Allende's election, detailing conversations with President Eduardo Frei on how to block the president-elect from being inaugurated. The cables contain detailed descriptions and opinions on the various political forces in Chile, including the Chilean military, the Christian Democrat Party, and the U.S. business community.
> - CIA memoranda and reports on "Project FUBELT"--the codename for covert operations to promote a military coup and undermine Allende's government. The documents, including minutes of meetings between Henry Kissinger and CIA officials, CIA cables to its Santiago station, and summaries of covert action in 1970, provide a clear paper trail to the decisions and operations against Allende's government
> - National Security Council strategy papers which record efforts to "destabilize" Chile economically, and isolate Allende's government diplomatically, between 1970 and 1973
> - State Department and NSC memoranda and cables after the coup, providing evidence of human rights atrocities under the new military regime led by General Pinochet.
> - FBI documents on Operation Condor--the state-sponsored terrorism of the Chilean secret police, DINA. The documents, including summaries of prison letters written by DINA agent Michael Townley, provide evidence on the carbombing assassination of Orlando Letelier and Ronni Moffitt in Washington D.C., and the murder of Chilean General Carlos Prats and his wife in Buenos Aires, among other operations.
>
> These documents, and many thousands of other CIA, NSC, and Defense Department records that are still classified secret, remain relevant to ongoing human rights investigations in Chile, Spain and other countries, and unresolved acts of international terrorism conducted by the Chilean secret police. Eventually, international pressure, and concerted use of the U.S. laws on declassification will force more of the still-buried record into the public domain--providing evidence for future judicial, and historical accountability. (Peter Kornbluh, œChile and the United States: Declassified Documents Relating to the Military Coup, September 11, 1973, *National Security Archive Electronic Briefing Book No. 8*)

Martin Luther King summed it all up:

> A nation that continues year after year to spend more money on military defense than on programs of social uplift is approaching spiritual death....
>
> ... the greatest purveyor of violence in the world today: my own government.

Branko Marcetic put it into perspective in an article titled 'The CIA's Secret Global War Against the Left' and subtitled:

> Forty-five years ago, under a cloak of secrecy, Operation Condor was officially launched: a global campaign of violent repression against the Latin American left by the region's quasi-fascist military dictatorships. The US government not only knew about the program - it helped to engineer it.

As he summarized:

> The middle of the twentieth century saw a flourishing of people's movements in Latin America that threatened to upend the rigid hierarchies of the hemisphere: feminist and workers' movements, movements for indigenous rights, peasant-led movements for agrarian reform, and leftist movements, to name a few. Naturally, they had to be stopped.
>
> Until then, Washington-backed juntas and dictatorships had successfully kept a lid on such social change, or simply overthrew whatever governments those movements succeeded in forming. Such changes, after all, directly threatened not just the power and privileges of the region's long-standing elite, but Western business interests, too. So it was that, at the prodding of US-owned corporations like Chase Manhattan, Anaconda Copper, and Pepsi, former corporate lawyer and then-president Richard Nixon backed the military overthrow of Salvador Allende's democratically elected socialist government in 1973, and its replacement by a vicious dictatorship under General Augusto Pinochet.
>
> But for the region's paranoid leadership, even their internal campaigns of terror were not enough. So, in 1975, the governments of Chile, Argentina, Bolivia, Paraguay, and Uruguay secretly met in Santiago, Chile, and agreed to work together to spy on and track "suspicious individuals" and organizations "directly or indirectly linked to Marxism." Before long, Brazil, Peru, and Ecuador joined up, too. The information-gathering initiative was dubbed "Condor," in honor of the national bird of several of the participants, including the host country.
>
> Despite what the minutes stated, this was no mere surveillance pact. What Operation Condor meant in practice was that the state kidnappings, torture, and murder that had run roughshod over the remaining pockets of dissent within these countries would now go beyond their national borders. If you were a leftist or anyone else the government saw as a threat, then escape, exile, and even asylum would no longer save you. There was nowhere to hide.
>
> "Argentina was still a democracy at the time, and was a safe haven for many leftists who had been forced out of several countries in the Southern Cone," says New York University associate professor Remi Brulin. "Suddenly, they realized that was not safe anymore."
>
> While Condor officially lasted only a few years, the region's governments had long collaborated in less formalized ways to stamp out their political opponents. According to the Database on South America's Transnational Human Rights Violations, between 1969 and 1981, such cross-border operations claimed at least 763 victims of atrocities ranging from kidnapping and torture to outright murder, nearly half of them Uruguayan, close to a quarter Argentine, and 15 percent of them Chilean. Most of these atrocities took place in Argentina, which saw 544 cases, with Uruguay a distant second at 129.

> As explained in a 1976 report by Harry W. Shlaudeman, Richard Nixon's assistant secretary of state for inter-American affairs, South American officials like Uruguay's foreign minister Juan Carlos Blanco Estradé ("one of the brighter and normally steadier members of the group") saw themselves as fighting a "Third World War," with "the countries of the southern cone as the last bastion of Christian civilization." Having come to power "in battle against the extreme left," he noted, these repressive governments had "their ego, their salaries, and their equipment-budgets" inextricably wrapped up in this concept.
>
> The result was a stream of often stomach-churning crimes.
>
> The typical Condor operation might go something like this: once a target was identified, a team - made up of nationals from one or more member countries - would find and surveil the individual, before a second team snatched and spirited them away to a secret prison, sometimes in the country they'd been found, sometimes elsewhere. There they would be held and tortured, including beatings, waterboarding, mock executions, electrocution, rape, and worse, sometimes for months on end. In some cases, family members were kidnapped and tortured, too, or even stolen from them, for no reason beyond sadism. According to the database, there are at least twenty-three cases of the kidnapping of victims' children, passed off to their killers to be raised as their own. (Branko Marcetic, œThe CIA's Secret Global War Against the Left, *Jacobin*, 30 November, 2020)

[904] In 2021 the United States is œwithdrawing its troops from Afghanistan. A disastrous occupation has ended and, undeniably, they are leaving the region in far worse shape than it was before they began their self-serving disruption of the nation.

Before continuing, a *Jacobin* post by Branko Marcetic provides a sobering reminder of what, for many Afghans, the Coalition occupation entailed.[1066]

'Nation building' has, for Western Capitalist colonial powers, proved a difficult business. The long list of 'failed states' attests this. But, seldom has a post-colonial government failed so spectacularly as Afghanistan in August 2021![1067]. One can but forlornly hope that the United States, assessing its failure, will decide that 'regime change' is not one of its strengths!

Here is US President Biden speaking to an assembled press conference about the likely fate of the US supported Afghan Government (August 15, 2021) **one day before the Taliban took control of Kabul**:

œThe possibility of the Taliban 'overrunning everything and owning the whole country is highly unlikely'

The US had 20 years to plan its final exodus from the country - after all it had humiliatingly mismanaged its withdrawal from Vietnam! Yet, as David Zucchino described, blind hubris, and refusal to accept the inadequacy of its 'nation building' activities has, once again, resulted in a mismanaged 'withdrawal':

> The speed and violence of the Taliban sweep through the countryside and cities the previous week caught the American military and government flat-footed. Hastily arranged American military helicopter flights evacuated the sprawling American

> Embassy compound in Kabul, ferrying American diplomats and Afghan Embassy workers to the Kabul military airport. At the civilian airport next door, Afghans wept as they begged airline workers to put their families on outbound commercial flights even as most were grounded in favor of military aircraft....
>
> Two decades after American troops invaded Afghanistan to root out Qaeda terrorists who attacked on Sept. 11, 2001, the American nation-building experiment was in ruins - undercut by misguided and often contradictory policies and by a relentless insurgency whose staying power had been profoundly underestimated by U.S. military planners.
> (David Zucchino, œKabul's Sudden Fall to Taliban Ends U.S. Era in Afghanistan: A takeover of the entire country was all but absolute as the Afghan government collapsed and the U.S. rushed through a frenzied evacuation, *New York Times*, August 15, 2021)

The real question to be asked is 'Why was the US so hell-bent on staying in Afghanistan'? Michael Tracey has addressed the question and provided his answer:

> The only 'commitment' that the Afghanistan War 'sustained' was to deceit, corruption, waste, and failure - a cycle that would've never been broken until the plug was belatedly pulled.
>
> The narrow outrage on display now about the allegedly 'incompetent' execution of the withdrawal reflects a misunderstanding of the entire intervention, which was predicated on 'incompetence.' And 'incompetence' is an overly-kind word. More like systematic plunder, graft, and propaganda.
>
> If the Afghan government could collapse so quickly after billions and billions of dollars were funneled into it over 20 years, why would anyone expect a withdrawal to be carried out with seamless or 'competent' precision? If you expected that, it's safe to assume you've indulged in the same fantastical delusions that persisted throughout the whole conflict.
>
> I encourage everyone to watch œthis explanation given by Richard Hanania about how nit-picking the 'incompetence' of the withdrawal is a fallacy that deflects from the 'incompetence' at the very heart of the entire mission.
>
> Biden might be losing his marbles, but at least he made a firm decision to end the war and has stuck with that decision unrepentantly - even as he's now swarmed by a furious political backlash. That's more than can be said for his most recent two predecessors....
> (Michael Tracey, œIgnore The Fake "Experts" - The Real "Catastrophe" In Afghanistan Was Always The War Itself, August 18, 2021)

No, it did not all begin in 2001!

The official narrative would have us believe that the US invaded Afghanistan in search of Al Qaeda terrorists, succored by a ruthless Taliban who had seized control of the country and were committing horrendous acts of violence against its people. The US stayed there (it did not find the terrorist leader in the country (he was later executed by a US military hit-squad in Pakistan)), because it 'cared about the people'.

This is how much it cared:

Q: The former director of the CIA, Robert Gates, stated in his memoirs ["From the Shadows"], that American intelligence services began to aid the Mujahadeen in Afghanistan 6 months before the Soviet intervention [in late 1979]. In this period you were the national security adviser to President Carter. You therefore played a role in this affair. Is that correct?

Brzezinski: Yes. According to the official version of history, CIA aid to the Mujahadeen began during 1980, that is to say, after the Soviet army invaded Afghanistan, 24 Dec 1979. But the reality, secretly guarded until now, is completely otherwise: Indeed, it was July 3, 1979 that President Carter signed the first directive for secret aid to the opponents of the pro-Soviet regime in Kabul [At this point the Soviet Union did not have its troops in Afghanistan!] And that very day, I wrote a note to the president in which I explained to him that in my opinion this aid was going to induce a Soviet military intervention.

Q: Despite this risk, you were an advocate of this covert action. But perhaps you yourself desired this Soviet entry into war and looked to provoke it?

Brzezinski: It isn't quite that. We didn't push the Russians to intervene, but we knowingly increased the probability that they would.

Q: When the Soviets justified their intervention by asserting that they intended to fight against a secret involvement of the United States in Afghanistan, people didn't believe them. However, there was a basis of truth. You don't regret anything today?

Brzezinski: Regret what? That secret operation was an excellent idea. It had the effect of drawing the Russians into the Afghan trap and you want me to regret it? The day that the Soviets officially crossed the border, I wrote to President Carter: We now have the opportunity of giving to the USSR its Vietnam war. Indeed, for almost 10 years, Moscow had to carry on a war unsupportable by the government, a conflict that brought about the demoralization and finally the breakup of the Soviet empire.

Q: And neither do you regret having supported the Islamic [integrisme], having given arms and advice to future terrorists?

Brzezinski: What is most important to the history of the world? The Taliban or the collapse of the Soviet empire? Some stirred-up Moslems or the liberation of Central Europe and the end of the cold war?

Q: Some stirred-up Moslems? But it has been said and repeated: Islamic fundamentalism represents a world menace today.

Brzezinski: Nonsense! It is said that the West had a global policy in regard to Islam. That is stupid. There isn't a global Islam. Look at Islam in a rational manner and without demagoguery or emotion. It is the leading religion of the world with 1.5 billion followers. But what is there in common among Saudi Arabian fundamentalism, moderate Morocco, Pakistan militarism, Egyptian pro-Western or Central Asian secularism? Nothing more than what unites the Christian countries.
(Jeffrey St. Clair and Alexander Cockburn, œHow Jimmy Carter and I Started the Mujahideen, *CounterPunch*, January 15, 1998)

As Brzezinski explained, the Afghan government, in 1979, was a secular 'modernizing' government (promoting all those 'virtues' which the US, post 2001, used to justify its occupation of the country).

The Taliban were legitimized, armed and encouraged to attack that democratically elected, secular government of Afghanistan by the United States. Another in a depressingly long list of democratic governments around the world which, over the past seventy and more years, have been subjected to the 'regime changing' attentions of the US.[1068]

The formula is an old one: Depose the existing government, hunt down its leaders and replace them with compliant alternatives, hand-picked by US operatives. That end always justifies the means!

In 2001 the US, having apparently 'forgotten' its earlier involvement in the destabilization of the nation, confronted those same 'holy warriors', armed and supported by US operatives throughout the 1980s and longer, and set out to complete its 'mission' - the installation of a compliant, US acolyte government.

After 18 years of futility, President Trump, in 2020, decided to 'negotiate' a US withdrawal from Afghanistan which, in many respects, echoed the Nixon withdrawal from Vietnam in April 1973. In August 2021, that œ'withdrawal' looks more like 'flight' with the Taliban in control of the country and the 'withdrawal' not yet complete! As the site *RareHistoricalPhotos.com* explained:

> ...By 1 April 1973, U.S. forces were out of Vietnam (except for a few embassy guards and attaches) and 587 POWs had returned home (about 2,500 other Americans remained missing in action). Congress cut off funds for the air war in Cambodia, and bombing there ended in August. Over Nixon's veto, Congress passed the War Powers Resolution in November 1973. It limited presidential power to deploy U.S. forces in hostile action without congressional approval.
>
> Nixon characterized the Paris Peace Agreements of 1973 as "peace with honor," but primarily they allowed the U.S. military to leave Vietnam without resolving the issue of the country's political future. (œVietnam War: Escalation and Withdrawal, 1968-1975, *RareHistoricalPhotos.com*, accessed 05 March, 2020)

Rania Khalek, in a realistically pessimistic account of the 2021 decision by the US president Biden to 'withdraw' from Afghanistan (but not from the region) described the likely consequences for the Afghan people:

> The end to the American invasion and occupation of Afghanistan is long overdue, but the way it is being done will likely only perpetuate the suffering of Afghans.
>
> One longtime expert described the deal as so intrusive and imposing it treats Afghanistan as a colony of the US.
>
> Biden is implementing the February 2020 deal struck in Doha between Zalmay Khalilzad, Special Representative for Afghanistan Reconciliation at the US State Department, and Mullah Baradar, the Taliban Deputy's Commander for Political Affairs. It was called the "Agreement for Bringing Peace to Afghanistan", although nobody believes it will bring peace to a country at war for over forty years. At the same time, the US also signed a separate deal with the Afghan government entitled the "Joint Declaration between the Islamic Republic of Afghanistan and the United States of America for

> Bringing Peace to Afghanistan." Meanwhile the intra-Afghan talks between the Taliban and the government of Afghanistan do not have the word "peace" in their description.
>
> The deal that Khalilzad, or "Zal" as he is called, signed in Doha was an "America first" deal that ignored the interests of the Afghan government or people and prioritized the US while empowering the Taliban. It stipulated a troop withdrawal on schedule, by May 1, 2021. This automatically stripped the Afghan government of its leverage and also meant it would be facing a possible Taliban offensive on May 2. Trump did not seem to care and handed it all to the Taliban from the beginning because he was in such a rush to sign the deal.
>
> The US did not place any conditions on the Taliban, such as achieving progress in their talks with the Afghan government. Instead, the US even proposed an interim government to replace the current elected (if flawed) one. To many observers this looked like a US-backed Taliban coup. And Zal has been promising everyone positions in that new government.
>
> The Taliban had to commit to halting their attacks on the US but they could continue to attack Afghan government forces at a time when those Afghan forces were receiving less US military assistance and less logistical assistance so they could not supply bases and had to withdraw from more of the country. The Taliban also increased their attacks against civilians at the end of 2020. None of this mattered to the US government, which wanted the deal for domestic reasons related to US elections and not in order to leave a stable Afghanistan with a successful peace process.
>
> According to one close observer of the talks, "Zal improvised, lied to everybody (including the UN and Europeans) and it fragmented the non-Taliban space. He doesn't want to negotiate; he wants an easier path to a Taliban government. The Taliban don't have a political language. They don't have language for governing. Even the pro-Taliban people in American spaces say the Taliban have no interest in negotiating. And why would they? They are about to win. But the country will blow up. It's not the country of the 90s. You cannot just back the strongest actor. There are too many, and the Taliban is not homogenous, and they have not prepared their fighters because they want to maintain cohesion. Nobody has prepared anything, nobody talked about integration of fighters into the security forces." (Rania Khalek, "US Pours Gasoline on Afghan Conflict on Its Way Out, *Breakthrough News*, June 05, 2021) (clickable supporting information provided in the original)

Marjorie Cohn neatly summarized the Trump version of 'peace with honor' in Afghanistan:

> It's true that the Trump administration signed a "peace deal" with the Taliban - something that eluded both George W. Bush and Barack Obama - but a closer look at the agreement reveals it to be riddled with conditions that are fraught with obstacles.
>
> The terms of the deal suggest that Trump is more interested in boasting that he's fulfilling his campaign promise to bring the troops home than he is committed to achieving real peace in Afghanistan. This fact has also been noted by Trump's former national security aides, some of whom have said that the president "is far less

interested in an actual Afghan peace" than in claiming he is making good on his vow to withdraw the U.S. troops.

The agreement announced on February 29 should not rightly be called a "peace deal," Rep. Barbara Lee (D-California) said in a statement. Although the agreement "is a step forward," Lee noted, "It leaves thousands of troops in Afghanistan and lacks the critical investments in peacebuilding, human-centered development, or governance reform needed to rebuild Afghan society."...

... After 18 years, tens of thousands killed and more than $2 trillion spent, the U.S. government is returning Afghanistan to the Taliban.

"United States went to war against the Taliban, and then almost two decades later, handed Afghanistan back to the Taliban," Vijay Prashad, foreign policy expert and director of the Tricontinental Institute for Social Research, noted ironically.

œMore than 100,000 Afghan civilians and over 58,000 Afghan security forces have been killed. About 2,400 U.S. servicemembers have been killed and 20,000 wounded in the United States's longest war.

After a 10-year preliminary examination, International Criminal Court (ICC) Prosecutor Fatou Bensouda found œa "reasonable basis" to believe that U.S. military and CIA forces committed war crimes and crimes against humanity, including torture, in Afghanistan.

The ICC Pre-Trial Chamber agreed with Bensouda but refused to open a formal investigation, citing doubt about whether it could secure "meaningful cooperation from relevant authorities" which limited the "prospects for a successful investigation." Bensouda appealed the ruling. On March 5, the ICC Appeals Chamber will issue a judgment affirming or reversing the Pre-Trial Chamber's refusal to initiate an investigation.

Meanwhile, the Taliban control or claim to œcontrol almost half of Afghanistan's districts, "more territory . . . than at any point since 2001," according to the Pentagon.

Robert Malley, president of the International Crisis Group, told The Intercept's Mehdi Hasan that the reason the Taliban "got so much out of the deal" is that "after two decades, the U.S. has failed to win an unwinnable war."

Nevertheless, The Washington Post's explosive report titled "The Afghanistan Papers" reveals that the œBush, Obama and Trump administrations all lied routinely about U.S. success in the war.

In his op-ed in The Times, London opines that Trump's special envoy for Afghanistan, Zalmay Khalilzad, who negotiated the so-called peace deal for the United States, only wants the agreement to survive until the fall election. London wrote that Khalilzad has his sights set on being appointed secretary of state in a second Trump administration.

If the deal falls apart, Trump has threatened to "go back with a force that no one's ever seen."

In the meantime, Trump, whose overwhelming motive is to be reelected, can claim bragging rights about securing a "peace deal" with the Taliban.

(Marjorie Cohn, œTrump's Afghanistan Deal Prioritizes Bragging Rights Over Lasting Peace, *Truthout*, March 4, 2020

905 Melvyn Leffler, in a review essay entitled 'The Decider: Why Bush Chose War in Iraq', has explained the inept, often delusional reasoning of key US officials and 'feuding, distrustful advisers' responsible for promoting and prosecuting the 2003 US led invasion of Iraq:

> ...The president [George W. Bush] should have known that Saddam Hussein, Iraq's dictator, had no weapons of mass destruction (WMD), no links to al Qaeda, and no responsibility for 9/11. According to Draper, Bush led the United States into a needless war. He did so because he believed deeply in the United States' nobility and its mission to spread freedom - which Draper says the president considered "God's gift to the world." Not only was Saddam "the guy who tried to kill my dad," as Bush once noted, referring to a failed plot to assassinate George H. W. Bush in 1993. Far worse, the president said, "he hates the fact, like al Qaeda does, that we love freedom." These, according to Draper, were Bush's animating impulses.
>
> No policymaker comes off well in Draper's account. From the moment he took office, Cheney worried about the United States' vulnerability to terrorists armed with chemical or biological weapons. "After 9/11," Draper writes, the Office of the Vice President "emerged as the Bush administration's think tank of the unthinkable, where apocalyptic scenarios became objects of obsession, no matter how unlikely." Whereas Cheney was quiet, thoughtful, and probing,
>
> Rumsfeld was an irascible, irresponsible bully. He schemed to get close to Bush, collaborated with Cheney, and sidelined civilian subordinates and military officers who disagreed with him, thereby ensuring that "dissent on critical issues was close to nonexistent in the Pentagon."
>
> Secretary of State Colin Powell, in Draper's view, had deep-seated reservations about going to war but lacked the courage to voice his convictions and did not possess an alternative vision that he could sell to the president. He carefully guarded his doubts lest he become irrelevant.
>
> George Tenet, the director of the CIA, prized the attention that Bush bestowed on his agency and massaged the information going to the president for fear that he would be perceived as soft. Many of Tenet's subordinates assumed that their boss did not want to antagonize "the First Customer," the president, and hence hesitated to convey many of their reservations about the accuracy of their assessments of Iraq's WMD programs.
>
> Among this set of feuding, distrustful advisers, all of whom had had years of experience in the highest echelons of past administrations, Condoleezza Rice, Bush's national security adviser, was outmatched and unable to orchestrate the consensus recommendations for which she yearned.
> (Melvyn P. Leffler, œThe Decider: Why Bush Chose War in Iraq, *Foreign Affairs*, Review Essay, November/December 2020)

906 It is long-past time for Western people to listen to the other side of a story which has been deliberately distorted and fabricated to justify

Western aggression. Bouthaina Shaaban has been a clear, coherent and logical spokesperson for Syria in recent years. As she has explained:

> ...[H]ere is the problem: That there is a number of countries who formulate an alliance and who consider themselves to hold the superior value in the world, by the way linked with interests; always, when they speak about values, they speak about also achieving American interests and promoting American values. So those countries are the ones who have, or who possess, these values and anyone who joins them becomes a part of this alliance and partnership, and anyone who doesn't or who has a different idea of governance or a different way of life, is considered either an autocrat or an aggressor....
>
> In the case of Syria, the Western calls for democracy and freedom that was - really that caused the entry of thousands, hundreds of thousands of terrorists into our country, that caused the destruction of our schools, of our infrastructure - all these calls moved our country a hundred years backwards.
>
> And from my point of view as a Syrian woman, who always lived in this land and who will always live on this land, no matter what, I can tell you that the reason for this war on Syria, is that Syria has an independent political mind, and an independent political decision. And this is not welcome at all by these circles, who want the whole world to be a copy of what they think, of what they want. And no one has the right to have, for example, a different democracy, or a different way of life, or a different culture that leads to things that we probably appreciate, here in Syria, where other people appreciate different things!
>
> So that the issue I found with this strategy is that it left no room to the variety of human nature, to the variety of human culture, to the variety of human likings and dislikings. So, Syria, for example, in 2010 had the fourth developing economy in the world. And now, they destroyed our economy, they destroyed our schools, they destroyed our way of life! They destroyed our identity, through a flood of terrorism that came through Turkey, of course, into our country.
>
> And the issue is that, I'm sure all of you hear that the United States is in the northeast of Syria in order to fight ISIL and in order to fight terrorism. Now, if we are fighting terrorism - which we are, definitely, because it's in our interest and it's our life to live free of terrorism - and if they are here to fight terrorism, why can't we join forces together to fight terrorism? I tell you, the United States, and allied forces with them in Syria, are here to protect the terrorists, and this is what they have been doing. If it were not for the presences of the United States forces in the Tanf and if it were not for their military attacks against our forces, we would have liberated the entire Syrian soil from terrorism.
>
> The other objective for them is to prevent any relation between Iraq and Syria, because a relation between Iraq and Syria is extremely vital for the Syrian people and for the Iraqi people.
> (Bouthaina Shaaban, œA Syrian Perspective, *Executive Intelligence Review*, March 26, 2021)

Here is her YouTube explanation of what has happened to Syria since 2011: œThe role of Western media in the destruction of Syria (May 9,

2021, (13:30 minutes))

In 2021, under President Biden, the US continued its 'regime change' campaign in Syria. Tulsi Gabbard, interviewed by Aaron Maté:

> The regime change war that the United States continues to wage in Syria - using al-Qaeda, Al Nusra, HTS terrorists as our proxy ground force, and who now occupy and control Idlib, imposing Sharia law, and cleansing the area of most Christians and religious minorities. The Biden administration continues to use our military to illegally occupy northeastern Syria to, quote "take the oil" as Trump so crassly, but honestly put it, violating international law. A modern day siege of draconian embargo and sanctions, similar to what the Saudi-US alliance employed in Yemen, is causing death and suffering for millions of innocent Syrians. Depriving them of things like food, medicine, clean water, energy, warmth - and making it impossible for the Syrian people to try to begin to rebuild their war-torn country.
> (Tulsi Gabbard and Aaron Maté, œTulsi Gabbard calls out the US dirty war on Syria that Biden, aides admit to, *The GreyZone*, March 5, 2021)

907 Scott Ritter, in an article entitled 'œYemen: Saudi Arabia's Lost Cause', provides some backgrounding to the 2021 situation in Saudi Arabia's war with Houthi rebels in Yemen.

As has all-too-often been the case, US involvement in the Yemen catastrophe was based on inadequate understanding, misleading or false 'intelligence', and an overweening belief in US military and strategic prowess and their ability to control what would happen 'on the ground'.

Robert Malley and Stephen Pomper explained the way in which the United States got 'pulled into this wretched mess':

> How did the United States get pulled into this wretched mess? The tale begins in 2011, with the fall of Yemen's aging, corrupt, and authoritarian president, Ali Abdullah Saleh, who was forced by protests to hand over power to his vice president, Abd-Rabbu Mansour Hadi. Hadi was supposed to serve as a bridge between the old regime and a brighter future, but it didn't work out that way. A nine-month "national dialogue conference" delivered an aspirational, if flawed, blueprint for political reform in January 2014. But by then, the economy was near collapse, and a group of rebels that had been fighting the central government for the past decade was making rapid territorial gains. These were the Houthis, also known as Ansar Allah (Partisans of God), followers of the Zaydi branch of Shiite Islam who were based in the country's north, near the Saudi border. In September 2014, riding a wave of antigovernment anger, the Houthis seized control of Yemen's capital, Sanaa, and eventually chased Hadi to the southern port city of Aden.
>
> Saudi Arabia feared that its neighbor would be completely taken over by Iranian surrogates. In early 2015, it rallied a coalition of nine mostly Sunni Arab states, the United Arab Emirates chief among them, and prepared to launch a military intervention to restore Hadi to power and counter what it perceived as an expanding Iranian threat to the region. The decision came on the heels of a power transition in Saudi Arabia that resulted in the rise of Crown Prince Mohammed bin Salman, or MBS, who would become the face of the war in Yemen.

> That was the context in which the Saudis made their request for American help. U.S. officials scrambled to consolidate their views and make a recommendation to the president. Many had concerns about the coalition's possible heavy-handedness and were of mixed minds about whether MBS should be seen as a potential rising star or a worrying hothead, but in the end, the decision was not an especially close call. Obama's senior national security team unanimously recommended proceeding with some measure of assistance for the Saudi campaign, and the president concurred. The White House announced that he had authorized "the provision of logistical and intelligence support" to the coalition and that the United States would work with its new partners to create a joint planning cell in Riyadh that would "coordinate U.S. military and intelligence support."...
>
> The support that Obama authorized came with limits, caveats, and safety features. Obama's guidance was that American help should serve the purpose of protecting Saudi Arabia's territorial integrity, making the assistance essentially defensive in nature. The administration also hoped that the joint planning cell would act as a forum where American advisers could professionalize their Saudi counterparts, learn what they were doing, and, when necessary, rein them in.
>
> As soon become apparent, and has since become incontrovertible, the United States greatly underestimated the challenge it would face in curbing Saudi operations and minimizing both humanitarian damage and civilian casualties. The coalition resorted to brass-knuckle tactics early on. First, it prevented imports from entering Houthi-held areas, strangling the flow of commodities into the country's largest and most important port, Hodeidah. Then, it bombed critical infrastructure, such as container cranes and food-production facilities. Strikes hit residential neighborhoods and weddings. In several instances, U.S. officials worried that the coalition was acting intentionally, perhaps perceiving these strikes to have a tactical benefit....
> (Robert Malley and Stephen Pomper, "Accomplice to Carnage: How America Enables War in Yemen, *Foreign Affairs*, March/April 2021)

908 As Gustave Speth explained:

> We... forget that during the period of the cold war's geopolitical fight for spheres of influence, Africa became a focal point for the ideology and the arms that today contribute to the havoc we find in Rwanda and Burundi, in Zaire and Angola and Somalia...

And, now, in 2019

> The drawdown of American military operations elsewhere in the world - including in Syria and, to a lesser immediate extent, Afghanistan - also has most likely freed up more drones and other gunships for use over Somalia, several former United States officials said.
>
> "We were geared up for counterterrorism efforts in Somalia, and now there are more resources to do it, so we're doing more of it," suggested Stephen Schwartz, who served as the United States ambassador to Somalia from 2016 to 2017, although he cautioned that he had no current insider knowledge.

> "It could be there is some well-thought-out strategy behind all of this," Mr. Schwartz added, "but I really doubt it." The loosening of Obama-era constraints on using force in Somalia, as approved by President Trump in 2017, has also contributed. Shortly after taking office, Mr. Trump declared Somalia to be an "area of active hostilities" subject to war-zone rules. That freed the United States military to carry out offensive operations whenever Shabab militants presented themselves - including against foot soldiers without special skills or roles.
> (Eric Schmitt and Charlie Savage, œU.S. Airstrikes Kill Hundreds in Somalia as Shadowy Conflict Ramps Up, *New York Times*, March 10, 2019)

As Stephen Schwartz suggested, US 'Special Forces' seem to feel obliged to ramp up their activities elsewhere in the world when they scale down activities in other regions.

With 'spare drones and other gunships' at their disposal, Somalia is now in the cross-hairs as American commanders inflict as much punishment on the Shabab as they can in a region which 'has faced civil war, droughts and an influx of Islamist extremists over the years'.

Violence breeds violence, surely the lessons of the Middle East have taught us that, if nothing else! When will the West ever learn?

[909] The story of European predations in the territory of the Democratic Republic of Congo through more than 500 years is a bleak and sad one.

From the arrival of Portuguese in 1483 (see Geddes 1994) and the subsequent development of the slave trade (see MacGaffey 1977, Geddes 1994), to the 1885 declaration of the Congo Independent State (the personal fiefdom of King Leopold II of Belgium), the Kingdom of Kongo was progressively dismantled and its peoples brutally co-opted to serve European 'interests'.

Things did not improve with the declaration of 'independence' in July 1960. By January 1961, with the US/ Soviet Cold War dominating Western concerns, the US and its 'Coalition of the Willing'[1069] engaged in 'regime change'. With little apparent concern for consequences, the first legally elected Prime Minister of the Democratic Republic of Congo, Patrice Lumumba, was assassinated and the country plunged into prolonged political chaos.

There is compelling evidence (much of it was until 2020 obtainable from CIA archives but that is no longer accessible!) that Lumumba's assassination was directly orchestrated by CIA and Belgian operatives because they perceived him as being a 'communist agent' . As Gerrard and Kuklick say, he was, in fact:

> ..a proud nationalist and Pan-Africanist who strove to be neutral in the Cold War. Unfortunately, agency heads and President Eisenhower thought they knew better and disregarded this intelligence.' (Emmanuel Gerard and Bruce Kuklick, *Death in the Congo: Murdering Patrice Lumumba*, Harvard University Press, 2015).

[910] When a coalition led by the United States fails to successfully remove those it has defined as the 'oppressors' and has to precipitately evacuate an occupied region, it will find other means of pursuing its long-held aims.

One has only to examine the consequent experiences of nations such as Cuba, Vietnam, Syria, Iran... and now Afghanistan. Any claims of genuine concern, by the US and it acolytes, for the peoples of those regions are soon dispelled.

As the US and its 'allies' have demonstrated time and again, they will continue to pursue their ambitions by other means. Hannah Duncan and Kate Clark describe how that looked for Afghanistan in the wake of the US withdrawal:

> This report first lays out how sickly Afghanistan's economy already was, dependent on aid and outside funding and hit by pandemic, drought and conflict. It then looks at the multiple shocks which have hit Afghanistan since 15 August: the halt in aid, cut-off of supply of dollars and resulting banking crisis, sanctions and a depleted workforce. Finally, the report considers some of the options - and dilemmas - facing the Taliban and Afghanistan's donors if they are to mitigate a humanitarian catastrophe.
>
> **Highlights of the report:**
>
> - **The Taleban's seizure of power - without a prior political settlement or official handover - has ruptured Afghanistan's relationship with its international backers.** The US government put a hard stop to the country's usual cash supplies, donors have frozen aid and the World Bank and IMF halted planned transfers of funds.
> - **The banking sector is in crisis, with cash reserves extremely low and international sanctions regimes restricting international transactions.** Commercial banks are still, for the most part, closed as they have no money to give out to their depositors. This crisis is pushing the afghani to depreciate and prices of flour, medicine, electricity and other basic goods to rise across the country.
> - **The effects of the banking sector crisis will be far-reaching.** Afghanistan's financial system has been the beating heart of its economy, upon which vital formal institutions which fuel and supply much of the rest of the informal, cash-based economy rely. Afghanistan already faced a humanitarian emergency - over half of Afghanistan's entire population are in need of assistance, one-third malnourished and half of all children under five are severely malnourished.
> - **Afghanistan was already in for a painful adjustment period, necessary to deal with its significant trade imbalance and already declining aid flows. Declines in aid have exposed a weak, undiversified economy that does not produce enough to pay for the current levels of imports and public services.** Grants to Afghanistan are currently around USD 8.5 billion per year, equivalent to 43 per cent of Afghanistan's GDP. These grants have paid for 75 per cent of public expenditure, 50 per cent of the budget, and around 90 per cent of government security spending.
> - **The banking sector crisis and sudden cuts to aid - especially for development and security - mean the Afghan economy is now in free fall.** Economic contraction will cause major layoffs, dramatic drops in access to services

and a steep decline in people's incomes and will hit cities and towns particularly hard. The number of Afghans living in poverty will increase.

- **There is no scenario under which the Taleban, after forming an administration, could resume 'business as usual' as regards the basic functions of government.** They have neither the volume of resources nor the external recognition needed to get the systems used by the former government back up and running. In government (1996-2001) and in areas under their control since 2001, they showed little interest in running public services. It is unclear if they appreciate the full scale of the looming economic disaster.
- **In the face of an unfolding humanitarian catastrophe, Afghanistan's donors hold the purse strings and the power to revise sanctions regimes.** However, they face complex political, legal and operational dilemmas, fraught with ethical questions and uncertainty about the Taleban's priorities. Humanitarian aid alone will not prevent economic collapse, but donors will hesitate to continue with the large aid flows that would be needed if that helps the Taleban administration survive.
- **Afghanistan is highly unstable, buffeted by an economic storm that is worsening by the day, and ruled by a group very narrowly drawn from society and with authoritarian ways of governing.** Neither the Taleban nor the old donors are prepared with a vision of what to do next.Donors' actions could help the new administration survive or nudge it into modification. Yet in the past, the western powers have shown themselves to be poor at conditionality and acting on evidence, rather than wishful thinking. Smart political calculation cannot be expected. (Hannah Duncan and Kate Clark, œAfghanistan's looming economic catastrophe: What next for the Taleban and the donors?, *Afghanistan Analysts Network*, 6 September, 2021)

911 United States involvement in Afghanistan, in 2023, continued unabated. As Russian News Agency *TASS* reported:

> Moscow is alarmed by attempts by non-regional players to intensify their activities in and around Afghanistan, Russian Foreign Minister Sergey Lavrov said in a written address to the participants in the Moscow format consultations on Afghanistan now taking place in Kazan.
>
> "We are concerned about the attempts of extra-regional players to become more active in the Afghan direction," the top Russian diplomat said in his message, which was read out at the meeting by Russian Special Presidential Representative for Afghanistan Zamir Kabulov, who also serves as director of the Foreign Ministry's Second Asian Department.
>
> The full-fledged unification of efforts by the countries of the region with the member states of the NATO bloc, according to Lavrov, "is possible only if the latter fully acknowledge their full responsibility for the baleful results of their 20-year military presence in Afghanistan, which ended in a complete fiasco."

> "The Western countries, which inflicted irreparable damage on the Afghan people, must bear the main burden of the country's post-conflict reconstruction," the top Russian diplomat stressed. "In this regard, Washington's freezing of Afghan bank assets is counterproductive and only escalates the situation and complicates the already difficult living conditions of ordinary Afghans," Lavrov concluded.
> (œRussia concerned that external players trying to activate meddling in Afghanistan - Lavrov, *TASS*, September 29, 2023)

912 Bhadrakumar summed up the Central Asian problem, including not only Russia but also the Chinese regions in and around Xinjiang:

> What emerges is that Beijing's interest lies primarily in security considerations against the backdrop of the activities of extremist groups such as the Islamic State (which continues to get covert support from the US) that are operating out of Afghanistan. China's thesis is that security is best strengthened through economic development and for that reason, therefore, the region is important from the point of view of economic cooperation and regional development - although in aggregate terms, Central Asian economic resources are nowhere near sufficient for meeting China's needs.
>
> Suffice to say, terrorist threats emanating from the region, posing threat to Xinjiang, are China's main concern and Beijing is willing to openly invest its resources in the security of the region and take part in the training of the anti-terrorist forces of the Central Asian states. Geographically, three out of the five Central Asian countries, namely Kazakhstan, Kyrgyzstan, and Tajikistan, share borders with China. As for Russia, it has long regarded the region as its traditional sphere of influence and a strategic buffer zone, and thus prioritised the security of its southern border. Therefore, a safe and secure Central Asia aligns with China and Russia's respective national interests.
>
> In the context of the Ukraine crisis, Central Asia has emerged as a frontline for the US strategy to contain and weaken Russia.
> (M. K. Bhadrakumar, œChina takes leadership role in Central Asia, *Indian Punchline*, May 31, 2023)

913 President Trump, ignoring (ignorant of?) both precedent and law, appointed a retired general to be his Secretary of Defense. Carrie Lee, below, has explained why this was a dangerous precedent to set. So, why is the US President-elect, Biden, proposing that, in 2021, his secretary of defense will be a recently retired general? As McInnis has explained, this could overly empower the military and erode the principle of civilian control of foreign policy:

Kathleen McInnis, in 2017, explained that 'civilian political authority over military leadership is a bedrock principle of the U.S. Constitution'.

> The proposed nomination of General (Ret.) James Mattis, United States Marine Corps (hereafter referred to as "General Mattis"), who retired from the military in 2013, to be Secretary of Defense requires both houses of Congress to consider whether and how to suspend - or remove - a provision contained in Title 10 U.S.C. §113 that states,
>
> > A person may not be appointed as Secretary of Defense within seven years after relief from active duty as a commissioned officer of a regular component of an armed force.

> This provision was originally contained in the 1947 National Security Act (P.L. 80-253), which mandated that 10 years pass between the time an officer is relieved from active duty and when he or she could be appointed to the office of the Secretary of Defense. Only one exception to this provision has been made. Enacted on September 18, 1950, at the special request of President Truman during a time of conflict, P.L. 81-788 authorized the suspension of statutory requirements otherwise prohibiting General of the Army George C. Marshall from serving as Secretary of Defense. In 2007, Section 903 of the FY2008 National Defense Authorization Act (P.L. 110-181), Congress changed the period of time that must elapse between relief from active duty and appointment to the position of Secretary of Defense to seven years.
> (Kathleen J. McInnis, œStatutory Restrictions on the Position of Secretary of Defense: Issues for Congress, *Congressional Research Service*, January 5, 2017)

Carrie Lee, in an article entitled 'Sleepwalking Into World War III: Trump's Dangerous Militarization of Foreign Policy', has described the process by which 'civilian political authority over military leadership..., so fundamental to the American system of government that it has rarely been questioned' has been eroded in Trump's presidential term:

> From the beginning of the Trump era, the national security establishment made a Faustian bargain: in an effort to constrain the new president, it looked the other way as extraordinary numbers of active duty and retired military officers were appointed to positions usually reserved for civilian experts. As the "adults in the room," these career military officials hoped to protect American alliances and constrain Trump's worst impulses. Although few of these officers questioned the principle of civilian control, their narrow interpretation of civilian oversight meant that broader norms of civilian guidance became a kind of collateral damage in the struggle to contain the chaos.
>
> This political bargain gave the more experienced military officers at the highest levels of the administration, some of whom had served together for decades, a natural advantage over their civilian counterparts. Their shared service gave them a common language and, most important, an outlook that allowed them to easily sideline civilian outsiders like Secretary of State Rex Tillerson, Secretary of Homeland Security Kirstjen Nielsen, and later, Secretary of Defense Mark Esper.
>
> When leaders are appointed at the top levels of government, they staff their organizations with people whom they trust to execute their plans. Most civilian leaders have diverse professional networks to draw upon, but career military officers tend to know few qualified people outside of veterans' organizations. As a result, many of the lower-level staff posts within the Trump administration have also been filled with retired military officers.
> (Carrie A. Lee, œSleepwalking Into World War III: Trump's Dangerous Militarization of Foreign Policy, *Foreign Affairs*, October 19, 2020)

Western democracies, often imperfectly, have always assumed the principle of political control of both administrative and military policy. While military leaders have 'on the ground' responsibility for strategy and troop movements (with political oversight), politicians have always

assumed, as a sign on US President Harry Truman's desk read, that 'the buck stops here'. They make the policy decisions and they take responsibility for the decisions they make.

Jonathan Stevenson has explained the US division of responsibility between political and military authorities over the past century and the gradual erosion of lines of demarcation and responsibility over the past fifty years (what Arthur Nwankwo might have described as 'cimilicy'; the Nigerianization of US civil/military responsibilities):

> ...Generals aren't supposed to make policy, let alone get involved in politics.
>
> In the mid-1950s, the political scientist Samuel P. Huntington observed that American military officers had evolved into a disciplined and largely apolitical group of professionals. He outlined a separation of roles: military obedience to civilian leaders in areas of strategic or political discretion, and civilian deference to the military on operational matters.
>
> This was the norm until after Vietnam, when numerous scholars conducting post-mortems on the war - including, coincidentally, General McMaster in his book "Dereliction of Duty" - concluded that military commanders should have challenged civilian leaders more aggressively.
>
> And over time, that's what happened. As the Pentagon gained a broader post-Sept. 11 mandate, branching into what were once considered law enforcement and diplomatic arenas, the line between the civilian and military division blurred. Combatant commanders' assertiveness peaked when a beleaguered President George W. Bush looked to Gen. David Petraeus to extricate the United States from the Iraq quagmire by way of the "surge" in 2007.
>
> President Barack Obama reasserted civilian control when he fired Gen. Stanley McChrystal in 2010 and pulled the military out of Iraq in 2012.
>
> Civilian control remains more or less intact, but the civilian leadership has changed. Unlike Mr. Obama, who took responsibility for his administration's military actions, Mr. Trump has publicly scapegoated the military for politically damaging episodes....
>
> The generals have failed because for all their acumen, they're not suited to the job of the nation's strategic stewards. They're military men, not statesmen. ...[A]s Eliot Cohen noted in his book "Supreme Command." They lack the sound civilian leader's worldly acumen, and the good ones know it. (Obviously Mr. Cohen - one of Mr. Trump's most vehement Republican critics - did not have the current president in mind in positing the ideal civilian leader.)
> (Jonathan Stevenson, œThe Generals Can't Save Us From Trump, *New York Times*, SundayReview, Opinion July 28, 2017)

In 2017, that understanding of the separation of political and military powers has been seriously eroded. As Mark Landler and Michael Gordon have explained :

> ...[F]ormer commanders and military scholars said that in sending troops before having a strategy, Mr. Trump has put the cart before the horse, eroded the tradition of civilian control over the military,

and abdicated the president's duty to announce and defend troop deployments.

"A commander in chief keeps control of limited wars by defining missions, selecting commanders and setting troop levels," said Karl W. Eikenberry, a retired lieutenant general who served as a top commander and the American ambassador in Afghanistan. "To delegate any of these is dangerous."
(Mark Landler and Michael R. Gordon, œAs U.S. Adds Troops in Afghanistan, Trump's Strategy Remains Undefined, *New York Times*, June 18, 2017)

Rebecca Gordon has summed it all up:

During the second half of the 20th century, Congress repeatedly ceded its constitutional power to declare war to successive executive administrations. At the moment, however, we have in Donald Trump a president who appears to be bored with those purloined powers (and with the very idea of civilian control over the military). In fact, our feckless commander-in-chief seems to be handing over directly to that military all power to decide when and where this country sends its troops or launches its missiles from drones.

Now that our democratic connection to the wars fought in our name has receded yet one more step from our real lives and any civilian role in war (except praising and thanking "the warriors") is fading into the history books, isn't it about time to ask some questions about the very nature of reality and of those wars?
(Rebecca Gordon, œAmerica at War Since 9/11: For many Americans, the meaning of war is closer to reality TV than it is to reality, *Moyers & Company*, 28 June, 2017)

914 Dave Philipps has illustrated the evolution of the process of protecting US military personnel and others linked to military activity who are accused and convicted war criminals within the US from the consequences of their crimes:

President Trump has indicated that he is considering pardons for several American military members accused or convicted of war crimes, including high-profile cases of murder, attempted murder and desecration of a corpse, according to two United States officials.

The officials said that the Trump administration had made expedited requests this week for paperwork needed to pardon the troops on or around Memorial Day.

One request is for Special Operations Chief Edward Gallagher of the Navy SEALs, who is scheduled to stand trial in the coming weeks on charges of shooting unarmed civilians and killing an enemy captive with a knife while deployed in Iraq.

The others are believed to include the case of a former Blackwater security contractor recently found guilty in the deadly 2007 shooting of dozens of unarmed Iraqis; the case of Maj. Mathew L. Golsteyn, the Army Green Beret accused of killing an unarmed Afghan in 2010; and the case of a group of Marine Corps snipers charged with urinating on the corpses of dead Taliban fighters....

Navy SEALs who served with Chief Gallagher told authorities he indiscriminately shot at civilians, gunning down a young woman in a flowered hijab and an unarmed old man. They also said he stabbed

> a teenage captive, then bragged about it in text messages. His trial is set to start at the end of this month. If convicted, he faces life in prison. He has pleaded not guilty and denies all charges.
>
> Major Golsteyn is charged with killing an Afghan man that he and other soldiers said had bomb-making materials. After an interrogation, the soldiers let the man go. Fearing that the man would return to making improvised explosives, which had already killed two Marines in the area, Major Golsteyn later said he killed the man.
>
> Mr. Trump has singled both men out on Twitter, calling Major Golsteyn a "U.S. Military hero," and praising Chief Gallagher for his service to the country.
> (Dave Philipps, œTrump Shows Signs He Will Pardon Servicemen Accused or Convicted of War Crimes, *New York Times*, May 18, 2019)

Six months later, and President Trump has not only pardoned a convicted war criminal but has insisted that he be restored to his full naval rank and position. As the *Navy Times* reported:

> President Donald J. Trump has decided to restore convicted SEAL Edward Gallagher's pay grade to chief petty officer, overriding a decision last week by the Navy's top admiral, both Navy Times and Fox News learned.
>
> Although naval officials and Navy Times discussed Trump's looming decision on Sunday, it was announced on the morning Fox and Friends show by network contributor Pete Hegseth, who said he spoke directly with the president about intervening in three war crimes cases.
>
> A week before Veterans Day, Trump's move clears the way to free Army 1st Lt. Clint Lorance, who was convicted on a pair of murder charges for ordering his platoon to shoot and kill three Afghan men on a motorcycle in 2012 and is serving a 19-year sentence at the U.S. Disciplinary Barracks at Fort Leavenworth.
>
> It also is poised to end the prosecution of Green Beret Maj. Matthew Golsteyn, who is accused of executing a suspected Taliban bomb maker in Helmand Province nine years ago.
>
> "This president recognizes the injustice of it," Hegseth said during the broadcast. "You train someone to go fight and kill the enemy. Then they go kill the enemy the way someone doesn't like, and then we put them in jail or we throw the book at them."
> (Navy Times staff, œReport: Trump makes SEAL Gallagher a chief again, *Navy Times* , November 4, 2019)

William Everdell, in a letter to the *New York Times*, has put it in a nutshell:

> The obvious way to avoid war-induced moral injury is not to engage in immoral wars in the first place, nor to glorify militarism run amok. But go to war we do, and President Trump is not the first to excuse inexcusable killing. The moral injury that results, however, is not so much a bruise on the soul, as a scar on the soul, which doesn't go away. Nor should it.
>
> Painful as it is, soldiers need to come to terms with their actions, as do the nations that send them to war, and more than treatment, what's required is atonement.

> In researching soldiers who came to oppose war, I've talked with scores of veterans of wars from Vietnam to the present, most of whom have some form of a moral injury. They atone by working to end wars.
>
> Though I have no idea about the state of the souls of the veterans in Congress, if they too feel a moral injury, cutting the bloated military budget and putting a stop to our endless rounds of war would be good places to start atoning.
> (William R. Everdell, œRe "The Moral Injury of Pardoning War Crimes" (editorial, Nov. 24), *New York Times*, Nov. 25, 2019)

915 Marjorie Cohn has provided an update on a decision by the International Criminal Court (ICC) Appeals Chamber to proceed with prosecution, ordering 'a formal investigation of U.S., Afghan and Taliban officials for war crimes, including torture, committed in the "war on terror."':

> After the prosecutor of the International Criminal Court (ICC) found a reasonable basis to believe that U.S. military and CIA leaders committed war crimes and crimes against humanity in Afghanistan, Team Trump threatened to ban ICC judges and prosecutors from the U.S. and warned it would impose economic sanctions on the Court if it launched an investigation.
>
> Apparently succumbing to the U.S. threats, in April 2019, the ICC's Pretrial Chamber refused to authorize the investigation that prosecutor Fatou Bensouda had requested.
>
> But in an unprecedented decision, the Appeals Chamber unanimously overruled the Pretrial Chamber on March 5, 2020, and ordered a formal investigation of U.S., Afghan and Taliban officials for war crimes, including torture, committed in the "war on terror."
>
> Once again, the Trump administration is threatening the International Criminal Court. Following the Appeals Chamber's decision, Secretary of State Mike Pompeo declared, "This is a truly breathtaking action by an unaccountable political institution, masquerading as a legal body." He added, "The United States is not a party to the ICC, and we will take all necessary measures to protect our citizens from this renegade, so-called court."
>
> Pompeo is likely referring to the American Service-Members' Protection Act, enacted during the George W. Bush administration after it removed the U.S.'s signature from the ICC's Rome Statute. The act contains a clause called the "Hague Invasion Act" that says if a U.S. or allied national is detained by the ICC, the U.S. military can use armed force to extricate the individual. Although this provision has not yet been utilized, the potential for its use is frightening.
>
> Even if a country is not a party to the Rome Statute, its nationals can still be tried in the ICC if the crimes took place in the territory of a country that is a party. Thus, although the United States has not ratified the Rome Statute, the ICC still has jurisdiction over crimes committed by U.S. nationals in the territory of Afghanistan.
>
> The impunity that U.S. officials have enjoyed for their international crimes may finally be coming to an end....
> (Marjorie Cohn, œTeam Trump Tried to Bully the ICC Into Dropping War Crimes Probe But Failed, *Truthout*, March 10, 2020)

[916] Andrew Quilty, in an article entitled THE CIA'S AFGHAN DEATH SQUADS: A U.S.-Backed Militia That Kills Children May Be America's Exit Strategy From Its Longest War', described the ongoing 'death squad' involvement of the CIA, not only in Afghanistan but in many other regions:

> The Americans "step on all the rules of war, human rights, all the things they said they'd bring to Afghanistan," said Wardak provincial council head Akhtar Mohammad Tahiri. They are "conducting themselves as terrorists. They show terror and violence and think they'll bring control this way."
>
> Known collectively as strike force units because of their targeted, aggressive methods, the shadowy CIA-backed militias nominally fall under the purview of the National Directorate of Security, or NDS, Afghanistan's intelligence service. They are comprised of 01, which operates primarily in central Afghan provinces including Wardak and Logar; 02, which is based in Jalalabad and works in the eastern part of the country; 03, also known as the Kandahar Strike Force, which operates in the south; and 04, which conducts raids in Kunar and adjacent provinces in the northeast. Two units in the southeast, the Khost Protection Force and the Shaheen Forces, the latter of which emerged in the eastern Afghan province of Paktika in 2019, are believed to function under similar authority.
>
> The units' American CIA advisers go by pseudonyms or call signs rather than names. They not only train Afghan unit members, but also choose their targets, which the Americans call "jackpots"; issue detailed pre-mission briefings; and accompany Afghan paramilitaries on the ground during raids. The Afghans and Americans are ferried to remote villages at night by American helicopters, and American assault aircraft hover overhead while they conduct their raids, providing lethal firepower that is sometimes directed at health clinics, madrassa dormitories, or civilian homes.
>
> "I don't know whether they're special forces or a task force or CIA," said an NDS counterterrorism officer from Wardak who accompanied 01 on missions until late 2018, but "Americans are always with them."
>
> The CIA has a long history of training, arming, and funding indigenous militia networks. Since its birth in 1947, the agency has supported anti-communist outfits in Greece, Cuba, Vietnam, Laos, and Central America, as well as the Afghan mujahedeen in the 1980s. Since the September 11 attacks, the CIA has repurposed and supercharged those methods, dispensing training and weapons to supposed allies from Somalia to Syria with dubious results.
>
> But the level of CIA involvement in Afghanistan since the war on terror began has few precedents. In 2013, more than $2.5 billion - nearly 5 percent of the entire U.S. intelligence budget - was allocated for covert action, the category under which the agency's Afghan strike force unit program falls, according to documents leaked by National Security Agency whistleblower Edward Snowden. From establishing the strike force units to selecting their targets, overseeing their missions, and using special operations forces borrowed from the Pentagon to coordinate air support, the network of CIA-run militias in Afghanistan is perhaps the most dramatic manifestation, apart from America's well-documented drone program, of the secret war the U.S. intelligence agency is waging around the globe.

(Andrew Quilty, œTHE CIA'S AFGHAN DEATH SQUADS: A U.S.-Backed Militia That Kills Children May Be America's Exit Strategy From Its Longest War, *The Intercept*, December 18 2020)

917 Nothing illustrates this better than the eponymous 'œEarth Overshoot Day'. As the years tick by, the date on which Earth Overshoot Day would fall if all of humanity consumed like the people in particular countries barely changes. As the site demonstrates, we know what the problem is; we can devise cunning schemes which might reduce our consumption footprints; we can publish the results of our findings; but nothing changes!!.

Capitalism presumes constantly expanding material consumption and accumulation.

And we all play the game - whether we want to or not.

The game is rigged and we are the willing dupes: consuming and accumulating because otherwise jobs will be lost; the 'economy' will collapse and we will all be living in the street - while our 'repossessed' dwellings become derelict and our possessions lose their 'value' and so become 'worthless' piles of 'rubbish'.

And, nobody deserves that!

So, if that did happen, we'd flock to those who have the answers: those who can make our economies 'healthy' again and enable us all to once again consume and collect as if that was, indeed, the true 'meaning and purpose of life'. And, for capitalists, rich and poor, it is indeed.

918 John Mecklin, editor-in-chief of the *Bulletin of the Atomic Scientists*, commented on the final version of the *US Nuclear Posture Review* (2018):

> The Trump administration has officially rolled out its new Nuclear Posture Review after weeks of commentary and analysis of a leaked version of the review. Much of this pre-release comment focused on the NPR's call for increased spending on the nuclear arsenal, including on programs that would create new kinds of small nuclear weapons, and on its suggestion that nuclear weapons might be used in response to attacks of a non-nuclear nature, including, specifically, cyber attacks against critical US infrastructure. Administration officials have portrayed the NPR as a required response to changed world security conditions, particularly Russia's supposed increased reliance on nuclear options in its military doctrine. Many experts outside government have criticized the new NPR as a return to Cold War thinking and budgeting that makes the United States less rather than more secure.
>
> Over the next several weeks, the *Bulletin* will be publishing a package of expert commentary on the NPR. The commentaries will include analysis of the NPR document itself and informed speculation on how it might or might not be implemented, frustrated, or altered through congressional and executive branch processes in coming years. It is my hope that these commentaries will become a reference point for the policy makers and citizens who will deal with the real-world consequences of a document that proposes major changes in how the United States deals with its nuclear arsenal.
> (John Mecklin, œThe experts on the new Nuclear Posture Review, *Bulletin of the Atomic Scientists*, February 2, 2018)

[919] With a compliant, apparently convinced commentariat and press, US (and other Western) 'news' and commentary readily portray such 'foes' as polar opposites of the 'liberal West'. As has been noted elsewhere, China, the latest 'super villain' in the pantheon of villainy which has been built up over the past half-century and more, is now being redefined from being a future compliant Western acolyte state, to becoming an increasingly belligerent and defiant rogue nation determined to displace Western powers from their rightful 'liberal' place as guardians of Democracy and of Western, 'liberal values'.

Aaron Friedberg has demonstrated this all-too-common predilection in a *Foreign Affairs* article entitled 'An Answer to Aggression: How to Push Back Against Beijing':

> The Chinese Communist Party's initial mismanagement of the COVID-19 pandemic and its subsequent attempts to exploit the crisis have produced enduring problems for the rest of the world. But the CCP's behavior has also helped clarify the threat that China poses to the security, prosperity, and well-being of other countries. Public opinion polls show that over 60 percent of Americans of both political parties now hold a negative view of Beijing's leadership and intentions, and similar attitudes can be found across the democratic world. This heightened awareness of a shared danger creates an opportunity for the United States and its allies to formulate a new and more effective strategy for dealing with China.
>
> For the past four decades, Western democracies have hoped that engagement with China would cause its leaders to abandon any revisionist ambitions they might harbor and accept their country's place as a "responsible stakeholder" in the U.S.-led international order. Expanding flows of trade and investment would, it was thought, also encourage Beijing to proceed down the path toward greater economic and political openness. The policy of engagement was not absurd on its face; it was a gamble rather than an outright blunder. But as has become increasingly obvious, the West's wager has failed to pay off.
>
> Instead of opening up and mellowing out, with Xi Jinping at the helm, China is pursuing unusually brutal and oppressive policies at home and acting more aggressively abroad. China is trying to replace the United States as the world's leading economic and technological nation and to displace it as the preponderant power in East Asia. Beijing has ratcheted up its efforts to exploit the openness of democratic societies in order to shape the perceptions and policies of their governments. It is working hard to establish itself as the leader of the developing nations and, with their support, to rewrite rules and reshape international norms, standards, and institutions in line with its own illiberal, authoritarian preferences. In the long run, China's rulers evidently hope that they can divide, discredit, and weaken the democracies, lessening the appeal of their system, co-opting some, isolating others, and leaving the United States at the head of what will be, at best, a diminished and enfeebled coalition....
> (Aaron L. Friedberg, An Answer to Aggression: How to Push Back Against Beijing, *Foreign Affairs*, September/October 2020)

[920] President Putin expanded on this in his œ2020 annual press conference (17/12/2020):

> The existence of Russia's hypersonic missile systems influences the situation in the world and changes it, Russian President Vladimir Putin said at his annual press conference on Thursday.
>
> Russia is developing the most advanced weapons, including the Avangard hypersonic missile system whose speed exceeds Mach 20 and the Tsirkon long-range hypersonic anti-ship cruise missile flying at over eight times the speed of sound, Putin said.
>
> "Moreover, it [the Tsirkon missile] can be placed both on stationary carriers and on surface and subsurface ships. Where can it be placed? In neutral waters. So, you can calculate the range and the speed and everything will become clear. Does this change and influence the situation somehow? Of course, it changes and influences it," the Russian president said.
>
> Putin said that the work on the Tsirkon hypersonic missile had been largely completed.
>
> The Avangard boost-glide vehicle is capable of flying at a hypersonic speed of up to Mach 27 (about 32,000 km/h) in the dense layers of the atmosphere, maneuvering by its flight path and its altitude and breaching any anti-missile defense. The first missile regiment armed with Avangard hypersonic weapons assumed combat duty in the Yasnenskaya missile division in the Orenburg Region in late 2019.
>
> In his State-of-the-Nation Address to the Federal Assembly in February 2019, Russian President Vladimir Putin said that the Tsirkon was capable of developing a speed of about Mach 9 and its striking range capability could exceed 1,000 km. The Russian leader also said that the Tsirkon could strike both naval and ground targets.
> (œPutin says Russian hypersonic weapons' existence impacts global situation, *TASS*, Putin's Annual Press Conference, 18 Dec. 2020)

921 Poorly monitored and supervised US clandestine belligerent behavior toward other sovereign nations has been legalized and expanded since 2017, with 'routine conduct of "clandestine military activity" in cyberspace, ...[which] can now be authorized by the defense secretary without special presidential approval'.

A report by David Sanger and Nicole Periroth (accused of 'œa virtual act of treason' for their reporting by US President Trump) explained the rationale for this devolution of authority to initiate aggression against other sovereign nations:

> The United States is stepping up digital incursions into Russia's electric power grid in a warning to President Vladimir V. Putin and a demonstration of how the Trump administration is using new authorities to deploy cybertools more aggressively, current and former government officials said...
>
> President Trump's national security adviser, John R. Bolton, said the United States was now taking a broader view of potential digital targets as part of an effort "to say to Russia, or anybody else that's engaged in cyberoperations against us, 'You will pay a price.'"...
>
> ...Two administration officials said they believed Mr. Trump had not been briefed in any detail about the steps to place "implants" - software code that can be used for surveillance or attack - inside the Russian grid.

> Pentagon and intelligence officials described broad hesitation to go into detail with Mr. Trump about operations against Russia for concern over his reaction - and the possibility that he might countermand it or discuss it with foreign officials, as he did in 2017 when he mentioned a sensitive operation in Syria to the Russian foreign minister.
>
> Because the new law defines the actions in cyberspace as akin to traditional military activity on the ground, in the air or at sea, no such briefing would be necessary, they added.
>
> The intent of the operations was described in different ways by several current and former national security officials. Some called it "signaling" Russia, a sort of digital shot across the bow. Others said the moves were intended to position the United States to respond if Mr. Putin became more aggressive.
> (David E. Sanger and Nicole Perlroth, œU.S. Escalates Online Attacks on Russia's Power Grid, *New York Times*, June 15, 2019)

The president of the United States has been sidelined because 'he might countermand' decisions made by unelected officials.

Pentagon and intelligence officials and the John Boltons of the United States are gaining increasing power to independently initiate aggression against other nations they perceive as possible 'enemies' of the United States of America.

922 (09/04/19)(04/06/19)

I guess if one sees oneself as living in a 'Superman' version of a sovereign state (the US) resolutely promoting the ultimate goods of Capitalism and Democracy and just as resolutely opposing the evils of anti-capitalism and anti-democracy, one will also require the existence of an evil twin - a 'totalitarian', sovereign 'Lex Luthor' state, determined to undermine and subvert or destroy Capitalism and Democracy around the world.

That 'œevil empire' used to be the Soviet Union. As Newt Gingrich (Republican Speaker of the US House of Representatives from 1995 to 1999) explained:

> A quarter century ago, President Ronald Reagan delivered two masterful addresses within two weeks of one another: the so-called "Evil Empire" and "Star Wars" speeches. In them, Reagan laid out two great strategies for dismantling the Soviet Empire. He did it boldly without backing off, not permitting the economy, news media, polling numbers, or the permanent governing elite to intimidate him.
>
> By calling the Soviet Union an "evil empire," Reagan sent a clear signal that America was going to challenge the Soviet Union morally, win the psychological information war, and de-legitimize it. If the government was evil, he argued, how could it have authority?
>
> ... In one short but unequivocal statement he asserted that the core of totalitarianism was evil by definition. No other statement of moral purpose would be more important in bringing about the end of the Soviet Empire.
> (Newt Gingrich, œThe Evil Empire, *American Heritage*, Volume 58 Issue 4, 2008)

Now it's China's turn with Russia and, possibly, Iran as understudies should they be needed. The rhetoric, painting all three as oppressive,

dictatorial, totalitarian states, the antitheses of Western democracies, is already being honed in the Western Media.

If ever Western populations have needed intelligent skepticism it has never been more desperately needed than in this 21st century.

Michael Klare has put it well:

> ...Pentagon officials envision clashes first erupting on the peripheries of China and/or Russia, only to later extend to their heartland expanses (but not, of course, America's). As those countries already possess robust defensive capabilities, any conflict would undoubtedly quickly involve the use of front-line air and naval forces to breach their defensive systems -- which means the acquisition and deployment of advanced stealth aircraft, autonomous weapons, hypersonic cruise missiles, and other sophisticated weaponry. In Pentagon-speak, these are called anti-access/ area-defense (A2/AD) systems.
>
> As it proceeds down this path, the Department of Defense is already considering future war scenarios. A clash with Russian forces in the Baltic region of the former Soviet Union is, for instance, considered a distinct possibility. So the U.S. and allied NATO countries have been œbolstering their forces in that very region and seeking weaponry suitable for attacks on Russian defenses along that country's western border.
>
> Still, the Pentagon's main focus is a rising China, the power believed to pose the greatest threat to America's long-term strategic interests. "China's historically unprecedented economic development has enabled an impressive military buildup that could soon challenge the U.S. across almost all domains," Admiral Harry Harris Jr., commander of the U.S. Pacific Command (USPACOM) and now the U.S. ambassador to South Korea, typically testified in March 2018. "China's ongoing military modernization is a core element of China's stated strategy to supplant the U.S. as the security partner of choice for countries in the Indo-Pacific." (Michael T. Klare, œThe Navy's War vs. Bolton's War: The Pentagon's Spoiling for a Fight -- But With China, Not Iran, *TomDispatch.com*, June 2, 2019)

Inevitably, the rhetoric of Chinese (and Russian) threats to the 'wellbeing', 'stability', 'democratic values', infrastructures... of Capitalism will escalate in Western societies as the Cold War mentality matures - just as it did in the aftermath of the 2nd World War and the consequent forty-year-long 'Cold War'.

There seems little point in documenting the escalating hysteria. An (26 March 2018) example of it all (when Russia was still accepted as the major threat to world peace and security) is succinctly summarized for us by the BBC:

> It is said to be the largest collective expulsion of Russian intelligence officers in history.
>
> More than 20 countries have aligned with the UK, expelling more than 100 diplomats.
>
> Russia vowed to retaliate to the "provocative gesture".
>
> Russia denies any role in the attack on Sergei Skripal and his daughter, Yulia, in Salisbury, southern England. The pair remain in a critical but stable condition in hospital.

(œSpy poisoning: Russian diplomats expelled across US and Europe, BBC News, 26 March, 2018)

As 'The Saker' sarcastically opined, commenting on Western accusations of yet another 'Russian' 'novichok' incident:

> Russians are dumb. Hopelessly stupid. They are amateurs of the worst kind. Ignoramuses on steroids. Why?
>
> Well, for one, ***their so-called super-dooper biowarfare agent "Novichok" seems unable to kill anybody***. The Russians must have realized that. This is why, when they tried to kill Skripal (after freeing him from jail) they put that Novichok thing all over the place: on the bench near Salisbury, on Skripal's door handle, even in some bottle of perfume a local addict found in the trash. Probably all over the Skripal home, and this is why the Brits initially said that they would tear down the extremely toxic place (yet both the Skripal cat and their hamster survived - tells you how utterly useless that pretend biowarfare substance really was...).
>
> One would have thought that after this total cluster-bleep the Russians would have learned their lesson.
>
> But no. They are clearly too dumb for that.
>
> So they decided to poison Alexei Navalnyi, a well-know "dissident".
>
> And they failed.
>
> **Again!**...
> (The Saker, œRussians are the dumbest idiots on the planet!, September 04, 2020)

Alexey Kovalev provided a much-needed 'Russian' perspective on the emerging hysteria:

> ...The idea of Russia electing and controlling an American president has always been deemed absurd. Most references to the Mueller inquiry and the Trump-Russia story in state media are preceded by a qualifier: "the so-called Russia investigation," as the prominent TV host Dmitry Kiselyov puts it.
>
> It's not just the state media that has rejected the idea that Mr. Trump colluded with Russia. Even liberals and opponents of President Vladimir Putin have been deeply skeptical, pointing out that Russia's ruling circles are barely competent enough to prop themselves up, let alone manipulate a superpower.
>
> When the news broke last week that Mr. Mueller had finished his report, Moscow's political and media circles reacted with a mixture of contempt and derision. Far from being a top news story, it was practically forgotten after a few angry comments from state officials.
> (Alexey Kovalev, œRussians Always Knew There Was No Collusion: The Kremlin's allies and its opponents alike have been baffled by America's Russia obsession. Can we ever look at the U.S. the same way again? *New York Times*, March 29, 2019)

The entire fiasco eerily echoes both Cold-War-Mark-I US œMcCarthyism and the 2002 rhetoric used to justify the Iraq invasion and all that has followed[1070]. So, who is orchestrating it all? The 'spontaneous' expulsion of Russian diplomats would be comedic but for the possible consequences of such orchestrated hysteria. Are Western populations really so easily led?

One can only hope that Western peoples will have learned from their past and treat the claims of those promoting Cold War hysteria with the caution and skepticism they deserve.

923 (21/05/17)(07/06/18) One of the most disturbing 21st century developments is the emergence of government sanctioned international extra-legal assassination of so-called 'terrorists' and their sympathizers, all-too-often through use of long-range armed drones in targeted killing around the world. President Obama might well become remembered in history as the œfirst U.S. president to maintain an on-going 'kill-list' of suspected terrorists: state sanctioned murder of suspected 'enemies of the state' around the world.

A 2016 report on 'policies involving long-range armed drones' spelled out current practice by United States 'special forces' engaged in this extra-legal murder of 'enemy targets' around the world. The report, troublingly, does not question the morality or potentially disastrous long-term consequences of such activity, it merely argues for increasing clarity in strike policies. It concludes:

> What is striking in the debates over questions related to international law and U.S. targeted killing policies is how U.S. government officials have left
>
> 1. ambiguities in their interpretations of international law covering drone strikes,
> 2. inconsistencies in their policy statements,
> 3. generality in U.S. export control policy with respect to the requirements and expectations for use by recipients, and
> 4. a willingness to allow international norms to arise from the practices of countries, including those of the United States.
>
> (Lynn E. Davis, Michael J. McNerney, Michael D. Greenberg, œClarifying the Rules for Targeted Killing: An Analytical Framework for Policies Involving Long-Range Armed Drones, RR-1610-OSF, 2016, *The RAND Corporation*)

(08/10/16)(30/12/16) Not only have national borders and 'parochial' legislatures become seen as impediments which can and should be overcome to ensure genuinely deregulated, internationalized free markets; they are now to be ignored in favor of 'targeted killing policies' by the 'special forces' of Western states and that military industrial complex which is increasingly setting policy for Western 'special forces' operations.

Be afraid, be very afraid. We are entering an amoral, sociopathic era (characterized by pervasive and persistent antisocial behavior, often criminal, and lacking a sense of moral responsibility or social conscience). Sooner or later, history tells us, what is seen as 'legitimate' beyond the perpetrators' own borders, becomes accepted as legitimate within those borders too[1071].

The world we Western peoples and nations are creating in the 21st century is a world of despair. Yes, there are bold and imaginative plans afoot for a new kind of globalization, a 'Globalization Mark II'; what President Xi Jinping of China dubbed, at Davos in January (2017), "inclusive globalization", but that is not a Western initiative. Pepe Escobar has summed it up well:

> Let's cut to the chase. China's new 'Silk Road' initiative is the only large-scale, multilateral development project that the 21st century has seen so far.
>
> There is no counter-offer from the West.
>
> Which is why the two-day Belt and Road Forum for International Cooperation, starting this Sunday in Beijing, is being set up as a game-changer for the global economy. Here the initiative looks likely to switch to Mark II mode, accelerating into what President Xi Jinping dubbed, at Davos in January, "inclusive globalization."
>
> The big ideas behind this grand Chinese plan, however, are still getting lost in translation. At first this trans-Asian trade expressway was billed as One Belt, One Road (OBOR), a literal translation from the Chinese yi dai yi lu. Now it's the Belt and Road Initiative (BRI), but that still does not really fly in the West, even when China has tried adding a piece of soft power spin, as in its attempts to sell the Belt and Road to English-speaking children...
> (Pepe Escobar, œChina widens its Silk Road to the world, *Asia Times*, May 13, 2017)

(07/11/17) The globalization the West is now offering the world is that globalization described by Tom Engelhardt:

> ...[J]ust imagine the situation four or potentially even eight years from now after Donald Trump's generals, already in the saddle, do their damnedest in the Greater Middle East and Africa. There's no reason to believe that, under their direction, the smashing of key regions of the planet won't continue. There's no reason to doubt that, in an expanding world of Mosuls - the Syrian "capital" of the Islamic State, Raqqa, is undoubtedly the next city in line for such treatment - "victories" won't produce a planet of greater ethnic savagery, religious extremism, military destruction, and chaos.
>
> This, in turn, ensures a further spread of terror groups and an even more staggering uprooting of peoples. (It's worth noting, for instance, that since the death of Osama bin Laden at the hands of U.S. Special Operations forces, al-Qaeda has grown, not shrunk, gaining yet more traction across the Greater Middle East.)
>
> So far, America's permanent "war on terror" has helped produce a planet of fear, refugees on an almost unimaginable scale, and ever more terror. What else would you imagine could arise from the rubble of so many Mosuls?
>
> If you don't think that this is an ever-more connected planet still being "flattened" (even if in quite a different way than expected), and that sooner or later the destruction of Mosul will reverberate in our world, too, then you don't get our world. It's obvious, for instance, that future Mosuls will only produce more refugees, and you already know where that's led, from Brexit to Donald Trump. Destroy enough Mosuls and, even in the heartland of the planet's sole superpower, the fears of those who already feel they've been left in a ditch will only rise (and be fed further by demagogues ready to use that global flow of refugees for their own purposes).
>
> Given the transformations of recent years, just think what it will mean to uproot ever vaster populations, to set the homeless, the desperate, the angry, the hurt, and the vengeful - millions of adults and children whose lives have been devastated or destroyed - in

> motion. Imagine, for instance, what those pressures will mean when it comes to Europe and its future politics.
>
> Think about what's to come on this small planet of ours - and that's without even mentioning the force that has yet to fully reveal itself in all its fragmenting and globalizing and leveling power. We now call it, mildly enough, "climate change" or "global warming."
>
> Just wait until, in the decades to come, rising sea levels and extreme weather events put human beings in motion in startling ways (particularly given that the planet's sole superpower is now run by men in violent denial of the very existence of such a force or the human sources of its power).
>
> You want a shrinking planet? You want terror? You want globalization? Think about that. And do you wonder why, these days, I have Mosul on my mind?
> (Tom Engelhardt, œThe Globalization of Misery,*TomDispatch.com*, May 14, 2017.)

Tom Engelhardt was right: it happened, Raqqa is in ruins and a coalition led by the United States is responsible for the devastation. *Amnesty International* has outlined what happened:

> From amid the rubble of Raqqa, civilians are asking why US-led Coalition forces destroyed the city, killing hundreds of civilians in the process of "liberating" them from the armed group calling itself "Islamic State" (IS), Amnesty International said in a new report ahead of the offensive's anniversary.
>
> Amnesty International researchers visited 42 Coalition air strike sites across the ruined city and interviewed 112 civilian residents who had survived the carnage and lost loved ones.
>
> The accounts detailed in the report, œ*'War of annihilation': Devastating Toll on Civilians, Raqqa - Syria*, leave gaping holes in the Coalition's insistence that their forces did enough to minimize civilian harm. The report details four emblematic cases of civilian families who were brutally impacted by the relentless aerial bombardment. Between them, they lost 90 relatives and neighbours - 39 from a single family - almost all of them killed by Coalition air strikes.
>
> They are part of a wider pattern and provide a strong prima facie case that many Coalition attacks that killed and injured civilians and destroyed homes and infrastructure violated international humanitarian law.
>
> "When so many civilians are killed in attack after attack, something is clearly wrong, and to make this tragedy worse, so many months later the incidents have not been investigated. The victims deserve justice," said Donatella Rovera, Senior Crisis Response Adviser at Amnesty International.
> (*Amnesty International*, œSyria: Raqqa in ruins and civilians devastated after US-led 'war of annihilation', 5 June 2018)

The chaos of the Middle East is, unarguably, a œlegacy of US military intervention in Iraq, Afghanistan, Libya, Yemen, Syria, Somalia, Sudan, and other regions. It is being perpetuated by an apparently uncensored flow of armaments from Western armaments factories to combatants in the region and it shows no sign of abating.

A CBS News report says it all: 'Trump signs $110 billion arms deal with Saudi Arabia'.

It's not enough that Yemen is in ruins, that Iraqi, Libyan and Syrian cities have been demolished, that extremist groups throughout the region seem to have unhindered access to sophisticated US and other Western military systems, hardware and explosives.

Now, with œscant regard for any investigation of Saudi involvement in it all, the armaments are set to flow even more freely into the Middle East. As the report explains, this is not a one-off deal, this is a commitment into the future to continue the supply of weaponry, a commitment to long-term Middle East chaos:

> President Trump signed a multi-billion-dollar arms and economic deal with Saudi Arabia Saturday in a move intended to strengthen the U.S.-Saudi Arabian alliance against ISIS on the president's first foreign trip.
>
> The agreement is worth $110 billion effective immediately and $350 billion over 10 years, in an effort to equip Saudi Arabia and Persian Gulf partners in the fight against ISIS. The agreement will provide fighter jets, tanks, combat ships and anti-missile defense systems and create defense-sector jobs in the U.S., according to the White House. The deal includes additional private-sector agreements and a joint vision statement with Saudi Arabia, one of the world's largest oil producers.
>
> "That was a tremendous day," Mr. Trump told reporters. "Tremendous investments in the United States."
> (Kathryn Watson, œTrump signs $110 billion arms deal with Saudi Arabia, *CBS News*, May 20, 2017)

While all US presidents have taken responsibility for internationally representing US business interests, few have so blatantly advanced themselves as 'dealmakers' and munitions salesmen as Donald Trump. The Saudi Arabian weapons deal was merely the first of the 'tremendous investments in the United States' which the US President is intent on spruiking. Six months later, on a state visit to Japan,

> President Trump said on Monday that Japan could protect itself from a nuclear-armed North Korea by buying billions of dollars of American military equipment, drawing an explicit link between trade and security as he began a complex, politically charged tour of Asia.
> (Mark Landler and Julie Hirschfeld Davis, œTrump Tells Japan It Can Protect Itself by Buying U.S. Arms, *New York Times*, November. 6, 2017)

President Trump, elected US pitchman for Western armaments factories.

Undoubtedly, as the ensuing chaos comes home to the perpetrators of it all, powerful voices will insist on the need for a globalized authority to counter it. Henry Kissinger, displaying a sociopathic willingness to sacrifice others in pursuit of his goals, spelt out the process through which World Government might be achieved:

> Today, America would be outraged if U.N. troops entered Los Angeles to restore order. Tomorrow they will be grateful! This is especially true if they were told that there were an outside threat from beyond, whether real or promulgated, that threatened our very existence. It is then that all peoples of the world will plead to deliver them from this evil. The one thing every man fears is the

> unknown. When presented with this scenario, individual rights will be willingly relinquished for the guarantee of their well-being granted to them by the World Government.
> (Henry Kissinger, Bilderberger Conference, Evians, France, 1992)

Dominique Moisi (Dec. 27, 2016), in a *Project Syndicate* piece entitled œHow Dr. Strangelove Learned to Love Trump, succinctly summed him up: "Kissinger is fascinated, if not obsessed, with power".

As Martin Niemôller warned long ago:

> First they came for the Socialists, and I did not speak out - Because I was not a Socialist.
>
> Then they came for the Trade Unionists, and I did not speak out - Because I was not a Trade Unionist.
>
> Then they came for the Jews, and I did not speak out - Because I was not a Jew.
>
> Then they came for me - and there was no one left to speak for me.
> (Pastor Martin Niemôller (1892-1984))

924 The 2016 US presidential contest between Hillary Clinton and Donald Trump demonstrated the extent to which the importance of endorsement by 'military officials' has grown over the past fifty and more years. To ensure election to national office, US politicians, of both major party persuasions, must demonstrate their unswerving support for a strong, well-financed military. Pamela Engel has summed it up well:

> It might not be intentional, but there appears to be an arms race between the campaigns of Donald Trump and Hillary Clinton to see who can gather more endorsements from military officials.
>
> This week, both campaigns have released several statements about endorsements from US generals and admirals.
>
> The first, from Trump, the Republican presidential nominee, came on Tuesday. The title of the news release was, "88 RETIRED U.S. GENERALS AND ADMIRALS ENDORSE TRUMP." (The media was quick to point out that many names on the list weren't immediately recognisable.)
>
> Trump's release was followed the next day by a release from the campaign of the Democratic nominee. The title of that release: "95 Retired Generals and Admirals Endorse Hillary Clinton."
>
> "Clinton is getting the backing of more senior military service members and former officials with command and management experience than any non-incumbent Democrat," the release noted.
>
> The Clinton campaign's statement also slammed Trump for not getting as many military endorsements as Mitt Romney, the Republican nominee for president in 2012.
>
> "According to yesterday's media reports,Trump has received more than 400 fewer endorsements than Mitt Romney received - 88 to Romney's 500," the statement said.
>
> Then, on Friday, the Clinton campaign rolled out more endorsements, with a news release titled, "Number of Generals and Admirals Backing Clinton Grows to 110 After Forum."
>
> The statement, which tied the endorsements to a "commander-in-chief" forum with Trump and Clinton that aired on NBC on

Wednesday, again noted Trump's lack of endorsements compared to Romney.

This was followed by a release from the Trump campaign hours later: "32 NEW MILITARY LEADERS ENDORSE DONALD J. TRUMP FOR PRESIDENT." This brought Trump's total number of military endorsements to 120.

"These names were added following Wednesday's Commander-In-Chief Forum, showing Mr. Trump has the respect and trust from a number of military leaders across all branches of service," the campaign said in its statement.

So for now, Trump is winning the arms race with 120 endorsements compared to Clinton's 110.
(Pamela Engel, œTrump and Clinton are suddenly in an arms race for military endorsements, *Business Insider*, Sep 10, 2016)

925 As Priest and Arkin explain of The United States intelligence and surveillance organizations:

The top-secret world the government created in response to the terrorist attacks of Sept. 11, 2001, has become so large, so unwieldy and so secretive that no one knows how much money it costs, how many people it employs, how many programs exist within it or exactly how many agencies do the same work.

These are some of the findings of a two-year investigation by The Washington Post that discovered what amounts to an alternative geography of the United States, a Top Secret America hidden from public view and lacking in thorough oversight. After nine years of unprecedented spending and growth, the result is that the system put in place to keep the United States safe is so massive that its effectiveness is impossible to determine.

The investigation's other findings include:

- Some 1,271 government organizations and 1,931 private companies work on programs related to counterterrorism, homeland security and intelligence in about 10,000 locations across the United States.
- An estimated 854,000 people, nearly 1.5 times as many people as live in Washington, D.C., hold top-secret security clearances.
- In Washington and the surrounding area, 33 building complexes for top-secret intelligence work are under construction or have been built since September 2001. Together they occupy the equivalent of almost three Pentagons or 22 U.S. Capitol buildings - about 17 million square feet of space.
- Many security and intelligence agencies do the same work, creating redundancy and waste. For example, 51 federal organizations and military commands, operating in 15 U.S. cities, track the flow of money to and from terrorist networks.
- Analysts who make sense of documents and conversations obtained by foreign and domestic spying share their judgment by publishing 50,000 intelligence reports each year - a volume so large that many are routinely ignored.

(Dana Priest and William M. Arkin,œ A hidden world, growing beyond control, Top Secret America, *Washington Post*, July 19, 2010)

More recent reports on the functioning of 'homeland security' in the United States include:

- David Rittgers, œAbolish the Department of Homeland Security, *Policy Analysis*, No. 683, September 11, 2011 (Cato Institute, PDF);
- Dara Lind, œThe Department of Homeland Security is a total disaster. It's time to abolish it, *Vox*, February 17, 2015;
- Steven Metz, œAbolish DHS? Reform the Department of Homeland Security Instead, *World Policy Review*, August 12, 2020.

926 It seems that, almost inevitably, 'visionary projects' of 'visible' politicians, unapproved by key 'visible' and 'invisible' opponents will meet this sort of 'roadblock':

> President Joe Biden and Republicans entered the weekend sharply at odds over how to craft an infrastructure deal that could satisfy their camps, imperiling the odds of a bipartisan deal.
>
> Democrat Biden shot down a new proposal from the main Republican negotiator on infrastructure, Senator Shelley Moore Capito, that increased spending by about $50 billion over their last offer, the White House said.
>
> Biden rejected the offer, saying it "did not meet his objectives to grow the economy, tackle the climate crisis, and create new jobs."...
>
> Biden is eager to show that he made a good-faith effort at a bipartisan deal, sources said, but he risks creating division among Democrats, some who believe he is giving up too much to Republicans.... Democrats hold narrow majorities in both the House of Representatives and Senate.
> (Trevor Hunnicutt, œBiden rejects new Republican infrastructure offer, *Reuters Business*, June 5, 2021)

(A cynic might say (of Biden's apparent insistence on 'bipartisan' support) that this provides a built in failsafe against having to confront and/or override the objections of those 'invisible' power brokers who might oppose his 'plans').

927 Tom Engelhardt, in an introduction to an essay titled 'How Not to Audit the Pentagon: Five Decades Later, the Military Waste Machine Is Running Full Speed Ahead' by William Hartung, has sketched some of the many problems with a US military-industrial complex which is out of control and unaudited:

> Late last year, I spent some time digging into the Pentagon's "reconstruction" efforts in Iraq and Afghanistan, countries it invaded in 2001 and 2003 in tandem with a chosen crew of warrior corporations. As a story of fabled American can-do in distant lands, both proved genuinely dismal no-can-do tales, from roads built (that instantly started crumbling) to police academies constructed (that proved to be health hazards) to prisons begun (that were never finished) to schools constructed (that remained uncompleted) to small arms transfers (that were "lost" in transit) to armies built, trained, and equipped for stunning sums (that collapsed). It was as if nothing the Pentagon touched turned to anything but dross (including the never-ending wars it fought). All of it added up to what I then labeled a massive "$cam" with American taxpayer money lost in amounts that staggered the imagination.

> All of that came rushing back as I read TomDispatch regular William Hartung's latest post on "waste" at the Pentagon. It didn't just happen in Kabul and Baghdad; it's been going on right here in the good old USA for, as Hartung recounts, the last five decades. There's only one difference I can see: in Kabul, Baghdad, or any other capital in the Greater Middle East and Africa, if we saw far smaller versions of such "waste" indulged in by the elites of those countries, we would call it "corruption" without blinking. So here's my little suggestion, as you read Hartung: think about just how deeply what once would have been considered a Third World-style of corruption is buried in the very heart of our system and in the way of life of the military-industrial complex. By now, President Dwight Eisenhower must be tossing and turning in his grave. (œTomgram: William Hartung, What a Waste, the U.S. Military, *TomDispatch*, April 10, 2016)

928 Joshua Yaffa, in an essay entitled 'What the War in Ukraine Has Revealed About Putin's Public', provided an excellent example of this. Below is his description of the quiescent nature of 'Russian society' followed by a reworking of the same text to describe the quiescent nature of 'United States society'.

The intervening paragraph has been elided because it presents a distorted version of events so it seemed more appropriate to ignore it - I leave it to the reader to attempt that. The exercise I have attempted could be applied to much of the rest of the essay!:

> Before Russia went to war in Ukraine, it was no great mystery that Russian society was adaptable, better at playing along and avoiding responsibility than actively protesting. From its outset, the system built by Russian President Vladimir Putin was based on the idea of a disengaged public, with matters of political and civic concern left to those on high. Even as the space for independent political and civic action shrank to near zero and real living standards declined, most Russians saw little reason to participate in collective action: such efforts were far more likely to result in a police baton upside the head or a lengthy prison term than in actual change. This arrangement suited both citizen and state just fine. Russian society was demobilized by design.[paragraph elided]...
>
> After a year of war in Ukraine, however, it is now clear that instead of disrupting the existing social contract, Putin's war has only extended it. In the early days of the invasion, the Kremlin made no attempt to sell the war as a defining struggle for which every Russian must sacrifice; rather, Russians were presented with an image of a war that was distant, low cost, outsourced to professionals, and, if one was so inclined, possible to ignore.... (Joshua Yaffa, œWhat the War in Ukraine Has Revealed About Putin's Public', *Foreign Affairs*, February 23, 2023)

Let's test Putin's claim that

> when we assess other states, other peoples, we are always looking in the mirror. We always see ourselves there.

Here is the text quoted above with the term 'Russian' replaced by the term 'The United States"

> Before The United States went to war in Ukraine, it was no great mystery that The United States society was adaptable, better at playing along and avoiding responsibility than actively protesting.

> From its outset, the system built by The United States President Joe Biden was based on the idea of a disengaged public, with matters of political and civic concern left to those on high. Even as the space for independent political and civic action shrank to near zero and real living standards declined, most United States citizens saw little reason to participate in collective action: such efforts were far more likely to result in a police baton upside the head or a lengthy prison term than in actual change. This arrangement suited both citizen and state just fine. The United States society was demobilized by design.[paragraph elided]...
>
> After a year of war in Ukraine, however, it is now clear that instead of disrupting the existing social contract, Biden's war has only extended it. In the early days of the invasion, Congress made no attempt to sell the war as a defining struggle for which every United States citizen must sacrifice; rather, United States citizens were presented with an image of a war that was distant, low cost, outsourced to professionals, and, if one was so inclined, possible to ignore.

For an excellent outline of various forms of propaganda see this *YouTube* video on the site *Second Thought* entitled 'œYou're Not Immune To Propaganda'

929 Westernized peoples will have to accept that their instinctive accumulative and consumptive behaviors must be consigned to the dustbin of history.

They will have to live as though they had migrated to an alien society where acceptance requires a permanent reorientation to the conservation of resources and limitation of consumption/ accumulation to the stripped-down essentials of life

The artificial 'daylight' of our night-time cities, the production/ consumption/ accumulation of what will have become superfluous to life in the new social environment, required for long-term survival, will become unacceptable profligacies. 'Capitalism', will become a pejorative expletive used to condemn/ discipline antisocial behaviors. And our dwellings and 'possessions' will be reduced to the true 'necessities' of life.

Welcome to a modified non-Western world where 'wealth' is no longer a virtue and conspicuous ownership/ consumption is recognized as a disgusting morbidity, one of those semi-criminal, semi-pathological propensities which one hands over with a shudder to the specialists in mental disease..

Learn to love it or die!

930 See The Economy as an independent environment for more on this.

931 To some people, mention of Karl Marx condemns what is being said to the dustbin of ideas. We should, however, be careful not to throw baby out with the bath water! His insights into western European history and 19th century conditions were often very astute, even if his philosophical models were at times rather naive.

932 Marx was, himself, both Jewish and a well enculturated Western European. He used the metaphor of circumcision to emphasize the inseparable bond and inter-changeability between money and commodities in Western European understanding.

The reference closely follows the apostle Paul's explanation to Christians in Rome in the 1st century AD:

> a man is a Jew if he is one inwardly; and circumcision is circumcision of the heart, by the Spirit, not by the written code. (*Letter to the Romans* Chapter 2 Verse 29)

933 Smith spent some time in examining the complexities of another very important neo-classical economic concept which is coupled with utility, *scarcity*. His clearest statement of its effect on price was in considering its effect on the price of 'food, clothing and lodging'.

To understand his observations one needs to remember the tremendous drive toward land consolidation and privatization which occurred through the 18th century (see A Deeply Religious Capitalist Revival for more on this). Given the forces at work, it is not surprising that he considered the relationship between scarcity and price to be, at best, an ambiguous one:

> Land in its original rude state can afford the materials of clothing and lodging to a much greater number of people than it can feed. In its improved state it can sometimes feed a greater number of people than it can supply with those materials; at least in the way in which they require them, and are willing to pay for them. In the one state, therefore, there is always a superabundance of those materials, which are frequently, upon that account, of little or no value. In the other there is often a scarcity, which necessarily augments their value.
>
> In the one state a great part of them is thrown away as useless, and the price of what is used is considered as equal only to the labor and expense of fitting it for use, and can, therefore, afford no rent to the landlord. In the other they are all made use of, and there is frequently a demand for more than can be had. Somebody is always willing to give more for every part of them than what is sufficient to pay the expense of bringing them to market. (1776, Ch. 11 Pt 2)

934 John Locke,some eighty years earlier, had provided a preliminary explanation of the 'labor theory of value' which Smith would refine:

> God gave the world to men in common; but since he gave it them for their benefit, and the greatest conveniencies of life they were capable to draw from it, it cannot be supposed he meant it should always remain common and uncultivated. He gave it to the use of the industrious and rational, (and labor was to be his title to it;) not to the fancy or covetousness of the quarrelsome and contentious.
>
> He that had as good left for his improvement, as was already taken up, needed not complain, ought not to meddle with what was already improved by another's labor: if he did, it is plain he desired the benefit of another's pains, which he had no right to, and not the ground which God had given him in common with others to labor on, and whereof there was as good left, as that already possessed, and more than he knew what to do with, or his industry could reach to....
>
> God commanded, and his wants forced him to labor. That was his property which could not be taken from him where-ever he had fixed it. And hence subduing or cultivating the earth, and having dominion, we see are joined together.

> The one gave title to the other. So that God, by commanding to subdue, gave authority so far to appropriate: and the condition of human life, which requires labor and materials to work on, necessarily introduces private possessions.
> (1690 Ch. 5 Sec. 34, 35)

[935] See Teaching Western Europeans to Work for more on this.

[936] For Smith, the key to prosperity was not consumption (as neo-classical economics would infer from the late 19th century through focus on 'consumer satisfaction') but the productive employment of labor.

So,

> As soon as stock has accumulated in the hands of particular persons, some of them will naturally employ it in setting to work industrious people, whom they will supply with materials and subsistence, in order to make a profit by the sale of their work, or by what their labor adds to the value of the materials.
>
> In exchanging the complete manufacture either for money, for labor, or for other goods, over and above what may be sufficient to pay the price of the materials, and the wages of the workmen, something must be given for the profits of the undertaker of the work who hazards his stock in this adventure.
>
> The value which the workmen add to the materials, therefore, resolves itself in this ease into two parts, of which the one pays their wages, the other the profits of their employer upon the whole stock of materials and wages which he advanced. He could have no interest to employ them, unless he expected from the sale of their work something more than what was sufficient to replace his stock to him; and he could have no interest to employ a great stock rather than a small one, unless his profits were to bear some proportion to the extent of his stock.
>
> The profits of stock, it may perhaps be thought are only a different name for the wages of a particular sort of labor, the labor of inspection and direction. They are, however, altogether different, are regulated by quite different principles, and bear no proportion to the quantity, the hardship, or the ingenuity of this supposed labor of inspection and direction. They are regulated altogether by the value of the stock employed, and are greater or smaller in proportion to the extent of this stock.
> (Smith 1776 Chapter 6)

While the productive use of labor drives 'profit', production, divorced from its purpose makes little sense:

> It cannot be very difficult to determine who have been the contrivers of this whole mercantile system; not the consumers, we may believe, whose interest has been entirely neglected; but the producers, whose interest has been so carefully attended to; and among this latter class our merchants and manufacturers have been by far the principal architects. In the mercantile regulations, which have been taken notice of in this chapter, the interest of our manufacturers has been most peculiarly attended to; and the interest, not so much of the consumers, as that of some other sets of producers, has been sacrificed to it. (Smith 1776, Book 4, Chapter 8, Conclusion)

As Smith explained, in examining the weaknesses in mercantilism, production only makes sense when one sees it for what it is: the supply of consumables:

> Consumption is the sole end and purpose of all production; and the interest of the producer ought to be attended to only so far as it may be necessary for promoting that of the consumer. The maxim is so perfectly self evident that it would be absurd to attempt to prove it. But in the mercantile system the interest of the consumer is almost constantly sacrificed to that of the producer; and it seems to consider production, and not consumption, as the ultimate end and object of all industry and commerce.
>
> In the restraints upon the importation of all foreign commodities which can come into competition with those of our own growth or manufacture, the interest of the home consumer is evidently sacrificed to that of the producer. It is altogether for the benefit of the latter that the former is obliged to pay that enhancement of price which this monopoly almost always occasions.
>
> It is altogether for the benefit of the producer that bounties are granted upon the exportation of some of his productions. The home consumer is obliged to pay, first, the tax which is necessary for paying the bounty, and secondly, the still greater tax which necessarily arises from the enhancement of the price of the commodity in the home market
> (Smith 1776, Book 4, Chapter 8)

[937] 'Higher standard of living', of course, being assumed to equate with greater ability to accumulate possessions and expand consumption. This same logic can be found in most capitalist political rhetoric in the 21st century.

[938] The 'Labor Theory of Value', as Smith's definition of value came to be called, was successfully challenged and displaced by neo-classical economic theorists in the second half of the 19th century. However, presumptions which require a belief in the labor theory of value remain dominant in Western economic and political policy making and disputation in the 21st century.

Neo-classical economics, from the 2nd half of the 19th century, has addressed questions of the place and definition of value and commodity through focusing on the relative values of goods and services in the marketplace, assuming that price is determined by consumer demand rather than by labor input into production.

Following the neo-classical refinement of economics in the late 19th century, the concept of value became related to the *marginal utility* of an object to a user.

This term superficially appears to conflate use value and exchange value. All that utility is, for economics, is "consumer satisfaction". The basis for choice of one object over another is assumed to be what the consumer judges will give the greatest satisfaction at the time when it is obtained.

Since, for economics, value can be boiled down to this, it is possible to measure the relative price of any objects and give them relative numerical values. The cost of any acquisition is an *opportunity cost*. It is assumed that whenever an individual acquires an object something has to be foregone in order to acquire it, whether what is foregone is time, money, comfort or anything else.

This is often summed up in a common economists' saying, "there's no such thing as a free lunch". To obtain the "price" of any object, one measures the money value of what the individual has foregone in order to acquire it (which, of course, presumes a commoditized world). In order to understand this, one needs to clearly grasp the concept of 'marginal utility'.

The nature of 'marginal utility'

Since the concept of *marginal utility* is one which many people find difficult to grasp, some further explanation is probably necessary. To illustrate, we will give two items (those used by Smith in his example) imaginary use values for a consumer (see the table below).

Water			Diamonds		
Litres	Utility ($ value)	Marginal Utility Value	Carats	Utility ($ value)	Marginal Utility Value
1	1,000	1,000	1	100	100
2	1,100	100	2	190	90
3	1,110	10	3	270	80
4	1,111	1	4	340	70
5	1,112	1	5	400	60
6	1,113	1	6	460	60

Water, if one has none and needs it, is very important for its use value, so the first value will be high. The more water you acquire, the less important it becomes to get more of it, so the additional value of an extra unit (litre) of water will decline as the consumer obtains more water.

As you can see from the table above, I have assumed a rapid scaling down in the *marginal usefulness* of acquiring additional amounts of water once the consumer "has enough". In economics this is known as the *law of diminishing marginal utility*.

Although it is far more important to obtain water than diamonds if one has none, the marginal utility of diamonds does not fall (or diminish) as quickly as the marginal utility of water. Once the consumer has 3 litres of water, he or she will only pay a dollar for an additional litre. However, if he or she acquires 3 carats of diamonds, the consumer will still pay 70 dollars for an additional carat. That is, the marginal utility of diamonds is much greater than the marginal utility of water once the need for water has been satisfied.

Of course, I can already hear you saying that all this must be determined by *the reason why* diamonds have a greater appeal than water as items to be accumulated beyond their *immediate use value*. The reason, according to neo-classical economics, is to be found in the relative scarcity of the two commodities. Since water is plentiful, it is easy to obtain additional units of water, but far more difficult to obtain additional units of diamonds. So, according to neo-classical economics, the marginal utility of the two items reflects their *relative scarcity*.

To understand the marginal utility definition of value, one has to recognize that the consumer's decision to acquire more of an item is not an all-or-nothing one, it is a decision whether or not to buy an *additional unit* of an item.

So demand for an object in the market place is not determined by the *total utility* of the item (1,000 dollars for the first unit of water), but by the marginal utility, *given that one already has access to the items involved* (one does not pay 1,111 dollars for the 4th litre of water, one pays the difference between the utility of 3 litres and 4 litres (that is, 1 dollar)).

The value of the item is determined by what is gained or lost as a result of a purchase or sale. For instance, if I have 5 litres of water and sell 1 litre I have given away 1 dollar in value of the stock of water to me. If, on the other hand I had only one litre of water and had to part with that, my loss would be 1,000 dollars.

Economists call the part of utility that is gained or lost (in the decision to buy or sell one unit of an item) the *marginal utility* of the item to the consumer, or the value to the consumer given the amount of a product already held by him or her. So, marginal utility is defined as the ' increase in utility of consuming one more unit of a good or service' (the term "consuming" here covers both possession and consumption).

To understand how marginal utility determines "usual price" (Smith's "natural price" that he refers to in the quotation) in the marketplace one has to assume that the products being bought and sold have more or less reached their demand equilibrium (5 & 6 litres or carats in the table above). That is, they have been bought and sold over a period of time and the demand for them reflects their value to consumers in relation to all the other goods and services they want or need. Demand settles down and the item involved takes its long-term place in the value rankings of the consumer.

Although often not spelt out in economic explanations of marginal utility, the differences in the original or *total utility* of items and of their marginal utility to consumers are their relative use and exchange values. Water has great use value, but limited exchange value; diamonds have limited use value but great exchange value.

Water is given a far higher total utility value than diamonds because you die if you do not have water, on the other hand, the use value of diamonds is far lower. So, total utility reflects the importance of the use values of commodities.

However, once the need for the item has been satisfied, acquisition of additional amounts of an item depends not on the use value, but on the exchange value of the item (which neo-classical economics assumes is determined by relative scarcity).

Underpinning marginal utility explanations of value is, in fact, Smith's description of use values and exchange values. While focusing on the marginal utility of an item to a person *appears* to make considerations of use value and exchange value unimportant, this is an illusion.

Although the reasoning behind the concept of marginal utility is elegant, it is built on a number of usually unrecognized presumptions.

Human beings are assumed to be naturally *competitively acquisitive* and naturally *conservative* (that is, they try to acquire what other people have; and they try to hold on to what they have acquired). The concept

can, therefore, only be applied to communities in which people behave in these ways.

It conflates a range of very different reasons why people might need or want goods and services and assumes that investigation of these non-exchange values is outside the scope or interest of economics. It assumes that people *rank* their disparate needs and wants, and acquire items in terms of that ranking. That is, people are *rational*, and their rationality conforms with economic presumptions of what drives human behavior.

While superficially it might seem an elegant resolution of a difficult problem, the issue of *scarcity* is not as clear-cut as marginal utility definitions might suggest. We all know that the scarcity of diamonds is contrived. World diamond markets deliberately release small quantities of diamonds so that the price will remain high. That is, scarcity is very often not a "natural" condition, it is a condition which is contrived and manipulated to ensure that the value of particular commodities remains high or low as determined by the community. Communities manipulate prices.

The price of objects in the market place is much more a consequence of the *perceived importance* and value of goods and services in the community than it is of their relative scarcity.

In other words, rather than price being determined by marginal utility, marginal utility is manipulated by the community to control the relative values of commodities (which are valued for both their intrinsic use values and for their usefulness in attaining, maintaining and assessing status and prestige). Relative "prices" are set and adjusted to the requirements of the community's social definitional system.

Rather than exchange values being determined by scarcity, they are much more likely to be determined by the perceived usefulness of accumulating and consuming particular goods and services in enhancing and maintaining status, prestige and self-image.

Since scarcity is *one of the means* by which value is determined in Western communities, it must be manipulated to ensure that the values of goods and services reflect their social definitional importance (we deal with this further in the section: The nature of value).

939 Although economics does not argue the case for the labor theory of value any longer, neo-classical economic argument still promotes both positions. If people in a community do not commit themselves to sustained hard work, the community will suffer; and, if those who create wealth (the 'owners' of productive enterprises) are not allowed to keep their wealth, the economy will grind to a halt.

Of course, as events in this 1st decade of the 21st century have shown, wealth, in a global capitalist economy, is most effectively created by financial manipulation not labor exploitation. It would be difficult to show any valid connection between wages and wealth creation in the financial activities of major capitalist wealth creators.

While these beliefs are not required by current theories of the nature of economic value, the understandings which sprang from them remain part of the ideological baggage of capitalism.

940 As has been described elsewhere (see The Poor are Lazy), this 'problem' has driven social policy through much of the 17th to 21st centuries in

Western communities. It seemed imperative to those who had gained power that everybody be put to work.

This was not simply because it was believed that societies became wealthy through hard work. It was, far more importantly, because of an explicit or implied belief in the possibility of establishing a utopia on earth, of, as Oliver Cromwell (see Trevor-Roper 1972 pp.281ff) believed, reforming society and vanquishing the forces which were delaying the return of Christ and the establishment of his millenarian kingdom.

The millenarian kingdom would be a perfect society based on the understandings which middle class British people were convinced were expressed in the *laws of nature* established by God for the perfection of life on earth, which Western Europeans were in the process of uncovering (see From the Subversion of Tradition to Plotting the Future).

[941] See Reciprocity and Exchange for more on this.

[942] A few years ago, an elderly lady who had been a neighbour of mine in a village on an island in Kiribati came to stay with me for a short while. She had been a close friend of my wife's. When she was leaving, she came to me and asked whether she could take a container she had found in a kitchen cupboard. It was a disused ice-cream container.

I, of course, said she could have it, but, went on to explain that I would rather take her to a large department store (she had never before encountered stores of the size which is common in Western towns) and obtain a set of containers she could take with her as she returned home.

Her response was that this was not what she wanted. As she explained: 'When I take this out I can say to people around me "This is Bill's container"'.

I had automatically focused on the exchange value of the container. She had, just as automatically, focused on the container as an expression of a relationship between her and myself.

[943] This is a major reason why production is open-ended in Western communities. Since I am competing with others who also wish to get the cash from your pocket, I devise 'newer', 'better' (it's all about perception!) products which I attempt to persuade you should displace any products you have already acquired. Over time this results, inevitably, in communities of people who 'throw-away' 'outdated' objects in favor of more recently promoted alternatives.

[944] Why else would most people buy a new car? The act of driving it off the dealer's site substantially lowers its investment value. The genuine use value of a new car as against one which is a few years old is surely negligible.

[945] For more on the nature of public and private credit, see The Nature and Importance of Public and Private Credit: Only Believe....

[946] Keynes discussed *The Essential Properties of Interest and Money* in œKeynes (1936), *General Theory of Employment, Interest, and Money*, Chapter 17. Despite the strange charge often leveled at this discussion by those who should know better, this is *not* a 'socialist' explanation!

For a discussion of the nature of money from a Modern Money Theory (MMT) perspective, see:

> L. Randall Wray, 2012, *Modern Money Theory: A Primer on Macroeconomics for Sovereign Monetary Systems* (Palgrave

MacMillan, New York), Chapter 8 (pp. 261-81): œWhat is Money? Conclusions on the Nature of Money;

Joe Guinan, œModern money and the escape from austerity (*Renewal*, Vol 22 No 3/4 2014).

Bill Mitchell (2011) has expanded on the nature of money in modern monetary theory:

> The most important misperception is that MMT is in some way outlining an ideal or a new regime that could be introduced. The reality is that MMT just describes the system that most countries in the world live under and have lived under since 1971, when the US president at the time, Richard Nixon, suspended the convertibility of the US dollar into gold. At that point, the system of fixed exchange rates-in which all countries agreed to fix their currencies against the US dollar, which was in turn benchmarked in price against gold-was abandoned. So since that day, most of us have been living in what we call a fiat currency system
>
> In a fiat currency system, the currency has legitimacy because of legislative fiat: the government tells us that's the currency and then legislates it as such. The currency has no intrinsic value. What gives it value, what motivates us to use the currency that the government suggests, is the fact that all tax obligations are denominated in and have to be extinguished with that currency. We have no choice. If you live in America, for example, you have to pay American taxes to the IRS with American dollars. So demand for the currency, otherwise worthless bits of paper, is driven by the fact that all tax obligations have to be extinguished with that currency.
>
> Once you consider that, then you immediately realize that the national government is the monopoly issuer of that currency. That means that the national government in such a system can never be short of that currency; it can never run out of money. It doesn't need you or I to lend it money or you and I to pay taxes to get more money. It can never run out of money. That's the first basic insight of MMT: governments are not constrained in their spending by a need to raise revenue.
>
> If you extend that logic a little further, you might ask, "Well, don't we pay taxes and buy bonds so that the government can spend?" Well, you first have to ask yourself the question, "Where do you get the money to pay taxes and buy bonds?" And the answer is that we can't get our hands on the currency until the national government spends it. Spending is the prior act in a fiat monetary system; taxing and borrowing are following acts. In effect, the government is only taxing what it has already spent, and it's only borrowing back money that it has already spent. Once you start pursuing this logic, you realize that most of the propositions that are occupying the current debate around the world are based upon false premises.
>
> Another basic premise of MMT is that we now live in a world of floating exchange rates, so all of the imbalances in the foreign exchange market are resolved by the price of the currency fluctuating. What that means is that domestic policy instruments-the central bank and fiscal policy-are free to target domestic policy goals knowing that the exchange rate will resolve the currency imbalances arising from trade deficits, trade surpluses, et cetera.

(Winston Gee, œDebt, Deficits, and Modern Monetary Theory, Harvard International Review, October 16, 2011)

[947] See The nature of 'Work' for more on this.

[948] For this reason it needs to be recognized that those who legitimately accumulate money in a society are not necessarily those directly involved in 'economic' activity. After all, if one thinks about it, those most successful in accumulating money in Western communities are seldom those who are directly involved in productive activity. The 'financiers', who accumulate vast sums, might be considered facilitators but they are seldom truly creative individuals.

Similarly, while Western people often express strong disapproval of the accumulation of 'wealth' amongst 'politicians' in other communities, they also can be seen as 'facilitators', often very similar in their activity to the financiers of the West - the same book can have very different covers!

[949] How status and prestige is assessed varies between communities. In Western communities it is primarily assessed through legitimately acquired material wealth, summed up in 'money worth'. If one sees a 'wealthy' person but has no idea where the wealth came from, it seems perfectly reasonable to ask, "How did he get his wealth?". We feel the need to know that it has been legitimately acquired.

One of the important reasons why inflation is often unsettling in Western communities is that it can appear to dilute the status and prestige distinctions, based on variations in 'wealth', which people recognize. It is also one of the reasons why so many people are strongly opposed to 'social welfare' which might 'elevate' the 'undeserving' and give them an illusion of status which they have not 'earned'.

In other communities very different forms of status and prestige assessment are employed. Michael Young (1971), in a book entitled *Fighting with Food: Leadership, Values and Social Control in a Massim Society,* gave a description of the kinds of ritual and other observances required of 'successful' individuals in a Massim community on Goodenough Island, Papua New Guinea. Status and prestige were directly linked to successful yam growing. But the value of their gardening activities depended not only on the result - large yams - but on the means by which the large yams were obtained.

Once, while living on a central Pacific island in the Kiribati group, I was socializing with a group of villagers around a fire in an evening. They were telling amusing stories of the past. One of the stories told, which was received with uproarious laughter by those present, was of a Chinese trader who had lived on the island some thirty to forty years earlier. In line with practices on the island, he had decided that he would demonstrate that he was worthy of respect by growing very large 'babai' (pit grown yams). He set about doing this by fertilising them with pig faeces.

The question was, how could he possibly have thought that babai grown using pig faeces would be acceptable? He not only gained no respect, he became a long-standing joke, someone who thought that the result was all that mattered. Everyone knew that the result required particular forms of activity and behavior.

[950] see Open-ended and Closed Utilization of the Material Environment for more on this.

951 This is why Western people can so easily discard 'old', 'unfashionable' 'out-dated' items. They are no longer perceived as containing significant 'exchange value'. In fact, by retaining them, one is saying something about one's ability to accumulate 'valuable' possessions. It becomes necessary to discard them or feel that one is losing both self-respect and the approval of others.

The rampant growth in investment banking and consequent generation of money wealth with little or no connection to the production of commodities has been possible because the accumulation of money is no longer tied to 'habits of industry'. Now, the accumulation of money is simply assumed to demonstrate one's social responsibility.

952 While it has been postulated that the industrialized world can achieve significant dematerialization through improvements in technology, Christopher Magee and Tessaleno Devezas, in a study entitled "A simple extension of dematerialization theory: Incorporation of technical progress and the rebound effect, show that this is unlikely to occur. As a *EurekAlert* summary explains:

> Are humans taking more resources from the Earth than the planet can safely produce? The answer lies partly in whether we can "dematerialize," or reduce the amount of materials needed to produce goods and services.
>
> While some scientists believe that the world can achieve significant dematerialization through improvements in technology, a new MIT-led study finds that technological advances alone will not bring about dematerialization and, ultimately, a sustainable world.
>
> The researchers found that no matter how much more efficient and compact a product is made, consumers will only demand more of that product and in the long run increase the total amount of materials used in making that product.
>
> Take, for instance, one of the world's fastest-improving technologies: silicon-based semiconductors. Over the last few decades, technological improvements in the efficiency of semiconductors have greatly reduced the amount of material needed to make a single transistor. As a result, today's smartphones, tablets, and computers are far more powerful and compact than computers built in the 1970s.
>
> Nonetheless, the researchers find that consumers' demand for silicon has outpaced the rate of its technological change, and that the world's consumption of silicon has grown by 345 percent over the last four decades. As others have found, by 2005, there were more transistors used than printed text characters.
>
> "Despite how fast technology is racing, there's actually more silicon used today, because we now just put more stuff on, like movies, and photos, and things we couldn't even think of 20 years ago," says Christopher Magee, a professor of the practice of engineering systems in MIT's Institute for Data, Systems, and Society.
>
> "So we're still using a little more material all the time."
>
> The researchers found similar trends in 56 other materials, goods, and services, from basic resources such as aluminum and formaldehyde to hardware and energy technologies such as hard disk drives, transistors, wind energy, and photovoltaics. In all cases, they found no evidence of dematerialization, or an overall reduction

in their use, despite technological improvements to their performance.

"There is a techno-optimist's position that says technological change will fix the environment," Magee observes. "This says, probably not."
(*EurekAlert*, œStudy: Technological progress alone won't stem resource use: Researchers find no evidence of an overall reduction in the world's consumption of materials, Massachusetts Institute of Technology, Public Release: 19-Jan-2017)
(Original paper:Christopher L.Magee and Tessaleno C.Devezas, œA simple extension of dematerialization theory: Incorporation of technical progress and the rebound effect, *Technological Forecasting and Social Change*, Vol. 117, April 2017, Pp 196-205)

953 see Status and Possessions for more on this.

954 In modern law, the practice of charging an illegal rate of interest for the loan of money. In Old English law, the taking of any compensation whatsoever was termed usury. With the expansion of trade in the 13th century, however, the demand for credit increased, necessitating a modification in the definition of the term. Usury then was applied to exorbitant or unconscionable interest rates.

In 1545 England fixed a legal maximum interest; any amount in excess of the maximum was usury. The practice of setting a legal maximum on interest rates later was followed by most states of the United States and most other Western nations.
In some Muslim countries the charging of interest is still forbidden, at least in theory.

The Qur-'an, the Muslim holy book, prohibits the charging of interest, although various methods have been devised in order to circumvent the prohibition. For instance, a higher price may be charged for goods when payment is deferred than is charged if payment is made in advance or upon delivery.
("usury." *Encyclopedia Britannica*. 2010. Encyclopedia Britannica Online. 03 Sep. 2010
œhttp://www.britannica.com/EBchecked/topic/620474/usury)

955 Gerald Epstein and Juan Montecino have explored the consequences of deregulation of financial services in the US since the 1970s. As they say,

> A healthy financial system is one that channels finance to productive investment, helps families save for and finance big expenses such as higher education and retirement, provides products such as insurance to help reduce risk, creates sufficient amounts of useful liquidity, runs an efficient payments mechanism, and generates financial innovations to do all these useful things more cheaply and effectively. All of these functions are crucial to a stable and productive market economy. But after decades of deregulation, the current U.S. financial system has evolved into a highly speculative system that has failed rather spectacularly at performing these critical tasks.
>
> What has this flawed financial system cost the U.S. economy? How much have American families, taxpayers, and businesses been "overcharged" as a result of these questionable financial activities? In this report, we estimate these costs by analyzing three components: (1) rents, or excess profits; (2) misallocation costs, or the price of diverting resources away from non-financial activities;

> and (3) crisis costs, meaning the cost of the 2008 financial crisis. Adding these together, we estimate that the financial system will impose an excess cost of as much as $22 .7 trillion between 1990 and 2023, making finance in its current form a net drag on the American economy...
>
> To better understand the mechanisms and financial practices that have led to these excess costs, we describe in detail some of the ways in which banks and other financial institutions have overcharged for their services. We show how the asset management industry charges excessive fees and delivers mediocre returns for households trying to save for retirement; how private equity firms grab excessive levels of payments from pension funds and other investors while often worsening wages and employment opportunities for workers in the companies they buy; how hedge funds underperform; and how predatory lenders exploit some of the most vulnerable people in our society. From this bottom-up perspective, we can see more clearly how the levels of overcharging we identified at the macro level actually come about in practice. (Gerald Epstein, Juan Antonio Montecino, œOvercharged: The High Cost of High Finance, *Roosevelt Institute*, July 12, 2016)

956 Economics is, of course, all about involvement in commoditized activity. It is the 'instruction manual' for the accumulation/ expenditure of exchange value and consequent accrual of status/ prestige and enhanced self-image.

It provides the rationale and tools for the quantification of the social definitional value of individual accumulations of commodities and the similar quantification of the social definitional value which accrues from the consumption of commodities.

That is, economics is a fundamental feature of, and inextricably bound into, the Western system of status and prestige accrual and maintenance.

The intricacy of economics in Western communities is matched by the intricacy of explanations of and directions for involvement in such status and prestige systems as the Potlatch and the Kula Ring. Systems of status and prestige exist both to facilitate the achievement of status and prestige and to provide means for assessing attained status.

It is inaccurate to claim that in Western communities people *achieve* status, while in other communities status is *ascribed*. Status is both ascribed and achieved in *all* communities. What differs is not the achievement of status but *the means by which it is achieved.*

957 See History of the Emergence of Capitalism for more on this.

958 See Primary and Secondary Ideology for more on this.

959 Western people, in social interaction, tend to focus on the objects of an interaction rather than on the participants. The historical movement which produced the current Western understanding of social interaction has already been described:

> Previously hierarchical obligations and responsibilities were transformed into 'terms of rent' and attached to the property rather than to the people involved. A social relation between individuals had assumed 'in their eyes, the fantastic form of a relation between things'.

The focus of Europeans was being fixed on the *legal obligations* and *quantifiable costs* of social interaction, attached to or incorporated into the *object* of any exchange, rather than the persons involved in the interaction.
(See From personalized, cooperative hierarchical relationships to object-oriented, competitive oppositional relationships for more on this.)

[960] See From Interdependence to Independence for more on this.

[961] Henry Giroux has provided a clear explanation of the impact of neoliberalism on the focusses and nature of higher education since the 1950s:

> Conservatives have a long history of viewing higher education as a cradle of left-wing thought and radicalism. As early as the 1920s, conservatives were waging an ideological war against liberal education and the intellectuals who viewed higher education as a site of critical dialogue and a public sphere engaged in both the pursuit of truth and in developing a space where students learned to read both the word and world critically. Conservatives were horrified by the growing popularity of critical views of education and modes of pedagogy that connected what students were taught to both their own development as critical agents and to the need to address important social problems. During the McCarthy era, criticism of the university and its dissenting intellectuals cast a dark cloud over the exercise of academic freedom, and many academics were either fired or harassed out of their jobs because of their political activities outside the classroom or their alleged communist fervor or left-wing affiliations.
>
> In 1953, the Intercollegiate Studies Institute (ISI) was founded by Frank Chodorov in order to assert right-wing influence and control over universities. ISI was but a precursor to the present era of politicized and paranoid academic assaults. In fact, William F. Buckley, who catapulted to fame among conservatives in the early 1950s with the publication of *God and Man at Yale*, in which he railed against secularism at Yale University and called for the firing of socialist professors, was named as the first president of ISI. The former president of ISI, T. Kenneth Cribb Jr., delivered the following speech to the Heritage Foundation in 1989, a speech that perfectly captures the elitist and ruling-class ideological spirit and project behind ISI's view of higher education:
>
>> We must ... provide resources and guidance to an elite which can take up anew the task of enculturation. Through its journals, lectures, seminars, books and fellowships, this is what ISI has done successfully for 36 years. The coming of age of such elites has provided the current leadership of the conservative revival. But we should add a major new component to our strategy: the conservative movement is now mature enough to sustain a counteroffensive on that last Leftist redoubt, the college campus.... We are now strong enough to establish a contemporary presence for conservatism on campus, and contest the Left on its own turf. We plan to do this greatly by expanding the ISI field effort, its network of campus-based programming. [T. Kenneth Cribb, œConservatism and the American Academy: Prospects for the 1990's, *The Heritage Foundation*, Lecture #226 on Political Thought, December 7, 1989]

ISI was an early effort on the part of conservatives to "'take back' the universities from scholars and academic programs regarded either as too hostile to free markets or too critical of the values and history of Western civilization." (10) As part of an effort to influence future generations to adopt a conservative ideology and leadership roles in "battling the radicals and PC types on campus," the Institute was just one of many right-wing foundations and institutes to have emerged since the 1980s, in particular, to provide numerous scholarships, summer programs and fellowships.
(Henry A. Giroux, œHigher Education and the Promise of Insurgent Public Memory, *Truthout* | News Analysis, Tuesday, 03 March 2015)

[962] See Milan Zafirovski (1998) for a discussion of the nature of this connection.

[963] I trust the reader will forgive me for not indulging in 'mathematical' 'demonstrations' of all this.

Such 'demonstrations' are merely an attempt on the part of those who should know better to convince the rest of us that they are erudite, 'scientifically minded' souls. Despite the 'mystique' built around mathematical constructs to bolster their legitimacy, such descriptions/ explanations merely rely on one of the human 'languages' upon which we all rely for communication.

The virtue of mathematical 'solutions' lies in their descriptive/ explanatory precision. But, inevitably, such stripped-down communication loses nuance. I could, were I proficient in written Mandarin, Cantonese, Russian... provide descriptions/ explanations based on Chinese characters or Cyrillic script (which, I might argue, more concisely or clearly explain the issues) but why bother? After all, the ideas are adequately expressed in run-of-the-mill English!

[964] Marxism was extremely influential through most of the 20th century and still has a strong following. The Web site http://www.marxists.org/ provides a comprehensive coverage of Marxist writings. For a clear summary of Marx's ideas see Fischer E. and Marek F. 1973, *Marx in His Own Words* (Translator: Anna Bostock) Penguin Books, Harmondsworth

[965] The social philosophers of Western Europe, from the late 15th century onwards, had engaged in a search for Utopia, a real and yet an ideal future toward which the present should be molded. Marx had his own particular variant of a 'golden age' toward which humanity was evolving. See Toward the Millennium for more on this.

[966] See Redistributive System for more on this.

[967] For discussion of the notion of spheres of exchange, see Guyer Jane I. 1995, Wealth in People, Wealth in Things-Introduction, *The Journal of African History* January, Vol. 36 No. 1 p. 83;
Pannell Sandra 1993, 'Circulating Commodities': Reflections on the Movement and Meaning of Shells and Stories in North Australia and Eastern Indonesia, *Oceania*, September Vol. 64 No. 1 p. 57

[968] See The Nature of categorization for more on this.

[969] **formal system**. (2010). In *Encyclopedia Britannica*. Retrieved August 04, 2010, from Encyclopedia Britannica Online: **http://www.britannica.com/EBchecked/topic/213751/formal-system**

[970] This is, of course, not the only such set of relationship possibilities. Firstly, the illustration only deals with horizontal relationships, that is,

relationships perceived as existing between individuals who see themselves as more or less socially 'equal'. Other possibilities might include continua of complementarity, displacement, containment, and accompaniment.

Additionally, there are the sets of relationships which occur within other spheres of social life.

The reductionist enterprise undertaken in social exchange theory strips away and treats as irrelevant all such multi-dimensional aspects of human relationships.

971 We need to remember Levi-Strauss' cautionary explanation of these sorts of models:

> [C]onscious models... are by definition very poor ones since they are not intended to explain the phenomena but to perpetuate them. (Levi-Strauss 1963, p. 282).

When corporations and those who are beholden to them insist on the maintenance and strengthening of models which require the deregulation of communal safeguards, one should recall that important economists' warning: "There's no such thing as a free lunch"!

As Samuels and Shaffer put it:

> Rather than creating costs, both regulation and deregulation shift them... Regulation and deregulation each consists of lower costs for one party and higher costs for the other.
> (Samuels & Shaffer 1982, p. 467)

The 'rules and regulations' in any community are expressions of their basic cognitive and structural interactional principles: to deny and attack them in the interests of 'greater freedom' for 'individuals' is to threaten the viability of the communities which require them.

972 Our tolerance of evil is always a consequence of the ideologies to which we have committed ourselves. Hal Brands, bound by the peculiar ideological frames of Western neo-conservativism, in a contemplative essay he entitles 'The Age of Amorality: Can America Save the Liberal Order Through Illiberal Means?', provides us with an example of the pseudo-moral concern in which humans so readily indulge to 'justify' their barbarism. As he opines:

> "How much evil we must do in order to do good," the theologian Reinhold Niebuhr wrote in 1946. "This, I think, is a very succinct statement of the human situation." Niebuhr was writing after one global war had forced the victors to do great evil to prevent the incalculably greater evil of a world ruled by its most aggressive regimes. He was witnessing the onset of another global conflict in which the United States would periodically transgress its own values in order to defend them. But the fundamental question Niebuhr raised - how liberal states can reconcile worthy ends with the unsavory means needed to attain them - is timeless. It is among the most vexing dilemmas facing the United States today.
>
> U.S. President Joe Biden took office pledging to wage a fateful contest between democracy and autocracy. After Russia invaded Ukraine, he summoned like-minded nations to a struggle "between liberty and repression, between a rules-based order and one governed by brute force." Biden's team has indeed made big moves in its contest with China and Russia, strengthening solidarity among advanced democracies that want to protect freedom by keeping

> powerful tyrannies in check. But even before the war between Hamas and Israel presented its own thicket of problems, an administration that has emphasized the ideological nature of great-power rivalry was finding itself ensnared by a morally ambiguous world.
> (Hal Brands, œThe Age of Amorality: Can America Save the Liberal Order Through Illiberal Means?, *Foreign Affairs*, February 20, 2024)

And, as the author claims, 'the moral compromises of U.S. policy today are modest compared with those of World War II or the Cold War'. Despite the evil in which the United States indulges in this century, our intrepid author assures us that

> There's no reason to be unduly embarrassed about this. A country that lacks the self-confidence to defend its interests will lack the power to achieve any great purpose in global affairs. Put differently, the damage the United States does to its values by engaging dubious allies, and engaging in dubious behavior, is surely less than the damage that would be done if a hyperaggressive Russia or neototalitarian China spread its influence across Eurasia and beyond.

Such rationalizing can be used to 'justify' any and all of the horrors perpetrated by a dying empire in the 21st Century as it attempts to hold on to its various perceived 'advantages' around the world: from 'targeted killing'; to secret prisons and 'biological research laboratories' indulging in torture of 'vanished' souls designated 'terrorist suspects' by those involved; to carpet-bombing; and genocide. And, all of this is claimed to be 'necessary evil' in which the United States, reluctantly, 'transgresses its own values in order to defend them'.

973 (11/10/16) Bill Black has a perspective on the nature of this prize in economics. As Black observes:

> ... The prize in economics in honor of Alfred Nobel is unique. It is not part of the formal Nobel Prize system. It was created by a large Swedish bank and it is the only "science" prize frequently given to those who proved incorrect. The theme of my series is how poorly the work has stood the test of predictive accuracy. Worse, it has led to policies in the private and public sector that are criminogenic and explain our recurrent, intensifying financial crises.
>
> I want to stress that the reason that the work has proven so faulty is not that the Nobel Laureates in economics are incompetent or evil. Indeed, that is part of my theme. Economics is not a hard science and its pretensions that it is have helped make even brilliant economists vulnerable to grievous error, particularly those who were most dogmatic about their hostility to even democratic governments. A recurrent defect that will emerge is the failure of economics to take ethics seriously.
> (William K. Black, (Benzinga Contributor), œ Roger Myerson's Paean to Plutocracy, June 05, 2013.)

Bill Black is too generous in accepting the good faith of those involved in both establishing the prize and in the later selection of its recipients. Yves Smith has provided a little more context, and raised the issue of its ideological focus. As she says,

> ...[A]n influential Swedish economist, Assar Lindbeck, over time became more neoclassical in his policy stance, and in parallel, had major influence over the way the Sveriges Riksbank Prize in

> Economic Sciences in Memory of Alfred Nobel [was] awarded. In other words, this is yet another case example of how a strategically placed individual did considerable harm.
>
> ... [W]hen the facts are laid out, Lindbeck's conduct certainly seems to meet the "if it walks like a duck and quacks like a duck" standard.

I would go further than this - Lindbeck provided the neoliberal lens which has focused this prize through succeeding decades.

The deliberately disguised nature of the prize, ensuring that most people would fail to distinguish it from Nobel prize awards in other fields, meant that its neoliberally oriented recipients (whether of Galbraith's Tweedledum or Tweedledee persuasion) would become accepted as the leading authorities in the field of economics.

> ...[T]he halo conferred by the prize can - and often has - lend credibility to policies that harm the public interest, for example by driving inequality and making financial crises more likely.
> (Avner Offer, œNobel Economics Versus Social Democracy, *Project Syndicate*, October 10, 2016)

As œAvner Offer has explained:

> Lindbeck's doctrines tallied with those of the IMF, the World Bank, and the U.S. Treasury, which motivated the Washington Consensus. Privatisation, deregulation, and free capital movement enriched business and finance, led to acute crises and reduced welfare in client economies. Economists did not anticipate that these policies would also instigate a 'corruption eruption'. Corruption then spilled over to the developed countries, and is now pervasive. This corruption is the unintended consequence of rational choice me-first premises, and has done a lot to harm the common good and to foster mistrust in governing elites. Swedish political scientist Bo Rothstein has petitioned the Swedish Academy (of which he is a member) to suspend the prize until the effect of economics on corruption is investigated.
> (œThe Nobel Prize in Economics: How It Took a Hard Neoliberal Turn, *Naked Capitalism*,Posted on September 27, 2016 by Yves Smith)

974 Such pressures have not lessened in the post-Cold War years. The following is a brief excerpt from a much longer and more detailed commitment by all the nations of the world to 'human rights' and 'social development' on the occasion of the 50th anniversary of the United Nations (œUN 1995):

> We heads of State and Government are committed to a political, economic, ethical and spiritual vision for social development that is based on human dignity, human rights, equality, respect, peace, democracy, mutual responsibility and co-operation, and full respect for the various religious and ethical values and cultural backgrounds of people. Accordingly, we will give the highest priority in national, regional and international policies and actions to the promotion of social progress, justice and the betterment of the human condition, based on full participation by all.

The resolutions of the World Summit for Social Development list, in detail, the concerns of First World governments during the 1990s, transferred onto the rest of the world as the concerns of all nations.

[975] It was the practice of indentured labor which created the large Indo-Fijian population of the present and has resulted in ongoing tension between indigenous Fijian and Indian populations. See Lal (1983) for a discussion.

[976] The Boer War (1899-1902) had just started and a great deal of British propaganda of the time was painting the Boers as barely civilized abusers of native populations.

[977] *Traditional* Messianic Judaism (the œpresumption of a future messiah by Jews) as distinct from 21st century 'Messianic Judaism' referring to Jewish converts to Christianity.

[978] Jonathan Kuttab,in a discussion on the *Al Jazeera* site 'The Bottom Line', gives an excellent explanation of the nature of 'Christian Zionism' and of the Palestinian Hamas movement: œWhy do evangelical Christians support Israel? | The Bottom Line (December 26, 2023)

[979] Given Israel's track record of false and misleading propaganda to 'justify' their own crimes against humanity, it is reasonable to insist, as the UN Human Rights Chief explained on November 7th, 2023, that

> 'prompt, transparent and independent investigations into allegations of war crimes and crimes against humanity, perpetrated in Israel and in the Occupied Palestinian Territory on 7 October 2023 and thereafter'

should be undertaken - as happened in the 'œUN Commission of Inquiry on Syria: ISIS is committing genocide against the Yazidis' (*Office of the High Commissioner for Human Rights*, Geneva, 16 June 2016)

In response, Israel provided no independently verifiable information to support their claims of sexual violence committed by the Palestinians involved in the October 7 attack. Until they do, it is reasonable to presume that no such evidence is available.

As the UN Human Rights Commissioner's statement explained:

> "Independent investigators must be given the necessary resources, support and access required to conduct prompt, thorough and impartial investigations into crimes allegedly committed by all parties to the conflict," the experts said, calling on Israel, the Palestinian Authority and the de facto authorities in Gaza to cooperate fully with investigations.
> (œUN experts call for full and independent investigations into all crimes committed in Israel and the Occupied Palestinian Territory, *Office of the High Commissioner for Human Rights*, Geneva, November 27, 2023)

Israel has yet (February 19, 2024) to provide the access and support required for the UN High Commissioner for Human Rights to reasonably carry out such an investigation. *Unless they do, it is reasonable to presume that no such evidence is available.*

[980] Pappé continues:

> In order to square this circle, the leadership insisted that their eliminatory actions against the Palestinians were a 'retaliation' or 'response' against Palestinian actions. But very soon, when this leadership wanted to move into more substantial actions of elimination, they deserted the false pretext of 'retaliation' and just stopped justifying what they did.

> In this respect, there is a correlation between the way the ethnic cleansing in 1948 developed and in the operations of the Israelis in Gaza today. In 1948, the leadership justified to itself every massacre committed, including the infamous massacre of Deir Yassine on 9th April, as the reaction to a Palestinian action: it could have been throwing stones at the bus or attacking a Jewish settlement, but it had to be presented domestically and externally as something that doesn't come out of the blue, as self-defence. Indeed, that is why the Israeli army is called "Israeli Defence Forces". But because it is a settler colonial project it cannot rely all the time on 'retaliation'.
>
> The Zionist forces began the ethnic cleansing during the Nakba in February 1948, for a month all these operations were presented as retaliation to the Palestinian opposition to the UN partition plan of November 1947. On 10th March 1948, the Zionist leadership ceased talking about retaliation and adopted a master plan for the ethnic cleansing of Palestine. From March 1948 to the end of 1948 the ethnic cleansing of Palestine that led to the expulsion of half of Palestine's population, the destruction of half of its villages and the de-Arabisation of most of its towns, was done as part of a systematic and intentional master plan of ethnic cleansing.
>
> Similarly, after the occupation of the West Bank and the Gaza Strip in June 1967, whenever Israel wanted to change fundamentally the reality or engage in a full scale ethnic cleansing operation, it dispensed with the need of justification.
>
> We are witnessing a similar pattern today. At first the actions were presented as retaliation to operation Tufun al-Aqsa, but now it is the war named "sword of war" aiming to return Gaza under direct Israeli control, but ethnically cleansing its people through a campaign of genocide.
>
> The big question is why politicians, journalists, and academics in the west fell into the same trap they had fallen into in 1948? How can they still today buy into this idea that Israel is defending itself in the Gaza Strip? That it is reacting to the actions of 7th October?
>
> Or maybe they are not falling into the trap. They might know that what Israel is doing in Gaza is using 7th October as a pretext.
>
> Either way, so far, the Israelis claim to a pretext every time they assault the Palestinians, has helped the state to sustain the immunity shield that allowed it to pursue its criminal policies without fear of any meaningful reaction from the international community. The pretext helped to accentuate the image of Israel as part of the democratic and western world, and hence beyond any condemnation and sanctions. This whole discourse of defence and retaliation is important for the immunity shield that Israel enjoys from governments in the Global North...
> (Ilan Pappé, "It is dark before the dawn, but Israeli settler colonialism is at an end, *The Long View*, Vol. 6 I.1, 01 February 2024)

981 As they continue:

> Talking heads promising wisdom, hard truths or explanations for the conflict from across the political spectrum are also everywhere. As researchers both specialising on Palestine, we've taken a keen

interest in what they've been saying. And on the side of Israel's apologists, we've seen two main narratives at work.

Both are deeply flawed. The first ignores all context to portray Israel as the undeniable victim of a brutish neighbour. The second draws selectively on context to portray Hamas and Israel as more or less equal adversaries tragically unable to come to an accord. This narrative, designed to appeal to moderates and confound pro-Palestinian messaging, argues that everyone has blood on their hands in this endless cycle of violence - meaning no easy condemnation of Israel is possible....

When the capacity of one side to exert violence over the other is so overwhelmingly disproportionate, surely even to the most moderate of moderates, something rings discordant here.

At the start of the invasion, Israel's defence minister said that "We are fighting human animals and we are acting accordingly". Hundreds are now being killed every day, and when Palestinians in the north obeyed Israel's order to travel south they were bombed anyway. The tired metaphor of 'shooting fish in a barrel' has never been so apt. Every message we have received from colleagues and friends in Gaza is the same: Israel's bombardment is like nothing they have ever experienced before.

The balance metaphor only works if weights of equal measure are distributed on both plates. If power were equally distributed, so too would be responsibility. But with Israel-Palestine these two weights are in no way equivalent....
(Caitlin Procter and Luigi Achilli, œWhat gives Israel the right to annihilate Gaza? Suggesting that both sides are equally to blame is not a defensible position, *openDemocracy*, 30 October 2023)

982 The mythical 'Land of Israel', stretching from 'œThe River of Egypt to the Euphrates River' is the land which is believed to have been promised to the Israelites (but *never delivered*) by 'God'.

For many Jewish people, these promises have a spiritual, other-worldly interpretation. similar to the Christian Apostle Paul's understanding of 'Zion' as 'the city of the living God, the heavenly Jerusalem', an understanding common among Jewish people of Paul's time

It is now presumed by some messianic Jews to be the land which God will finally give to 'His Chosen People' upon the earthly arrival of their Messiah.

For Zionists (who appear to have become tired of waiting!) the claimed 'promise' is a convenient 'justification' for their colonization of the region - creating the required conditions for the 'arrival' of the Messiah. As the website 'United with Israel' ambivalently claims:

Some of the Torah's laws only apply to Jews living in the Land of Israel, including the areas of Jordan, Lebanon and Syria that are a part of biblical - and future - Israel.

The Promised Land, known in Hebrew as Ha'aretz Hamuvtachat, is the land promised and given by God to Abraham and his descendants through Isaac. The Land has also been known as "The Land Of Canaan," "The Holy Land" and "Palestine."

The "West Bank" is the area known in the Bible as "Judea and Samaria." The promise is first made to Abraham, confirmed to Isaac, and confirmed again to Jacob. The entire Promised Land

> encompasses the territory from "The River of Egypt" to the "Euphrates River." These borders, however, will only be functional when the Messiah arrives.
> (Ari Enkin, œThe Promised Land: From the River of Egypt to the Euphrates, *United with Israel*, November 25, 2014)

It should be understood that this 'Promised Land' is claimed to be based on a promise given to Abraham (and Isaac - presumably to exclude Ishmael and his descendants - some of whom are now being pogromed from the region) more than three thousand years ago!

The Biblical 'Land of Israel' was, of course, a fleeting phenomenon, existing for less than a hundred years. As the *Encyclopædia Britannica* explains:

> **Israel**, either of two political units in the Hebrew Bible (Old Testament):
>
> - The united kingdom of Israel under the kings Saul, David, and Solomon, which lasted from about 1020 to 922 BCE; or
> - The northern kingdom of Israel, including the territories of the 10 northern tribes (i.e., all except Judah and part of Benjamin), which was established in 922 BCE as the result of a revolt led by Jeroboam. [About 722 BCE the Northern Kingdom of Israel was conquered by the Neo-Assyrian monarchs Tiglath-Pileser III and Shalmaneser V and its inhabitants dispersed throughout the empire at which time the northern tribes disappeared from the historical record]
> - [After 922 BCE] the southern kingdom, ruled by the Davidic dynasty, was thereafter referred to as Judah.
>
> The later kingdom's history was one of dynastic instability, with only two prolonged periods of stable government, under Omri (reigned 876-869 or c. 884-c. 872 BCE) and Ahab (c. 874-c. 853 BCE) and the Jehu dynasty (c. 842-746 BCE). In the 8th century BCE the northern kingdom was overrun by the Neo-Assyrian empire, with Samaria, the capital, falling in 722/721.
> (History & Society: œ**Israel:** Old Testament kingdom, *Encyclopædia Britannica*, Accessed November 30, 2023)

983 In the heat of 2019 electioneering, Israeli prime minister Netanyahu intimated that the 'annexation' of the West Bank was inevitable.

In the short-term, such a move would 'legitimize' settlement expansion in Palestinian areas but, as the Apartheid regime in South Africa found, and as Southern Rhodesia under Ian Smith found, it will bring with it international demands for equal rights for all residents of that expanded Israel. Current international support for Israel will surely be eclipsed by similar anti-apartheid pressure on the Israeli state:

> In the television interview, Mr. Netanyahu vowed not to divide Jerusalem or "uproot any settlement," and said he would "ensure that we will control the territory west of the Jordan River," meaning the entire West Bank.
>
> When asked if he would push through before Tuesday the much-delayed evacuation of Palestinians living in Khan al-Ahmar, a Bedouin village near the Maale Adumim settlement bloc, he reiterated his opposition to a Palestinian state on the West Bank.

> "I don't know whether it will be before the elections," he said of the Khan al-Ahmar expulsion, which set off intense international criticism after being marked for demolition to make way for an expanded Jewish settlement.
>
> But, he added: "We have to control our destiny, and that is going to be impossible if we place there an independent, Arab entity - an Arab state, for all intents and purposes. A Palestinian state. That will endanger our existence."
> (David M. Halbfinger, œNetanyahu Vows to Start Annexing West Bank, in Bid to Rally the Right, *New York Times*, April 6, 2019)

[984] One might be forgiven for comparing Rhodes' acquisition of the Maxim gun, deployed with devastating effect in establishing and consolidating power in Northern and Southern Rhodesia (backed by the British); and Israel's stockpiling of nuclear weapons and vociferous denunciation of other states in the region with (all-too-often imagined) 'nuclear ambitions', together with its active involvement in destabilizing Middle Eastern nations considered possible threats to its future security (backed by US 'Special Forces' operations through the region).

[985] The *Global Times* is a semi-official Chinese Government English Language newspaper version of global issues. Yang Liu explained its nature and role in an informative article entitled œFacts and Myths about Global Times, the most misunderstood publication in China, (*Beijing Channel*, February 03, 2021)

[986] See œClayton AntiTrust Act for the text of the Act

[987] Of course, the 1970s, even without the effects of the oil price explosion, would have been a decade of economic difficulty and 'stagflation'. This was the decade in which the West confronted its wine lake, butter and cheese mountains and various other over-supply problems associated with supply glut (which is a feature of unregulated or poorly regulated capitalist activity). Very often, analyses of the consequences of the OPEC increases fail adequately to distinguish between the OPEC and various non-OPEC distortions confronting the decade.

See œWorld Bank Concerns and Policies during the 1973-74 OPEC Oil Embargo for a discussion of,

> the causes and implications of the dramatic rise in prices that were occurring (from 88¢ per barrel in 1970 to $3.11 per barrel at the beginning of October 1973).
> (http://go.worldbank.org/M0EECN0PV0)

[988] (21/08/17) My comments apply also to those MMTers who seem to hold a subliminal presumption of the independent existence of 'economies' and so find it difficult to accept the primacy of communities over their 'economies'.

Modern Money Theory devotees and aficionados (who tend to refer to themselves as 'MMTers') are a motley crew. They come from a range of ideological and theoretical backgrounds but share a common realization that credit is created by both sovereign governments and private financial institutions 'out of thin air' rather than being a semi-mystical consequence of private economic activity.

So, one finds those who come from various Marxist and related backgrounds, from 'traditional' neoclassical backgrounds and, even, some whose origins are in neoliberal understandings of reality.

In consequence, one finds echoes of those backgrounds in the explanations of the theory which they provide. This may account for the rather different emphases and explanations proffered to those who seek to understand (or criticize) the approach(es).

Bill Mitchell has neatly summed this up:

> MMT clearly explains (as noted above) that you cannot do everything that you want.
>
> MMT clearly states that while the government has no financial constraint on its spending capacity, it certainly has a real constraint on what it can spend its currency on.
>
> It can only bring into productive use real resources that are available for sale.
>
> It is also bound by the constraints posed by the natural environment.
>
> A core notion of MMT is that attempting to go beyond those real constraints results in inflation.
>
> ...[P]olicy choices will reflect the value system preferences that the policymaker imposes on the choices available.
>
> MMT is a lens not a value system.
> (Bill Mitchell, œWhen neo-liberal masquerades as anti-establishment, *Billy Blog*, August 21, 2017)

So, while sharing a common realization that credit is *created*, policy decisions are determined by the ideological/ theoretical positions of those determining policy.

It is still possible to believe in, and be guided by, the existence and desirability of an 'independent economy', not shackled by 'social' and/ or 'political' constraints. It is, however, no longer possible to hide one's ideological predilections behind a smokescreen of 'the government can't afford it'.

Policy makers must accept/ admit responsibility for their predilections!

And, it is surely incumbent on those who belong to this 'motley crew' to ensure that fellow devotees who interpose ideological predilections into their explanations of modern monetary theory explain this to readers. Otherwise they will, inevitably, attract criticism for such interpolations as inconsistencies in explaining MMT.

The old Greek aphorism, 'Know Thyself" should apply to MMTers - don't allow non-MMT presumptions to cloud issues for those trying to understand them.

[989] See From personalized, cooperative hierarchical relationships to object-oriented, competitive oppositional relationships for more on this

[990] As has been explained elsewhere:

Social costs are of the same order as all other costs of extraction and processing borne by business. Once built into cost structures they become invisible and the economy continues as before.

I well remember the panic which ensued in Western countries with the first massive oil price increases of the early 1970s. Many were the dire predictions of imminent economic collapse and long-term damage. Yet, within three years of the rise, the new, unavoidable costs of petroleum based products became built into the economies of the world through a

period of rapid inflation. Once that settled, everything proceeded as before.

The major effect of an inclusion of social costs into the base price of production is that the circulation of money through the society becomes far more broadly based. The economy becomes less insulated from the rest of social organization and activity.

There are, of course, major differences between increases in oil prices and increases in social welfare costs:

- First, the oil increases are ubiquitous. Since they apply universally, no single nation is disadvantaged by them. The costs are, through inflation, built into all economic pricings. Social costs, on the other hand, are, by definition, internal to the nation and communities in which they are incurred. Means would have to be found to simulate similar effects to the universal inflation of oil costs so that no nation would be economically penalised for ensuring the well-being of its people.
- Second, the oil price increases were contained within 'economic' transactions; there was no palpable 'leakage' from 'the economy' to 'the social' areas of life. So, for those who 'know' instinctively that it is simply wrong to confuse the two areas, the necessary, required inflation resulting from the inclusion of social costs in economic costings is an affront on several levels.
- Third, there is an inbuilt belief in the moral virtue of 'work' and 'economic investment'. Income obtained other than through 'employment' or 'investment' is considered illegitimate.
- One could continue but these will suffice ...

Including social costs in the costs of productive and financial activity would inevitably result in a period of internal inflation to offset those costs. It would be difficult to thoroughly insulate populations from the effects of such cost of living adjustments.

I'm sure that opponents of reregulation and the inclusion of social costs as costs of production would present all the problems of the decade as problems associated with changes in the base costs of production. Any democratically elected government which attempted to build such costs into the internal economies of their nations would almost certainly lose the next election (unless, like Roosevelt in the 1930s, the consequences of the alternatives are still vivid in the memories of their electorates) - and politicians seem averse to political suicide.

However, while enormous difficulties lie in the path of any attempt to readjust costs to include the social welfare requirements of communities and countries, this should not be used as an excuse for not addressing them. Surely, given the desperate straits in which millions of people find themselves at the start of this 21st century, this is not something we can afford to ignore - whatever our politics or ideologies. Are we not intelligent enough to devise solutions which will insulate human beings from the ravages of unregulated market activity?

For some of the consequences of applying crude accountancy measures to deal with Europe's public debt crisis see this *Reuters Report* (Thu May

31 2012): œAnalysis: Greeks count mental health cost of a country in crisis:

> Behind every suicide in crisis-stricken countries such as Greece there are up to 20 more people desperate enough to have tried to end their own lives.
>
> And behind those attempted suicides, experts say there are thousands of hidden cases of mental illness, like depression, alcohol abuse and anxiety disorder, that never make the news, but have large and potentially long-lasting human costs.
>
> The risk, according to some public health experts, is that if and when Greece's economic woes are over, a legacy of mental illness could remain in a generation of young people damaged by too many years of life without hope.
>
> "Austerity can turn a crisis into an epidemic," said David Stuckler, a sociologist at Britain's Cambridge University who has been studying the health impacts of biting budget cuts in Europe as the euro crisis lurches on.
>
> "Job loss can lead to an accumulation of risks that can tip people into depression and severe mental illness which can be difficult to reverse - especially if people are not getting appropriate care," Stuckler said.
>
> "Untreated mental illness, just like other forms of illness, can escalate and develop into a problem that is much more difficult to treat later on." ...

An article by Teo Kermeliotis, for CNN April 6, 2012, entitled œ'Austerity drives up suicide rate in debt-ridden Greece' spells out the desperate consequences for human beings of doing nothing to address the problem other than 'balancing the books':

> "The further we go into the crisis, the more things get ugly," says Aris Violatzis of Klimaka, a non-governmental organization that runs a suicide helpline in Greece.:
>
> The group - Klimaka translates as "scale" - says it receives up to 100 calls a day, with three of four callers citing economic problems as their main concern. In 2007, just before Greece fell into recession, the helpline used to take 10 calls a day maximum, explains Violatzis, and only one in four callers mentioned economic issues.:
>
> "The social framework in Greece has become pathogenic - we have a morbid social environment where one of its symptoms is suicide," he adds:
>
> Under its second bailout program, approved last month, Greece has agreed to implement a series of austerity measures and undertake broader reforms to make its economy more competitive.:
>
> New taxes, rising unemployment and cuts to pay, pensions and social welfare provisions have brought many ordinary Greeks to their knees.:
>
> As Greece remains mired in financial woes - the country's economy is heading for its fifth year of recession - many now fear that Christoulas's public act of protest could find more imitators.:
>
> "I believe there are going to be more suicides and that's what got the government worrying," says archaeologist Despoina

Koutsoumpa, who was among the hundreds who rushed yesterday in Syntagma Square to pay tributes to Christoulas.:

"His act was a punch in the stomach for all of us. It made you realize that the overthrowing of these policies requires self-sacrifice, like in Tunisia and in Egypt where hundreds of people died," Koutsoumpa, a regular at the anti-austerity demonstrations in Athens, told CNN.:

"In Greece there are also hundreds of people dying because of the crisis, people we don't see - there are suicides over debts, there are people dying in the streets because they don't have anything to eat," she adds.:

"A lot of people here understand that there will have to be even sacrifices of people in order to get rid of the situation.":

Seven months after setting himself on fire, Polyzonis says more and more Greeks find themselves close to the desperate condition he was in last September.:

"The situation is becoming every day worse," he says. "Every day people lose their jobs, every day people are unable to pay rent for their house, the basics to find something to eat - the last step before doing what I did or what another human being yesterday did in Greece."

991 (08/09/17) Progressive taxation and similar *redistributive* regimes are important in checking the growth of inequality through any community. However, though important - and I would favor policies as aggressive as those pursued through the 1950s-1970s - their rationale is quite different from those focused on raising revenue.

Democratically organized governments have a responsibility to establish ***both***:

- Central banking authorities which control the monetary base; and
- Publicly determined and administered regulations ensuring the economic wellbeing of their populations and both monetary and financial stability.

Where these are accepted responsibilities of government, taxes aimed at 'raising revenue' or curbing unacceptable economic practices become irrelevant.

As Beardsley Ruml (1946) explained, taxes are not 'needed' in order to fund revenue raising (see 'What Taxes are Really For ' for more on this). New Deal style regulatory measures such as those established in the wake of the 1930s Pecora Commission's findings are far more efficient forms of private sector constraint and discipline than punitive or prescriptive taxation.

Bill Mitchell has neatly explained why financial transaction taxes - and other similarly focused forms of public 'revenue raising' - are problematic:

Stephany Griffith-Jones compares financial taxes to carbon taxes:

Like taxes on carbon emissions, taxes on financial transactions such as the UK stamp duty aim to curb socially dangerous behaviour

> This is the problem: progressives have been lured into the 'market frame'. That we need to address these great problems using the price system, which is a neo-liberal frame.
>
> We don't!
>
> We can simply use the legislative capacity of the national government to outlaw things we think are damaging to well-being and serve no other function.
> (Bill Mitchell, œProgressives should move on from a reliance on 'Robin Hood' taxes, *Billy Blog*, September 4, 2017)

However, without a revolutionary New Deal style reorganization of existing neoliberally distorted *perceptions* of reality, we are left with attempting to minimize neoliberalism's destructive impact on a largely disenfranchised populace.

It is important to remember the redistributive consequences of neoliberalism over the past half century. Through most capitalist countries, access to income by the bulk of their populations has been severely limited by:

- the draining of wealth from the bulk of the population to the already wealthy;
- the austerity doctrines of neoliberalism, assuming that sovereign governments must rein in spending to limit deficits, strangling the availability of credit within their economies;
- belief that 'free markets' automatically 'self-correct' and self-regulate and that those who 'use' services should meet the costs of that use; and
- belief that every dollar spent by governments is a dollar lost to private enterprise, which, of course, directly impacts governments' ability to fund welfare and infrastructural activity.

In the current world of neoliberal economics and politics any attempt to dampen the 'frothy high-volume trading' associated with illusory wealth creation seems worth pursuing, particularly if, in doing so, wealth can be diverted into real world economic activities generating both employment and social welfare.

I know there is a lot of angst in the US about Nader splitting the presidential vote in 2000, possibly allowing George Bush to win, but don't throw the baby out with the bathwater - this article is well worth reading. As one of the commenters on the article put it:

> If Nader, who I once admired, hadn't thrown the election to George W then we wouldn't be in such dire financial straits. He's become nothing but a bitter old curmudgeon, Monday morning quarterbacking.That said - this is not a bad idea.

See Ralph Nader (*Washington Post* Saturday, December 1, 2012), œRalph Nader on a simple way to avoid the fiscal cliff: Tax stock trades, for discussion of the possibilities of a financial transactions tax in the US. As he says:

> A financial transaction tax would apply to purchases and sales of derivatives, options and stocks. The tax would be small, half a penny or less on each dollar of the transaction value, depending on the product. This idea is often called a "speculation tax," because it

would hit hardest at frothy high-volume trading as opposed to sober long-term investment.

... As if its deficit-reducing potential weren't enough, a financial transaction tax could reduce risky speculative trading that diverts resources from productive economic activity and can be very destabilizing, as the 2008-2009 crash demonstrated. In fact, this summer, more than 50 financial industry professionals, including past and present executives from Goldman Sachs, JPMorgan Chase and Morgan Stanley, signed a letter [See Sarah Anderson (*Institute for Policy Studies* June 21, 2012) œLetter From Financial Industry Professionals in Support of Financial Transaction Taxes] to the Group of 20 and European leaders supporting a speculation tax.

They pointed out that financial market activity has skyrocketed in the past few decades: The value of transactions is now 70 times greater than the size of the real global economy. Trading volume has grown exponentially, skyrocketing from 188 billion shares of stock traded on the Nasdaq and the New York Stock Exchange in 1995 to nearly 1 trillion in 2011. Each year, the notional value of over-the-counter derivatives traded worldwide totals trillions more.

In their letter, these professionals cautioned that although the main purpose of financial markets is to raise investment capital, allocate resources efficiently and mitigate risk, today's markets, full of computer-driven, high-frequency trading, often undermine those goals. The Capital Institute's John Fullerton, a former managing director at JPMorgan, has estimated that nearly 70 percent of equity-trading volume is composed of these types of speculative strategies.

992 John Weeks has described the European Union's descent into neoliberalism well:

Most Americans and many U.S. progressives hold a favorable view [of] the European Union. This positive assessment persists despite the crushing of the Greek challenge to austerity conditionalities set by the European Commission and European Central Bank aided and abetted by the International Monetary Fund.

The primary basis for pro-EU sentiments may be that Americans consider the European Union a bastion of social democracy in contrast to the neoliberal ideology of the Republican and Democratic parties, which Bernie Sanders has so eloquently attacked. However, the institutions of the European Union, especially its executive the European Commission practice a neoliberal ideology and pro-business policies as aggressive as counterparts in the United States.

This is not a recent change, but a long-maturing trend going back at least to when Helmut Kohl of the right-wing Christian Democratic Union replaced the Social Democrat Helmut, Schmidt, as chancellor of Germany. The misplaced belief that Jacques Delors, EC president for ten years, was committed to social democracy perpetuated the illusion of a progressive EU. While no reactionary like Kohl, the French socialist politician supported market oriented "reform" of the European Union's economic policies.

By the 2000s neoliberals had taken firm control of the European Commission, manifested most obviously in the 1992 Maastricht Treaty. The step-by-step legal codification of EU reactionary economic policies goes far beyond legislation enacted in the United

States...
(John Weeks, œTSCG Fiscal Rules: EU Mandate for Bad Policies, *TripleCrisis*, April 18, 2016)

993 Yves Smith has œposted a link to what she decribes as:

> ...a thoughtful, far-reaching piece. To quote Antonio Gramsci:
>
> > The crisis consists precisely in the fact that the old is dying and the new cannot be born; in this interregnum a great variety of morbid symptoms appear.

Jayati Ghosh, in an essay entitled 'After neoliberalism, what next? There are economically-viable, socially-desirable alternatives to the failed neoliberal economic model', does, indeed, pose some interesting and challenging questions. As she says,

> We may be living through one of those moments in history that future historians will look back on as a watershed, a period of flux that marked a transition to quite different economic and social arrangements. Unfortunately, in human history a 'moment' can be a very long time, so long that it could be decades before the final shape of the new arrangements are even evident; and in the interim, there could be many 'dead cat bounces' of the current system.
>
> What is clear is that the established order - broadly defined as neoliberal globalised finance capitalism - is no longer capable of delivering on its promises of either growth or stability, even as it generates more inequality and insecurity across the world. In Marxist terms (as befitting the 150th anniversary of Das Kapital), the property relations under which production is organised have become fetters on the development of productive forces themselves, and generate more and more alienation. This may explain why, perhaps even more significantly, the system is also losing legitimacy in most countries, under attack from both right and left.
>
> Whether we look at straws in the wind or green shoots in the ground, there is no doubt that there are incipient signs of change. But at this point there are many directions in which such change could go, and not all of them are progressive or even desirable. That is why it is important to get social and political traction for alternative trajectories that focus on more equitable, just, democratic and ecologically viable outcomes for most of humanity.
> (Jayati Ghosh, œAfter neoliberalism, what next? There are economically-viable, socially-desirable alternatives to the failed neoliberal economic model, *Red Pepper*, August 6, 2017)

994 Bill Mitchell has a poignant description of the tragic British film *I, Daniel Blake* which documents the soul-destroying experiences of an ageing skilled worker, sacrificed to the neoliberal bottom-line in 21st century Britain:

> ...Back to I, Daniel Blake.
>
> The film was motivated by the passing of the Welfare Reform Act 2012 - which was designed to make it harder for people to receive and stay on income support systems relating to unemployment and sickness.
>
> Former PM David Cameron spoke to the bill saying

> Where we back those who work hard and do the right thing ... Building that society is simply not possible without radically reforming welfare ... Ending the nonsense of paying people more to stay at home than to get a job - and finally making sure that work really pays ... What these examples show is that we have, in some ways, created a welfare gap in this country between those living long-term in the welfare system and those outside it.
>
> Those within it grow up with a series of expectations: you can have a home of your own, the state will support you whatever decisions you make, you will always be able to take out no matter what you put in.
>
> This has sent out some incredibly damaging signals.
>
> That it pays not to work.
>
> That you are owed something for nothing.
>
> It gave us millions of working-age people sitting at home on benefits even before the recession hit.
>
> It created a culture of entitlement ...
>
> There are few more entrenched problems than our out-of-control welfare system and few more daunting challenges than reforming it ...
>
> It's about the kind of country we want to be - who we back, who we reward, what we expect of people, the kind of signals we send to the next generation."

That sets the scene for the movie.

The storyline is fairly simple and linear.

Ageing skilled worker has a heart attack and his medical staff say he cannot work. He tries to get the British sickness benefit as is his right as a citizen but is knocked back by the points system, which claims he can work.
(Bill Mitchell, "I, Daniel Blake - essential viewing, *Billy Blog*, December 5, 2016)

Mitchell has since summarized the absurdity of the neoliberal agenda which has underpinned and driven this sociopathic determination to 'balance the budget' at the expense of the vulnerable in Western societies:

> Readers who have now seen the latest Ken Loach movie - I, Daniel Blake - will know the frustration that it depicts when a disadvantaged citizen is confronted with the reality of having to deal with a national welfare agency. Many readers, presumably, have first hand experience of the labyrinthic procedures, rude staff, endless waiting on telephone lines, threatening letters and the rest of the wall that neo-liberal governments have erected to discourage access and/or push people off welfare benefits.
>
> While this access and receipt became a right of citizenship in the social democracies that emerged after the Second World War, the neo-liberal era has degraded those rights in favour of a bean-counter interpretation of the world - welfare payments are dollars that can always be saved to balance fiscal accounts and every opportunity should be taken to do so.

Australia is way ahead of the game in terms of using government policies and processes to punish and isolate our most disadvantaged citizens so the Government can reduce its welfare spending a few million. We now allow our Government to implement the work of sociopaths and threaten poor citizens with imprisonment on the basis of half-cocked 'automatic computer-matching' algorithms that are allegedly tracking welfare fraud.

The evidence suggests these processes are massively buggy and deliver wrong outcomes in almost all the cases of fraud they claim to detect. However, that hasn't stopped the government from sending out tens of thousands of letters to the most disadvantaged among us accusing these people of receiving thousands of dollars in illegitimate welfare payments and threatening criminal prosecution if these alleged overpayments (now debts) are not paid back.

Mostly, it seems, the debts are illusory - mistakes by the ingenious (not!) algorithm that was introduced to replace people sacked by the austerity push - sorry, by the Government's "efficiency dividend" policy. Some people should be prosecuted for breaching human rights in this latest scandal!

...The whole exercise reeks of the sort of cruel disdain for people that drives austerity.

These interactions with people are designed to discourage access to what is a right of citizenship. But also, as Peter Martin surmises (and I agree) the letters demonstrate that Centrelink just "didn't know what they were doing".

Even the Minister apparently didn't know about the "10 per cent recovery fee" that was demanded in the letters.

The final observation is that the Minister for Human Services, the Treasurer and the Finance Minister - all part of the phalanx driving austerity and preaching rectitude are all 'devout' Christians.

They front a corps of evangelical types in the Liberal and National parties, many of whom are driving the 'new conservatism' noted above. The 'holier than thou' crew!

The Treasurer, an evangelical Christian who is part of a Pentecostal church in Sydney and who is driving these cutbacks etc, told the Parliament of Australia in his maiden speech that:

> So what values do I derive from my faith? My answer comes from Jeremiah, chapter 9:24: I am the Lord who exercises loving-kindness, justice and righteousness on earth; for I delight in these things, declares the Lord."

The Lord might have declared a love of "kindness, justice and righteousness on earth" but Morrison and his Ministerial mates certainly only demonstrate hypocrisy of the tallest order.
(Bill Mitchell, œThe Centrelink letters - a clear breach of human rights, *Billy Bog*, January 5, 2017)

995 Of course, pension assets and mutual funds do need to be protected - at present they are all-too-often poorly differentiated from other global fund management activities - but this is best done through similar guarantees to those provided to bank deposits under US FDIC regulations (see œFederal Deposit Insurance for an example of this kind of insurance, also œA History of the FDIC 1933-1983 for a historical

contextualization), not by providing a blanket stimulus package to the global fund management sector.

[996] For more on the nature of Investor-State dispute settlement (ISDS) mechanisms see this UNCTAD discussion: œRecent Trends in IIAS and ISDS, Prepared by UNCTAD's IIA Team in advance of the Expert Meeting on "The Transformation of the International Investment Agreement Regime" from 25-27 February 2015 in Geneva.

See also the final report of the above meeting: œReport of the Expert Meeting on the Transformation of the International Investment Agreement Regime: The Path Ahead (UNCTAD, Geneva, 17 April 2015).

Don Quijones has given a clear explanation of the kinds of leverage available to corporate interests through Investor-State dispute settlement (ISDS) mechanisms:

> ...In 2009, Pacific Rim filed a private lawsuit - what is referred to in the impenetrable jargon of modern globalism as an Investor-State Dispute Settlement (ISDS) - against the government of El Salvador for $301 million, equivalent to just over 2% of the country's $24 billion GDP. As BBC World reports (in Spanish), the amount is equivalent to three years' combined public spending on health, education and security....
>
> ...According to Luis Parada, a coordinator of a team of lawyers defending El Salvador, "what is ultimately at stake is whether an overseas company can use the international arbitration system to force a sovereign state to change its laws. Or whether it's the overseas investor who must comply with the laws of the country in which he has decided to invest."
> (Don Quijones, œCorporation vs. Nation: The Ultimate Showdown: No Trial, No Judge, No Jury, *Wolf Street*, October 3, 2015)

[997] Dani Rodrik has weighed in on the merits of the various models. As he says,

> ...The trouble is that the real world has not lined up so neatly with trade economists' assumptions. Critics of trade agreements have marshaled countless anecdotes about the adverse effects of imports on wages and employment in affected communities. Recent empirical work by three academic economists - David Autor (MIT), David Dorn (University of Zurich), and Gordon Hanson (UC-San Diego) - shows that the critics have a point (and then some).
>
> Autor, Dorn, and Hanson document that the expansion of Chinese exports has produced "substantial adjustment costs and distributional consequences" in the US. In regions with industries hit hard by competition from Chinese imports, wages have remained depressed and unemployment levels elevated for more than a decade. Falling employment in such industries was expected; the surprise was the absence of offsetting employment gains in other industries.
>
> Advocates of trade agreements have long maintained that deindustrialization and the loss of low-skill jobs in advanced economies have little to do with international trade; they are the product of new technologies. In the current TPP debate, many prominent proponents still cling to this line. In light of the new empirical findings, such nonchalance toward trade has become untenable. (The Petri-Plummer model does indicate that the TPP will

accelerate the movement of jobs from manufacturing to services, a result that the pact's advocates do not trumpet.)

Economists do not fully understand why expanded trade has produced the negative consequences for wages and employment that it has. We do not yet have a good alternative framework to the kind that trade advocates use. But we should not act as if reality has not severely tarnished our cherished standard model. It would be far better to consider the full range of possibilities highlighted by the models on offer, instead of putting all the weight on a single one...

The bottom line is that neither side's models generate numbers reliable enough on which a case for or against the TPP can be made. Just about the only thing we can say with some certainty is that there will be winners and losers. Perhaps the agreement will galvanize investment and knowledge flows across the Pacific, giving the world economy a much-needed boost. Perhaps not. But those who believe that this trade agreement, like previous ones, will provide lopsided benefits have ample reason to be concerned.
(Dani Rodrik, œThe Trade Numbers Game, *Project Syndicate*, February 10, 2016)

998 (28/09/16) Those neoliberal ideologues are not resting on their laurels (or dare one say 'Nobel laurels'). Every day, new apologies for, or bare-faced promotions of, neoliberally driven 'globalization' appear in the various media. Robert Shiller is merely their latest champion. The future for Robert is a world without 'barriers'; a world of weakened, and ultimately superseded, nation-states; displaced in a "transition to a more just global economy". As one of the commenters on Shiller's utopian (dystopian?) vision of an apparently looming and inevitable 'coming anti-national revolution' has said,

> This article is an excellent example of new Elite apologia. The New Elite Agenda is actually for a "refeudalisation" of society to restore their historical privileges. But - like Elites throughout history - they seek to weave a cloak of virtue to conceal the nakedness of this self-interest.
> (Stephen Morris, commenter on: œThe Coming Anti-National Revolution, *Project Syndicate*, September 19, 2016)

999 (03/05/16) Bill Mitchell has given a clear description of the 1970s (and later) neoliberal agenda:

> The reality was that what they wanted was for the state to use its powers to tilt the economy (its distributional processes) more heavily towards the corporate sector and the financial market sector ('Wall Street'), in particular.
>
> While the Left was conned into believing that the policy options were becoming limited in the face of an increasingly globalised world, the Right were much smarter and knew they had to compromise the state and advance its agenda through the capacities they knew were the monopoly of the state - currency-issuance, legislative fiat, and the power to set the regulatory environment.
>
> How the Left was led down the path of ignorance is a testament to both the ingenuity of the Right and the machinery it set up to regain control of the policy agenda and the increasing splintering of the Left into peripheral 'post modern' deconstructions. Somehow, class

> struggle was no longer central to a lot of Leftist thinking and, in its place was a massive investment of time and energy into gender, race and sexuality type issues.
>
> But in leaving the main game to the Right, the Left helped to reinforce the neo-liberal hegemony and the myths (dishonesty) that created it and upon which it still rests.
>
> As part of this evolution, the US government became the international political conduit for 'Wall Street' influence and the growing influence of the 'City' in London, also allowed these neo-liberal ideas to permeate the policy making circles in Britain and, specifically, the upper echelons of the British Labour Party.
>
> But it wasn't just a permeation that was going on. The US used institutions such as the IMF to conduct brute force attacks on the prosperity of nations to undermine the viability of their public sectors and to shift more of the national income and national assets into the hands of capital.
>
> It was a brazen and very determined shift in world affairs. (Bill Mitchell, œThe metamorphosis of the IMF as a neo-liberal attack dog, *Billy Blog*, May 3, 2016)

Scott Jay has posed the question: 'why has the Left specifically failed to resist neoliberalism?' His answer:

> ...In the face of unrelenting neoliberalism, the international Left has embraced postmodernism, not in theory but in practice, putting style over substance and feel good moments and flashy leaders over the brute reality of resisting capitalist exploitation. The Postmodern Left does not reject metanarratives or objective reality in theory. In fact it embraces the metanarrative of its own centrality to altering the course of history, but when it finds itself at the center of historical development, then history is treated like an ethereal, formless blob that nobody can make any sense of. It simply happens, and no options are possibly available that can shape it. Once the Left is placed in the driver seat, there is no alternative other than to passively participate in the machinations of the system. Anything else is just too difficult.
>
> The Postmodern Left avoids building actual power among the poor and the oppressed, instead focusing on self-promotional spectacles which feel like struggle and power but are entirely empty.
>
> The Postmodern Left talks about "class struggle unionism" then carries out pension reform in the name of a balancing the budget and then insist that they never supported any such thing because words are meaningless and have no relationship to objective reality.
>
> The Postmodern Left is detached from reality because it makes its own reality.
>
> The Postmodern Left does not believe in postmodernism. The Postmodern Left is postmodernism...
>
> The Postmodern Left is not the result of the declining relevance of objective reality. On the contrary, it has a solid material base from which it arises, and to which it is shackled, specifically in the Non-Governmental Organization (NGO) form. Under neoliberalism, the destruction of social welfare programs and other sources of stability for working class people have been replaced by services granted by NGOs, funded by foundations and governmental grants as well as

> directly from corporations. This organizational form has extended beyond the service sector and into the Left itself, where protest movement organizations can build up an infrastructure of full-time staff members through many of these same grants. The problem for NGOs, then, is to challenge the status quo without challenging the elite sources which fund the operation. This has proven to be an impossible problem to solve, and instead NGOs have served to reproduce neoliberalism rather than challenge it.
> (Scott Jay, œThe postmodern left and the success of neoliberalism, *Libcom.org*, Jan 5 2016)

Bill Mitchell has examined the issues in a blog entry entitled "The Left confuses globalisation with neo-liberalism and gets lost". As he concludes:

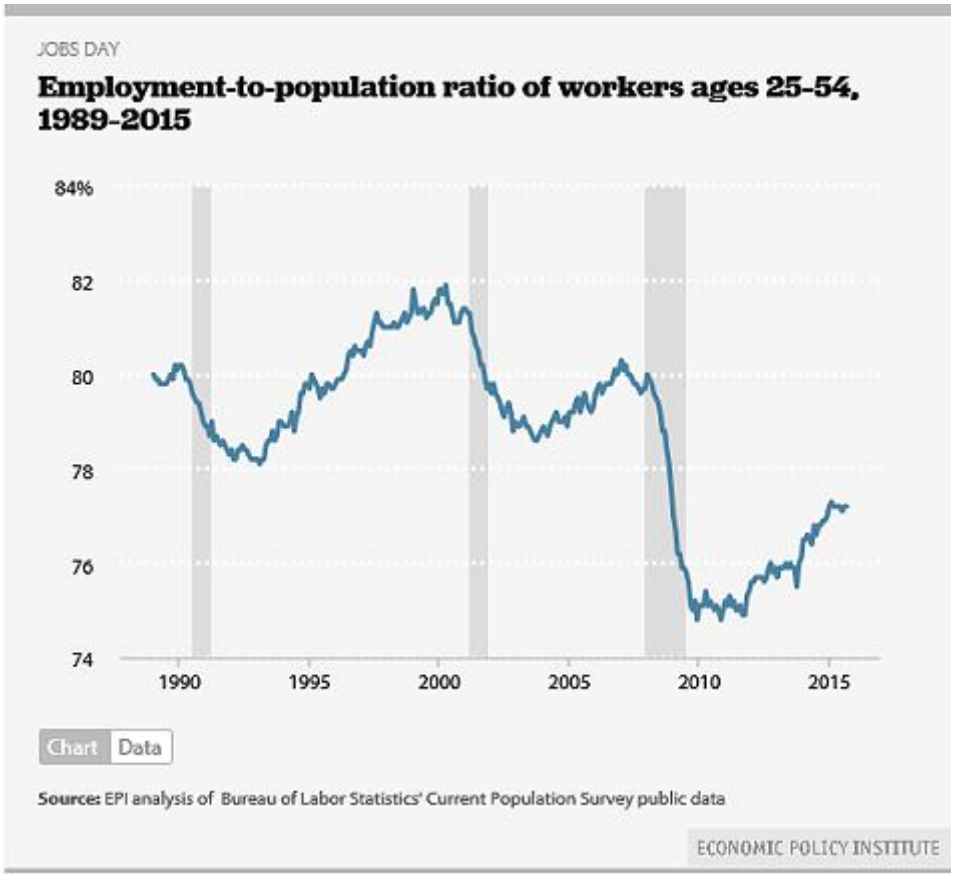
> ...[T]he problem is not the global trends in supply chains etc. Rather it is that their elected representatives have become co-opted by neo-liberal elites who fully understand that state power can be skewed to work in their favour and deprive a vast majority of citizens of the benefits of such global economic activity.
>
> But until we abandon democracy (voting out governments), we have power if we choose to use it. We can force changes in the political system so that it works more for us and not the top-end-of-town.
>
> Perhaps the anger now being unleashed is a start of that fightback.
>
> The problem is that the Left is not leading the charge. It is leaving that to the crazy popularists while it crafts ever more ridiculous arguments to justify 'austerity lite' type policies to make them look responsible.
>
> The reference group they seek to appeal to though is the neo-liberal elites - which means the Left is going nowhere.
> (Bill Mitchell, œThe Left confuses globalisation with neo-liberalism and gets lost, *Billy Blog*, April 27, 2016)

In an earlier post, he sketched the way in which 'the British Labour Party were infested with the Monetarist virus in the late 1960s'. As he explains:

> ...[T]he British Labour Prime Minister James Callaghan's speech to [the] Labour Party Conference held at Blackpool on September 28, 1976 was laced with pro-Monetarist assertions that have been used by many on the Left as being defining points in the decline of the state to run independent domestic policy aimed at maintaining full employment....
>
> Margaret Thatcher was, in fact, a 'johnny-come-lately' in this respect. The British Labour Party were infested with the Monetarist virus in the late 1960s and Callaghan's 1976 Speech just consolidated what had been happening over the decade prior. Further, it was not the oil crisis in the early 1970s that provided the open door for governments to reject Keynesian policy. In Britain, the Treasury and Bank of England were captivated by the ideas of Milton Friedman some years prior to the OPEC price push.
> (Bill Mitchell, œThe British Monetarist infestation, *Billy Blog*, February 25, 2016)

1000 Elise Gould, in a 2015 posting on the *Working Economics Blog* site, has illustrated this problem for the US. As she explained:

Another way to get at the same story is to look at the prime-age employment-to-population ratio (EPOP), one of the best indicators of labor market health... To put this year's prime-age EPOP of 77.2 percent in perspective, it is still below the lowest point of the previous two business cycles. In fact, in the last business cycle, the prime-age EPOP trough was 78.6 percent, 1.4 percentage points higher than we are now. The closest we got to today's rate was back in 1993, when prime-age EPOPs bottomed out at 78.1 percent, still 0.9 percentage points higher than today.



For the labor market to be truly expansionary, we need to see faster job growth - to employ the new labor market entrants, unemployed workers, and the 4 million missing workers who have left or never entered the labor market because of weak job opportunities. (Elise Gould, œWhat to watch on Jobs Day: Job growth has only been fast enough to keep up with population growth, *Economic Policy Institute*, Working Economics Blog, Posted November 5, 2015)

1001 Oren Cass has explained the problem well:

The often-cited alternative to an increased minimum wage, the earned-income tax credit, gets rave reviews from economists and politicians from both parties. The credit, paid to low-income households as a tax refund, increases as income initially grows, and then decreases as income goes above the poverty line.

On the blackboard, this approach appears ideal. Low-wage workers benefit from additional income, but employers do not face new costs that might drive them to reduce hiring or increase prices. To the contrary, the program functions as a subsidy from which employee and employer both benefit, expanding the labor force by producing an incentive to offer and accept low-wage work.

> But life is messier than a crisply drawn supply-and-demand graph. A worker receives the tax credit as an after-the-fact lump sum, producing a boom-and-bust cycle for household finances. Twenty percent of eligible households fail to claim the credit, and even among claimants, most of them do not understand its calculation or what portion of their refund it contributes, diluting its incentive. Even worse, because the credit phases out as earnings increase, many households face a significant disincentive to work longer hours or have another member work.
> (Oren Cass, œA Smarter Way to Raise Paychecks, *The New York Times*, Opinion Pages, September 10, 2015)

1002 (16/03/16)(11/01/17) A word of caution on Krugman's position: Krugman believes (or at least used to believe - I am unsure of his current views though I suspect they have modified over time - but œnot by much!) in the virtues of free trade and globalization, however, he wants to mitigate the effects of the consequences. So, he writes as a person concerned for mitigating effects, while still supporting the fundamental causative policies. Rather like a Climate Change Denier who, while believing that climate change isn't happening, sees the consequences and wants to mitigate their impacts in people's lives.

Paul Krugman is, primarily, a populist writer who writes to a particular, 'liberal', audience which is looking for 'authoritative' support. In this neoliberal age, such commentators are hard to find. However, while he provides this support (his responsibility as a *New York Times* columnist seems to be to satisfy this segment of its readership - which he usually accomplishes well!), he is torn between expressing acceptable 'liberal' commentary and retaining some credibility amongst mainstream economists (considered his true peers).

When almost all the 'authoritative' economic voices are neoliberal, retaining credibility means periodic public reaffirmation of basic neoliberal understandings - even if that, from time to time, means irritating his readership. One sometimes feels an urge to ask: "Would the real Paul Krugman please stand up"!

Bill Mitchell has given a clear critique of some of Krugman's ideas. His assessment:

> It was always going to happen. Several prominent New Keynesians both in the US and the UK have been hiding behind a smokescreen they erected during the Global Financial Crisis to allow their readers to form the view that they were not part of the problem. That they were different from the more rabid anti-deficit economists and that they had a deep understanding of why the crisis occurred and what the solutions were.
>
> For a while they masqueraded under the aegis of promoting the discretionary use of fiscal deficits (increasing them nonetheless) to stimulate growth in output and employment. They were seen by many who have a lesser understanding of economics as being progressive economists. The British Labour leader even had some of them on his inner advisory team. But the masks can only stay on so long. Yesterday, one of the most prominent of these characters, Paul Krugman came out! He is not progressive at all. He is a New Keynesian with all the IS-LM baggage that they cannot let go of.
> (Bill Mitchell, œPaul Krugman's ideas are part of the problem, *Billy Blog*, January 10, 2017)

Much of the confusion which people often feel in trying to come to grips with economic solutions to social problems stems from similar mismatches between basic economic presumptions and massaged explanations/ mitigations of social outcomes. The consequence is that for many, economics seems to be just too difficult to get one's head around: "The confusion I feel must be because I am missing something!"

George DeMartino and Ilene Grabel have summed up the problem over the past three decades well:

> The sad fact of the matter is that Detroit suffers today from international trade and international financial policies of the past two decades that Krugman himself, and indeed many other leading international economists embraced. It was not so long ago that leading international economists, Krugman included, advocated strongly for the North American Free Trade Agreement (NAFTA), the WTO, and just about ever other neoliberal international agreement that came down the pike. At the time the champions of neoliberalism ridiculed anyone who raised virtually any concerns about the agreements. Labor and human rights advocates, environmentalists and child's rights advocates were branded as well meaning but ignorant, sanctimonious, or simply self-interested.
>
> What seemed to escape the attention of the leading international economists at the time was that by opening up the world to free trade and free financial flows, without at the same time attending to basic labor and human rights and environmental protections, the extraordinary opportunities that the new policy regimes would create for massive corporate tax avoidance and evasion (and hence fiscal crises), and the failure of the US and no doubt other governments to make meaningful provision in advance for the extraordinary adjustment costs that these agreements would entail, they essentially ensured that defaults on the scale of Detroit would be highly likely if not inevitable...
> (George DeMartino and Ilene Grabel, œFiscal Crises: Coming To A City Near You?, *Triple Crisis*, July 29, 2013)

I guess my main problem with Krugman is that when it really mattered, when a sane, intelligent voice was desperately needed, Krugman was missing in action. His often intelligently vitriolic denunciations of those who saw the looming dangers of both globalization and free trade did much to confuse and stifle opposition to the neoliberal deregulatory drive of the 1980s and early 1990s.

James Galbraith (2009), commenting on an essay by Paul Krugman (œHow Did Economists Get It So Wrong? *New York Times Magazine*, September 6, 2009), succinctly explained why apparently 'liberal' economic commentaries so frequently lead to neoliberal conclusions:

> Krugman's entire essay is about two groups, both deeply entrenched at (what they believe to be) the top of academic economics. Both are deeply preoccupied with their status and with a struggle for influence and for academic power and prestige - against the other group. Krugman calls them "saltwater" and "freshwater" economists; they tend to call themselves "new classicals" and the "new Keynesians" - although one is not classical and the other is not Keynesian. One might speak of a "Chicago School" and an "MIT School" - after the graduate programs through which so many passed. In truth, there are no precise labels, because the differences between them are both secondary and obscure.

> The two groups share a common perspective, a preference for thinking along similar lines. Krugman describes this well, as a "desire for an all-encompassing, intellectually elegant approach that also gave economists a chance to show off their mathematical prowess." Exactly so. It was in part about elegance - and in part about showing off. It was not about ... the economy. It was not a discussion of problems, risks, dangers, and policies. In consequence, the failure was shared by both groups. This is the extraordinary thing. Economics was not riven by a feud between Pangloss and Cassandra. It was all a chummy conversation between Tweedledum and Tweedledee. And if you didn't think either Tweedle was worth much - well then, you weren't really an economist, were you?
> (James K. Galbraith, œWho Are These Economists, Anyway?, *Thought and Action*, Fall 2009, pp. 85-97)

Tom Palley's (2014) article on Milton Friedman's influence on the economics profession is useful in understanding why 'liberal' economic solutions all-too-often presume neoliberal dogmas. As he summarized:

> Friedman's professional triumph is testament to the weak intellectual foundations of the economics profession which accepted ideas that are conceptually and empirically flawed. His success has taken economics back in a pre-Keynesian direction and squeezed Keynesianism out of the academy. Friedman's thinking also frames so-called new Keynesian economics which is simply new classical macroeconomics with the addition of imperfect competition and nominal rigidities. By enabling the claim that macroeconomics is fully characterized by a divide between new Keynesian and new classical macroeconomics, new Keynesianism closes the pincer that excludes old Keynesianism.
> (Thomas I. Palley, 2014, œMilton Friedman's economics and political economy: an old Keynesian critique, forthcoming in Robert Cord (ed.), *Milton Friedman: Contributions to Economics and Public Policy*, Oxford University Press, forthcoming, 2015)

Olivier Blanchard, in an NBER working paper entitled 'The State of Macro', spelt out the major focusses of the post-Keynesian revolution in macroeconomics:

> When they launched the "rational expectations revolution", Lucas and Sargent (1978) did not mince words:
>
> > That the predictions [of Keynesian economics] were wildly incorrect, and that the doctrine on which they were based was fundamentally flawed, are now simple matters of fact, involving no subtleties in economic theory. The task which faces contemporary students of the business cycle is that of sorting through the wreckage, determining what features of that remarkable intellectual event called the Keynesian Revolution can be salvaged and put to good use, and which others must be discarded.
>
> They predicted a long process of reconstruction:
>
> > Though it is far from clear what the outcome of this process will be, it is already evident that it will necessarily involve the reopening of basic issues in monetary economics which have been viewed since the thirties as "closed" and the re-evaluation of every aspect of the institutional framework within which

monetary and fiscal policy is formulated in the advanced countries. This paper is an early progress report on this process of re-evaluation and reconstruction.

They were right. For the next fifteen years or so, the field exploded. Three groups dominated the news, the new-classicals, the new-Keynesians, and the new-growth theorists (no need to point out the PR role of "new" here), each pursuing a very different agenda:

The new-classicals embraced the Lucas-Sargent call for reconstruction. Soon, however, the Mencheviks gave way to the Bolcheviks, and the research agenda became even more extreme. Under Prescott's leadership, nominal rigidities, imperfect information, money, and the Phillips curve, all disappeared from the basic model, and researchers focused on the stochastic properties of the Ramsey model (equivalently, a representative agent Arrow-Debreu economy), rebaptized as the Real Business Cycle model, or RBC. Three principles guided the research: Explicit micro foundations, defined as utility and profit maximization; general equilibrium; and the exploration of how far one could go with no or few imperfections.

The new-Keynesians embraced reform, not revolution. United in the belief that the previous vision of macroeconomics was basically right, they accepted the need for better foundations for the various imperfections underlying that approach. The research program became one of examining, theoretically and empirically, the nature and the reality of various imperfections, from nominal rigidities, to efficiency wages, to credit market constraints. Models were partial equilibrium, or included a trivial general equilibrium closure: It seemed too soon to embody each one in a common general equilibrium structure.

The new-growth theorists simply abandoned the field (i.e. fluctuations). Lucas' remark that, once one thinks about growth, one can hardly think about something else, convinced many to focus on determinants of growth, rather than on fluctuations and their apparently small welfare implications. Ironically, as the Ramsey growth model became the workhorse of the new-classicals, much of the progress on the growth front was made by examining the implications of various imperfections, from the public good nature of knowledge and the nature of R & D, to externalities in capital accumulation.

Relations between the three groups - or, more specifically, the first two, called by Hall "fresh water" and "salt water" respectively (for the geographic location of most of the new-classicals and most of the new-Keynesians) - were tense, and often unpleasant. The first accused the second of being bad economists, clinging to obsolete beliefs and discredited theories. The second accused the first of ignoring basic facts, and, in their pursuit of a beautiful but irrelevant model, of falling prey to a "scientific illusion." (See the debate between Prescott and Summers (1986)). One could reasonably despair of the future of macro (and, indeed, some of us came close (Blanchard 1992)).
(Olivier J. Blanchard, œ*The State Of Macro* , Working Paper 14259, NBER Working Paper Series, August 2008, pp. 3-5)

[1003] For other forces involved see œStagflation: From Tragedy to Farce and the accompanying comments (*Naked Capitalism*, Posted on August 16,

2022 by Yves Smith)

1004 (29/08/17) In the long run it matters little whether countries and communities are invaded militarily or through 'foreigners bearing gifts'. If the aim of the invasion is accessing the raw materials of the country or community, then, to paraphrase Liz Wily (2011), traditional rights to land and resources will be steamrollered in the name of a warped and outdated view of economic development.

This is, indeed, the 'development' of their own nations by those 'foreigners' at the expense of others. Living well beyond their own, internal environmental means.

When, as is the 21st century case in China and elsewhere, imports are primarily raw materials and exports primarily manufactured products, then they are artificially expanding their available resource bases through appropriating those of others and, in the process, reorganizing the peoples and environments of those places to facilitate their access to the resources.

As Wily concludes:

> The sheer scale of this globalized land acquisition at scale is indicative of a tipping-point in the globalization of the land market. It signals the opening up of virtually all economies and land classes to externally derived land purchases or leases.
>
> This is unlikely to be reversible.
>
> The implications for polarisation in the ownership of natural resources are immense. They are also alarming, considering that they occur in environments where industrialisation has not taken off and where opportunities for alternative wage employment for those deprived of their land are scarce.

Of course, the unfortunate dispossession of millions of rural people around the world, sacrificed to the overwhelming necessity for global agricultural and other primary resource development required by a rapidly industrializing world has not gone unnoticed.

As industrialized nations step up their pursuit of 'under-utilized' and 'untapped' resources around the world, international organizations publish their intentions to protect those suffering invasion and dispossession. The United Nations has provided one of the most comprehensive of these in their *2030 Agenda for Sustainable Development*. Here is their 'solution' to the problems facing those on the receiving end of the burgeoning 'development' activities of the industrialized world:

Sustainable Development Goals

Goal 1. End poverty in all its forms everywhere

Goal 2. End hunger, achieve food security and improved nutrition and promote sustainable agriculture

Goal 3. Ensure healthy lives and promote well-being for all at all ages

Goal 4. Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all

Goal 5. Achieve gender equality and empower all women and girls

Goal 6. Ensure availability and sustainable management of water and sanitation for all

Goal 7 Ensure access to affordable, reliable, sustainable and modern energy for all

Goal 8. Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all

Goal 9. Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation

Goal 10. Reduce inequality within and among countries

Goal 11. Make cities and human settlements inclusive, safe, resilient and sustainable

Goal 12. Ensure sustainable consumption and production patterns

Goal 13. Take urgent action to combat climate change and its impacts*

Goal 14. Conserve and sustainably use the oceans, seas and marine resources for sustainable development

Goal 15. Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss

Goal 16. Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels

Goal 17. Strengthen the means of implementation and revitalize the Global Partnership for Sustainable Development

(*United Nations*, "Transforming our world: the 2030 Agenda for Sustainable Development, 21 October 2015)

'Of making many lists there is no end...'. A Western aphorism says it all: 'The road to hell is paved with good intentions'. As a popular *Bee Gees* song of the 1970s put it: "It's only words..."

1005 Of course, because Kalecki is living in a time when credit creation is hobbled by the clumsy 1935 directive that the Federal Reserve must purchase government securities from the private sector, specifically, government securities dealers, he uses the term 'borrowing', more appropriate to the understandings of 1920s free-marketeers than to New Deal practices. Where Kalecki uses the term 'borrowing' one should, in line with his own explanation elsewhere, read 'credit creation'.

1006 This was not, of course, a new development of the late 20th century. Thomas Huxley (1893) described this attitude to the responsibilities of government in the second-half of the 19th century:

> According to their views, not a shilling of public money must be bestowed upon a public park or pleasure ground; not sixpence upon the relief of starvation, or the cure of disease.
>
> ...The State is simply a policeman, and its duty is neither more nor less than to prevent robbery and murder and enforce contracts. It is not to promote good, nor even to do anything to prevent evil,

> except by the enforcement of penalties upon those who have been guilty of obvious and tangible assault upon purses or persons.
> (1893, p. 258)

[1007] See Subsistence and status for a discussion of the nature of and relationship between 'private' and 'public' environments in Western communities.

[1008] Adam Smith had explained this two centuries earlier:

> The resolute firmness of the person who acts in this manner, and in order to obtain a great though remote advantage, not only gives up all present pleasures, but endures the greatest labor both of mind and body, necessarily commands our approbation.
> (1759 Part 4 Ch. 2)

[1009] See Natural Law and Perfection

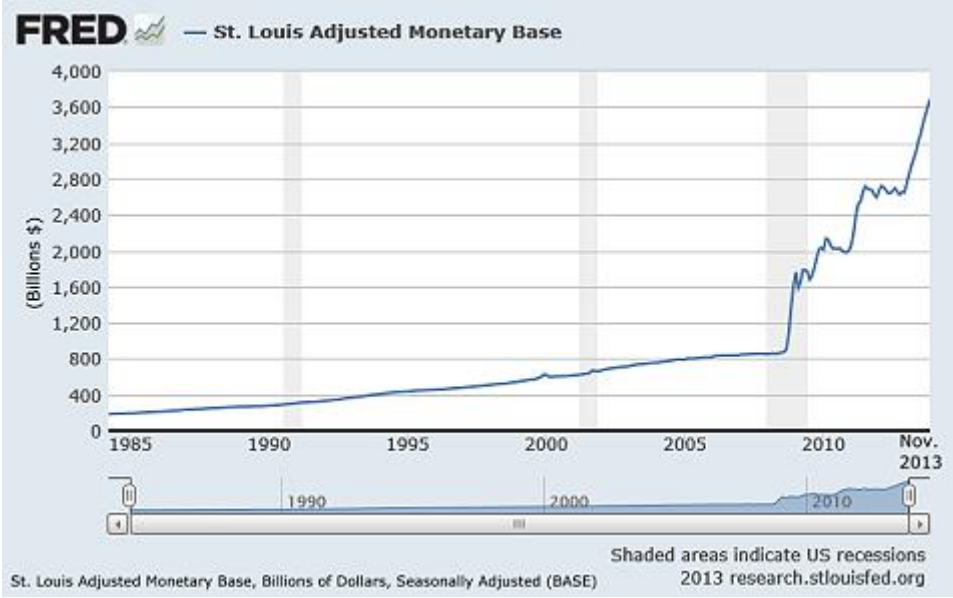
[1010] See Reciprocity and Exchange for discussion on the nature of reciprocity and exchange. The presumption that there is only one definition of human exchange, from which actual behavior deviates as a result of constraints and incentives imposed by society, seems to be based on a rather naive understanding of processes of categorization and classification and therefore of processes of human interaction.

[1011] The World Trade Organization statement of purpose would later explain this:

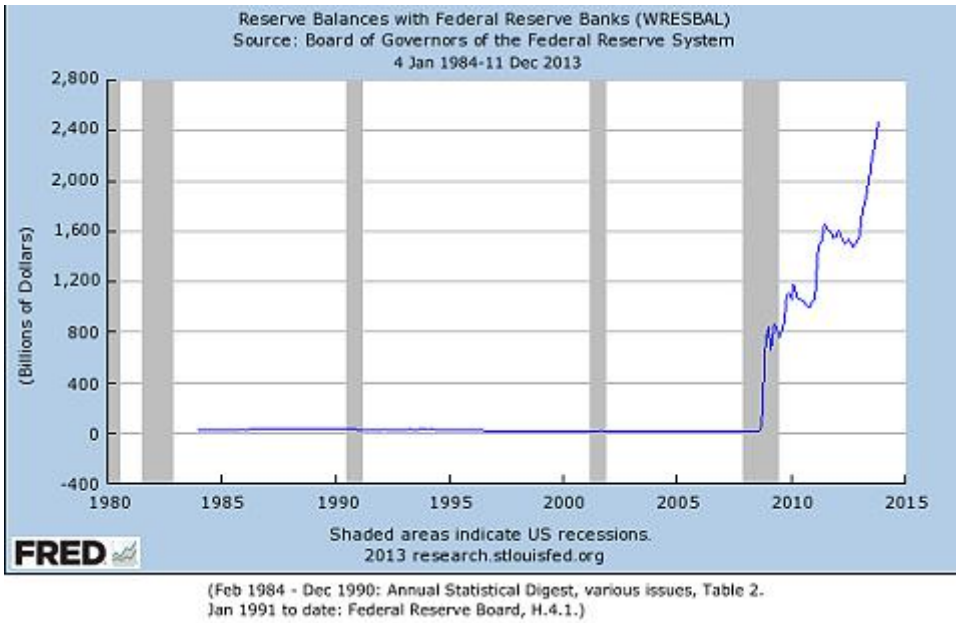
> The economic case for an open trading system based upon multilaterally agreed rules is simple enough and rests largely on commercial common sense...
>
> All countries, including the poorest, have assets - human, industrial, natural, financial - which they can employ to produce goods and services for their domestic markets or to compete overseas.
>
> Economics tells us that we can benefit when these goods and services are traded. Simply put, the principle of "comparative advantage" says that countries prosper first by taking advantage of their assets in order to concentrate on what they can produce best, and then by trading these products for products that other countries produce best.
>
> In other words, liberal trade policies - policies that allow the unrestricted flow of goods and services - sharpen competition, motivate innovation and breed success. They multiply the rewards that result from producing the best products, with the best design, at the best price.
> (œWTO)

The graphs below show US monetary base expansion from 1984 to 2013:

The US Monetary Base (in billions of dollars, seasonally adjusted) as at November 30 2013 (2013-12-11: 3,715.719 Billions of Dollars)

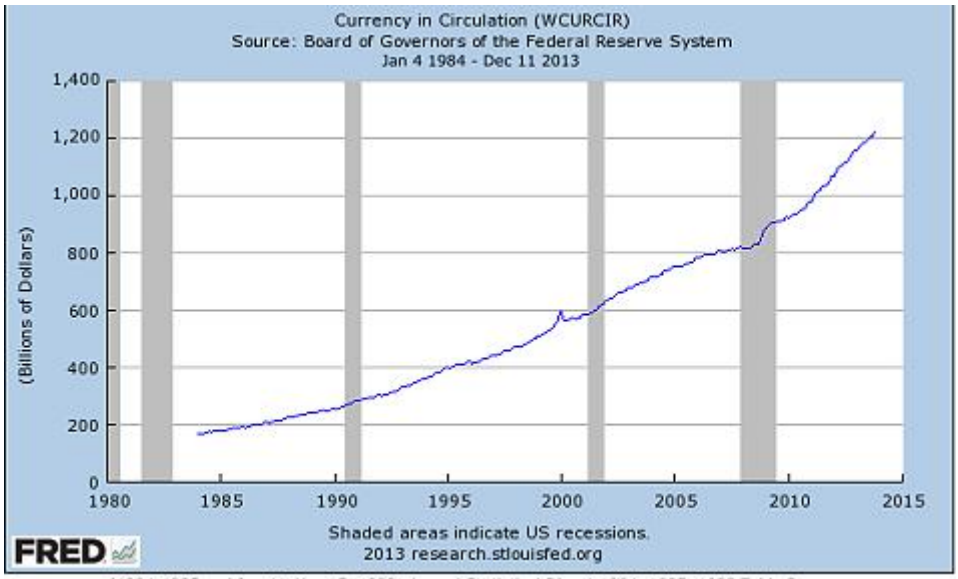


Bank reserves held with Federal Reserve Banks (in billions of dollars) from January 4 1984 to December 11 2013 (2013-12-11: 2,524.024 Billions of Dollars)

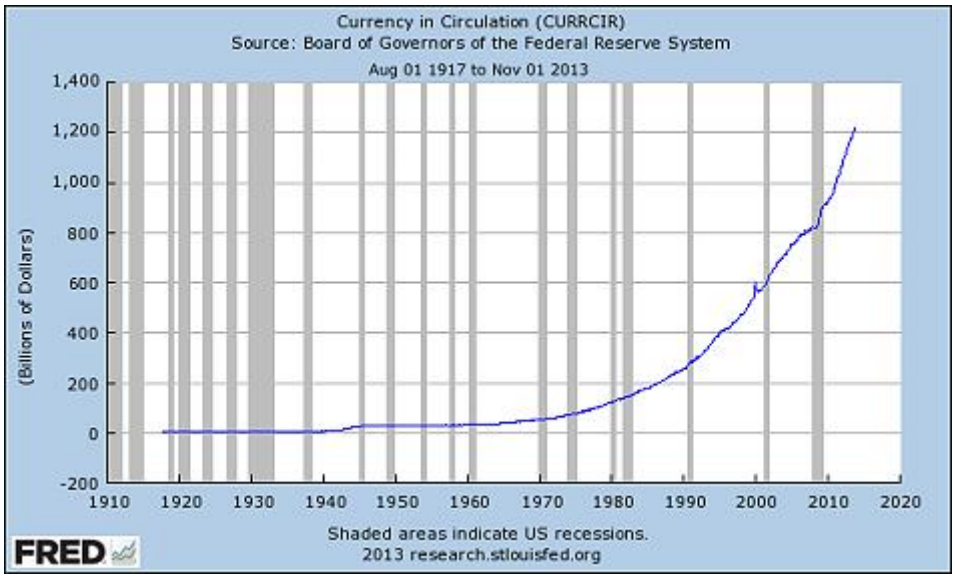


(Reserve balances with Federal Reserve Banks are the difference between "total factors supplying reserve funds" and "total factors, other than reserve balances, absorbing reserve funds." This item includes balances at the Federal Reserve of all depository institutions that are used to satisfy reserve requirements and balances held in excess of balance requirements. It excludes reserves held in the form of cash in bank vaults, and excludes service-related deposits.)

And, US Currency in Circulation (2013-12-11: 1,227.537 Billions of Dollars)

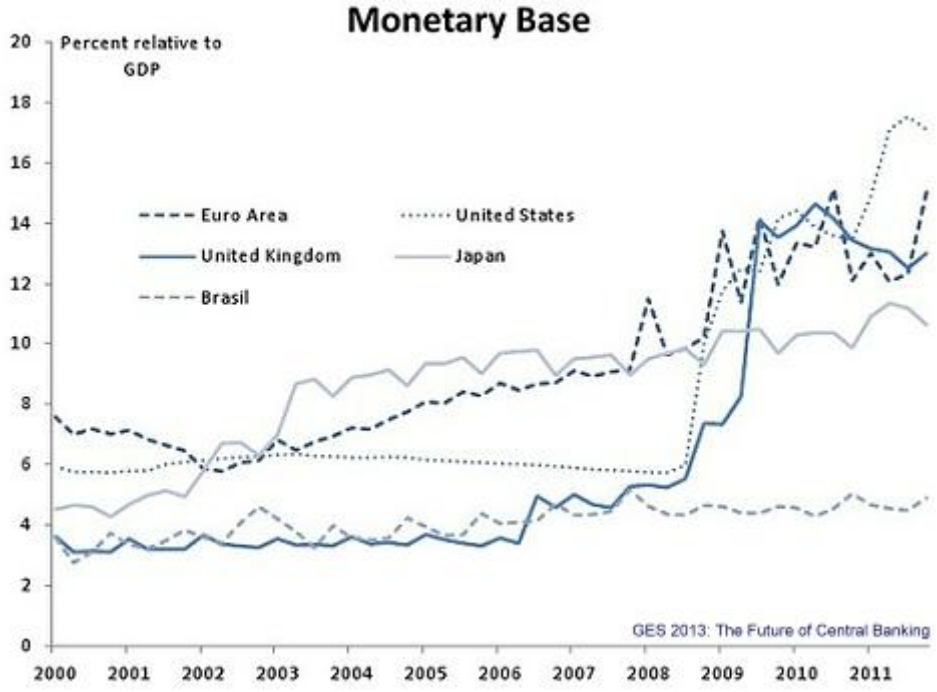


(1984-1985 and Jan 11-Mar 15, 1989: Annual Statistical Digest 1984, 1985, 1989 Table 2.
Jan 8, 1986 to date except weeks ending Jan 11, 1989 - Mar 15, 1989: Federal Reserve Board H.4.1.)



(Currency in circulation includes paper currency and coin held both by the public and in the vaults of depository institutions. The total includes Treasury estimates of coins outstanding and Treasury paper currency outstanding. This definition of currency in circulation differs from the currency component of the money stock, a measure of currency used in some other Federal Reserve reports (for example, the H.6 release), which excludes currency held in vaults of depository institutions.)

Here, for contextualization, is an international comparison of post-2007 monetary base expansion prepared for the 2013 Global Economic Symposium discussion, 'œThe Future of Central Banking: Inflation Targeting versus Financial Stability ':



1012 The *Investopedia* explanation of the nature of 'monetary authorities', which claims that 'in modern economies, the central bank is responsible for the formulation of monetary policy', relies on the presumption that central reserve authorities are entirely independent institutions, responsible for setting their own 'policies'.

The reason why this claim is often made is that, in neoliberal, *laissez faire* economies, it is assumed that central banks should be independent entities, responsible and responsive to private money markets and so governments are assumed not to be involved (or have a secondary role, relying on the guidance of central reserve authorities) in the formulation of monetary policy.

When democratic governments rely on neoliberal understandings, this leads to real confusion as to who is ultimately responsible for setting monetary policy, with governments being required to 'borrow' from central banks as though they were private entities.

To reiterate the obvious: in truly democratic sovereign states, technocrats within administrative departments, institutions and agencies should *never* be allowed to usurp the prerogatives of government: the formulation of the policies they are responsible for implementing.

Politically determined policies may, at the discretion of political decision making bodies, sometimes confer broad powers to technocrats but such powers should always be subject to political oversight. Ambiguous policy directives should *not be manipulated by technocrats*, they should be referred back to the political body responsible for framing them. Poor policy framing should never be allowed to excuse technocratic usurpation of political responsibilities.

Neil Wilson has succinctly commented on all this:

> There is a supply side shortage of Solomons. The philosopher kings do not exist. That's why we have democracy.
>
> The central bank should have no authority to change price or quantity. Its job is to clear the government's cheques as determined by the democratic process, regulate the banks so they only lend for the productive purpose and put them through administration when they go bust.

> Everything else should be decided by politicians. The governor of the central bank should be an anonymous civil servant in the same way that the head of the social security department is anonymous. They are given their orders by parliament and they execute them within those terms of reference.
> (Neil Wilson, Comment on Bill Mitchell's blog entry, œThe ECB should not become a fiscal agent, *billy blog*, February 21, 2017)

In a later comment on a Bill Mitchell blog posting Neil Wilson has suggested that the 2021 British relationship between its political and technocratic elites is similar to the old state/church confrontation (with the state subservient to the new quasi-religious authorities (Henry II must be spinning in his grave!):

> What we're seeing here... is the ancient battle between the Church and the King playing out for a new generation.
>
> The elected government is still "The Crown" and has the powers of the King.
>
> The new technocratic elite have adopted the manners of "The Church", including high priests of doom, all speaking from sacred texts and censoring anybody who dares cross them. It's the new Holy Roman Empire.
>
> Labour have decided to back the Church.

Derek Henry, in a reply comment, summed it up:

> Fiscal policy is the devil - Walk this way and I will provide you with a loan instead.
> (Bill Mitchell, œIn the battle between government and the hedge fund gamblers - the government has all the cards, *Modern Monetary Theory*, October 28, 2021)

1013 Janet Yellen, chair of the US Federal Reserve Board, in a press conference, gave an appropriately cautionary response to a question posed by Greg Robb from *MarketWatch* :

Greg Robb:

> There's been a lot of discussion in last couple months about the slow pace of demand in the global economy, and some economists think that central banks should think about using helicopter money, maybe in Japan first or Europe first. But then, former Fed Chairman Ben Bernanke weighed in saying that he thought it would be a good thing for the Fed to put helicopter money in its toolkit in case there was a downturn in the United States. So I'd like to get your comments on that.

Janet Yellen:

> ... [I]n normal times, I think it's very important that there be a separation between monetary and fiscal policy, and it's a primary reason for independence of a central bank. We have seen all too many examples of countries that end up with high or even hyperinflation because those in charge of fiscal policy direct their central bank to help them finance it by printing money, and maintaining price stability and low and stable inflation is very much aided by having central bank independence.
>
> Now, that said, in unusual times where the concern is with very weak growth or possibly deflation - rather rare circumstances - first of all, fiscal policy can be a very important tool. And it's natural that

> if it can be employed that, just as monetary policy is doing a lot to try to stimulate growth, that fiscal policy should play a role. And normally, you would hope, in an economy with those severe downside risks, monetary and fiscal policy would not be working at cross purposes to get - but together.
>
> Now, whether or not in such extreme circumstances, there might be a case for, let's say, coordination - close coordination, with the central bank playing a role in financing fiscal policy; this is something that academics are debating, and it is something that one might legitimately consider. I would see this as a very abnormal, extreme situation where one needs an all-out attempt, and even then it's a matter that academics are debating, but only in an unusual situation
> (œTranscript of Chair Yellen's Press Conference, *US Federal Reserve Media Center*, June 15, 2016)

(30/09/16) Yellen's response echoes the (perhaps justifiable) fear amongst 'professionals' that if monetary and fiscal policy is left with politicians then disaster awaits (though the performance of 'professionals' has been less than inspiring over the past fifty years!). However, her fears merely underscore the need for 'professionals' to take their responsibility for counselling and educating politicians seriously.

A commenter on a blog posting by Paul Krugman has summed it up:

> "[A]usterity was the result of right-wing opportunism, exploiting instinctive popular concern about rising government debt in order to reduce the size of the state."
>
> Apparently, observing the obvious is all it takes to be deemed a trenchant mainstream economist.
>
> The question to be answered is: Why have 80 years passed and no countervailing political force disabused the public of such garbage? Or how about just the last 8 years? Or 24? And why have those mainstream economists - ostensibly "experts" on economics - (who are supposed to know better) kept lending their political support to their chosen political team when that team has repeatedly cowardly refused to take on the political responsibility of educating that public?
> (ReaganAnd30YearsOfWrong, Commenter, Paul Krugman, œA General Theory Of Austerity?, September 29 2016)

One can but dream that such education and counselling might echo Dan Kervick's (2012) explanation on a blog posting by Bill Mitchell:

> Every economic unit except a monetarily sovereign government is stock constrained. It can only spend in excess of its receipts by drawing down its net stock of financial assets, either by spending some of the stock directly, or by issuing a debt claim against that stock. Once the claims against the stock exceed the size of the stock, the unit is insolvent, and can only continue to spend if others are willing to accept its IOUs even in the face of apparent insolvency, granting credit.
>
> For a government like the government of Australia, the US, Japan or Canada, the whole notion that the government possesses a fixed "stock" of financial assets is a bookkeeping fiction. And if one insists on preserving that fiction and referring to the government's asset stock, one might as well view that government as having an infinite

stock. Flows into that bottomless stock do not change the quantity of assets; nor do payments out of the stock change the quantity. Debt claims against that stock do not push the government closer to insolvency, because there is no bottom. The government is not stock constrained; it is only policy constrained.

The chief policy constraints are price stability and full employment. The government's concerns are not with what happens to its infinite financial asset stock, which is a bookkeeping fiction, but only with the way in which flows into the government's infinite well or out of the government's infinite well affect policy aims in the non-governmental sector.

Also, debt is a legally binding promise to pay, and so all of these non-governmental units are bound by laws to their debts, laws that the unit itself does not control. But governments make the laws under which they, themselves operate, and if the makers of the laws - in the case of a democracy the sovereign people - find the laws onerous, they can change the laws.
(Dan Kervick, Commenter, œA voice from the past - budget deficits are neither good nor bad, *Billy Blog*, Tuesday, May 22, 2012)

1014 Reminiscent of Townsend's view of 16th century disenfranchised peasants. As Paul Krugman put it, discussing US presidential hopeful, Jeb Bush's views,

...The real source of his remark was the "nation of takers" dogma that has taken over conservative circles in recent years - the insistence that a large number of Americans, white as well as black, are choosing not to work, because they can live lives of leisure thanks to government programs.

You see this laziness dogma everywhere on the right. It was the hidden background to Mitt Romney's infamous 47 percent remark. It underlay the furious attacks on unemployment benefits at a time of mass unemployment and on food stamps when they provided a vital lifeline for tens of millions of Americans. It drives claims that many, if not most, workers receiving disability payments are malingerers - "Over half of the people on disability are either anxious or their back hurts," says Senator Rand Paul.

It all adds up to a vision of the world in which the biggest problem facing America is that we're too nice to fellow citizens facing hardship. And the appeal of this vision to conservatives is obvious: it gives them another reason to do what they want to do anyway, namely slash aid to the less fortunate while cutting taxes on the rich.

Given how attractive the right finds the image of laziness run wild, you wouldn't expect contrary evidence to make much, if any, dent in the dogma....
(Paul Krugman, œThe Laziness Dogma, *New York Times*, The Opinion Pages, July 13, 2015)

1015 Christopher Krupenyi *et al* have summed it up:

Central to everything that makes us human - including our distinctive modes of communication, cooperation, and culture - is our theory of mind (TOM). TOM is the ability to impute unobservable mental states, such as desires and beliefs, to others.
(Christopher Krupenye, Fumihiro Kano, Satoshi Hirata, Josep Call

and Michael Tomasello, œGreat apes anticipate that other individuals will act according to false beliefs, *Science*, 07 Oct 2016: Vol. 354, Issue 6308, pp. 110-114)

So, we are not describing some peculiar misstep in the evolution of neoliberal human brains. It's more likely to be a failure to evolve beyond basic cognitive skills shared with the great apes! Perhaps neoliberal devotees are drawn to its false-beliefs because they have not inherited that common human ability to discriminate between illusion and reality - they suffer from 'arrested-development'. As the authors explain:

> In human developmental studies, it is only after age 4 that children pass traditional false-belief tests, in which they must explicitly predict a mistaken agent's future actions.

The question is: Are those neoliberal believers to be pitied but corrected; or allowed to hold back the social/ political/ economic development of the rest of us through imposing the consequences of their immature cognitive skills on us?

We all know the consequences of following their lead in the years prior to the Great Financial Crisis.

We all know that the reality check the GFC provided barely registered in the continued advice and direction their major institutions provided following the crisis.

So, why on earth do we continue to treat any of them as credible guides into the future?

Bill Mitchell has summed it up:

> Go back to 2006 when all the true, neo-liberal believers were smugly declaring that the business cycle was dead and that more financial deregulation was required, apparently to enrich us all, whereas in reality, income inequality had been rising at rather stunning rate, such that the enrichment was being concentrated at the top-end-of-town.
>
> In its April 2006 - Global Financial Stability Report - which is a sister publication to the Fiscal Monitor, the IMF waxed lyrical about the strength of the "global financial system".
>
> We learned that:
>
>> ... globalization and financial innovations have advanced the scope for capital markets to channel credit to various users in the economy. In particular, the emergence of numerous, and often very large, institutional investors and the rapid growth of credit risk transfer instruments have enabled banks to manage their credit risk more actively and to outsource the warehous- ing of credit risk to a diverse range of investors. A wider dispersion of credit risk has "derisked" the banking sector, which still occupies a strategically important role in the economy, in part because of its role in the payments system. It is widely acknowledged, meanwhile, that holding of credit risk by a diverse multitude of investors increases the ability of the financial system as a whole to absorb potential shocks.
>
> Okay, the rest of the world now knows that this assessment was ridiculous given the circumstances that had emerged after two decades or so of financial market deregulation.

We now know that the financial sector was out of control by 2006 and on the verge of collapse. We now know that only massive government intervention - that is, the use of the currency-issuing capacity of the government and its central banks - saved the world from a financial meltdown.

When the IMF wrote:

> Beyond risk diversification, the unbundling and active trading of risk, including through credit derivative markets, seem to have created an efficient, timely, and transparent price discovery process for credit risk.

We now know that the IMF didn't have a clue what it was talking about.

When the IMF wrote that:

> Balance sheets of the household sector in major countries have also improved since 2001, because of the rise in house prices and the recovery of international equity markets.

We now know that the estimates of rising household net worth was predicated on the asset-price bubbles created by the credit binge that followed the rise of the financial engineer through deregulation and the corrupt and unethical and criminal behaviour of the increasingly unfettered financial sector.

We now know that a substantial portion of this rising household net worth was illusory and households found that out the hard way, especially in the US, as housing prices crashed.

When the IMF wrote that:

> There are several reasons to suggest why concerns of an impending recession in the United States may be overstated ...

We now know what followed 18 months later. The real collapse of the US economy which then resonated throughout the world in one way or another had been predicted by some economists (including all the original Modern Monetary Theory (MMT) authors) for at least a decade prior to the GFC.

The IMF was trying to claim that financial markets were working efficiently to resolve any so-called ""mismatches' between the duration of their assets and liabilities" - that is, the exposure of banks to increasingly risky portfolio positions.

Finally, in 2006, the IMF was claiming that there was a need to:

> ... rein in fiscal deficits and public debt ... strong policy efforts to contain these trends are needed less these countries face increase market scrutiny when the environment turns less friendly.

The IMF claimed that "sound macroeconomic policy, especially prudent fiscal policy ... is essential to reduce vulnerabilities". That is, they were rehearsing the standard neo-liberal line at the time that fiscal surpluses were a necessary part of a low risk environment for countries.

They never once during this period, leading up to the GFC, acknowledged any understanding of the national account relationships that tell us that a government surplus (deficit) is exactly equal to a non-government deficit (surplus).

> And they never once acknowledged an understanding that if the non-government sector is running a continual deficit, then after the exhaustion of savings and asset sales, the only other thing we would observe is rising non-government indebtedness.
>
> This rising indebtedness clearly exposes the non-government sector to increased risk such that fluctuations in asset price and/or incomes can bring the whole house of cards crashing down.
>
> That is exactly what happened in 2008.
>
> It is important to reflect on what might be characterised as the standard narrative at the time propagated by the likes of the IMF, the BIS, and the OECD.
> (Bill Mitchell, œPragmatic retreats into reality by the IMF will be ephemeral, *Billy Blog*, October 6, 2016)

So: Why on earth do we take their opinions seriously? Any sane, dispassionate assessment should have resulted in, at the very least, a serious culling of deluded advisors. Instead, we continue to solicit their advice, to rely on their direction. Perhaps humanity has not yet cognitively evolved beyond the great apes after all!! [1072]

[1016] In capitalist nations, the primacy of the community over the economy presumes government responsibility for the commonweal; the primacy of the economy over the community (the neoliberal focus) presumes profit driven enterprise in the driver's seat. Sam Adler-Bell focuses on these alternatives in an article entitled 'There was always a way to pay for the programs we need' and addresses why, in the 2020 Covid-19 crisis in which governments are committing vast sums to maintaining both their economies and essential services, no-one is asking "How are we going to pay for it?":

> ...[A]s Congress prepares to pass a $2 trillion aid package, the largest in modern U.S. history, one question no one is asking is: "How are we going to pay for it?" It has disappeared from the discourse entirely, sucked into the same black hole of irrelevance as our grievances against loud-chewing coworkers and handwringing about mean tweets. There are no "payfors" (i.e. offsets to make it deficit neutral) in the Senate's aid bill, no creative sources of revenue or tax hikes, in fact, it cuts taxes for businesses and individuals alike. "Nobody will pay for anything having to do with the crisis," Biden said during the one-on-one debate with Sanders on March 15. "This is a national emergency... We, out of the treasury, are going to pay for this." In January, Treasury Secretary Steve Mnuchin, said the government needed to cut spending to lower the deficit to sustainable levels; two weeks ago he said, "In different times we'll fix the deficit. This is not the time to worry about it."

He concludes:

> ...The limits on government spending are not financial. The U.S., as the sole issuer of its own currency, can never run out of money to pay its debts.
>
> Is there ever a bad time for the government to print money into the economy? Yes, of course there is: when the economy is at maximum productive capacity. If Congress passed a trillion dollar green infrastructure plan - financed by deficit spending - in a full employment economy, there wouldn't be anywhere for that money

> to go; the federal government would be competing with the private sector for workers, machines, and materials; inflation would result. You'd need to free up resources first - say, by taxing fossil fuel companies into oblivion, breaking up monopolies that create upward pressure on prices, or curbing Wall Street's generation of private credit.
> (Sam Adler-Bell, œThere was always a way to pay for the programs we need: Money printer go brrrrrrr, *The Outline*, March 30, 2020)

[1017] Zephyr Teachout has provided a sketch of the 1870~ Gilded Age in the United States and contrasted it with what has happened there since 1970:

> The so-called Gilded Age in the United States began with the Compromise of 1877, which settled the disputed presidential election of 1876 by awarding the White House to the Republican candidate, Rutherford B. Hayes, in exchange for the withdrawal of federal troops from three Southern states. In the short term, the compromise effectively ended Reconstruction. In the longer term, it empowered white terrorists in the South and led to a major realignment in U.S. politics that weakened the federal government's ability to govern the "Money Power," the term used by critics at the time to describe the forces that were steadily taking over markets and political systems.
>
> By 1900, one percent of the U.S. population owned more than half of the country's land; nearly 50 percent of the population owned just one percent of it. Multimillionaires, who made up 0.33 percent of the population, owned 17 percent of the country's wealth; 40 percent of Americans had no wealth at all. Black men had been violently and systematically deprived of the hard-won right to vote in the South, where authorities had thrown up every possible barrier - literacy tests, poll taxes, gerrymandering, grandfather clauses - to prevent the restoration of Black political rights and the growth of Black economic power. After a quarter century, it had become impossible to see these outcomes as aberrations: monopolization and repression had come to define the American system....
>
> As the robber barons decorated their palaces and mused about their public responsibilities, slums and tenements were rife with disease, farmers struggled under crushing debts, and factory workers and miners risked death and dismemberment to eke out a living. Meanwhile, the chorus of dissent that had been rising since the 1870s grew louder, as farmers, factory workers, antitrust leagues, labor unions, and local-level politicians joined forces. Three groups emerged as the main opponents of the status quo: the populists, the progressives, and the socialists. What all three realized, to varying degrees, was that the root of the inequalities of the Gilded Age was the extreme concentration of market share, wealth, and political power. American socialism fell short as a political force, but the Populist and Progressive movements - which overlapped and merged in important ways - became powerful vectors of change.
>
> The parallels with the present day are obvious, and it has become commonplace to hear the current era described as a new Gilded Age. As the journalist Barry Lynn points out in his book Liberty From All Masters, the robber barons shared with today's high-tech monopolists a strategy of encouraging people to see immense inequality as a tragic but unavoidable consequence of capitalism

> and technological change. But as Lynn shows, one of the main differences between then and now is that, compared to today, fewer Americans accepted such rationalizations during the Gilded Age. Today, Americans tend to see grotesque accumulations of wealth and power as normal. Back then, a critical mass of Americans refused to do so, and they waged a decades-long fight for a fair and democratic society. On the other hand, today's antimonopoly movements are intentionally interracial and thus avoid a massive failure of the populists and progressives of the late Gilded Age, who abandoned Black Americans even though they had played a crucial role in fostering both movements.
>
> Over time, the ultrarich and the many well-compensated professionals who are always available to do their bidding chipped away at the progress that the Populist and Progressive movements achieved. Today's populists and progressives would do well to remember what are perhaps the most important lessons of those limited victories: the struggle against inequality is primarily a fight against monopoly power in its many guises, and because monopoly power is never race-neutral, that fight cannot truly succeed unless it does so in an inclusive way....
> (Zephyr Teachout, œMonopoly Versus Democracy: How to End a Gilded Age, *Foreign Affairs*, January/February 2021)

[1018] Paul Jay, in a 2017 video discussion with Peter Kuznick presented by *The Real News Network*, addressed 'what happened in 1944 when Wallace got dumped as Roosevelt's vice president':

> ...[W]e want to go back ... to Roosevelt and the New Deal and Henry Wallace, who became Roosevelt's vice president from '41 to '45, what happens in 1944 when Wallace gets dumped as Roosevelt's vice president, and Wallace represents perhaps the most progressive politics that a vice president certainly ever had. Maybe the most progressive politics that someone ever made it to that kind of power ever had in the United States....

Peter Kuznick described what happened at the 1944 Democratic Party Convention:

> ..In '44 the support was for Wallace but Edwin Pauley, the party treasurer, ran what Pauley called Pauley's Coup, he proudly referred to it as, in conjunction with Bob Hannegan, the Democratic party chair. They run an operation. Roosevelt by '44 is very, very weak. It's clear to everybody that he's not going to last another term. He was the only one who was in denial really about that.
>
> They went around saying, for the nomination for vice president they were saying, "We're not just nominating a vice president. We're nominating the next President of the United States." They made all the deals. They tried to keep the progressives, the Wallace supporters from ever getting access to Roosevelt. They cooked the convention basically. They stacked the convention with anti-Wallace delegates.
>
> The problem was that Wallace was so popular. The night the convention starts, July 20th, Wallace makes the seconding speech for Roosevelt. Even though the party bosses had the convention already stacked and fixed in 1944, like they did in 2016. After Wallace's speech there's a spontaneous demonstration on the floor. It lasts for about an hour. Among the leaders are people like Hubert

Humphrey and Adlai Stevenson.
(Paul Jay, œUndoing New Deal: The 1944 Coup Against VP Henry Wallace, *The Real News Network*, December 4, 2017)

1019 As the 2020 Democrat primaries in the US unfolded it became increasingly clear that the œDemocrat Establishment was in the process of engineering victory for their chosen, establishment, presidential candidate.

In April 2020, with Sanders withdrawing from the race and Biden the only remaining Democratic Party presidential candidate, Biden was left with the task of shoring up his bid for the presidency. Sydney Ember and Katie Glueck have explained:

> ...[J]ust five days after Mr. Sanders withdrew, a sign of how profoundly the coronavirus pandemic has changed the race. The uncertainty caused by the virus, the vast damage to the American economy and the fervent desire to deprive Mr. Trump of a second term prompted an earlier-than-expected alliance between two ideological rivals, aimed at bringing together disparate factions of the party.
>
> "We need you in the White House," Mr. Sanders said to Mr. Biden. "And I will do all that I can to see that that happens."
>
> Mr. Biden said: "I'm going to need you. Not just to win the campaign, but to govern."...
>
> The challenge now for Mr. Biden and Mr. Sanders is to create an agenda that hews to Mr. Biden's relatively moderate policy views, and draws in progressives, but also seems big enough to match the moment in the country.
>
> It is a complicated task for both of them: Mr. Biden, who easily won the Wisconsin primary in results announced Monday evening, will have to persuade more Sanders-supporting liberals that he will fight for their interests. Mr. Sanders is essentially committing himself vouching for Mr. Biden or at least bring more of his followers into the Biden camp. Neither man can predict with any assurance how their political alliance will pan out.
>
> Already, progressive groups and activists were expressing skepticism about how far Mr. Biden would go to incorporate Mr. Sanders's followers.
>
> "Winning over Senator Sanders is one thing, but Joe Biden shouldn't think that the work is over,'' said Evan Weber, political director for the Sunrise Movement, an organization of young climate activists that had endorsed Mr. Sanders. He added, "There is still work to do to win over progressive leaders and young people."
> (Sydney Ember and Katie Glueck, œBernie Sanders Endorses Joe Biden for President, *New York Times*, April 13, 2020)

With both Party officials and the bulk of Senate and House representatives relying on Big Money donations for their election campaigns, mega-wealth has disenfranchised the 99% and dictated the US political future. The Democrat Establishment has opted for a hollowed out shell of US democracy.

The consequences of Democrat support for the *status quo*, while more subtle than the open œgerrymandering of voting districts and procedures in the US, is equally effective in œensuring the entrenchment of privilege

and wealth and the undermining of the fiduciary responsibilities of government in the nation.

Pavlina Tcherneva, addressing US government responses to the economic - and, of course, social - consequences of the 2020 Covid-19 pandemic in the United States, has focused on what has been rejected and outlined a Roosevelt style 'New Deal' alternative to neoliberal 'pump-priming':

> In the United States, over 50% of jobs are at risk from layoffs, furloughs, reduced pay, and lost hours. Virtually every sector of the economy stands to lose a large chunk of its business, household incomes will be devastated, and spending by consumers and firms will rapidly decline. The manufacturing collapse has already begun; the service economy, which employs 80% of all workers, will be next.
>
> One pandemic thus will lead to another - of unemployment. The avalanche of layoffs will bring a wave of defaults, bankruptcies, and depressed profits. The domino effect will continue across many domains, from collapsing state and municipal tax revenues and business failures to impoverished communities, declining health outcomes, homelessness, and "deaths of despair."
>
> How should governments respond? The same way the US government did under President Franklin D. Roosevelt in the World War II era.
>
> The first priority is to mobilize. That means building temporary field hospitals, drive-through clinics, and emergency health centers. It means cranking up production of essential equipment and medication, staffing health facilities adequately, and establishing support services for the hungry, homeless, and most vulnerable. And it means deploying an army to disinfect airports, schools, and critical public places.
>
> Second, we need to make it easier for people to stay home, such as by implementing short-term debt deferments (including on small business and mortgage loans) and suspending utility bills, as some European countries are already doing. Governments also should be providing income support in the form of extended unemployment insurance, food stamps, and housing benefits. In the US, all work requirements for public benefits should be abolished, and the federal government should extend immediate financial assistance to state governments constrained by balanced-budget laws.
>
> The coronavirus-response package recently adopted by the US does not go nearly far enough. As it stands, the legislation still would leave 80% of private-sector workers without medical and paid-leave coverage. The provision for free testing offers no solace to those who are already critically ill, or who will have lost their health insurance as a result of unemployment. The US should use this occasion to make universal paid leave and Medicare for all permanent policies.
>
> Another top priority is to provide emergency cash support to households. Talk of a universal $1,000 disbursement has gotten Americans excited - $2,000 would be better. But cash assistance alone will not be enough. On the contrary, without the aforementioned provisions and bold measures to plug the hole in the cratering labor market, much of the cash payout will be wasted.

> When employment and income prospects are uncertain, sending cash to families is like pouring water into a leaky bucket. What the US and other countries really need are policies to create good jobs once the crisis has passed.
>
> That's why, after taking all of the steps necessary for today, governments should mobilize again. Only big government, big public investments, and big public-employment programs will ensure a quick bounce back, rather than another protracted jobless recovery. In the last crisis, much of the stimulus fueled runaway inequality; this time needs to be different.
>
> The situation demands not "nudges" or "incentives" but direct action on the model of the New Deal, the US Interstate Highway System, and the Apollo Program. Governments should use this crisis as an opportunity to launch a bold investment program for clean, green infrastructure, as envisioned in the Green New Deal. After all, another viral epidemic is inevitable, and the climate crisis demands FDR-like ambition and resolve...
> (Pavlina R. Tcherneva, œWhat Would Roosevelt Do?, *Project Syndicate*, March 20, 2020)

1020 I must admit to a degree of annoyance at this kind of uncritical comparison of 'communism' in two very different nations. It reflects an ignorance of the œ*dialectical* nature of 'communism' in each nation.

The nature of the dialectical base of Marx's treatise on communism stemmed from reworking of a westernization of 17th century Chinese yin-yang concepts as explained to Leibniz by Jesuit missionaries. 'Communism', in being reintroduced to 20th century China, was subconsciously understood as a variation on old Chinese philosophical understandings and so resulted in a very different form of communism from that extant in Europe.

Rana Mitter, in a review of a Chinese film series entitled 'The Real Roots of Xi Jinping Thought: Chinese Political Philosophers' Long Struggle With Modernity', opens his review with this:

> In 2023, Hunan TV, China's second-most-watched television channel, unveiled a series called When Marx Met Confucius. The conceit was literal: actors playing the two thinkers' - Confucius dressed in a tan robe and Karl Marx in a black suit and a leonine white wig' - met at the Yuelu Academy, a thousand-year-old school renowned for its role in developing Confucian philosophy. Over five episodes, Marx and Confucius discussed the nature of politics, arriving at the conclusion that Confucianism and Marxism are compatible' - or that Marx may have subconsciously drawn his theories from a Confucian well.
>
> In one episode, Marx noted that he and his companion "share a commitment to [political] stability," adding that "in reality, I myself was Chinese for a long time," suggesting that his thinking had always been harmonious with traditional Chinese worldviews....
> (Rana Mitter, œThe Real Roots of Xi Jinping Thought: Chinese Political Philosophers' Long Struggle With Modernity, *Foreign Affairs*, February 20, 2024)

What his long and at times insightful examination of the issues of the series misses, as do most Chinese explorations of the nature of the relationship between Marx's writing and Chinese traditional philosophical thought, is the seeding of Marx's thought on the dialectic (which is at the

heart of Marx's *Communist Manifesto*) by various iterations of Leibniz's use of information fed to him by Jesuit missionaries to China in the 17th century.

It is not that Mao and his compatriots explicitly recognized the similarity between the *inverted dialectic* of Marx's treatise and traditional Chinese philosophical writings but that, having been educated in China, they intuitively understood and implemented the Marxist understandings to which they were introduced in terms of extant Chinese philosophical understandings.

And, that, subliminally reworked understanding of Marxism, has persisted and matured over the past century. The 'Marxism' of current Chinese political and academic thinkers is continually, *dialectically*, shaped to suit the requirements of the present.

Political understandings in 'modern China' are those intuitively recognized as being 'appropriate' to the times.

1021 Lambert Strether has provided a comparison of Biden's early initiatives and those of FDR during a similar time frame. As he says:

> The jury is still out on whether President Biden's American Jobs Plan will turn out to be underpowered, or not. My guess is that it will be; the Obama Alumni Association, for all its protestations, has form....
>
> One of the most prominent features of the Jobs Plan rollout was the continued comparison of Biden to FDR. (Now that the rollout is over with, those comparisons have vanished, as if a switch had been thrown; now we are arguing about what "infrastructure" really means, because what could be more attractive to symbol manipulators than semantics?) In any case, here's a small sample of the headlines, the New York Times being lead hagiographer:
>
> 1. "Can Biden Be Our F.D.R.?" (New York Times)
> 2. "F.D.R. Took Down Giants. Biden Can, Too" (New York Times)
> 3. "What Biden and F.D.R. May End Up Having in Common" (New York Times)
> 4. "Opinion: Can Biden achieve an FDR-style presidency? A historian sees surprising parallels" (WaPo)
> 5. "Opinion: Joe Biden's new New Deal" (WaPo)
> 6. "Biden's early win on COVID-19 relief could be hard to repeat. Or he could be FDR" (Los Angeles Times)
> 7. "Will Joe Biden take his place alongside FDR and LBJ?" (CNN)
> 8. "Biden is using FDR as his role model. He's made the no-drama Obama era look wild" (USA Today)
> 9. "Biden's New Deal: Re-engineering America, quickly" (Axios)
> 10. "Biden's stimulus looks bigger than the New Deal, economics professor says" (Business Insider)
> 11. "Biden's FDR moment? President in New Deal-like push that could cement his legacy" (Guardian)
> 12. "Joe Biden tries on FDR's and LBJ's shoes for size" (Chicago Sun-Times)
> 13. "FDR had the Great Depression, but Biden has Big Data" (Star-Tribune)

14. "With nods to FDR, JFK and LBJ, Biden goes big on infrastructure plan" (Yahoo News)
15. "Uncle Joe channels FDR" (Toledo Blade)
16. "FDR to LBJ to Joe Biden" (Daily Courier)
17. "Evoking FDR, Biden spending push is a tightrope walk" (Clayton News-Daily)
18. "The Most Vital 100 Days Since FDR" (New Statesman)
19. "The Most Vital 100 Days Since FDR" (Foreign Policy)
20. "Descendants of FDR and His Cabinet Urge Biden to Embrace 'New Deal-Scale' Public Jobs Program" (Common Dreams)
21. "FDR's German Shepherd, Major, Had A History Of 'Biting Incidents,' Too" (HuffPo)
22. "Biden Touted As Modern-Day FDR After Getting Hand Job From Cousin In Upstate New York" (The Onion)

> These pieces compare Biden's American Rescue Plan and American Jobs Plan to the New Deal, based on their putative scale (which as we have seen is equivocal, and in any case the test of a plan isn't whether it's "big" or "bold," but whether it's equal to the times). I would like to compare Biden to FDR based on three characteristics of FDR's administration which the Biden administration does not emulate: Fireside chats, relentless experimentation, and the class diversity of his advisors.
> (Lambert Strether, œWhy Joe Biden Does Not Remind Me of FDR, *nakedcapitalism*, April 12, 2021)

A comment on it all by Michael Hudson is apposite:

> OK, Lambert. Your big point is that FDR took a systemic approach to the problems he faced. Biden cannot be systemic, but only "marginal," meaning centrist. that means ACCEPTING the inherently polarizing economic and social tendencies, but trying to postpone the immediate effects by kicking them down the road - e.g., fixing lead piping, not banning fracking that may make water more valuable than oil in some districts. So your contrast is systemic change vs marginalize in a consensus politics with the forces that are responsible for polarizing the economy.

[1072] A comment on the Naked Capitalism website by someone pseudonymed 'Alex' has summed it all up well:

> Trump, narcissistic and intellectually challenged, is the perfect incarnation of America.
>
> His bad manners and absent sense of decorum are a refreshingly honest representation of his country's hubris.
>
> Biden, like Obama a believer in exceptionalism and manifest destiny, has better manners, sticks to what's on the teleprompter, is less abrasive, more acceptable, and much more dangerous.
>
> The excessively hyped emphasis on the skin color and gender of his cabinet picks evidences how vacuous his politics are. *Status quo* on steroids.
> (Alex, œOn a post-Trump Biden US: you get what you vote for! *NakedCapitalism*, December 7, 2020)

[1022] Thomas Piketty has given a clear description of the post-Second-World-War United States policies, which minimized inequality and secured the '*welfare* -state' (the provision of a minimal level of well-being and social support for all citizens), and their subsequent dismantling:

> ...From the 1930s until the 1970s, the US were at the forefront of an ambitious set of policies aiming to reduce social inequalities. Partly to avoid any resemblance with Old Europe, seen then as extremely unequal and contrary to the American democratic spirit, in the inter-war years the country invented a highly progressive income and estate tax and set up levels of fiscal progressiveness never used on our side of the Atlantic. From 1930 to 1980 - for half a century - the rate for the highest US income (over $1m per year) was on average 82%, with peaks of 91% from the 1940s to 1960s (from Roosevelt to Kennedy), and still as high as 70% during Reagan's election in 1980.
>
> This policy in no way affected the strong growth of the post-war American economy, doubtless because there is not much point in paying super-managers $10m when $1m will do. The estate tax, which was equally progressive with rates applicable to the largest fortunes in the range of 70% to 80% for decades (the rate has almost never exceeded 30% to 40% in Germany or France), greatly reduced the concentration of American capital, without the destruction and wars which Europe had to face.
>
> ...All this was carried through almost without unemployment, since both the level of productivity and the education system allowed it. This is also the time when the US finally put an end to the undemocratic legal racial discrimination still in place in the south, and launched new social policies.
>
> All this change sparked a muscular opposition, particularly among the financial elites and the reactionary fringe of the white electorate. Humiliated in Vietnam, 1970s America was further concerned that the losers of the second world war (Germany and Japan in the lead) were catching up at top speed. The US also suffered from the oil crisis, inflation and under-indexation of tax schedules. Surfing the waves of all these frustrations, Reagan was elected in 1980 on a program aiming to restore a mythical capitalism said to have existed in the past.
>
> The culmination of this new program was the tax reform of 1986, which ended half a century of a progressive tax system and lowered the rate applicable to the highest incomes to 28%.
>
> Democrats never truly challenged this choice in the Clinton (1992-2000) and Obama (2008-2016) years, which stabilized the taxation rate at around 40% (two times lower than the average level for the period 1930 to 1980). This triggered an explosion of inequality coupled with incredibly high salaries for those who could get them, as well as a stagnation of revenues for most of America - all of which was accompanied by low growth (at a level still somewhat higher than Europe, mind you, as the old world was mired in other problems).
> (œThomas Piketty on the rise of Bernie Sanders: the US enters a new political era, *The Guardian*, Wednesday 17 February 2016)

[1023] (22/06/16)(13/07/16) In nations where wages are communally determined, as in Australia, there are usually legislative protections in place which

ensure both wage equity and wage compliance. Labor unions are, themselves, subject to scrutiny in the interests of fair dealing. Bill Mitchell has described, and illustrated, this:

> Australia has a system where there are minimum award conditions set out for each occupation/industry. These are legal requirements that have to be met.
>
> In addition, unions can negotiate enterprise bargains with bosses on top of those minimum requirements that become legally binding as long as they pass what is known as the BOOT.
>
> The BOOT stands for - Better Off Overall Test - and requires [that] any voluntary agreements between workers and firms make the workers better off than they would be if they remained on the 'award', the legal minimum requirements for that sector.
> (Bill Mitchell, œDirty deals by trade unions and minimum wages in Australia, *Billy Blog*, June 2, 2016)

However, despite Australia still having a semblance of communally determined wage rates, conditions have deteriorated over the past half century.

Some of the responsibility for this deterioration must be borne by unions themselves. As I experienced while truck driving in the early 1960s, unions, where they could effectively exercise industrial muscle, as on many of the water-fronts of Western nations, sometimes abused the power they acquired, exercising their muscle in activities which could only marginally be considered legitimate union concerns. At times, as I found to my surprise, having rather naively presumed the democratic nature of union organizations, some union leaders gained control over the central organizations and were able to treat them as their personal fiefdoms.

They often demanded and gained excessively generous conditions for both themselves and their members. In the process they increasingly alienated both employing bodies and members of other unions, required to accept the conditions they imposed.

By the mid-1960s, water-front unions had often so alienated western voting populations that they found little sympathy when confronted by massive dislocation to their industries and lives with the advent of containerization.

While, as Roosevelt recognized, worker empowerment is essential, it needs to be well regulated. This requires, not simply an arbitration process between unions and employers but also third-party scrutiny of the demands and conditions imposed and accepted by both involved bodies. It also requires leadership election processes which ensure that small groups cannot highjack the process and disenfranchize the members.

One of the weaknesses of many unions is that members belong to a large number of small to medium enterprises and their only connection to the wider membership is through their elected delegate[s]. Delegates are relatively easily controlled by the central leadership which, if not subject to regular electoral challenge, can highjack the organization.

My experiences during the 1960s bear this out. It could be extremely frustrating to attend mass union meetings called to initiate or end strike action, to find that those running the meeting were brazenly willing to brusquely shut down opposing opinions from the body of union

members, effectively short-circuiting any opposition to their already determined decisions.

Very often, the delegates from an enterprise would agree that, since there were so many of them, they had as little true influence as regular members in mass gatherings.

There are no easy solutions to such problems but regular, well regulated, union elections are important in ensuring that union leaders remain connected with and responsive to the members.

1024 Many neoliberal arguments for the benefits of globalization focus on the increased capacity for credit accumulation which exists in a globalized world. However, most of those benefits accrue to multinational enterprises able to exploit the possibilities of deregulation implied in operating freely across national boundaries.

This presumes the primacy of the internationalized marketplace over communities and leads, inevitably, to international credit accumulation in places where the costs of accumulating those credits are lowest. There is little or no benefit derived by exporting countries where profits accumulated by private enterprise are diverted to tax havens.

1025 Thomas Tørsløv, Ludvig Wier and Gabriel Zucman (June 5, 2018) have decribed the consequences for transnational corporations:

> Perhaps the most striking development in tax policy throughout the world over the last few decades has been the decline in corporate income tax rates. Between 1985 and 2018, the global average statutory corporate tax rate has fallen by more than half, from 49% to 24%. In 2018, most spectacularly, the United States cut its rate from 35% to 21%.
>
> Why are corporate tax rates falling? The standard explanation is that globalization makes countries compete harder for productive capital, pushing corporate tax rates down. By cutting their rates and providing public services and infrastructure more efficiently, countries can attract more machines, plants, and equipment, which makes workers more productive and boosts their wage.
>
> Global economic integration has made capital location more sensitive to differences in taxes and led to a more perfect competition between nations.
>
> This theory provides a consistent explanation for the global decline in tax rates observed over the last twenty years and offers nuanced normative insights (see œKeen and Konrad, 2013, for a survey of the large literature on tax competition).
>
> Our paper asks a simple question: is this view of globalization and of the striking tax policy changes of the last years well founded empirically? Our simple answer is "no." Machines don't move to low-tax places; paper profits do.
>
> By our estimates, close to 40% of multinational profits are artificially shifted to tax havens in 2015. This tax avoidance and the failure to curb it are the main reason why corporate tax rates are falling globally - not tax competition for productive capital.
>
> The decline in corporate tax rate is the result of policies in high-tax countries - not a necessary by-product of globalization. The redistributive consequences of this process are major, and different than in the textbook model of tax competition. Instead of increasing

capital stocks in low-tax countries, boosting wages along the way, profit shifting merely reduces the taxes paid by multinationals, which mostly benefits their shareholders, who tend to be wealthy.

It is apparent to many observers that the textbook model of tax competition doesn't capture the behavior of today's largest multinational companies well. These firms don't seem to move much tangible capital to low-tax places - they don't even have much tangible capital to start with. Instead, they avoid taxes by shifting accounting profits.

In 2016 for instance, Google Alphabet made $19.2 billion in revenue in Bermuda, a small island in the Atlantic where it barely employs any worker nor owns any tangible assets, and where the corporate tax rate is zero percent. Contrary to the central postulate of the tax competition model, Bermuda does not have much to gain from attracting paper profits that don't improve wages for the population and that it taxes at 0%.

Despite this, the standard view of tax competition between nations continues to permeate much of the discussion about tax policy. The most likely reason is that we do not currently have comprehensive estimates of how much profits multinationals shift to low-tax places...
(Thomas Tørsløv, Ludvig Wier and Gabriel Zucman, œThe Missing Profits of Nations, 05 June, 2018)

1026 By 1947 the descendants of those 1920s free-marketeers were resurgent, powerful enough within the US Federal Reserve to rewrite the first (1939) edition of The Federal Reserve System - Its Purposes and Functions and suppress the original. As S. W. Adams put it in 1958:

I am herewith reprinting verbatim the Federal Reserve book, first printed in 1939: THE FEDERAL RESERVE SYSTEM - Its Purposes and Functions.

This book was printed and published under and by the authority of the Board of Governors of the Reserve System - a board of seven members appointed by the President and confirmed by the Senate, for terms of 14 years.

I am doing this because when Mr. Eccles, the then chairman of the Board, retired, the Board had discovered that the book had made banking so simple that the masses could understand it and that was intolerable: money must be kept a mystery. The few who got hold of the book began to ask why Congress should surrender a delegated Constitutional power to private corporations who used it for private gain.

They began to ask: "Why should the people give to bankers U.S. Bonds, and pay an annual interest on these bonds, that they might use their own credit? Why should the Government have to borrow its own money (use its own credit) when forced to use more revenues than current taxes afforded?

Our bonded indebtedness in 1913, at the time the first Reserve Act was passed was less than $10 billion dollars! In 1939 it had jumped to over $45 billion.

So in 1939, 1940 and 1941 there was such a demand for this revealing book, that the Board made five printings. The Board had come to realize the great danger to their money power gained and

exercised through the Reserve Act of 1913, promptly stopped the distribution of this book, and had it rewritten, completely omitting or obscuring the damaging statements.

Finding that additional copies could not be had, I decided, after 15 years of waiting and trying to get additional copies, to reprint the book myself.
(œ*The Federal Reserve System Its Purposes And Functions* : As Originally Published, Washington, D.C., 1939, By the Board of Governors of the Federal Reserve System at the time Marriner Eccles was Chairman, A Reprint of a Suppressed Public Document Published by OMNI Publications, May 1, 1958)

1027 Of course, such 'swaps' need not be based on actual currency supply - with each reserve bank holding stocks of currency notes from other nations. All that 'currency swaps' imply is that each reserve bank creates credit accounts in the names of those with whom it is 'swapping' currency and that, when the holders of those created accounts decide to 'spend' the currency, the original central bank transfers whatever amount is required from the appropriate currency account to the payee's account.

It is, in fact, unnecessary for any physical currency to be involved in such 'swaps'. And, of course, this arrangement can also be applied to private entities. Reserve banks already do this internally (that is, in reality, what a 'bond' sale is). Bilateral currency swaps are not nearly as difficult to manage as many commentators seem to believe.

1028 It seems inevitable that, should a world central bank eventuate, it would develop very similar credit creation policies and practices to those found in private banks, providing central bank financing through money creation. This would, almost certainly, result in mounting sovereign central bank debts 'owed' to the world central bank and consequent subservience of sovereign central banks to that 'world' bank. Stranger things have happened, as Wynne Godley has described

The Bank for International Settlements (BIS) is sometimes described as 'a sort of central bank of central banks'. It is, however, another of those œanachronistic international institutions (like the World Bank and International Monetary Fund) which has been periodically reinvented and currently acts as a clearing house for international credit and currency trading. It also hosts the Basel Committee on Banking Supervision, a committee charged with a peculiar neoliberally inspired responsibility for setting central bank capital adequacy requirements and reserve transparency (reflecting a presumption that sovereign central banks are not unencumbered credit issuing institutions).

The BIS may better be described as a neutered international version of a US regional central bank. Neutered because it has no access to (or legitimation by) an unencumbered credit issuing central reserve authority of its own.

1029 It is in this way that orthodoxies, sects and schisms arise. Western people are most aware of this phenomenon within religious movements (resulting from the separation of the supernatural from the natural and focus on the natural world in Western thought). However, the seemingly inevitable fracturing of religious movements into competing orthodoxies, each with its own *theo* logical complex of buttressed explanations through which it defines its distinctive *raison d'être*, is merely a special case of a common ideological phenomenon.

Capitalism is no less fractured into competing orthodoxies, sects and schisms, each with its own motivationally and directively bolstered *economi* logical complexes. (Since, despite frequent reliance upon a metaphysically justified 'invisible hand', economic divisions are focused within 'this' world, I guess we can't really call them *theological* complexes!)

1030 Since federal bonds are implicitly redeemable for sovereign currency, the directive that the Federal Reserve should 'buy United States bonds directly from the Treasury' implies a paradox. If a bond is issued by the treasury, to the Federal Reserve, which then supplies sovereign credit to the Treasury; to whom does the Federal Reserve present the 'bond' which it now holds in order to obtain the implied sovereign currency which it presumably guarantees?

After all, sovereign credit is *created out of thin air* by the Federal Reserve.

The language employed in the directive 'buy United States bonds directly from the Treasury' leaves open the possibility of erroneously assuming that the Treasury is becoming progressively more indebted to the Central Bank which *creates*, and then supplies, the credit it receives.

So, the fiction can be maintained (either naively or in support of the neoliberal belief that Central Banks should be responsible to private money markets rather than government) that there is a constantly growing 'federal deficit' which the Treasury (and so 'The Government') owes to the Central Bank. Of course this fiction requires an independently existing 'Central Bank' - a free-floating entity which is presumed to be only responsible to itself - an Alice in Wonderland fiction!

So, logic dictates that the language of the bill should be amended to eliminate this paradox (at the same time, that self-serving amendment inserted into the bill at the behest of private sector sovereign bond dealers should be removed).

The actual process is that the Federal Reserve is *authorized* by a Treasury request (or *requisition*) to create the sovereign credit it needs. The resulting document, received by the Federal Reserve, is merely a record of the request made by the Treasury. It **is not a 'debt'** owed by the Treasury to the Central Bank - it is **merely a record of the request** which triggers Central Bank credit creation on behalf of the treasury.

1031 No, I am not suggesting that sovereign governments should provide lower levels of government with unlimited credit. Sovereign governments have a responsibility to regulate credit supply.

As an alternative to the private sector 'disciplines' on borrowing imposed on lower levels of government (various fees and charges), Central Banks would inevitably need to impose governmental disciplines on credit availability such as requiring balancing rates and levies on their constituents where credit demands are deemed excessive or unsustainable. Such requirements already exist in almost all sovereign governmental institutionalized 'internal rebalancing' policies and procedures.

1032 (10/11/16) 'President Trump' no longer needs quotation marks - that's who the US elected in 2016.

Pavlina Tcherneva has expressed it well:

> **Economic consequences**

> A lot has been said already. For me, this was the culmination of a decades-long process where the Democrats sold out their progressive agenda and happily embraced the Republican's neoliberal economic policies...
>
> My own view is that the Democrats have not had an economic policy of their own for nearly half a century, just an 'inferior' version of what Republicans usually champion - tax cuts on the wealthy, dismantling the public safety-net, 'fighting' inflation by creating unemployment, market liberalization and deregulation across the board, which among other things brought us a colossal financial sector that has cannibalized the productive economy.
>
> Democrats need to grapple with the reality that Bill Clinton completed the Reagan revolution, and what we got from both parties is rabid financialization, extreme inequality, corporate welfare, joblessness, and economic insecurity: precisely the conditions that fan the flames of social antagonism and deep-seated racism and bigotry. There are many ways to tell this story but, just think, the real incomes of the vast majority of US households have barely moved in the last two decades. Most of us live in stagnation (at best) and many communities are mired in an ongoing recession (even depression), while the economy is 'officially' growing.
>
> **Neo-liberalism on steroids**
>
> As vile as Trump's campaign was, many of his supporters have legitimate gripes about the state of the economy and about big money in politics. Of course, the notion that Trump is the 'man of the people' who will deliver the kind of change they (we) need is preposterous. In fact, his entire economic platform is basically the one I already described above. Nothing has changed. It is the same old plain vanilla "trickle-down economics" we know too well. (Pavlina R. Tcherneva, œThe Economic Consequences Of Donald Trump, *New Economic Perspectives*, November 10, 2016)

George Blackford has summed it up:

> Here's something for Democrats to think about:
>
> a. In the 70s, a Democratic president continued the deregulatory process of a Democratic congress that reached its climax in the Crash of 08.
> b. A Democratic congress continued the deregulatory process in the 80s as they cut taxes on the rich, increased taxes on the not so rich, and cut SS benefits.
> c. A Democratic president reappointed Greenspan to the Fed, further deregulated the financial system and implemented disastrous crime, welfare, and student loan bills in the 90s
> d. Democrats took back the congress in 2007 and did nothing to hold the people responsible for the wrongs that had been committed as we were led into a war under false pretenses and turned into a nation of torturers; income and wages stagnated; and then the economy blew up.
> e. Democrats took complete control of the federal government in 2009 and bailed out the banks, students and homeowners were allowed to founder, and a Heritage Foundation health

plan was implemented that bailed out the insurance and drug companies at the expense of the middle class.

f. The middle class is devastated throughout the process.

> And, somehow, it's supposed to be the voters' fault we ended up with a throw the bums out Trump instead of a more of the same Hillary? I don't think so!
> (œGeorge H. Blackford, Commenter, on a strangely myopic blog posting by Paul Krugman, œEnding the American Romance, *New York Times* Opinion Pages, November 9, 2016)

We are entering 'Interesting Times'!

1033 (21/11/16) I must confess that I have an inbuilt, and growing, aversion to using the term 'debt' in describing and explaining the nature and purpose of public bonds. Daniel Thornton's claim that "the U.S. Treasury has only one option for financing deficit spending - issuing debt", or Bill Mitchell's use of the term 'public debt instruments' (below) in describing the nature of public bonds, conflate government bonds and 'government debt'. As Mitchell has since explained, this confusion is due to the historical importance of the Gold Standard in establishing Western currency systems. Once nations moved to fiat currency systems the gold standard rationale for assuming 'government debt' became anachronistic. There is no 'natural law' of financing which requires the presumption of Government Debt in issuing credit and/or currency:

> In macroeconomics, we summarise the plethora of public debt instruments with the concept of a bond. The standard bond has a face value - say $1000 and a coupon rate - say 5 per cent and a maturity - say 10 years. This means that the bond holder will get $50 dollars per annum (interest) for 10 years and when the maturity is reached they would get $1000 back.
>
> Bonds are issued by government into the primary market, which is simply the institutional machinery via which the government sells debt to the non-government bond dealers.
>
> In a modern monetary system with flexible exchange rates it is clear the government does not have to finance its spending so the institutional machinery is voluntary and reflects the prevailing neo-liberal ideology - which emphasises a fear of fiscal excesses rather than any intrinsic need for funds (of which the currency-issuing government has an infinite capacity).
> (Bill Mitchell, œThe penny drops - WSJ acknowledges UK government can never run out of money, *Billy Blog*, November 3, 2016)

Mitchell has a later blog entry which expands the discussion:

> The general rule for fixed-income bonds is that when the prices rise, the yield falls and vice versa. Thus, the price of a bond can change in the market place according to interest rate fluctuations.
>
> When interest rates rise, the price of previously issued bonds fall because they are less attractive in comparison to the newly issued bonds, which are offering a higher coupon rates (reflecting current interest rates).
>
> When interest rates fall, the price of older bonds increase, becoming more attractive as newly issued bonds offer a lower coupon rate than the older higher coupon rated bonds.

> Further, rising yields may indicate a rising sense of risk (mostly from future inflation although sovereign credit ratings will influence this).
>
> But they may also indicate a recovering economy where people are more confident investing in commercial paper (for higher returns) and so they demand less of the risk free government paper.
>
> So you see how an event (yield rises) that signifies growing confidence in the real economy is reinterpreted (and trumpeted) by the conservatives to signal something bad (crowding out, increased cost of government spending).
>
> The yield reflects the last bid in the bond auction. So if diversification is occurring reflecting confidence and the demand for public debt weakens and yields rise this has nothing at all to do with a declining pool of funds being soaked up by the bingeing government!
> (Bill Mitchell, œBank of Japan is in charge not the bond markets, *Billy Blog*, November 21, 2016)

As Mitchell implies, bonds are ***not*** the means by which 'the government sells debt to the non-government bond dealers'. Bonds are bonds (just as currency is currency). Neoliberal explanation might attempt to conflate government bonds with 'government debt', but, in reality, no debt is created in issuing bonds, and no debt is purchased when those bonds are sold.

No matter how much bond markets might fluctuate, those fluctuations are contained within the private sector 'bond markets'. They have as little impact on a Government's ability to 'fund its commitments' as fluctuation in the watermelon market! Mitchell explains it well,

> the central bank (that is, the government) can **always** set bond yields at whatever level it chooses including zero.
>
> The bond markets do not have the power to set yields unless the government allows them that flexibility. The government rules, not the markets.
>
> Not to mention that the government doesn't even need to issue debt in primary markets in order to spend.

To break out of this neoliberal mindset it really is necessary to spell it all out. Otherwise we become party to the current neoliberal reordering of reality, which leads to the conclusion that governments fund their spending through selling 'debt securities' to private investors.

1034 Once this sleight-of-hand charade is recognized for what it is, it is easy to presume that nobody could be so deluded as to actually believe that the masquerade they seem intent on playing out is 'necessary'. As Bill Mitchell has put it:

> The Government plays along with the charade releasing what it deems to be cleverly crafted documents, shifting revenue and spending across year lines to give one impression or another of the state of affairs. None of the charade is based on any fundamental economic understanding. None of it means anything other than a demonstration of a national scam to hide the truth from the ordinary citizen who for one reason or another relies on experts to summarise technical detail into meaningful sound bites.

> The nation then goes about its business in this cloud of ignorance, while the elites continue to suppress wages and living standards and march off with increasing shares of national income. They know what is going on and it is in their interests to keep the rest of us from having the same information. It is the same the world over. Well, here is what is going on with a framework that allows the reader to cut through the lies ...
> (Bill Mitchell, œA lying government pushing economy towards recession and greater inequality, *Billy Blog*, December 20, 2016)

I strongly suspect that neither Western governments nor Western elites are aware that the nonsense being perpetrated upon 'the nation' is nonsense. They are as convinced that the charade is based in fundamental economic understandings as the 'experts', 'informed commentators' and the general public. They all live in the same ideologically contrived, bounded reality.

It is the nature of any ideology, that those whose lives are shaped by its requirements come to believe that there is no other reality.

Those who can see the absurdity of it all face herculean difficulties and dangers in attempting to re-educate Western populations. It is one thing to voice one's opinions to those of like mind, it is quite another to attempt to re-educate true believers.

1035 (20/03/18) This refers to a US law which already presumes the legitimacy of bundling government department and agency unencumbered credit requirements as 'debt' - superficially supporting the idea that purchasing government bonds is purchasing 'government debt' and so should be rewarded with an interest return on those bonds. This law is based on a ruling by the US Committee on Banking and Currency (May 13, 1935, p. 13). As Kenneth Garbade (August 2014) explained:

> The committee report did not explain the reason for the prohibition, stating only that "Section 207 of the bill as it passed the House ... has been modified ... so as to provide that direct [and guaranteed] obligations of the United States ... may be purchased only in the open market."
> (Kenneth D. Garbade, œDirect Purchases of U.S. Treasury Securities by Federal Reserve Banks, *Federal Reserve Bank of New York*, Staff Report No. 684, August 2014, page 5)

The consequence of this amendment, requiring that 'direct [and guaranteed] obligations of the United States ... may be purchased *only in the open market*', results in the US Treasury having to issue Federal bonds to private sector bond markets equal in value to the funding needed to meet the 'direct [and guaranteed] obligations of the United States'. The Federal Reserve must then purchase those bonds from the private sector bond markets in order to justify the issue of unencumbered credit to the US Treasury.

This absurd charade is an obfuscatory redundancy since it introduces an irrelevant step in the generation of sovereign credit to fund the costs of government.

Amending bills as they 'pass the House' is, of course, common US Congressional practice. The 'amendments', tacked onto bills as they are finalized, are often not subjected to close (or even any) scrutiny. Unexplained, unjustified and anomalous directives such as this, once passed into law, can be very difficult to remove. As Maitland explained of the evolution of English law:

> ... [I]t is rather the enormous bulk than any dearth of available materials that prevents us from tracing the transformation of every old doctrine and the emergence and expansion of every new idea.

Before long, the intellectually expedient 'it must be there for a reason' argument becomes the response to challenges to its existence. And, once established, it is not long before varied 'explanations' of the reasons for its existence emerge in the literature, cementing its validity. One such, almost convincing, explanation was provided by Kalecki in 1943:

> To understand this process it is best, I think, to imagine for a moment that the government pays its suppliers in government securities... what the economy lends to the government are goods and services whose production is 'financed' by government securities.
>
> In reality the government pays for the services, not in securities, but in cash, but it simultaneously issues securities and so drains the cash off...

He would, of course, have done everyone a favor if he had challenged the validity of the directive rather than attempting to explain away its existence.

Clearly, US Central Reserve policies and procedures must, in a nation which claims to live by 'The Rule of Law', conform to existing legal directives and guidelines. However, as Kalecki very clearly explained, US Federal bonds, which form the 'government securities' 'purchased... in the open market' are, inescapably, created 'out of thin air' by the US Treasury. The private sector 'revenue raised' through their sale is federally guaranteed private sector credit. Which is why the elaborate charade is required of:

- relabeling government agencies' *unencumbered* sovereign credit requirements as 'government debt';
- funding the direct [and guaranteed] obligations of the United States - which are supposed to be 'financed' by government securities - in 'cash', in 'anticipation' of the sale of the 'debt securities';
- selling those 'debt securities' (a justificatory renaming of Federal bonds) to private sector buyers (and so 'draining the cash off' that the government has already paid its suppliers); and
- obtusely claiming that the 'revenue raised' to pay for the direct [and guaranteed] obligations of the United States has not been generated during the initial credit creation and simultaneous issuing of the securities (which, as Kalecki explained, 'drain the cash off' (withdrawing the sovereign credit used to fund those obligations from the private sector and, in doing so, committing the government to long-term 'interest payments' to private sector bond buyers - which might well be the hidden purpose of the charade!)).

Of course, it is this charade which is used by neoliberal devotees to justify their claim that all credit is created in the private realm and that government spending must, always, be constrained by revenue it can raise from the private sector.

It is this irrelevant 'balancing' of Treasury authorizations and buy back of those authorizations from the private sector bond markets by the Federal Reserve which provides the rationale for the post-1970s obsession with 'balancing the budget'. After all, as all well-educated neoliberal aficionados know, 'there is no such thing as public money; there is only taxpayers' money'.

[1036] The often raised chant 'What About Zimbabwe?' or 'What about 1920s Germany?' to counter suggestions that sovereign credit is unencumbered is, of course, based in a misunderstanding of the nature of sovereignty. The suggestion that early 21st century Zimbabwe or 1920s Germany are/were in control of their own destinies is simplistic. In both cases, powerful external actors are/were in play, undermining sovereignty and seriously challenging any belief that either 'sovereign' nation is/was in control of their economic destinies.

[1037] Which relies, of course, on circular reasoning: private credit creation assumes access to sovereign credit which, in this Alice in Wonderland world, is a consequence of private credit creation. What a mystic wonderland is revealed when one munches on those magic mushrooms - or is it 'one is sprinkled with magic fairy dust'?

[1038] (01/11/16) Bryce Covert has demonstrated the pseudo-erudition which underpins neoliberal 'knowledgeable comment' (based on that myopic neoliberal belief that all credit is created in the private realm). Apparently, it is 'necessary' to enable private financial institutions and investment agencies to interpose a private sector tax on US government spending:

> Economic growth has been sluggish since the Great Recession, as the Republican primary candidates were all too happy to point out. Growth in the gross domestic product has run under 2 percent this year. The recovery has been weaker than past recoveries from recessions and worse than what officials originally expected.
>
> At the same time, interest rates on the country's debt are incredibly low, hovering around 2 percent. That means we could borrow more money at a very low cost. What would we do with it? New money could be put to incredibly good use, rebuilding deteriorating roads and bridges or investing in education.
>
> This is the stance of an increasing number of economists, including prominent voices like Lawrence Summers and Douglas Elmendorf: The United States needs to borrow money and invest it in growing the economy.
>
> We're also not in danger of being unable to pay back what we owe. The cost of paying interest on the government's debt is at a 50-year low, consuming just 6 percent of the federal budget.
> (Bryce Covert, œHillary Clinton's Bad Promise on Debt, *New York Times*, Opinion Pages, October 31, 2016)

Alan Longbon has put the problem in a nutshell:

> The core idea behind this neo-liberal groupthink is to protect the exorbitant free lunch enjoyed by the private banks for providing the government with loans of the government's own money at interest.
>
> Banks have attached themselves as a parasite onto the government and work very hard to convince the government and the voting public that this parasitic relationship is necessary for the health of all. An example of rentier rent extraction at the very highest level.

(Alan Longbon, Commenter, on Bill Mitchell, œCurrency-issuing governments can keystroke their outstanding debt into oblivion, *Billy Blog*, October 13, 2016)

Alan Longbon's explanation extends an opinion expressed by Marriner Eccles[1073] in 1947. Addressing why Section 206(a) of the Banking Act of August 23, 1935 explicitly prohibited direct purchases of Treasury securities by Federal Reserve Banks, he pointed out that 'the prohibition was inserted at the behest of Government securities dealers':

> ... authority [to purchase directly from the Treasury] was taken away from the Reserve System primarily at the instance of some of the dealers ...
>
> I think the real reasons for writing the prohibition into the [Banking Act of 1935] ... can be traced to certain Government bond dealers who quite naturally had their eyes on business that might be lost to them if direct purchasing were permitted.
> (Garbade, 2014, p. 7)

(23/11/16) Once economic processes and structures have been established, based on particular sets of presumptions about and understandings of 'economic reality', it appears that no-one is able to challenge them. They must be there because they are necessary. Their existence is evidence, if any were needed, of the deep and almost mystical nature of 'the economy' - beyond the understanding of 'mere mortals'.

As with any ideological construct, the features are to be 'explained' and justified, not questioned and challenged. If there are features which appear redundant that is not because they are redundant but because there are features of economies which require *specialist knowledge* (bringing to mind Mike Lofgren's explanation of *fachidiocy*). Without that knowledge people can believe that they are unnecessary, but the 'specialists' know their deeper significance. It was, indeed, appropriate that the 'natural laws' of economics would first be 'explained' by someone trained for the Anglican clergy.

[1039] The term 'apogee' assumes an orbit, however eccentric its ellipse. But, were Trump's budget to be enacted, it would be naive to assume some later return to 'normality'. Disturb an orbiting object at its apogee and the chances are high that the orbit will, at the very least, be altered and that the cumulative changes will reverberate through time.

(07/08/17) The world may well be on the cusp of a geopolitical seismic shift. In attempting to understand the likely trajectory of such a shift, one needs to keep in mind:

- The escalation in US military funding which is occurring in both nuclear and conventional spheres;
- Coupled with the long-standing US belief that they are under threat from powerful external enemies.

  (In the second decade of the 21st century this is almost entirely imaginary:

  > The Russians - or is it the Chinese or the Iranians or... - are out to get us!

  Or self-instigated through US military adventures around the world);

- The determined push for financial deregulation and œgutting of central government authority and responsibility which has become the sub-text of President Trump's bumblings within the US Congress.

  (The question to be asked is:

  Have President Trump's ineptitudes provided the smoke-screen behind which more coherent 'small-government' forces (of both political parties) in the US Congress are left free to pursue their long-incubated agenda aimed at reducing central government to being the police force of neoliberalism?)

- And, of course, the absurd climate change denial implicit in Trump's withdrawal from the 2016 Paris climate agreement.

Steven Metz has described the inexorable drift toward the privatization of US military activity since September 11 2001 - a feature of the over-extension of Western imperialism since Roman times:

> After nearly 16 years of military and diplomatic efforts, the U.S. cannot secure Afghanistan from the Taliban. During that time, the administrations of George W. Bush, Barack Obama and Donald Trump all wanted to believe that if they could just find the right U.S. troop levels and fine-tune the assistance provided to the government of Afghanistan, things would work out. But it never happened. Victory remains elusive.
>
> Now, as the American public and its elected leaders grow impatient with the unending war and realize that doing more of the same will never produce different results, out-of-the-box proposals are on the table. As is often the case, frustration is making things that once appeared infeasible suddenly seem appealing. One such proposal is the idea of replacing some or even most U.S. troops in Afghanistan with private security contractors...
>
> Another sign of the privatization of security is the American military's extensive reliance on contractors for intelligence, cyber warfare and logistics, as well as for VIP protection and site security. But again, rather than approaching this as something permanent, U.S. political and military leaders treat it as an abnormality - a temporary expedient made necessary by the rapid expansion of operations in Iraq and Afghanistan.
>
> Large corporations, too, are turning to private security firms. For commercial shipping, onboard security detachments have helped blunt the piracy problem that shipping firms faced. Many extractive industries in unsettled parts of the world hire security forces mostly composed of former members of national militaries.
> (Steven Metz, œThe Privatization of Security Is Coming. The U.S. Must Start Preparing for It, *World Political Review*, Friday, July 21, 2017)

And, of course, œoutsourcing war makes public oversight of the activities, funding, and personnel of those privatized and corporatized mercenary organizations more difficult. Citizens become dissociated from the prosecution of wars undertaken in their names; ensuring reduced public control over the activities and funding of that military industrial complex bequeathed by Eisenhower.

The US might, indeed, as Noam Chomsky has suggested, become the "Most Dangerous Country in the World".

(02/08/17)As George Orwell explained in his *1984* and Kissinger suggested, a population beset by real and/or imagined *fears* is easily manipulated.

Guy Saperstein and Kelsey Abkin described such a population, ripe for manipulation:

> At a rally in North Carolina in December 2016, a 12-year-old girl said to candidate Donald Trump, "I'm scared. What are you going to do to protect this country?"
>
> "You know what, darlin'?" Trump replied. "You're not going to be scared anymore. They're going to be scared."
>
> Throughout his campaign, Trump played off the rising fear of the American public. His us-vs.-them rhetoric eroded people's trust in facts, numbers, nuance, government and the news media and augmented the already fragile line of truth. Trump knew Americans were afraid and that they would vote accordingly.
>
> ...So how is it that we are living in what is arguably the safest time in history, yet we as a country exist in a culture of fear?
>
> Christopher Fettweis, author of *The Pathologies of Power: Fear, Honor, Glory, and Hubris in U.S. Foreign Policy*, says it is because
>
>> "our fear is not based on an intellectual conclusion, it's a belief."
>
> America's fear has become a framework of belief, surpassing far beyond the plasticity of opinions. And as history has proved time and time again, beliefs are near impossible to change.
>
> The reality is "facts" don't mean much in the way of beliefs. Telling a person, who has the sincerest gut belief, the statistic that more Americans are killed each year by furniture than by terrorism becomes somehow unconvincing, or rather disagreeable.
>
> Political psychologists call this tendency to conform assessments of information to some goal or end extrinsic to accuracy "motivated reasoning." In other words, people believe what they want to believe. This cognitive process infiltrates everything from us convincing ourselves a gluten-free cupcake is healthy to our groundless denial of climate change and gun violence.
>
> So why is this process so crucial in understanding the culture of fear in America?
>
> It perpetuates it. Because humans will dismiss rational thinking for the sake of reconfirming their identity, their fears will eclipse facts.
>
> A conservative turns on the news to see a terrorist attack in London. Then he goes on Twitter to see fellow conservatives' rant about building a wall and protecting our borders. His fear is legitimized within their cushy network of familiarity. If the conservative encountered the fact that "zero refugees from countries included in the president's travel ban have killed anyone in terrorist attacks on American soil," he would ignore it, because it does not fit with his worldview.
>
> The individual does not conform to adjust his perspective, but emerges unconvinced and indignantly dogged.
>
> According to psychologist Tom Gilovich, this is because the fundamental questions we ask ourselves in response to particular

> information conforms to what we want to believe. "For desired conclusions," he writes, "it is as if we ask ourselves 'Can I believe this?,' but for disagreeable conclusions we ask, 'Must I believe this?'"
>
> People do not confront new information looking for truth, but rather looking for their truth and this means facts take a backseat to deeply ingrained fears.
> (Guy T. Saperstein and Kelsey Abkin, œWhy Are Americans So Afraid? Facts take a backseat to deeply ingrained fears. *AlterNet*, July 29, 2017)

How desperately the US needs a president of FDR's caliber:

> This is preeminently the time to speak the truth, the whole truth, frankly and boldly. Nor need we shrink from honestly facing conditions in our country today.
>
> This great Nation will endure as it has endured, will revive and will prosper. So, first of all, let me assert my firm belief that the only thing we have to fear is fear itself - nameless, unreasoning, unjustified terror which paralyzes needed efforts to convert retreat into advance.
>
> In every dark hour of our national life a leadership of frankness and vigor has met with that understanding and support of the people themselves which is essential to victory. I am convinced that you will again give that support to leadership in these critical days.
> (Franklin D. Roosevelt, œInaugural Address, *The American Presidency Project*, March 4, 1933)

1040 Athanasios Orphanides has examined "the flawed political structure of the euro area that permitted governments of some member states to exploit problems in other member states that share the common currency". As he explained:

> Five years after the beginning of the euro area crisis the outlook for the common currency looks bleak. The euro has failed its first major test since its introduction. Rather than promote prosperity in Europe, the euro has trapped numerous states into a protracted slump. Rather than promote the euro area's economic strength in the global economy, the euro has sapped economic potential, leading to a widening gap in economic performance relative to other economies. Rather than complete the European project, the euro has promoted mistrust among the people of Europe and contributed to the disintegration of the euro area.
>
> What are the causes of this failure? Study of the failed EU/IMF program that was imposed on Greece in May 2010 - the original sin of the crisis - provides rich information that can help explain both the nature of the problem and the difficulty regarding its resolution. Information that is now in the public domain can shed light on how and why flawed decisions were made during the crisis. The analysis suggests that mismanagement of the crisis can be traced to the political structure of the euro area that leveraged the power of some member state governments against the interests of other member states and the euro area as a whole.
> (Athanasios Orphanides, œThe Euro Area Crisis Five Years After the Original Sin, MIT, Sloan School Working Paper 5147-15 10/19/2015)

Wynne Godley, in 1992, spelt out the problems of a future Eurozone underpinned by neoliberal presumptions:

> The central idea of the Maastricht Treaty is that the EC countries should move towards an economic and monetary union, with a single currency managed by an independent central bank. But how is the rest of economic policy to be run? As the treaty proposes no new institutions other than a European bank, its sponsors must suppose that nothing more is needed. But this could only be correct if modern economies were self-adjusting systems that didn't need any management at all.
>
> I am driven to the conclusion that such a view - that economies are self-righting organisms which never under any circumstances need management at all - did indeed determine the way in which the Maastricht Treaty was framed. It is a crude and extreme version of the view which for some time now has constituted Europe's conventional wisdom (though not that of the US or Japan) that governments are unable, and therefore should not try, to achieve any of the traditional goals of economic policy, such as growth and full employment. All that can legitimately be done, according to this view, is to control the money supply and balance the budget. It took a group largely composed of bankers (the Delors Committee) to reach the conclusion that an independent central bank was the only supra-national institution necessary to run an integrated, supra-national Europe.
>
> But there is much more to it all. It needs to be emphasised at the start that the establishment of a single currency in the EC would indeed bring to an end the sovereignty of its component nations and their power to take independent action on major issues. As Mr Tim Congdon has argued very cogently, the power to issue its own money, to make drafts on its own central bank, is the main thing which defines national independence. If a country gives up or loses this power, it acquires the status of a local authority or colony. Local authorities and regions obviously cannot devalue. But they also lose the power to finance deficits through money creation while other methods of raising finance are subject to central regulation. Nor can they change interest rates. As local authorities possess none of the instruments of macro-economic policy, their political choice is confined to relatively minor matters of emphasis - a bit more education here, a bit less infrastructure there. I think that when Jacques Delors lays new emphasis on the principle of 'subsidiarity', he is really only telling us we will be allowed to make decisions about a larger number of relatively unimportant matters than we might previously have supposed. Perhaps he will let us have curly cucumbers after all. Big deal!
>
> Let me express a different view. I think that the central government of any sovereign state ought to be striving all the time to determine the optimum overall level of public provision, the correct overall burden of taxation, the correct allocation of total expenditures between competing requirements and the just distribution of the tax burden. It must also determine the extent to which any gap between expenditure and taxation is financed by making a draft on the central bank and how much it is financed by borrowing and on what terms. The way in which governments decide all these (and some other) issues, and the quality of leadership which they can

deploy, will, in interaction with the decisions of individuals, corporations and foreigners, determine such things as interest rates, the exchange rate, the inflation rate, the growth rate and the unemployment rate. It will also profoundly influence the distribution of income and wealth not only between individuals but between whole regions, assisting, one hopes, those adversely affected by structural change.

... If a country or region has no power to devalue, and if it is not the beneficiary of a system of fiscal equalisation, then there is nothing to stop it suffering a process of cumulative and terminal decline leading, in the end, to emigration as the only alternative to poverty or starvation. I sympathise with the position of those (like Margaret Thatcher) who, faced with the loss of sovereignty, wish to get off the EMU train altogether. I also sympathise with those who seek integration under the jurisdiction of some kind of federal constitution with a federal budget very much larger than that of the Community budget. What I find totally baffling is the position of those who are aiming for economic and monetary union without the creation of new political institutions (apart from a new central bank), and who raise their hands in horror at the words 'federal' or 'federalism'. This is the position currently adopted by the Government and by most of those who take part in the public discussion.
(Wynne Godley, œMaastricht and All That, *London Review of Books*, Vol. 14 No. 19 - 8 October 1992, Pages 3-4)

1041 Barry Eichengreen and Charles Wyplosz have addressed the "Minimal conditions for the survival of the euro":

...[W]e set out minimal conditions for the survival of the euro. Typically this issue is framed as whether European monetary integration, which reached its apogee with the euro, will now be complemented by the political integration needed for the single currency to survive. This is how the technocrats and political intelligentsia responsible for the euro's creation saw things; since monetary union is not possible without political union, creating the euro was a way of forcing the pace of political integration.

Limits to political integration

This is not how we see things. Over the timeframe relevant for the euro's survival, political integration in Europe has its limits. This is what historical comparisons suggest. It took the US more than a century including the experience of a devastating civil war before it became a true, irrevocable political union, and Europe is only a short way down that path. The euro's existential crisis is likely to be resolved one way or the other long before that political destination is reached.

Economic theory similarly suggests limits to European political integration. Public finance theory (e.g. Buchanan 1965) points to the existence of economies of scale in the provision of public goods (integration allows public goods like fiscal coinsurance and a well-regulated banking system to be provided more cheaply), underscoring the advantages of political integration and centralisation. But it also highlights the costs of centralised provision since populations are heterogeneous and preferences for public goods differ across groups and regions - costs that create understandable resistance to pooling responsibility for provision.

> This tension is evident in how Europe has responded to its crisis. In some areas where evidence of increasing returns is overwhelming, Europe has moved toward centralised provision. Examples include centralised provision of backstop facilities for sovereign debt markets (the European Central Bank's Outright Monetary Transactions) and creation of the Single Supervisor (with responsibility for oversight of the banking system).
>
> But in other areas the benefits of centralised provision are dominated by the costs of uniformity, creating resistance to further centralisation. This is true most obviously of fiscal policy where different countries have different tastes (insofar as countries as distinct from individuals have tastes) for fiscal rectitude and stabilisation, and different degrees of tolerance of debt and deficits. This heterogeneity in turn creates a problem of trust, i.e. can those formulating and executing the common policy be trusted to do so in a manner consistent with a group's tastes. This is analogous to the problem that results in an undersupply of public goods like policing and schools in localities where the population is heterogeneous, wherein each group is reluctant to pay additional taxes for fear that the resources so mobilised will go to pay for public goods valued by other groups but not by itself (Alesina et al. 1999).
> (Barry Eichengreen, Charles Wyplosz, œMinimal conditions for the survival of the euro, *VOX*, 14 March 2016)

As they summarize:

> The Eurozone crisis has shown that monetary union entails more than just sharing monetary policies. This column, first published on 12 February 2016, identifies four minimal conditions for solidifying the monetary union. In the case of fiscal policy, this means a decentralised solution. In the case of financial supervision and monetary policy, centralisation is unambiguously the appropriate response. In the case of a fourth condition, debt restructuring, either approach is possible, but the authors prefer a solution that involves centrally restructuring debts while allocating costs at national level.

Bill Mitchell, in a blog posting, has provided an examination of related issues, arguably either stemming from or exacerbated by the flaws in Europe's Euro Zone adventure: œChaos in Europe and the flawed monetary system, *Billy Blog*, Wednesday, March 23, 2016.

1042 As Gerald Epstein has explained,

> ...On the campaign trail, then-candidate Trump jumped on the bandwagon, decrying America's "Third World" infrastructure and touting his ability to fix it in short order - as "demonstrated" by his "building prowess" in New York City and "around the world." Trump promised to quickly fix the country's decaying infrastructure and generate millions of good paying jobs with a $1 trillion program that will "Make America Great Again."
>
> That Trump had hit a political "sweet spot" was made clear early on by the number of prominent Democrats and labor leaders who announced not only an interest but real enthusiasm for cooperating with Trump on making a $1 trillion building-spree a reality. How could they resist?
>
> A true, well designed, well-implemented $1 Trillion government investment in infrastructure is a plan many Democrats, progressive

economists and labor leaders had been promoting for years. As Richard Trumpka, President of the AFL-CIO explained:

> During my January meeting with President Trump, we identified a few important areas where compromise seemed possible. On manufacturing, infrastructure and especially trade, we were generally in agreement. Mr. Trump spoke of $1 trillion to rebuild our schools, roads and bridges. He challenged companies to keep jobs in the United States. He promoted 'Buy America.' He promised to renegotiate the North American Free Trade Agreement.

Of course, many Democrats and some economists understood that Trump's infrastructure "sketch" (he has never come out with a true plan) was quite different from a genuine government-financed $1 trillion plan.

From the beginning, Trump's team had made it clear that this was going to be a private-public partnership in which the government would put in significantly less than a trillion dollars - perhaps $200 or $400 billion of corporate tax subsidies over 10 years - as a way to help facilitate a privatization of public assets. Think: turning public roads into privately owned toll roads and public tunnels into privately owned toll tunnels.

This type of privatization, critics argued, would end up as a typical crony capitalist gold mine, giving away public assets to well-connected and politically pliant capitalists and maybe, just maybe, getting some improved but very expensive infrastructure and a few jobs in the process. But some Democrats and labor leaders were, perhaps understandably, desperate to engage in wishful thinking and tentative support - given the apparent political pressure from their constituencies.

Still, some observers warned that the dangers of this infrastructure sweet spot were even greater than might at first appear. In an article in Challenge Magazine, "Trumponomics: Should We Just Say No?" I argued that not only is the so-called "infrastructure" program mostly a thinly disguised privatization scam; it was also a sinister gambit to broaden the political support and therefore the power of Trump and Trumpism, a proto-fascist regime and movement, whose goal is to undermine democracy, enrich those wealthy capitalists willing to play along, and divide and conquer the domestic population by sowing racial, gender, religious and national hatred and intolerance.
(Gerald Epstein, œTrump and the Infrastructure of Fascism, *TripleCrisis*, August 18, 2017)

[1043] Bill Mitchell has spelt out similar 21st century consequences in Germany:

> Germany has become so obsessed with recording fiscal surpluses that its trucks can no longer transit important bridges and so the export model is being undermined. It is so obsessed with screwing its own people and overseeing an increasing bias to precarious work with low pay that the future retirements of their workforce is in jeopardy. The chickens are coming home to roost in a big way for Europe's so-called powerhouse. No other nation should follow its lead....

> The austerity-obsessed German government is claiming the solution lies in private-public partnerships with the private sector stumping up the funding.
>
> We have been down this road before in many Anglo nations and have learned the hard way - PPPs are generally disastrous.
>
> Please read my blogs - œPublic infrastructure 101 - Part 1 and œPrivatisation failure - the micro analogue of fiscal surplus obsessions - for more discussion on this point.
> (Bill Mitchell, œThe chickens are coming home to roost for Europe's so-called powerhouse, *Billy Blog*, August 10, 2017)

1044 Bill Mitchell has explained the nature of private credit - whether tokenized or not - well:

> ...the "money supply" in an "entrepreneurial economy" is demand-determined - as the demand for credit expands so does the money supply. As credit is repaid the money supply shrinks. These flows are going on all the time and the stock measure we choose to call the money supply, say M3 is just an arbitrary reflection of the credit circuit.
> (Bill Mitchell, œIndexed bank reserve support schemes will not expand credit, *Billy Blog*, August 31, 2016)

1045 An obvious, though probably politically difficult way in which the US Federal Reserve Board might address this unprecedented blowout in bank reserves would be to repackage excess bank reserves as 'long-term bank stabilization securities', which can be accessed only at the discretion of the Federal Reserve Board. This change might be glossed as a return to 'normal practice' following an economic crisis. In a second phase of this change, the credit leakage which is implied in paying interest on those transferred bank reserves might progressively be stemmed through adjusting the rate.

While banks will, of course, loudly protest the inequity of such repackaging, the rationale for doing so should appeal to that large majority of US voters which believes that the banks have been rewarded for profligacy bordering on criminality. After all, the securities purchased by the Fed over the past several years were in large part funded by unsecured-credit-creating private bank activity, made possible through the deregulation of bank activity and capital account liberalization over the past several decades.

Perhaps the following is a half-hearted attempt, on the part of the US Fed, to address the problem (inducing banks to trade bank reserves for US Government securities): AUTHORIZATION FOR DOMESTIC OPEN MARKET OPERATIONS (As amended effective January 28, 2014), œMinutes of the Federal Open Market Committee, January 28 - 29, 2014, p.3. It will be interesting to see whether the major players are willing voluntarily to forgo their bank reserves for US securities, though the long-term problems associated with the blowout in the monetary base are not really addressed by such measures.

1046 A minor point here, which should not cloud the far more important issues addressed by Alt. I doubt that one needs to provide a justification for sovereign credit creation (e.g ''A U.S. Dollar is an I.O.U. issued by the sovereign U.S. government which says "I owe you one Dollar's worth of credit on the Federal Taxes you owe me."). This seems to echo the old gold standard rationale.

Governments create credit.

That sovereign currency might be presented in the form of an IOU has become, since movement from the gold standard, an anachronism which often stimulates a felt need to provide a rationale for the existence of such IOUs. The rationale for the existence of sovereign monetary bases (and associated currencies) is that such bases are required in capitalist societies. This same rationale underpins the existence and features of most government institutions and agencies.

The old 'Gold Standard' was always a convention to justify maintaining relatively fixed exchange rates, taken far too literally by the US Government in purchasing and holding enough gold to underwrite its monetary base (a literalism which has, to the present, blinkered and constrained US economic understanding and model building).

1047 The case for Central Bank independence was well made by US Federal Reserve Chairman Ben Bernanke (2010):

> A broad consensus has emerged among policymakers, academics, and other informed observers around the world that the goals of monetary policy should be established by the political authorities, but that the conduct of monetary policy in pursuit of those goals should be free from political control. This conclusion is a consequence of the time frames over which monetary policy has its effects. To achieve both price stability and maximum sustainable employment, monetary policymakers must attempt to guide the economy over time toward a growth rate consistent with the expansion in its underlying productive capacity. Because monetary policy works with lags that can be substantial, achieving this objective requires that monetary policymakers take a longer-term perspective when making their decisions. Policymakers in an independent central bank, with a mandate to achieve the best possible economic outcomes in the longer term, are best able to take such a perspective.
> (œCentral Bank Independence, Transparency, and Accountability, Remarks by Ben S. Bernanke, Chairman, Board of Governors of the Federal Reserve System, at the Institute for Monetary and Economic Studies International Conference, Bank of Japan, Tokyo, Japan, May 26, 2010)

1048 As the œ*Basic Income Action* website says:

> What is a basic income, exactly? How does it work?
>
> It's simple, and that's what makes it so powerful.
>
> Set an amount - maybe $1,000 a month, or $800 or $1,500 a month - and have government provide that to every adult American. Everyone gets the same amount, ideally enough to guarantee that people can afford food, clothes, shelter, and other necessities.
>
> We can adjust the amount occasionally when economic conditions require it. State and local governments can supplement it, using local revenues.
>
> This is an income independent of what people earn at a job or through investments, and everyone gets it, no questions asked, either as a direct payment or combined into the tax system. It's economic security for every American...

> A basic income of $1,000 a month is $24,000 a year for a couple. That's more than the current official poverty level for a family of four. We can end hunger, end homelessness, end extreme poverty. Current policies cannot possibly achieve that; no way, no how, no hope.
>
> Because it's universal and unconditional, basic income creates a baseline of justice and equality. Everyone will be on the political and economic playing fields, with money to participate actively as citizens and in markets.
>
> Are there specific issues or problems you care about? Racism? Poverty? Income inequality? Health care? Education reform? Global warming and climate change? Political corruption and the power of special interests? Every American will have the means and incentives to work together as citizens, to make our government more efficient, responsive, and accountable...
>
> Concern about inflation is a reason to be diligent about cutting welfare, eliminating corporate welfare, abolishing tax breaks and credits, and ending wasteful spending at all levels, federal, state, and local. Those cuts will offset the basic income.
>
> Many economists are now more concerned about deflation than inflation. Because of stagnant incomes and technology-driven job reductions, Americans have less money to spend, and that lack of spending and demand is hindering economic activity generally.
>
> If there is any inflation, ever, basic income will be a cushion, protecting us from higher prices. We'll stay calm while the Federal Reserve acts to prevent further inflation. Economic conditions will be more stable than today, and stability is good for consumers, businesses, entrepreneurs, and investors.

1049 A 'jobs guarantee' is an attractive alternative for those who are concerned about the moral consequences of distributing 'unearned' income. This is most unlikely to be a real problem in a capitalist world since an unearned income solution would never get off the ground. Even 'welfare recipients' are, almost always, keenly aware of those who are 'free-loading' on the system.

Yves Smith has provided an interesting discussion on the rationale for a universal basic income in a blog posting. As she says,

> ...I know a universal basic income is a popular idea among readers, and I have to tell you, you are being set up.
>
> Like it or not, even though we live in a fiat currency system, most people believe that their Federal taxes are necessary to fund Federal spending. We also live in a capitalist system, where most people have to work to earn income as a condition of their survival.
>
> The big conservative argument for a universal basic income, and many neoliberals buy into it, is because it would be cheaper administratively and fairer than our patchwork of social safety nets.
>
> ...One of the reasons that social safety nets are still standing to a degree is that they have business support. Food stamps are good for Big Ag. Medicaid provides more income to the medical industrial complex. And they separately are targeted to recognized human needs. Even people who believe that the poor are really malingers are more willing to give their precious tax dollars to targeted spending than giving them a check that they stereotype will be used

> for drugs or gambling.
> (Yves Smith, œThe Conversation About Basic Income is a Mess. Here's How to Make Sense of It, *Naked Capitalism*, April 6, 2017)

In an earlier posting she has explained her preference for a jobs guarantee rather than a universal basic income. (If I were quibbling (I agree with her position on this) I might suggest that the Speenhamland Decrees did not 'produce an unskilled underclass'; that was a consequence of the 18th century dispossession of small holders, displacement of rural laborers, and impoverishment of many of the 'little gentry' and remaining small landholders):

> The reason I prefer a jobs guarantee (with an income guarantee at a lower income level) is that the time an income guarantee was implemented on an open-ended, long term basis, it produced an unskilled underclass (see œour post on the Speenhamland system for more detail).
>
> Moreover, the idea that people are brimming with all sorts of creative things they'd do if they had an income to allow themselves to do it is bunk. For instance, MacArthur Foundation grant recipients, arguably some of the ... most creative people in society, almost without exception do not do anything productive while they have their grant funding. And let us not kid ourselves: most people are not creative and need structure and pressure to get anything done.
>
> Finally, humans are social animals. Work provides a community. If you are extraverted and need to be around people during the day, it's hard to create enough opportunities for interaction on your own.
> (Yves Smith, œF@ck Work?, *Naked Capitalism*, January 5, 2017)

1050 The statement

> 'funded through the recirculation of existing credit, rather than the generation of new credit'

and others like it in the text is a lapse into neoliberal shorthand which should be avoided! It is such a tempting shorthand!! In fact, though verbose, this should have been stated as

> 'funded through the creation of credit, matched by the withdrawal of existing credit from gross accumulations of credit within the society'.

1051 There seems little to suggest that redistribution has negative 'economic' effects. See: Jonathan D. Ostry, Andrew Berg, and Charalambos G. Tsangarides, œRedistribution, Inequality and Growth (IMF, Research Department, IMF Staff Discussion Note, February 2014) for an examination of the issues.

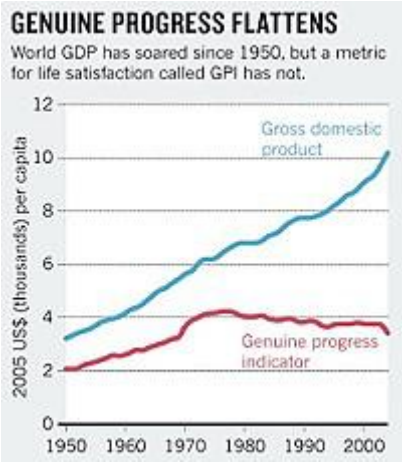
For an in-depth examination of "the trends and patterns in inequality and poverty for OECD and emerging countries" see the OECD site: œIncome Inequality and Poverty

Thomas Hungerford (2012) put it succinctly:

> Throughout the late-1940s and 1950s, the top marginal tax rate was typically above 90%; today it is 35%. Additionally, the top capital gains tax rate was 25% in the 1950s and 1960s, 35% in the 1970s; today it is 15%.
>
> The real GDP growth rate averaged 4.2% and real per capita GDP increased annually by 2.4% in the 1950s. In the 2000s, the average

real GDP growth rate was 1.7% and real per capita GDP increased annually by less than 1%.

Robert Costanza *et al* (2014) have questioned the usefulness of GDP measures and proposed alternatives:



> Robert F. Kennedy once said that a country's gross domestic product (GDP) measures "everything except that which makes life worthwhile". The metric was developed in the 1930s and 1940s amid the upheaval of the Great Depression and global war. Even before the United Nations began requiring countries to collect data to report national GDP, Simon Kuznets, the metric's chief architect, had warned against equating its growth with well-being.
>
> GDP measures mainly market transactions. It ignores social costs, environmental impacts and income inequality. If a business used GDP-style accounting, it would aim to maximize gross revenue - even at the expense of profitability, efficiency, sustainability or flexibility. That is hardly smart or sustainable (think Enron). Yet since the end of the Second World War, promoting GDP growth has remained the primary national policy goal in almost every country.
> (Robert Costanza *et al*, œDevelopment: Time to leave GDP behind, *Nature* 505, 283 - 285 (16 January 2014))

1052 Bill Black has summed up capitalist plutocracy well:

> Von Hayek was one [of] the principal framers of that immoral moral code that glorifies plunder by CEOs. Libertarians glorify von Hayek's bigoted glorification of elites as our moral superiors who have a right to rule and plunder our Nation. Tyler Cowen calls plutocracy and pervasive plunder a "hyper-meritocracy," but it is a rule by the most unethical for the most venal of purposes and it is the greatest enemy of merit and justice.
> (William K. Black, œWhy the Worst Get on Top - in Economics and as CEOs, *New Economic Perspectives*, June 11, 2014)

Of course, technically speaking, governments do not 'redistribute' tax revenues. However, in practical terms, since governments must control the supply of credit in order to limit inflationary pressures and retain confidence in the value of credit, the money supply needs to be kept stable and so, effectively, credit withdrawn through taxation is replaced by 'redistributed' credit. The short-hand for all this, while a little misleading is nonetheless useful: Governments redistribute credit clawed back through taxation and similar forms of revenue collection.

1053 This appeal to 'crisis funding', particularly for military purposes, has continued to justify 'crisis' funding of US military activities to the present. To justify military spending, link it to a 'crisis'!

While Roosevelt's appeal to sacrifice for the war effort was justified and used, quite deliberately, as a means to introduce high marginal tax rates on the wealthy, it's legacy, with the triumph of neoliberalism, has been support of the military industrial complex, even as marginal tax rates on the wealthy have been constantly reduced.

Roosevelt spelt out his vision for wealth redistribution in an April, 1942 fireside chat to the American people in which he explained: "I do not think that any American citizen should have a net income in excess of $25,000 per year after payment of taxes" (œabout $370,000 in 2017):

> ...Although the treacherous attack on Pearl Harbor was the immediate cause of our entry into the war, that event found the American people spiritually prepared for war on a world-wide scale. We went into this war fighting. We know what we are fighting for. We realize that the war has become what Hitler originally proclaimed it to be- a total war.
>
> Not all of us can have the privilege of fighting our enemies in distant parts of the world.
>
> Not all of us can have the privilege of working in a munitions factory or a shipyard, or on the farms or in oil fields or mines, producing the weapons or the raw materials that are needed by our armed forces.
>
> But there is one front and one battle where everyone in the United States-every man, woman, and child-is in action, and will be privileged to remain in action throughout this war. That front is right here at home, in our daily lives, and in our daily tasks. Here at home everyone will have the privilege of making whatever self-denial is necessary, not only to supply our fighting men, but to keep the economic structure of our country fortified and secure during the war and after the war.
>
> This will require, of course, the abandonment not only of luxuries but of many other creature comforts.
>
> Every loyal American is aware of his individual responsibility. Whenever I hear anyone saying "The American people are complacent-they need to be aroused," I feel like asking him to come to Washington to read the mail that floods into the White House and into all departments of this Government. The one question that recurs through all these thousands of letters and messages is: "What more can I do to help my country in winning this war?
>
> To build the factories, to buy the materials, to pay the labor, to provide the transportation, to equip and feed and house the soldiers, sailors, and marines, and to do all the thousands of things necessary in a war-all cost a lot of money, more money than has ever been spent by any Nation at any time in the long history of the world.
>
> We are now spending, solely for war purposes, the sum of about $100,000,000 every day in the week. But, before this year is over, that almost unbelievable rate of expenditure will be doubled.
>
> All of this money has to be spent-and spent quickly-if we are to produce within the time now available the enormous quantities of weapons of war which we need. But the spending of these tremendous sums presents grave danger of disaster to our national economy.
>
> When your Government continues to spend these unprecedented sums for munitions month by month and year by year, that money goes into the pocketbooks and bank accounts of the people of the United States. At the same time raw materials and many

manufactured goods are necessarily taken away from civilian use; and machinery and factories are being converted to war production.

You do not have to be a professor of mathematics or economics to see that if people with plenty of cash start bidding against each other for scarce goods, the price of those goods goes up.

Yesterday I submitted to the Congress of the United States a seven-point program of general principles which taken together could be called the national economic policy for attaining the great objective of keeping the cost of living down.

I repeat them now to you in substance:

> First. We must, through heavier taxes, keep personal and corporate profits at a low reasonable rate.
>
> Second. We must fix ceilings on prices and rents.
>
> Third. We must stabilize wages.
>
> Fourth. We must stabilize farm prices.
>
> Fifth. We must put more billions into war bonds.
>
> Sixth. We must ration all essential commodities which are scarce.
>
> Seventh. We must discourage installment buying, and encourage paying off debts and mortgages.

I do not think it is necessary to repeat what I said yesterday to the Congress in discussing these general principles.

The important thing to remember is that each one of these points is dependent on the others if the whole program is to work.

Some people are already taking the position that every one of the seven points is correct except the one point which steps on their own individual toes. A few seem very willing to approve self-denial-on the part of their neighbors. The only effective course of action is a simultaneous attack on all of the factors which increase the cost of living, in one comprehensive, all-embracing program covering prices, and profits, and wages, and taxes and debts.

The blunt fact is that every single person in the United States is going to be affected by this program. Some of you will be affected more directly by one or two of these restrictive measures, but all of you will be affected indirectly by all of them.

Are you a businessman, or do you own stock in a business corporation? Well, your profits are going to be cut down to a reasonably low level by taxation. Your income will be subject to higher taxes. Indeed in these days, when every available dollar should go to the war effort, I do not think that any American citizen should have a net income in excess of $25,000 per year after payment of taxes.

Are you a retailer or a wholesaler or a manufacturer or a farmer or a landlord? Ceilings are being placed on the prices at which you can sell your goods or rent your property.

Do you work for wages? You will have to forego higher wages for your particular job for the duration of the war.
(Franklin D. Roosevelt: œ"Fireside Chat," April 28, 1942. Online by

Gerhard Peters and John T. Woolley, *The American Presidency Project*)

1054 (25/05/16) While, at the time, appeal by the New Deal's architects to 'patriotic' sacrifice for the war effort and for post-war reconstruction seemed like a good idea - and, of course, worked! - it set in place military (and related) spending levers through which to trigger public support for US government deficits which have become institutionalized.

Appeals to patriotic support of the 'war' and 'post-war' responsibilities of the US soon morphed into appeals for public funding of major public works projects as means of keeping the country safe from international aggression. The US Federal Highway Administration, in its 50th Anniversary Web Site, invites visitors:

> ...to explore this Web site devoted to the Dwight D. Eisenhower System of Interstate and Defense Highways on its 50th anniversary. From the start on June 29, 1956, the Eisenhower Interstate System has been known as the Greatest Public Works Project in History.

Elsewhere on the site it explains the rationale for this "greatest public works project in history":

> In the 1950's, the issue of evacuation was not in any sense frivolous at the height of the Cold War with the Soviet Union. For example, while President Dwight D. Eisenhower began lobbying congressional leaders on behalf of the highway proposal he would submit on February 22, 1955, he was preoccupied with the Formosa Straits crisis that erupted when the People's Republic of China appeared ready to cross the straits and attack Chinese Nationalists on Formosa (now called Taiwan) over control of the islands of Quemoy and Matsu. This was a major international crisis, as illustrated by Eisenhower biographer Stephen E. Ambrose's observation that, "the United States in early 1955 came closer to using atomic weapons than at any other time in the Eisenhower Administration."
>
> For the President, the Formosa crisis illustrated the need for the Interstate System. He worried about evacuating Washington and other cities in the event of a nuclear attack. He knew the present roads were inadequate for that purpose. Still, in a meeting with legislative leaders on January 11, 1955, the Formosa crisis prompted a discussion of what would happen in the event of a nuclear attack on the United States. The President said he was worried about an atomic bomb attack, which prompted him to suggest the need for a plan to relocate Congress in an emergency... (US Federal Highway Administration, œHighway History, Interstate System, accessed 11 July, 2016)

Over the past half century and more this same logic has been used to justify a wide range of projects, often inadequately planned and poorly administered but protected from public scrutiny because they are 'necessary to the defense of the nation'.

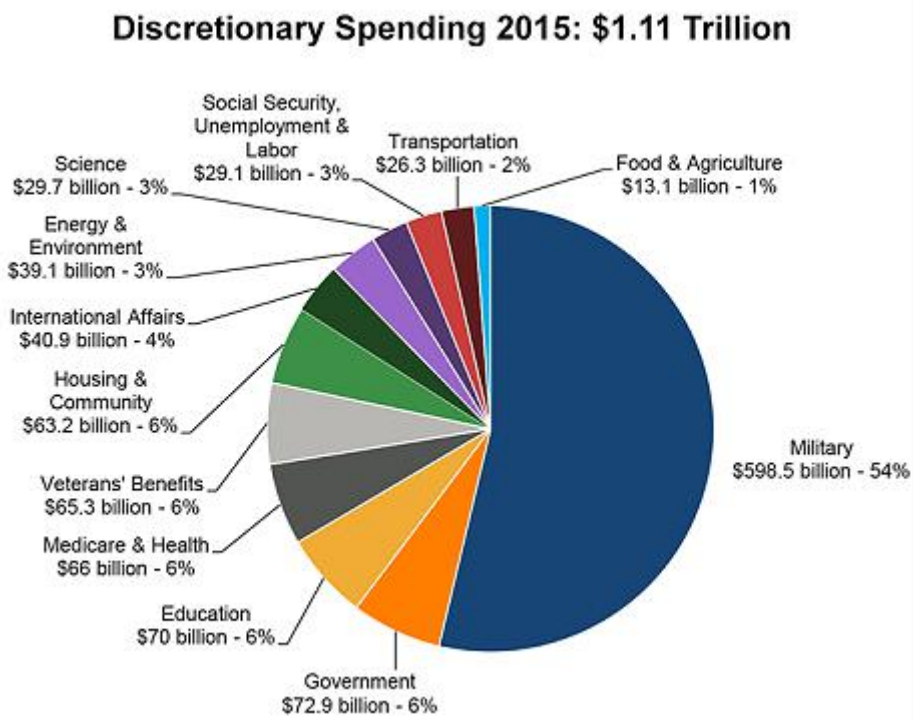
Bill Hartung has examined US military funding in an essay subtitled 'Slush Funds, Smoke and Mirrors, and Funny Money Equal Weapons Systems Galore':

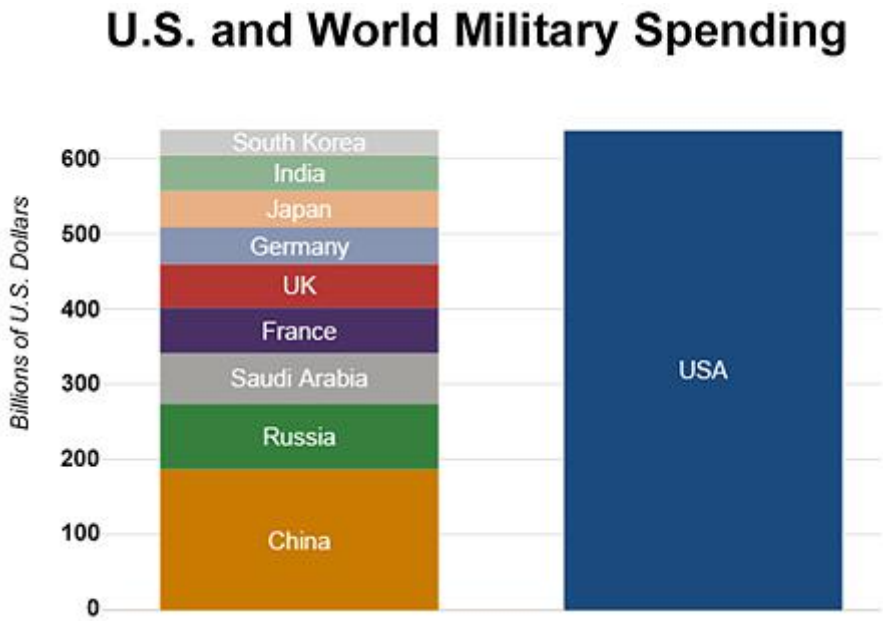
> Now you see it, now you don't. Think of it as the Department of Defense's version of the street con game, three-card monte, or maybe simply as the Pentagon shuffle. In any case, the Pentagon's

> budget is as close to a work of art as you're likely to find in the U.S. government - if, that is, by work of art you mean scam.
>
> The United States is on track to spend more than $600 billion on the military this year - more, that is, than was spent at the height of President Ronald Reagan's Cold War military buildup, and more than the military budgets of at least the next seven nations in the world combined. And keep in mind that that's just a partial total. As an analysis by the Straus Military Reform Project has shown, if we count related activities like homeland security, veterans' affairs, nuclear warhead production at the Department of Energy, military aid to other countries, and interest on the military-related national debt, that figure reaches a cool $1 trillion.
>
> The more that's spent on "defense," however, the less the Pentagon wants us to know about how those mountains of money are actually being used. As the only major federal agency that can't pass an audit, the Department of Defense (DoD) is the poster child for irresponsible budgeting.
>
> It's not just that its books don't add up, however. The DoD is taking active measures to disguise how it is spending the hundreds of billions of taxpayer dollars it receives every year - from using the separate "war budget" as a slush fund to pay for pet projects that have nothing to do with fighting wars to keeping the cost of its new nuclear bomber a secret. Add in dozens of other secret projects hidden in the department's budget and the Pentagon's poorly documented military aid programs, and it's clear that the DoD believes it has something to hide.
>
> Don't for a moment imagine that the Pentagon's growing list of secret programs and evasive budgetary maneuvers is accidental or simply a matter of sloppy bookkeeping. Much of it is remarkably purposeful. By keeping us in the dark about how it spends our money, the Pentagon has made it virtually impossible for anyone to hold it accountable for just about anything. An entrenched bureaucracy is determined not to provide information that might be used to bring its sprawling budget - and so the institution itself - under control. That's why budgetary deception has become such a standard operating procedure at the Department of Defense. (William D. Hartung, œThe Pentagon's War on Accountability: Slush Funds, Smoke and Mirrors, and Funny Money Equal Weapons Systems Galore, *TomDispatch*, May 24, 2016)

The website *National Priorities Project* has illustrated the degree to which, to the present, 'defense' dominates and justifies federal budgetary spending in the United States - a nation which, in its own mind, has, for more than half a century, been 'under threat':

> In fiscal year 2015, military spending is projected to account for 54 percent of all federal discretionary spending, a total of $598.5 billion. Military spending includes: all regular activities of the Department of Defense; war spending; nuclear weapons spending; international military assistance; and other Pentagon-related spending.





(œFighting for a U.S. federal budget that works for all Americans, *National Priorities Project*, Accessed 2 May 2016)

One should beware the œlaw of unintended consequences!

1055 Oxfam America, in a report titled: *Broken at the Top: How America's Dysfunctional Tax System Costs Billions in Corporate Tax Dodging*, has painted a stark picture of the ways in which major corporations avoid taxation around the world:

> **The big picture on tax dodging**
>
> In every country in the world tax revenues pay for schools, hospitals, roads, bridges, first responders, social safety nets and other public services that keep societies running and reduce poverty.
>
> Fair tax systems are vital to finance well-functioning and efficient states and to enable governments to fulfill their obligations to uphold citizens' rights to essential services such as healthcare, education and social protection for low income families. A well-

designed tax system can ensure that those who can afford it most make the largest contribution.

In developing countries in particular, where there is an immense need to strengthen health and education services for the hundreds of millions of people who still live in extreme poverty, revenues from taxes provide the most sustainable way to pay for teachers, doctors and police officers. Every dollar a developing country can raise in taxes is a dollar it does not need to seek from donors. Ultimately, the only way poor countries will be able to sustain themselves without relying on foreign aid is by creating a strong domestic tax base that can fund the essential public services and functioning governments their populations need.

However, national tax codes, as well as the international tax structure, can instead work in reverse so that the biggest burden falls on the poorest people. The current global tax architecture is secretive and uncoordinated, weakening the ability of governments to collect the taxes they are due. These rules facilitate cross-border tax dodging and the concealment of wealth. In particular, tax havens and offshore financial centers - which can be characterized by secrecy, low- or zero-tax rates and the almost complete lack of disclosure of any relevant business information - are the most obvious tools used to enable multinational corporations to escape taxes.

Exploiting tax loopholes and engaging in large-scale tax avoidance are integral components of the profit-making strategies of many multinational corporations. Tax avoidance, or tax dodging, means engaging in transactions which serve no commercial purpose other than to decrease the company's tax bill.

Tax dodging can take many forms. US corporations must pay 35% tax on all profits, wherever they are earned around the globe - but only after that money has been "repatriated" back to the US. Companies report that they have more than $2 trillion of profits "permanently reinvested" abroad to avoid being taxed in the US - but companies actually can use that money in the US without paying tax by borrowing money domestically using these offshore assets as collateral.

Big corporations and their defenders in Washington, DC are quick to decry "double taxation" to justify their attempts to avoid repatriating their foreign profits and any attempts to close tax loopholes. But this excuse is a red herring. Companies receive a dollar-for-dollar credit for any amount of tax they pay to other countries. When US companies pay taxes to a foreign government, they lower their US tax bill by the same amount, so the profits are not taxed twice.

As a way to avoid paying the US's 35% statutory rate, companies artificially shift the ownership of assets (like patents or other intellectual property) to subsidiaries that exist only on paper in tax havens. For example, a US company might transfer its intellectual property rights to a Cayman Islands subsidiary, even if the underlying technology was developed in the United States. The US subsidiary of the company would then pay royalties to the Caymans subsidiary to use that intellectual property. That payment would decrease the profit of the US subsidiary, which faces the US tax

rate, and boost the profit of the Caymans subsidiary, which faces a low rate.

Even more insidious, companies engage in "earnings stripping" as another way to avoid paying their fair share of taxes. A subsidiary in a high tax country can borrow from a subsidiary in a low tax country enabling the parent company to essentially pay artificially high interest rates to itself. For the global company as whole, it's a wash - profits on one side match losses on the other - and no real business activity has occurred, except that the company's global tax bill is lower.

Perhaps the worst form of tax avoidance is an inversion - when a US company renounces its US citizenship by buying a foreign subsidiary in a low-tax jurisdiction, where it reincorporates. In some cases, nothing changes about the actual business - the new inverted company remains headquartered in the US and still conducts business from the US, enjoying all the advantages of the US market, but no longer pays its rightful share of US taxes.

Governments, including the US, are so far failing to crack down on the global practice of tax avoidance and the associated network of tax havens which enable it. Rather than coming together to stem harmful competition between countries, they are fighting to win a destructive race to the bottom that leaves everyone worse off. (Oxfam America, œ*Broken at the Top: How America's Dysfunctional Tax System Costs Billions in Corporate Tax Dodging*, Oxfam Media Briefing, April 14, 2016)

1056 Bill Mitchell, in a three-part series focusing on the importance of political control of fiscal policy in democratically organized capitalist nations, has explained this well:

> ...[T]he transition to a new economic order (that is, neoliberalism) - was achieved primarily through a gradual depoliticisation of economic policy: that is, through the hollowing out of national sovereignty and removal of macroeconomic policy from democratic (parliamentary) control, thereby effectively insulating the neoliberal transition from popular contestation.
>
> ...The various policies adopted by Western governments from the 1970s onwards to promote depoliticisation include:
>
> 1. Reducing the power of parliaments vis-à-vis that of governments and making the former increasingly less representative (for instance, by moving from proportional parliamentary systems to majoritarian ones).
> 2. Making central banks formally independent of governments, with the explicit aim of subjugating the latter to 'market-based discipline'. We note that this 'formality' does not create independence in a functional sense. Central banks and Treasury have to work hand-in-glove on a daily basis to ensure the monetary system functions, central bank boards are appointed by governments, and central bankers regularly deliver pronouncements on fiscal policy and thus enter the politicial process.
> 3. Adopting rules-bound policies - on public spending, debt as a proportion of GDP, competition, etc. - thereby limiting what politicians can do at the behest of their electorates; removing

controls over capital flows, thus reducing the ability of governments to exercise control over economic policy.

4. Signing trade and investment treaties, which severely limit the capacity of governments to regulate in the public interest. Allowing corporations the power to subjugate the decisions of parliaments if they impede private profit is the exemplar of the anti-democratic shifts under neoliberalism.
5. Surrendering national prerogatives to supranational institutions and para-state and super-state bureaucracies. Allowing the IMF to impose conditions on democratically-elected governments undermines democracy.

In this sense, the erosion of national sovereignty that we have witnessed in recent decades, rather than the consequence of external factors over which states allegedly have little control, should be considered, to a large degree, the result of a deliberate and voluntary reduction of sovereignty by nation-states themselves.

The reason why governments chose willingly to 'tie their hands' is all too clear: as the European case epitomises.

The creation of self-imposed 'external constraints' allowed national politicians to reduce the politics costs of the neoliberal transition - which clearly involved unpopular policies - by 'scapegoating' institutionalised rules and 'independent' or international institutions, which in turn were presented as an inevitable outcome of the new, harsh realities of globalisation.

Thus, the hollowing out of substantive democracy and curtailment of democratic controlling rights that has accompanied the neoliberal transition in recent decades should not be viewed as a separate development, possibly resulting from the pressures of economic and political internationalisation, but as an essential element of the neoliberal project.

The important point is that all these shifts have come with the participation and cooperation of the leaders of the nation states. All these shifts have come via changes to legislation and regulation at the behest of the governments involved.

Short of military invasion, neoliberal interests have to work through the legislative processes. They have to co-opt government to advance their interests at the expense of broader public interest.

The nation state has been hollowed out - but that situation (status) can only be maintained while the polity is cooperative and compliant.

A progressive new polity could unwind those shifts any time it chose, which is why the elites work so hard to keep those political positions subdued.

As I often note in presentations, if the nation state was powerless, why do corporate interests spend billions every year lobbying the politicians to advance their interests?

Answer: obvious!....
(Bill Mitchell, œThe effectiveness and primacy of fiscal policy - Part 2, *EconomicOutlook.net*, April 1, 2019)

[1057] A comment on a *New York Times* essay entitled 'Don't Let Our Democracy Collapse' sums up the process well:

> Democracy is in decline. Mr. Hasen provides further reason to believe that U.S. citizens are now subject to competitive authoritarian rule.
>
> I define "competitive authoritarianism" as:
>
> - a polarized system in which the two major parties compete for donor dollars and base support and, when in power, impose the policies favored by donors and base on the citizenry as a whole;
> - a system wherein the trappings of democracy remain in place, but in which democratic norms are undermined and democratic institutions, primarily through the influence of money in politics, are severely weakened;
> - a system wherein government officials, in unprecedented ways, abuse state power to aid their allies and disadvantage their adversaries;
> - a system in which the considered preferences of the majority of citizens are ignored and abuses of power go well beyond those associated with traditional patronage.
>
> ...Many citizens now believe: Since no governmental institution is bigger than the greed and lust for power that drives the person in charge, no institution is to be trusted.
> (Andrew G. Bjelland, Sr, Commenter on Richard L. Hasen, œDon't Let Our Democracy Collapse, *New York Times*, July 15, 2017)

[1058] Danny Sjursen summed Nixon up well:

> ...He was corrupt. He was petty, angry and resentful. He was also one of the most astute politicians in the annals of the American presidency. Time after time he overcame obstacles and defeats to rise again. His genius, ultimately, was this: He envisioned a new coalition and knew how to channel white resentment over the civil rights and antiwar movements into political triumph. This was his gift, and his legacy. Americans today inhabit the partisan universe that Richard Milhous Nixon crafted.
>
> ...Nixon remains an enigma. Though he crafted a lasting conservative majority among American voters, he also supported popular environmental and social welfare causes. He secretly bombed Laos and Cambodia and orchestrated a right-wing coup in Chile but also reached out to the Soviets and Chinese in a bold attempt to lessen Cold War tensions and achieve detente. A product of conflict, Nixon operated in the gray areas of life. Though the antiwar activists, establishment liberals and African-Americans generally hated him, Nixon won two presidential elections, cruising to victory for a second term.
>
> He was popular, far more so than many would like to admit. Although the 1960s began as a time of prosperity and hope, they produced a president who operated from and exploited anxiety and fear, and in doing so found millions of supporters. Nixon was representative of the dark side of American politics, and no one tapped into the darkness as deftly as he did.

> The key to his success was his ability to rally what he called the "silent majority" of frustrated Northern whites (most of whom traditionally were Democrats) and angry Southern whites (in what came to be known as his "Southern strategy"). It was cynical, and it worked.
> (Danny Sjursen, œAmerican History for Truthdiggers: Nixon's Dark Legacy, *truthdig*, May 18, 2019)

1059 Bacevich, in a *TomDispatch* contribution entitled 'Slouching Toward Mar-a-Lago', provides yet "another stab at an approach to governance worthy of a democratic republic":

> Where to begin? I submit that Rabbit Angstrom's question offers a place to start: What's the point of being an American?
>
> Authentic progressives and principled conservatives will offer different answers to Rabbit's query. My own answer is rooted in an abiding conviction that our problems are less quantitative than qualitative. Rather than simply more -- yet more wealth, more freedom, more attempts at global leadership -- the times call for different. In my view, the point of being an American is to participate in creating a society that strikes a balance between wants and needs, that exists in harmony with nature and the rest of humankind, and that is rooted in an agreed upon conception of the common good.
>
> My own prescription for how to act upon that statement of purpose is unlikely to find favor with most readers of TomDispatch. But therein lies the basis for an interesting debate, one that is essential to prospects for stemming the accelerating decay of American civic life.
>
> Initiating such a debate, and so bringing into focus core issues, will remain next to impossible, however, without first clearing away the accumulated debris of the post-Cold-War era. Preliminary steps in that direction, listed in no particular order, ought to include the following:
>
> - First, abolish the Electoral College. Doing so will preclude any further occurrence of the circumstances that twice in recent decades cast doubt on the outcome of national elections and thereby did far more than any foreign interference to undermine the legitimacy of American politics.
> - Second, rollback gerrymandering. Doing so will help restore competitive elections and make incumbency more tenuous.
> - Third, limit the impact of corporate money on elections at all levels, if need be by amending the Constitution.
> - Fourth, mandate a balanced federal budget, thereby demolishing the pretense that Americans need not choose between guns and butter.
> [As œYves Smith has cogently observed, Bacevich "... misguidedly calls for a balanced Federal budget..." - but, let's not lose sight of the absurd imbalance between funding of 'guns and butter' in the US and, increasingly, in many other Western 'democracies'.]
> - Fifth, implement a program of national service, thereby eliminating the All-Volunteer military and restoring the

tradition of the citizen-soldier. Doing so will help close the gap between the military and society and enrich the prevailing conception of citizenship. It might even encourage members of Congress to think twice before signing off on wars that the commander-in-chief wants to fight.

- Sixth, enact tax policies that will promote greater income equality.
- Seventh, increase public funding for public higher education, thereby ensuring that college remains an option for those who are not well-to-do.
- Eighth, beyond mere "job" creation, attend to the growing challenges of providing meaningful work -- employment that is both rewarding and reasonably remunerative -- for those without advanced STEM degrees.
- Ninth, end the thumb-twiddling on climate change and start treating it as the first-order national security priority that it is.
- Tenth, absent evident progress on the above, create a new party system, breaking the current duopoly in which Republicans and Democrats tacitly collaborate to dictate the policy agenda and restrict the range of policy options deemed permissible.

These are not particularly original proposals and I do not offer them as a panacea. They may, however, represent preliminary steps toward devising some new paradigm to replace a post-Cold-War consensus that, in promoting transnational corporate greed, mistaking libertinism for liberty, and embracing militarized neo-imperialism as the essence of statecraft, has paved the way for the presidency of Donald Trump.

We can and must do better. But doing so will require that we come up with better and truer ideas to serve as a foundation for American politics.
(Andrew J. Bacevich, œSlouching Toward Mar-a-Lago: The Post-Cold-War Consensus Collapses, *TomDispatch*, August 8, 2017)

1060 In the early 21st century, the term *populism* has been used as shorthand for the demagoguery and neo-fascism which has emerged in response to the excesses of neoliberalism and globalization of the past fifty and more years. This is an entirely inappropriate use of the term. As a commenter on a *New York Times* article has explained:

Trump and his ilk are NOT "Populists"!

See definition below. Language matters! Why does the press persist in repeating this utterly inaccurate term?

Whatever we think of the likes of Trump and Le Pen, etc., they are not "Populists"!

pop-u-list

/'päpy?l?st

» a person who holds, or who is concerned with, the views of ordinary people.

» a member of the Populist Party, a US political party formed in 1891 that advocated the interests of labor and farmers, free

coinage of silver, a graduated income tax, and government control of monopolies.

They have no REAL interest in "ordinary people", they're demagogues. And Trump's policies (healthcare, taxes) HURT "ordinary people." As for "graduated income tax, and government control of monopolies".... we know how he feels about that! (NYer, comment on Quinn Slobodian, œTrump, Populists and the Rise of Right-Wing Globalization, *New York Times*, October 22, 2018)

1061 John Mearsheimer, in 2014, provided an interesting perspective on the importance to Russia of Ukraine's continued neutrality and of the Ukraine 'crisis' and coup. As he explained:

According to the prevailing wisdom in the West, the Ukraine crisis can be blamed almost entirely on Russian aggression. Russian President Vladimir Putin, the argument goes, annexed Crimea out of a long-standing desire to resuscitate the Soviet empire, and he may eventually go after the rest of Ukraine, as well as other countries in eastern Europe. In this view, the ouster of Ukrainian President Viktor Yanukovych in February 2014 merely provided a pretext for Putin's decision to order Russian forces to seize part of Ukraine.

But this account is wrong: the United States and its European allies share most of the responsibility for the crisis. The taproot of the trouble is NATO enlargement, the central element of a larger strategy to move Ukraine out of Russia's orbit and integrate it into the West. At the same time, the EU's expansion eastward and the West's backing of the pro-democracy movement in Ukraine - beginning with the Orange Revolution in 2004 - were critical elements, too. Since the mid-1990s, Russian leaders have adamantly opposed NATO enlargement, and in recent years, they have made it clear that they would not stand by while their strategically important neighbor turned into a Western bastion. For Putin, the illegal overthrow of Ukraine's democratically elected and pro-Russian president - which he rightly labeled a "coup" - was the final straw. He responded by taking Crimea, a peninsula he feared would host a NATO naval base, and working to destabilize Ukraine until it abandoned its efforts to join the West.

Putin's pushback should have come as no surprise. After all, the West had been moving into Russia's backyard and threatening its core strategic interests, a point Putin made emphatically and repeatedly. Elites in the United States and Europe have been blindsided by events only because they subscribe to a flawed view of international politics. They tend to believe that the logic of realism holds little relevance in the twenty-first century and that Europe can be kept whole and free on the basis of such liberal principles as the rule of law, economic interdependence, and democracy..

But this grand scheme went awry in Ukraine. The crisis there shows that realpolitik remains relevant - and states that ignore it do so at their own peril. U.S. and European leaders blundered in attempting to turn Ukraine into a Western stronghold on Russia's border. Now that the consequences have been laid bare, it would be an even greater mistake to continue this misbegotten policy....
(John J. Mearsheimer, œWhy the Ukraine Crisis Is the West's Fault:

The Liberal Delusions That Provoked Putin, *Foreign Affairs*, September/October 2014)

[1062] While issuing increasingly unconvincing explanations of Russia's military ambitions in Ukraine, the less than competent US threat of 'sanctions' against Russia in order to 'punish them' for their belligerence seems to be backfiring

Alastair Crooke has given a convincing explanation of how 'Ukraine has morphed - unexpectedly - from the Washington perspective from an 'useful distraction' to becoming Biden's dilemma'

> Ukraine has morphed - unexpectedly - from the Washington perspective from an 'useful distraction' to becoming Biden's dilemma. Initially, a major info-war campaign on an unprecedented scale was thought to create a reason for Europe and America to impose 'Sanctions from Hell' that would put paid to Putin's supposed ambitions in Europe, and beyond.
>
> This apocalyptic sanctions ploy had its roots in the 2014 era, when the then Crimea sanctions (wrongly) were believed to be so utterly catastrophic for Russia that Putin's future would be poised in the balance, bringing the possibility that he could be ousted by pro-western oligarchs. (Such was the mistaken analysis given to Angela Merkel by her own Intelligence Services).
>
> It was so wrong: In 2014, Russia experienced only a mild recession (-2.2%), and in the event, its economy proved to be remarkably sanctions-proof, partly as a result of letting the Rouble 'float'. This old meme of sanctions being the 'neutron-bomb' for Putin has been washed, rinsed and repeated by those (same old) Russia hawks - even though Russia's economy is much more sanctions-proof today than it was in 2014. Thus the 'Sanctions from Hell' story has never held up; it is not credible.
>
> The 'imminent invasion' frenzy perhaps, was thought by the hawks who seemed to have grabbed hold of the Washington 'war narrative', to be sufficient to goad Putin into military action - triggering these 'Mother of all Sanctions', or at the very least, a humiliating downsizing of the Russian forces adjacent to the Ukraine border:
> (Alastair Crooke, œTurmoil Will Continue Until a Modified Global Order Emerges, *Strategic Culture Foundation*, 07 February, 2022)

[1063] An article entitled 'How Democratic is China?' on the *Here Comes China* website provides an interesting perspective on China's 'bottom-up' driven governance.

> Like America, China is a republic and, like America, says it is democratic, but how democratic is China? A glance at history is always a good starting point
>
> *The People are supreme, the state is secondary and the Ruler is the least important: only those who please the people can rule.*
> œ*Mencius*
>
> In Roman politics, citizens lost control of politicians after they elected them. It's one of the system's greatest weaknesses and it is no wonder that, like our Roman forebears, we regard government as our biggest problem: we cannot compel them to keep their promises.

> Imagine that, instead of hiring eloquent amateurs, we hired professionals - sociologists, statisticians, political scientists, economists - and told them to create solutions to our problems identified by publicly conducted surveys. Then they should support state and local governments to implement policy solutions, track public satisfaction with them for a few years and discard failed policies. California would probably try Canadian medicare and if their medical bills fell fifty percent and Californians showed a three year gain in healthy life expectancy, we'd elect a thousand volunteers and send them - all expenses paid - to Washington so they could audit the results and pass legislation.
>
> That's what China does and it's why their democracy resembles Proctor & Gamble more than Pericles of Athens.
> (œHow Democratic is China?, *Here Comes China*, February 20, 2021)

Raymond Zhong and Cao Li, in an article subtitled

> Beijing's drive to free itself from reliance on imported semiconductors has lifted start-ups and big firms alike. Some have flamed out. But there has been progress

have given a good description of the consequences of that Chinese view of themselves as interdependent with the surrounding social context (within which they share reciprocal responsibilities) that Tsui, Farh and Lih identified. Is it really one of those 'authoritarian', 'totalitarian' states so roundly condemned in the US?

> China is in the midst of a mass mobilization for chip mastery, a quest whose aims can seem just as harebrained and impossible - at least until they are achieved - as sending rovers to the moon or dominating Olympic gold medals. In every corner of the country, investors, entrepreneurs and local officials are in a frenzy to build up semiconductor abilities, responding to a call from the country's leader, Xi Jinping, to rely less on the outside world in key technologies.
>
> Their efforts are starting to pay off. China remains far from hosting real rivals to American chip giants like Intel and Nvidia, and its semiconductor manufacturers are at least four years behind the leading edge in Taiwan. Still, local companies are expanding their ability to meet the country's needs, particularly for products, such as smart appliances and electric vehicles, that have more modest requirements than supercomputers and high-end smartphones.
>
> The turbocharged chip push could prove one of the most enduring legacies of President Trump's pugilistic trade policies toward China. By turning the country's dependence on foreign chips into a cudgel for attacking companies like Huawei, the administration made Chinese business and political leaders resolve never to be caught out that way again.
> (Raymond Zhong and Cao Li, œWith Money, and Waste, China Fights for Chip Independence, *New York Times*, December 24, 2020)

1064 As Caitlin Johnstone has put it, in an insane world, madness looks moderate and sanity looks radical:

> There are no moderate, mainstream centrists in the US-centralized empire. They do not exist.

> It's not that moderate, mainstream centrism is an inherently impossible position. In a healthy world, that's exactly what the predominant worldview would be. But we do not live in a healthy world.
>
> There are no moderate, mainstream centrists anywhere in the tight alliance of nations which function as a single empire on foreign policy, because that functional empire is built upon murder, terrorism, exploitation, oppression, ecocide and the stockpiling of armageddon weapons.
>
> People who support the status quo of this empire are called "moderates", but, just like the so-called "moderate rebels" of Syria, they are in fact violent extremists.
>
> This is the reality of living in a world that is profoundly psychologically unhealthy. If you make a career out of facilitating wars which cause explosives to be dropped from the sky on top of innocent human beings causing their bodies to be ripped to shreds and buried in rubble, then you are treated as an exemplar of ideal leadership and rewarded with prestigious positions in politics, punditry, book publishing and think tankery. If you oppose those same wars, you are marginalized and smeared as at best an extremist whack job and at worst a literal traitor conducting psyops for a foreign government.
>
> Because the plutocratic class owns the political class which advances depraved plutocratic agendas and the media class which normalizes and justifies those agendas, a mainstream consensus has been forcibly manufactured that maintaining the oppressive, exploitative, omnicidal, ecocidal status quo is a good and sane thing to do. Voices which point out that this is bat shit crazy are marginalized and ignored when possible and smeared and demonized when necessary.
>
> The ability of our plutocratic rulers and their lackeys to do this is the only reason why defenders of the status quo get to call themselves "centrists" and "moderates". It's not because their position is middle-of-the-road in any way whatsoever, it's because they stand in alignment with the consensus that has been deliberately artificially manufactured and shoved into the mainstream by sheer force of narrative control.
>
> This consensus manufacturing is then carried home by a glitch in human cognition known as status quo bias, which causes us to tend toward holding to the familiar as a default preference and perceive the risk of losing what we have as far less favorable than the reward gaining something better.
> (Caitlin Johnstone, œIn An Insane World, Madness Looks Moderate And Sanity Looks Radical, CaitlinJohnstone.com, 07 July, 2020)

1065 ZeroHedge.com, in an article entitled 'œMaduro Invokes Vietnam And Iraq Wars In Open Letter to the American People' (08 February, 2019), described the situation in Venezuala:

> Slamming US President Trump's aggressive statements "disrupting noble dialogue initiatives" promoted by Uruguay and Mexico, and backed by the Caribbean Community (CARICOM), Maduro warned of "dramatic consequences," and compared the current situation to the US involvement in Vietnam and the fake WMDs in Iraq.

> They want to invade and intervene in Venezuela - they say, as they said then - in the name of democracy and freedom. But it's not like that. The history of the usurpation of power in Venezuela is as false as the weapons of mass destruction in Iraq. It is a false case, but it can have dramatic consequences for our entire region. -Nicolás Maduro

> Maduro has demanded that the US stop its aggression towards Venezuela, including trying to "suffocate our economy," and "the serious and dangerous threats of military intervention.

As they explained: 'Venezuelan President Nicolas Maduro has penned an open letter to the people of the United States, warning that Washington is "willing to send their sons and daughters to die in an absurd war"':

> **An Open Letter to the American People from President Nicolas Maduro**
>
> If I know anything, it is about peoples, such as you, I am a man of the people. I was born and raised in a poor neighborhood of Caracas. I forged myself in the heat of popular and union struggles in a Venezuela submerged in exclusion and inequality. I am not a tycoon, I am a worker of reason and heart, today I have the great privilege of presiding over the new Venezuela, rooted in a model of inclusive development and social equality, which was forged by Commander Hugo Chávez since 1998 inspired by the Bolivarian legacy.
>
> We live today a historical trance. There are days that will define the future of our countries between war and peace. Your national representatives of Washington want to bring to their borders the same hatred that they planted in Vietnam. They want to invade and intervene in Venezuela - they say, as they said then - in the name of democracy and freedom. But it's not like that. The history of the usurpation of power in Venezuela is as false as the weapons of mass destruction in Iraq. It is a false case, but it can have dramatic consequences for our entire region.
>
> Venezuela is a country that, by virtue of its 1999 Constitution, has broadly expanded the participatory and protagonist democracy of the people, and that is unprecedented today, as one of the countries with the largest number of electoral processes in its last 20 years. You might not like our ideology, or our appearance, but we exist and we are millions.
>
> I address these words to the people of the United States of America to warn of the gravity and danger that intend some sectors in the White House to invade Venezuela with unpredictable consequences for my country and for the entire American region. President Donald Trump also intends to disturb noble dialogue initiatives promoted by Uruguay and Mexico with the support of CARICOM for a peaceful solution and dialogue in favour of Venezuela. We know that for the good of Venezuela we have to sit down and talk, because to refuse to dialogue is to choose strength as a way. Keep in mind the words of John F. Kennedy: "Let us never negotiate out of fear. But let us never fear to negotiate". Are those who do not want to dialogue afraid of the truth?
>
> The political intolerance towards the Venezuelan Bolivarian model and the desires for our immense oil resources, minerals and other great riches, has prompted an international coalition headed by the

US government to commit the serious insanity of militarily attacking Venezuela under the false excuse of a non-existent humanitarian crisis.

The people of Venezuela have suffered painfully social wounds caused by a criminal commercial and financial blockade, which has been aggravated by the dispossession and robbery of our financial resources and assets in countries aligned with this demented onslaught.

And yet, thanks to a new system of social protection, of direct attention to the most vulnerable sectors, we proudly continue to be a country with high human development index and lower inequality in the Americas.

The American people must know that this complex multiform aggression is carried out with total impunity and in clear violation of the Charter of the United Nations, which expressly outlaws the threat or use of force, among other principles and purposes for the sake of peace and the friendly relations between the Nations.

We want to continue being business partners of the people of the United States, as we have been throughout our history. Their politicians in Washington, on the other hand, are willing to send their sons and daughters to die in an absurd war, instead of respecting the sacred right of the Venezuelan people to self-determination and safeguarding their sovereignty.

Like you, people of the United States, we Venezuelans are patriots. And we shall defend our homeland with all the pieces of our soul. Today Venezuela is united in a single clamor: we demand the cessation of the aggression that seeks to suffocate our economy and socially suffocate our people, as well as the cessation of the serious and dangerous threats of military intervention against Venezuela. We appeal to the good soul of the American society, victim of its own leaders, to join our call for peace, let us be all one people against warmongering and war.

Long live the peoples of America!

Nicolás Maduro

President of the Bolivarian Republic of Venezuela

1066 Branko Marcetic, in a *Jacobin* posting entitled 'œFor Many Afghans, the US Occupation Was Just as Bad as the Taliban' (19 August, 2021), has reminded us of the 'recklessness and sadism' of Coalition troops in Afghanistan:

...[A] modicum of intellectual honesty means acknowledging that human rights violations were rampant long before US and coalition troops got out, and that they were the ones who were carrying them out.

It's worth remembering the United States is currently under investigation by the International Criminal Court, where prosecutors say they have evidence US troops and the CIA "committed acts of torture, cruel treatment, outrages upon personal dignity, rape and sexual violence" against Afghan detainees. A lot of this is along the lines of the typical kinds of stories we've heard come out of Guantanamo Bay, but it also went further, including beating men on their testicles, and forced "rectal feeding" of alleged hunger strikers

that was so harsh, it gave one detainee "chronic hemorrhoids, an anal fissure, and symptomatic rectal prolapse."

These kinds of atrocities have been carried out by US forces and their Afghan allies from the very start of the invasion, as compiled by Human Rights Watch, the premier liberal human rights organization that, within the human rights world, has mainly been criticized for being too friendly to Washington.

1067 There are several reasons which can be entertained in explaining the ubiquitous failure of US attempts at 'military training' for and in other nations. It is not hard to imagine that those who have witnessed the consequences of US training of their nations' armed forces might be deeply concerned about the possible problems which might arise in their own backyards as a result of such training!

Rachel Tecott has cogently explained some of the problems with US attempts at training and equipping armed forces in other nations:

> The United States' effort to strengthen the Afghan security forces has come to an ignominious end. The U.S. military spent 20 years and $83 billion building up a force that melted away in a matter of weeks, ceding the country to the Taliban over that period with barely a shot fired.
>
> The swift collapse of the Afghan security forces is not an outlier. In fact, it is closer to the norm for local security forces built up with U.S. military assistance. The United States' three largest efforts to build partner militaries' - in Vietnam, Iraq, and now Afghanistan' - have all failed spectacularly. There is good reason the images coming out of Kabul conjure up Saigon in 1975 and Mosul in 2014.
>
> What the military calls "security force assistance," "building partner capacity," or "train-and-equip operations" remains a pillar of U.S. defense strategy. Setting Afghanistan and Iraq entirely aside, the United States spends billions of dollars every year and deploys thousands of personnel to train and assist foreign militaries from countries all over the world. Although the purpose of such assistance varies, its main goal is to increase the capacity of partner militaries to shoulder local security burdens so that the United States can shift its own resources to higher priorities.
>
> The problem, however, is that the United States' partners are often uninterested in building militaries that can fight. As Georgetown University Professor Caitlin Talmadge has shown, political and military leaders have to foster the promotion of competent officers, enforce a chain of command, encourage rigorous training, and put a lid on corruption to create an effective force.
>
> But in the weak or failed states where the United States focuses its security assistance, leaders often prioritize their personal and political survival over strengthening their nations' militaries. These leaders often aim to use their military as a source of patronage or as a cudgel against their domestic political opponents. They may welcome the largess of U.S. military assistance, but they fear building a professional force that could threaten their own power. So they ignore the pleas of U.S. military advisers, implementing policies that keep their militaries weak.
> (Rachel Tecott, œWhy America Can't Build Allied Armies: Afghanistan Is Just the Latest Failure, *Foreign Affairs*, Augiust 26, 2021)

[1068] Jonathan Steele, in a *Guardian* article entitled 'œ10 myths about Afghanistan' (28/09/2011), summarized 10 of the foci in his book *Ghosts of Afghanistan: Hard Truths and Foreign Myths*, providing a clear explanation of the 'many enduring myths [which] have grown up about the war-torn country' of Afghanistan. As he explained:

> Armed opposition to the government in Kabul long pre-dated the arrival of Soviet troops in December 1979. Every one of the Pakistan-based Afghan mujahideen leaders who became famous during the 1980s as the Peshawar Seven and were helped by the United States, Pakistan, Saudi Arabia and China had gone into exile and taken up arms before December 1979, many of them years earlier. As Islamists, they opposed the secular and modernising tendencies of Daoud Khan, [the Afghan PM] who toppled his cousin, King Zahir Shah, in 1973.
>
> Western backing for these rebels had also begun before Soviet troops arrived. It served western propaganda to say the Russians had no justification for entering Afghanistan in what the west called an aggressive land grab. In fact, US officials saw an advantage in the mujahedin rebellion which grew after a pro-Moscow government toppled Daoud in April 1978. In his memoirs, Robert Gates, then a CIA official and later defence secretary under Presidents Bush and Obama, recounts a staff meeting in March 1979 where CIA officials asked whether they should keep the mujahideen going, thereby "sucking the Soviets into a Vietnamese quagmire". The meeting agreed to fund them to buy weapons.

[1069] All those countries included within the 'anti-communist' 'Western Alliance'.

[1070] The site œJustifications for War: WMDs and Other Issues provides a well-documented summation of the 'justificatory' distortions of truth and outright lying engaged in by US and other Western leaders and their supporters in the leadup to the various Middle Eastern invasions from 2002~. As Carne Ross testified to the Chilcot Inquiry (July 12, 2010):

> ...The UK government's assessments about the threat from Iraq were "intentionally and substantially exaggerated" for the public, to the point that the statements made were essentially lies. He also stated that the UK government did not consider, let alone pursue non-violent alternatives prior to the Iraq invasion in 2003 in contravention of just war theory and international law.

An MSNBC report in 2013 provides a salutary summation of US justifications of its Middle East adventures:

> As the Obama White House vigorously defends its policy of using drone strikes to kill suspected terrorists - including in some cases American citizens - it invokes the findings of secret intelligence showing that the targets pose an "imminent" threat to the U.S.
>
> But there's a powerful reason to be perennially skeptical of such claims-and perhaps never more so than now, as the country approaches a sobering historic moment: the tenth anniversary of President George W. Bush's invasion of Iraq.
>
> The war that began March 19, 2003, was justified to the country by alarming claims that Iraqi leader Saddam Hussein had weapons of mass destruction and connections to al-Qaida terrorists - almost all of which turned out to be false. Some of the most senior officials in

> the U.S. government, including President Bush himself, Vice President Dick Cheney and Secretary of Defense Donald Rumsfeld, asserted these claims in public with absolute confidence, even while privately, ranking U.S. military officers and intelligence professionals were voicing their doubts. Hubris: The Selling of the Iraq War, a documentary special hosted by Rachel Maddow (and based on a book I co-authored with David Corn), provides new evidence that the dissent within the administration and military was even more profound and widespread than anybody has known until now.
>
> "It was a shock, it was a total shock-I couldn't believe the vice president was saying this," Gen. Anthony Zinni, the former commander in chief of U.S. Central Command, told me in an interview for the documentary. Zinni, who had access to the most sensitive U.S. intelligence on Iraq, was on a stage in Nashville, Tennessee, receiving an award from the Veteran of Foreign Wars on August 26, 2002, when he heard the vice president launch the opening salvo in the Bush administration's campaign to generate public support for an invasion. "Simply stated, there is no doubt that Saddam Hussein now has weapons of mass destruction," Cheney said. "There is no doubt he is amassing them to use against our friends, against our allies and against us." Zinni, sitting right next to Cheney's lectern, says he "literally bolted" when he heard the vice president's comments. "In doing work with the CIA on Iraq WMD [weapons of mass destruction], through all the briefings I heard at Langley, I never saw one piece of credible evidence that there was an ongoing program."
> (MSNBC Documentaries, œHow the Bush administration sold the Iraq war, 03/22/13)

1071 While rumors of prisoner torture and rank humiliation abounded during the Vietnam War, US armed forces and government/ political spokespeople routinely denied the activity. They knew that US citizens and allies would rebel against any such acknowledged activity. It was always subject to 'plausible denial'.

That was the mid-20th century.

By the end of the first decade of the 21st century, the perpetrators had grown in confidence. 'Everyone' now knew that prisoners were routinely tortured and humiliated in the interests of 'intelligence gathering'.. But, of course, it never happened on US soil!

Matt Apuzzo, Sheri Fink and James Risen, in a disturbing (would that it were more than that!) report subtitled 'Beatings, sleep deprivation, menacing and other brutal tactics have led to persistent mental health problems among detainees held in secret C.I.A. prisons and at Guantánamo' detail some of the consequences:

> Before the United States permitted a terrifying way of interrogating prisoners, government lawyers and intelligence officials assured themselves of one crucial outcome. They knew that the methods inflicted on terrorism suspects would be painful, shocking and far beyond what the country had ever accepted. But none of it, they concluded, would cause long lasting psychological harm.
>
> Fifteen years later, it is clear they were wrong
>
> After enduring agonizing treatment in secret C.I.A. prisons around the world or coercive practices at the military detention camp at Guantánamo Bay, Cuba, dozens of detainees developed persistent

> mental health problems, according to previously undisclosed medical records, government documents and interviews with former prisoners and military and civilian doctors. Some emerged with the same symptoms as American prisoners of war who were brutalized decades earlier by some of the world's cruelest regimes.
> (Matt Apuzzo, Sheri Fink and James Risen, œHow U.S. Torture Left Legacy of Damaged Minds, *New York Times*, October 8, 2016)

How long before such atrocities become accepted interrogation 'techniques' within the borders of the United States of America?

[1073] Marriner Eccles: Governor, US Federal Reserve Board (1934-1948) and Governor, Board of Governors of the FRB (1948-1951).

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To unzip a file in the MS Windows system, simply double-click the downloaded file and drag its contents onto the desktop (or elsewhere). The file will be expanded by Windows.

For iOS: œDownload the Winzip application from ITunes; install it, and open the zipped file in the installed Winzip app. Winzip is a well-established, cross-platform application - I've used it for so long my first encounter is lost in the mists of time!

Most Android readers have built-in compressed file extraction features which operate in the same way as those files in Windows (double-click the '.zip' file and drag its contents to the desktop or elsewhere. The operating system will automatically 'unpack' the contents).
(œSee here for other operating system compressed file extractors)

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From 20 July 2017, Updates have been captioned in this list.
Prior to that date, updates are signaled only by the date itself.

April 2024:

Date: 24/04/2024
Humanity's evolution toward empathic interdependent harmony
not a privatized world of disconnected profit-driven individuals

Date: 21/04/2024
Dialectical thinking allows you to hold two seemingly
opposite ideas as part of the same truth, staying open-minded and curious

Date: 19/04/2024
As emigration grows, Israel's population profile is changing
Others of sociopathic bent, like moths to a flame, are immigrating

Date: 18/04/2024
Globally, 2023 was the warmest year on record
since 1850 & possibly of the past 100 000~ years

Date: 17/04/2024
The West's version of reasons for the failed Russia-Ukraine
peace negotiations in March 2022: It's all a matter of perspective!

Date: 15/04/2024
Colonized peoples: reclassified as 'lesser humans' in need
of 'civilization' & 'development' by Western 'authorities'

Date: 13/04/2024
Another version of capitalist colonialism, perpetrated
by capitalists 'mining' 'assets' they acquire for 'profit'

Date: 12/04/2024
Nations should aim at harmony not uniformity
Seeking to coexist harmoniously with other unique nations

Date: 10/04/2024
Maintaining US' unipolar hegemony within the world
& denial of the multipolar reality of 'Sovereign Equals'

Date: 09/04/2024
Africa should develop its own forms of democracy
inspired by indigenous interdependent communal values

Date: 06/04/2024
'Outrage' at the killing of 7 Western Aid Workers
eclipses 'outrage' at the killing of 33000+ Palestinians

March 2024:

Date: 30/03/2024
To your own past be true: Let it inspire your own reality
The West is withering away, do not try to emulate it!

Date: 29/03/2024
Every attempt to censure Israel results in their
US'-backed crimes becoming more blatantly brazen!

Date: 26/03/2024
The US 'abstained' from a UNSC vote on a Gaza 'ceasefire'
allowing genocide to proceed! A nation without a moral compass!

Date: 22/03/2024
Providing lethal aid to Ukraine would exploit
Russia's greatest point of external vulnerability

Date: 21/03/2024
Here's a surprise! Atmospheric CO2 increases
are accelerating! We've done nothing to slow it!

Date: 19/03/2024
Replacing Greed, Militarism & Hypocrisy with Solidarity
Diplomacy & Human Rights
If Wishes were Horses Beggars would ride!

Date: 17/03/2024
Transcript of the Legal Consequences arising from
the Policies & Practices of Israel in Occupied Palestine

Date: 14/03/2024
Never Forget: The aim of neoliberalism has always been
private, deregulated, control & ownership of everything & everyone!

Date: 07/03/2024
America sends Europe's weapons to Ukraine, then forces
them to buy expensive replacements. it's a protection racket!

Date: 05/03/2024
The Western World is cannibalizing itself, draining
wealth from the periphery to sustain its hegemonic center

Date: 03/03/2024
Colonial lands were terra nullius, legally owned by 'the state'

February 2024:

Date: 29/02/2024
The Age of Amorality: The Evil 'The West' tolerates
& the inevitable consequences for humanity

Date: 28/02/2024
The illegitimacy of the UN decision to partition Palestine
and proclaim the existence of the racist state of Israel

Date: 27/02/2024
There is a struggle between secular and
religious Israeli Jews, an implosion of society from within

Date: 26/02/2024
The final goal of the bunch of messianic hallucinators that has seized power
in the state of Israel: Gaza is just the introductory chapter...

Date: 22/02/2024
Ethnic Cleansing from The River of Egypt to the Euphrates River'
has always been the undeclared policy of Zionism

Date: 20/02/2024
True democracy cannot survive with privatized,
deregulated control of sources of wealth & power

Date: 19/02/2024
Across Gaza scenes of vast devastation result
from IDF bombing: "It's like after an atomic bomb,"

Date: 17/02/2024
After 3 full years of his presidency US President Biden
presides over a nation still mired in 'forever war'

Date: 14/02/2024
In a neoliberal world, the private realm is in control
with public authorities safeguarding private dominance

Date: 13/02/2024
We're the 'Chosen People' Doing 'God's Work'
That's why people hate us! It's always been this way!

Date: 11/02/2024
The potential of a Central Bank digital currency
in prioritizing & safeguarding the Commonweal

January 2024:

Date: 26/01/2024
We are imprinting on our offspring the future they will inherit
a future of genocide, mass murder & inhumanity...
Pity humanity's offspring!

Date: 22/01/2024
Hamas explains the reality of what happened on
October 7, including a refutation of the Israeli allegations

Date: 21/01/2024
October 7, 2023: A highly successful psychopathic
propaganda event 'justifying' the carpet bombing of Gaza

Date: 15/01/2024
Preparing for the arrival of The Messiah! Future Israel:
Including Palestine, Jordan, Lebanon and Syria?

Date: 13/01/2024
A deft inversion of reality: the opening Israeli ICJ presentation
'A profoundly distorted factual & legal picture'.

Date: 10/01/2024
South Africa's ICJ Submission detailing Israel's Genocide:
committed with the intent 'to destroy Palestinians in Gaza'

Date: 08/01/2024
the 21st century's version of the Nazi transport of
its 'unwanted' to 'labor' camps. A new 'Final Solution'

Date: 02/01/2024
Israel's declared 2024 'settlement policy': to replace
all Palestinians with 'settlers' in an expanded Israel

Date: 01/04/2024
"In practice, a terrorist is anyone the IDF has killed
in the areas in which its forces operate"

Settlers registered 'Homesteads' or land grants from the state

Date: 02/03/2024
Diverting attention from a despicable massacre:
Hey! We're sending troops and missiles to Ukraine!!

Date: 09/02/2024
'Jewish Zionism' is become what 'Nazism' is:
A byword for 'Depravity'

Date: 03/02/2024
October 7, 2023 claims of rape and beheadings
must, as UN insisted, be independently verified

Date: 02/02/2024
What drives the myopic stupidity of those who are
'successful' Western capitalist entrepreneurs & 'leaders'?

December 2023:

Date: 30/12/2023
There are no innocent people in Palestine so
We're Killing Them All:
They're just like the Amalekites so it isn't genocide!

Date: 27/12/2023
Our behavior is justified by our ideological frame
making 'moral' what others might see as abhorrent

Date: 25/12/2023
As the last Gazan dies The West will pretend to mourn
& celebrate with Gift giving a new Thanksgiving Day'

Date: 24/12/2023
The clever sociopath Kissinger's warning to Nixon:
Our policies might reveal who we really are to the world!

Date: 22/12/2023
As The West celebrates Christmas 90% of Gazans are homeless, 20,000+ killed
50,000+ wounded: Starvation, death & destruction everywhere & **The West is Responsible**

Date: 19/12/2023
Prolonged oppression leads to Liberation Movements
& that leads to Armed Resistance - ask South Africa!

Date: 15/12/2023
The world's dilemma. Israel is capable of 'going nuclear'
If military intervention is employed to stop the genocide.

Date: 13/12/2023
COP28 has come and gone: surely now we'll take it seriously!
Big Business is getting worried, they flooded it with delegates!

Date: 11/12/2023
'Terrorist' is a trigger word used to conjure up
a state of emotional disgust in the listener's mind

Date: 10/12/2023
Once again, the hegemonic center of 'The West'

November 2023:

Date: 30/11/2023
How to resurrect the mythical, short-ived 'Land of Israel'
When divide and rule and genocide don't work?
'Double Down'?
That worked last time!

Date: 29/11/2023
The 2023 'war' between Israel & Palestine started in JUNE
when the Israelis fast-tracked Settler expansion

Date: 26/11/2023
500,000 dead; more disabled; infrastructures wrecked;
The price of Ukraine's trust in Western promises

Date: 24/11/2023
Yes Genocide! moral hypocrisy undergirds equivocation
masking the horror of Israel's Palestinian genocide

Date: 22/11/2023
Death and destruction as far as the eye can see
The legacy left by a depraved and dying empire

Date: 19/11/2023
Let's, at last, bring an end to 500 years of genocidal colonization
Never again must the perpetrators of such crimes escape justice!

Date: 16/11/2023
The root of evil in the world is that spider which
is attempting to wrap the entire planet in its web

Date: 14/11/2023
When Israeli provocation & abuse leads to rebellion
use that to justify murder, oppression & dispossession

Date: 12/11/2023
We must not allow the West to bury its crimes against Palestinian people
using the self-righteous propaganda of Western colonialism

Date: 10/11/2023
Vietnam, Laos, Mosul,

October 2023:

Date: 28/10/2023
Are armed 'civilian' invaders of homes & livelihoods
exempt from retaliation by those they dispossess?

Date: 27/10/2023
We are NOT the workforce & consumer base of private enterprise
We are communal beings responsible for the commonweal

Date: 25/10/2023
Life on planet Earth is under siege. We are now in uncharted territory
By 2100 35% of humanity may well be confined beyond the livable zone

Date: 23/10/2023
Israeli bombing of Gaza is an implementation of its
'final solution' because' We are fighting human animals'

Date: 22/10/2023
We REALLY REALLY mean it! We'll keep supporting you
for as long as you and your troops stay true to our mission!
Methinks thou dost...

Date: 21/10/2023
The West is supporting psychopaths & threatening nations
While the planet heats & natural disasters proliferate
What hope for humanity?

Date: 20/10/2023
Biden probably felt safe because such crimes seldom get probed
What kind of world has the West fashioned in this 21st century?

Date: 19/10/2023
The September global temperature anomaly leaped
to more than +1.7°C relative to the 1880-1920 mean

Date: 17/10/2023
The sociopathic core of Western Capitalism is
providing Sea & air cover for Israeli genocide in Gaza

September 2023:

Date: 30/09/2023
They're rapidly militarizing, preparing for War
& We, peace loving souls, are unprepared for it all!

Date: 29/09/2023
In 2023 the collective West is intensifying meddling
despite their disastrously failed past interference in Afghanistan

Date: 25/09/2023
Are disaggregated individuals being subliminally
primed to believe & propagate elite driven propaganda?

Date: 24/09/2023
The conveniences of life are neoliberally provided.
In a privatized profit & power driven world we are become Hamlin Children!

Date: 23/09/2023
Pseudo-social interactive platforms lull participants
into believing that they constitute 'participatory democracy'

Date: 18/09/2023
'As long as it takes' means that US support will
endure for as long as it takes for US costs to outweigh rewards

Date: 15/09/2023
Welcome to a Thatcherian reality in which there is
'no such thing as society' & Homo Economicus reigns supreme

Date: 05/09/2023
National leaders must prioritize regional harmony
National Intolerance can tear nations apart

treated the rest of the world with arrogant, dismissive contempt Date: 08/12/2023 **Harmony without uniformity should be the aim of a** multipolar world within a cooperatively shared 'universe' Date: 07/12/2023 **We hold idiosyncratic understandings of reality** Don't impose yours on others! That's what's screwed up the present!! Date: 05/12/2023 **Words Matter! This is NOT a WAR it is a MASSACRE!** Israel and the US are massacring Gazans & **we don't seem to care!!** Date: 02/12/2023 **Context and perspective bias are everything when** assigning blame for violating the Gaza Truce	**Fallujah, Raqqa, Ramadi, Gaza Compile your own list of** nations & cities callously carpet-bombed by the US & its protégés Date: 06/11/2023 **It may be dangerous to be America's enemy** but to be America's friend is fatal [Kissinger] Date: 04/11/2023 **Why is the legitimate government of Gaza 'terrorist'** but NOT the legitimate government of Israel? Date: 01/11/2023 **Armed 'settlers' designated 'civilians' evicted Palestinians** from their homes & lands aided by Israeli Defense Forces	Date: 16/10/2023 **By all means hope for the best -** But ALWAYS plan for the worst! Date: 13/10/2023 **'For as long as it takes' until we reach 'the end of the rope'** Western Colonies always take precedence over Vassal States Date: 09/10/2023 **The mission of the IMF & World Bank in the 21st C is** to privatize & economically parasitize victim nations Date: 07/10/2023 **Repaying public debt in a sovereignty usurping Currency Union** is like trying to fill a bathtub without turning on the tap Date: 05/10/2023 **'Unity in diversity' & 'harmony without uniformity'** presume a shared 'universe' within which all entities are united Date: 03/10/2023 **An harmonious world united through reciprocal** rights & responsibilities at all levels of society Date: 01/10/2023 **'Unity in Diversity' & 'Harmony without Uniformity'** Wisdom that all humanity need to grasp & implement	
August 2023: Date: 30/08/2023 **Plus ça change, plus c'est la mème chose: Unfortunately,** 'We have to destroy the planet to save it' there is no alternative! It's that time of year: Spring has arrived early and so If an update occurs, assume that water was falling from the sky in my neck of the wood! Date: 22/08/2023 **Washington's Trojan Horse in organizations** aimed at shaping a more just & inclusive 'World Order' Date: 17/08/2023 **We are heading into immense advances in well-being** New products, cures & innovations will hit the market daily! Date: 15/08/2023 **We are entering a chaotic Western world driven by** the perceived short term good of ever shifting Elite factions Date: 14/08/2023 **A world where deregulated capitalism is recognized as** a disgusting morbidity.. Learn to lovie it or die!	July 2023: Date: 31/07/2023 **Wave after wave of US required Ukrainian attacks** against carefully prepared, heavily fortified Russian frontlines Date: 30/07/2023 **From North to South; East to West The Motherland of Humanity** is Awakening to a new responsibility for Unity in Diversity Date: 22/07/2023 **With weird, wild weather around the world,** Ukrainian military suffer huge losses in suicidal attacks Date: 21/07/2023 **Greenland continues to melt: now at a record high &** The Northern Hemisphere is in uncharted territory! Date: 19/07/2023 **The true corrective of abuses of Constitutional power** is citizen understanding of their civic duties & responsibilities Date: 19/07/2023 Date: 18/07/2023 **Gold Reserves are simply hard assets. They are not**	June 2023: Date: 30/06/2023 **US' hegemonic exploitation of cyberspace** by its intelligence, surveillance & cybersecurity agencies Date: 26/06/2023 **Does the love between Indian & US leaders merely** signify a lively expectation of favors to come? Date: 24/06/2023 **The US made the Korean demilitarized zone its** South Korean frontline in a new 'war against Communism' Date: 21/06/2023 **Financial sovereignty and use of the US Dollar** The importance of independent sovereign capital controls Date: 20/06/2023 **What is The United States' 'duty of care' for those** vassal states whom it has used, abused & discarded? Date: 17/06/2023 **Oligarchs are not allowed here! We need traditions** which protect communities from 'asset portfolios'!	May 2023: Date: 30/05/2023 **Bilateral credit swaps & use of national currencies** in settling cross-border contracts should be 'normal' practice Date: 29/05/2023 **In the face of unrelenting Western propaganda the onus** for ending the Ukraine conflict is now on the US Date: 27/05/2023 **The consequences of US' myopic pursuit of its** delusional Ukraine - Russia destabilization objectives Date: 22/05/2023 **It is too late to divert attention from looming** world-wide catastrophes to indulge in 'revenge' Date: 21/05/2023 **We are living in a time of triumphant self-interest** with undermined nations & unraveled communities Date: 19/05/2023 **Western capitalist nations are living in a time of societal collapse:** It is long-past time to rein in

Date: 12/08/2023
Technological 'solutions' are not going to save us
from the burgeoning disasters looming on humanity's horizon

Date: 11/08/2023
We can't look to Western societies for the way out of
the quagmire into which they have maneuvered humanity

Date: 05/08/2023
I see a collapse of Society and Western Civilization
This truly is end stage capitalism. I can come to no other conclusion

Date: 04/08/2023
Looming catastrophe from our apocalyptic dicing
with disaster might arrive much sooner than we believe!

Date: 02/08/2023
The lingering tendrils of colonialism: True sovereignty
requires public control of both resources & finances

needed to legitimize sovereign fiat currency swaps

Date: 16/07/2023
The objective, in capitalist societies, is to accumulate
'credit'. Its accumulation i**s not limited** by 'access to gold'

Date: 14/07/2023
Follow The Money: The US is committed to War
to ensure the profitability of weapons corporations

Date: 13/07/2023
On the treadmill: chasing the NATO carrot with just enough
weapons to keep Ukrainians dying to ensure US exceptionalism!

Date: 11/07/2023
Confident of the power of 'favors to come' in keeping
NATO aspirants compliant no matter what it costs

Date: 10/07/2023
A tectonic rift has formed in the understanding
of the future in different parts of the world

Date: 08/07/2023
NATO 'needs' the futile Ukraine counter-offensive
The Ukrainian dead & wounded 'justify' its outlays!

Date: 07/07/2023
Nations focused on pragmatic self-interested opportunism
make uncomfortable 'out of sync' bedfellows

Date: 06/07/2023
Are competitive self-interest & self-promotion virtues?
What is lost when individuals become 'liberated' entrepreneurs?

Date: 04/07/2023
Deregulated communities unravel, their individuated
members exposed to deregulated, exploitative 'market forces'

Date: 02/07/2023
We are ready to negotiate Russian security after surging
Ukrainian dead & wounded compel Russia to surrender!

Date: 15/06/2023
China's Belt & Road initiative is alive & well so
what about the West's 'Build Back Better' initiative?

Date: 13/06/2023
Tradition unites & bigotry divides communities
Without 'tradition' communities wither away

Date: 12/06/2023
Neocolonialism is alive and well in the minds
of those who inhabit the 'gardens' of capitalism!

Date: 08/06/2023
Peace Plans to end hostilities? Who needs them?
We all hate the Russians so let the blood flow!

Date: 06/06/2023
Russia's Bottom Line Ukraine Peace conditions
Binding security guarantees for ALL of 2023 Russia

Date: 03/06/2023
Attempting to integrate populations which never
should have been placed within common national boundaries

Date: 01/06/2023
The US will fund any group, however radical, which
is prepared to act as a proxy in destabilizing target nations

deregulated capitalism and empower communities

Date: 17/05/2023
The devastating story of Western Exceptionalism
Coercing conformity & compliance with its Rule of Law

Date: 15/05/2023
Massaging & disguising US military costs & outlays
with artifices that obscure & mystify true costs

Date: 13/05/2023
An Object Lesson for all US Vassal States
Ukraine: Sacrificed on the altar of US Indispensability

Date: 09/05/2023
In a warmongering world it is easy to forget that
the world is warming, ice melting & environments...

Date: 07/05/2023
Will India meekly fall into line behind half-baked US' foreign policy initiatives:
or cement its integration into Eurasian multipolar initiatives?

Date: 04/05/2023
Is South Korea a prototype for a future Ukraine
with multiple US military installations to 'protect' it?

Date: 02/05/2023
Washington's plan to realign supply chains to India
is misplaced. India is and will remain 'Non-Aligned'

Date: 01/05/2023
A newly emerging population of 'Super-Consumers'
on a planet fast-forwarding into environmental catastrophe

April 2023:

Date: 30/04/2023
If war is 'good business' what is 'peace'?
The nation-state is the means to business ends

Date: 24/04/2023
Why did Khrushchev transfer Crimea to Ukraine
in 1954 & Why did Russia annex Crimea in 2014?

Date: 22/04/2023
Since Russia is actively expanding its empire,

March 2023:

Date: 30/03/2023
Unipolar or Multipolar Hegemony might well be irrelevant
Abyssal Southern Ocean warming is accelerating - our future looms!

Date: 27/03/2023
One of the worst vestiges of colonialism is that nations
start to believe the colonial narrative themselves

Date: 21/03/2023
Russia is not a party to the

February 2023:

Date: 28/02/2023
The US: Playing Pandora to the 21st Century World
Hermes: 'A thievish character full of lies & guileful words'

Date: 26/02/2023
Beyond doubt, for The West, war is good business
In 2022 short term pecuniary profit trumped intelligent foresight

Date: 25/02/2023
The longer the range of weapons brought to Ukraine

January 2023:

Date: 29/01/2023
The 'nation-state' has outlived its usefulness.
It was always a means to the true end of capitalism

Date: 28/01/2023
In the next century, nations as we know it will be
obsolete: all states will recognize a single, global authority

Date: 27/01/2023
If socialism is threatening 21stC. capitalism

It's time for The EU to evolve into The Empire of Europe!

Date: 19/04/2023
Central Bank created credit & currency is NEVER
A sovereign DEBT or Sovereign government DEFICIT

Date: 18/04/2023
Beware all ideologues - especially those who claim
that their ideological blinkering does not exist

Date: 16/04/2023
Key to ensuring truly independent sovereignty
Is ownership & control of the nation's own resources

Date: 14/04/2023
May that Divinity upon which we all depend save us
from such asinine propaganda-driven nonsense!

Date: 12/04/2023
Does pragmatic self-interest distort nonalignment?
'India's ruling elite has finessed the art of placating the US'

Date: 02/04/2023
We need a new world order in which the interference
of major military/economic powers is no longer tolerated

Rome Statute of the ICC
is not subject to it and bears no obligations under it

Date: 20/03/2023
The West's mission is to 'develop' The Rest and
protect them from those who would mislead & subvert them

Date: 18/03/2023
Hegemony requires that all possible challengers must
be made powerless losing the confidence of their peoples

Date: 14/03/2023
The US is doing what it does best! in 2023 it is
fomenting insurrection and chaos in Afghanistan. For God's sake - leave them alone!

Date: 10/03/2023
Chinese firms moved beyond assembling foreign-made
components to producing their own cutting-edge technologies

Date: 09/03/2023
Currently, we are at a turning point in history
We are polluting our world at an accelerating rate

Date: 08/03/2023
First Russia, then China, now India? Is 'The West'
really so absurdly arrogant as to challenge all three?

Date: 07/03/2023
But, of course, our conceits ignored, Antarctic
Sea Ice extent in 2023 has fallen to a new record low

Date: 04/03/2023
Is there a better way to distribute income & supply human needs
than condemning humanity to endless poverty & exploitation

Date: 03/03/2023
The US is forcing Russia to reduce Ukraine to a rump state.
To be sure, once that happens, the US will walk away

the farther away from our borders we will be forced to push the threat

Date: 24/02/2023
Propaganda is most effective when reflecting
a 'reality' which is familiar to the intended audience

Date: 21/02/2023
it was the U.S. Navy that carried out the Nord
Stream Pipeline sabotage with help from Norway

Date: 20/02/2023
A profit/ power driven virtual reality world achieved
through control of pseudo-social interaction

Date: 17/02/2023
How Democracy Can Win & Counter Autocracy
Autocrats are now on the back foot under Biden's leadership

Date: 12/02/2023
You've been bombing, sanctioning & stealing from them
And now you praise yourself for your charity?

Date: 10/02/2023
You've got a 'brutal leader' so don't expect help from US!
Thousands killed, Millions at risk but the sanctions stay!

Date: 09/02/2023
Accentuate the positive; Eliminate the negative: There's profit to be made:
My name is Western Capitalist, King of Kings

Date: 08/02/2023
To achieve privatized control of the world
Weaken polities & sow fear & distrust of 'The Other'

Date: 05/02/2023
War is good business & vassals should know their place!
If there are lucrative deals to be done the US should do them!

Date: 03/02/2023
Will US' Dollar Hegemony lose its power in 2023 as
Sovereign nations learn the true possibilities of their own Central Banks?

Should we welcome or lament the demise of global privatization?

Date: 26/01/2023
The Domino Effect is real! There is a political virus
threatening the world which must be eradicated

Date: 22/01/2023
The US dilemma: Can India be trusted to remain a
'grateful' neocolonial supplier of cheap-labor production?

Date: 21/01/2023
I have said it thrice: What I tell you three times is true
Reality is perception: the actualization of propaganda

Date: 15/01/2023
We fight proxy wars now: Vassal States will fund their
own requirements in fighting our Wars of Choice!

Date: 14/01/2023
The world is fast heading for disaster. But this
is not a disaster that has come upon us unawares

Date: 13/01/2023
Washington's plan to bypass China and
accelerate a global realignment of supply chains

Date: 12/01/2023
In 2022, the world's oceans continued to warm
2022 replaced 2021 as the hottest in the historical record

Date: 10/01/2023
China is no longer friendly. We need to find more
compliant, profitable regions to exploit. How about India?

Date: 07/01/2023
Dying in the sun: Collapse of the ozone layer: an end-of-life
catastrophe looming in our future & it's happened before!

Date: 05/01/2023
Don't blame us for your woes - China tricked us
by exploiting its people and subsidizing industry

Date: 01/01/2023
The US has waded into another quagmire aimed at
compulsive regime change conflict & resource looting

December 2022:

Date: 31/12/2022
Why did the US define a military invasion as
'a leading democracy in the heart of Asia'?

Date: 27/12/2022
the US position at the hub of international trade,

November 2022:

Date: 27/11/2022
EU 'leaders' are yielding Europe to US duplicity
The flame of Ukraine conflict must be kept burning!

Date: 24/11/2022
How sad that the first species on our planet to question

October 2022:

Date: 29/10/2022
We have a choice: Living in a messy multipolarity
or in a beautiful garden where everything 'works'

Date: 28/10/2022
The world is entering a decade of tumult and

September 2022:

Date: 27/09/2022
They discovered in the 21stC the worst of their addictions
Addiction to money & oil - &, of course, to war!
We are at war, too, with the planet

once successfully challenged, can quickly erode

Date: 26/12/2022
The magic of those Wonderland mushrooms
is strong in the fancied realm of our intrepid authors

Date: 19/12/2022
Protecting Corporations from loss of influence
As sovereign nations reject neocolonialism

Date: 17/12/2022
A US institute for science & technology research
useful for national security has achieved fusion ignition

Date: 14/12/2022
Is Merkel guilty of duplicity or revisionism?
Negotiations require trustworthy participants

Date: 12/12/2022
International fora must be constituted & empowered to
hold major economies accountable for the damage they are doing

Date: 04/12/2022
Weeding out enemies around the world because
we're an exceptional country with a God-given Responsibility

Date: 02/12/2022
When 'good faith' negotiators cannot be trusted &
compromise is considered 'defeat', how can conflicts be ended?

Date: 01/12/2022
Let's, for God's sake, celebrate difference!
As evolution affirms, difference should be lauded!

reality
might so soon end it all with either a bang or a whimper!

Date: 16/11/2022
The US actualizes all that is good, just, stable, & orderly
Those who question this threaten peace & security

Date: 15/11/2022
The US seems incapable of ending embarrassing
foreign adventures & interference in the internal affairs of others!

Date: 12/11/2022
It's 'Steady as She Goes' for the US Ship of State
The 2022 'US Polity' has been funded & 'privatized'

Date: 11/11/2022
It is past time that the hegemonic imposition
of Western interests on the rest of the world was countered

Date: 10/11/2022
NATO subordinates will bear the pain of sanctions
blowback to ensure pack success and their Alpha's gain!

Date: 08/11/2022
This is what Washington wants to achieve: Exploit
Ukraine as a pawn to drag down Russia and Europe

Date: 05/11/2022
the world will remember how in November 2022, its leaders 'led'
They finally 'delivered' for people & the planet!

The future world order is being formed before our eyes

Date: 26/10/2022
The pacifist dilemma in an existential struggle
for survival when the aggressor rejects diplomacy & escalates conflict

Date: 24/10/2022
Aspiring to a utopian future or settling for
a dystopian world of unregulated capitalism

Date: 21/10/2022
Cold Fusion is Back (but now they call it LENR)
For humanity's sake, let's hope it works real soon!

Date: 17/10/2022
The necessary subservience of all other actors
to Washington's hegemonic ambitions

Date: 14/10/2022
Injecting a little sanity into US Exceptionalism-
The world needs to be able to Trust You!

Date: 13/10/2022
The world is in flux & not just geopolitically!
Climate Change ignores our absurd machinations!

Date: 09/10/2022
John Newton's description of both his own & British involvement in the slave trade
sums up the mindset of those involved in such atrocities

Date: 06/10/2022
We need leaders capable of mature compromise
not immature warmongers if we are to avoid disaster!

Date: 05/10/2022
Misbegotten wars by fading empires can be fatal
Imperial collapse often leaves chaos in its wake

Date: 26/09/2022
The Special Military Operation in Ukraine has become
a defensive Russian war against Western Elites

Date: 24/09/2022
From Feudalism to socialism: They lost their way
Russia needs to be 'developed; Its people deserve to be 'free'

Date: 23/09/2022
US mercenaries are engaged in the battlefield
The West is teetering on the brink of open war

Date: 17/09/2022
It is a good beginning
A Unity of True Diversity
It is called The Shanghai Cooperation Organization:

Date: 14/09/2022
Tipping Points are real & can arrive unannounced
At 1.2°C the world is teetering on the brink!

Date: 09/09/2022
Western 'experts' are honing their rhetoric in
eager anticipation of another propaganda driven 'Cold War'

Date: 08/09/2022
Southern Ocean forcing trends can account for almost all
of the global ocean heat uptake
What starts in the Arctic...

Date: 06/09/2022
In this time of looming disaster how desperately
the world needs the wisdom of the 'Non-Aligned'

Date: 04/09/2022
Russia has degraded Ukraine's military capabilities beyond repair
& The West is left with responsibility for a fast-failing state

August 2022:

Date: 28/08/2022
Planet-wide ecosystem pillage is delivering its inevitable
disastrous dividend: Drought, cataclysm, famine & disease

Date: 27/08/2022
It's Spring: time to cut firewood & prepare for summer
A La Niña summer so wetter & milder than El Niño (one hopes!)

Date: 23/08/2022
'Great power rivalries' in 2022 are far more important
than the imminent threat of species extinction

July 2022:

Date: 26/07/2022
In 2021 in western Canada temperature topped 49.5°C
½-way to boiling point & such heatwaves are now annual events

Date: 25/07/2022
Dismantling the last vestiges of colonialism
The nationalized control of sovereign resources

Date: 24/07/2022
It's begun: we've stepped onto a heat escalator
Astounding heat will obliterate all-time records year after year!

June 2022:

Date: 28/06/2022
Time for bilateral currency swap agreements to take Center Stage
The weaponized dollar is being bypassed. The World is Changing

Date: 26/06/2022
The US is trying to impose a 'rules-based order'
designed to subordinate all countries to the West

Date: 23/06/2022
Was it really 'cultural cringe' that led Gorbachev
To trust his Western counterparts in 1990?

May 2022:

Date: 31/05/2022
It's very good times for Weapons Vendors! They're
being praised as defenders of freedom & democracy

Date: 27/05/2022
Raw propaganda or expert commentary?
Delusion or perspicacity? A time for critical judgment!

Date: 22/05/2022
Western Europe's descent into irrelevance?
An unabashed US satellite in a multipolar future

Date: 21/08/2022
In a military Keynesian state, forever-war is not
a consequence of external threat but of internal necessity

Date: 20/08/2022
Vassal States supply the cannon-fodder of endless
Conflicts aimed at propping up Western Hegemony

Date: 19/08/2022
National security requires a 'Whole of Government' approach
co-opting states, localities, NGOs & the private sector

Date: 18/08/2022
For a nation relying on military Keynesianism
Forever War is a prime purpose of government

Date: 17/08/2022
We're not an Empire: We oppose evil empires!
We're a shining city on a hill and lead by example!

Date: 15/08/2022
The USA; a nation built on 'The Business of War'
with states & people reliant on 'healthy' arms markets

Date: 13/08/2022
The privatized control of the world's resources
& dismantling of sovereign rights & responsibilities

Date: 11/08/2022
Trying to stem the tide & prevent the inevitable:
Taiwan will become our unsinkable aircraft carrier!

Date: 05/08/2022
Trapped on a hedonic treadmill, producing
& consuming our way into our species' grave

Date: 04/08/2022
A ham-fisted display of US foreign policy arrogance
callously jeopardizing the safety & security of a vassal state

Date: 18/07/2022
The peoples of the world have become hostage
to the stupidity of sociopathic 'power-brokers'

Date: 15/07/2022
Expanding Oil Exploration to Slow Climate Change
Whose idea was it to halt import of Russian fuels?

Date: 12/07/2022
Fachidiot expert explanations of 'magic money'
Assume disenfranchised communities & neutered governments

Date: 06/07/2022
Chronically sick nations, trying to heal themselves
as their condition deteriorates & exploitation grows

Date: 05/07/2022
The CIA has become an umbrella organization
Hiding covert operations in a thicket of name changes

Date: 03/07/2022
Classic Gaslighting: blame the victim for provoking conflict -
Europe's new Iron Curtain: designed to keep Putin out

Date: 21/06/2022
Let's not forget the horror of Indonesia's mass murder
A virtually unknown 1965 US Foreign Policy Triumph

Date: 14/06/2022
Russia: the source of invading barbarians, looms
threatening chaos, on the borders of the civilized world

Date: 11/06/2022
The last obstacle on the path to a multipolar world? or,
a long road ahead through American hegemony?

Date: 06/06/2022
The self-interested individualization of populations
Gutting 'society' & inclusive communities

Date: 05/06/2022
Democracies free independent individuals to
self-development unencumbered by the chains of society

Date: 14/05/2022
It is long past-time that Western peoples learned
humility & got themselves into perspective

Date: 08/05/2022
When cooperation is displaced by competition
What kind of person will 'control the polity'?

Date: 07/05/2022
When irrational expediency drives the 'rule of law'
The chaotic reality it 'justifies' is a recipe for disaster!

April 2022:

Date: 30/04/2022
With war 'Good Business' & the 'struggle just'
Expect the US to willingly supply all the weaponry!

Date: 26/04/2022
Bullies are not deterred by lack of retaliation
that merely encourages escalated bullying

Date: 22/04/2022
The definition of 'Evil': Engineering 'ethnic' bioweapons. The world needs to know:

March 2022:

Date: 31/03/2022
Ukraine is a sad sideshow! Welcome to our future! What starts in the Arctic
Does not stay in the Arctic & it's heating fast!

Date: 25/03/2022
How inconsiderate! While the US plays 'World Bully'
The planet ignores it & continues to heat up!

Date: 23/03/2022
Playing Russian roulette with sanctions

February 2022:

Date: 28/02/2022
the 'Cuban Crisis' was not primarily about Cuba &
The Ukraine Crisis is not primarily about Ukraine!

Date: 27/02/2022
Expendable pawns in a planetary game of 'chicken'
Gambling Vassal states in a macho supremacy contest

Date: 25/02/2022
When 'raw propaganda' and 'expert opinion' elide
Is Putin's 'long game' really about invading Ukraine?

January 2022:

Date: 27/01/2022
Not all conspiracy theories are false - though
Some count on that belief to veil their activities!

Date: 25/01/2022
The West needs to wake up to the reality of an aging empire
irrationally escalating tensions to prove its 'indispensability'

Date: 24/01/2022
Are US foreign 'Rivals' & 'Threats' Real or simply
The fevered imaginings of a confused & Aged Empire?

the nature of work being done in US funded Military Biological Labs

Date: 20/04/2022
Unprecedented Record Low Antarctic Sea-ice Extent
2022 hit a new record low since recordkeeping began

Date: 18/04/2022
The US has become a parasite infested nation:
Its polities suborned & its people subjugated to serve

Date: 16/04/2022
Not just West Antarctica: it's happening in the East!
Rapid ice shelf failure there is ominous but who cares?

Date: 15/04/2022
Fanning the flames of incipient national paranoia
to ensure support of US foreign policy adventures.

Date: 11/04/2022
The US is addicted to violence because the "war on terror"
relies on fear & hatred of those considered enemies

Date: 09/04/2022
US 'Intelligence' is used to 'deceive our enemies'
Always remember this: We're lying to protect you!

Date: 08/04/2022
A cesspool of lies, half-truths & fantasies: Inventing a new pseudo-reality
We are at War with the Monsters of Eurasia!

Fast forwarding a multipolar world!

Date: 20/03/2022
We are being manipulated by sociopaths pursuing
political advantage at humanity's expense

Date: 17/03/2022
Now, that's how to 'grow' military appropriations!
Because 'Russia' & 'China' & Ukraine' & NATO & all!

Date: 15/03/2022
Not only Russia & China but all those nations
infected by them, must be 'freed' to US control!

Date: 13/03/2022
When an empire turns out the lights
What is it trying to hide?
A bioweapons program funded by the Pentagon?

Date: 11/03/2022
The game is rigged and we are the willing dupes:
consuming & accumulating because...

Date: 08/03/2022
Fighting US wars of choice armed with US weaponry
Required by and provided through US lend/lease programs

Date: 05/03/2022
Let's not feign surprise: We knew Russia would enter Ukraine
Their draft treaty spelt it out but US & NATO ridiculed them!

Date: 02/03/2022
A strategy of containment leading to 'Regime Change'
ending the 'brutal regime of Vladimir Putin'

Date: 23/02/2022
And... inexorably ice-sheet melting accelerates:
Greenland basal melt rates are orders of magnitude higher than predicted

Date: 20/02/2022
Raw propaganda is now the rule in Western democracies
The model is corporate spin, the currency of the age

Date: 19/02/2022
Orchestrated disinformation is being hyperbolized & amplified
Vassal states will serve as the frontline in another 'Coalition of the Willing'!

Date: 18/02/2022
How to distort reality to justify regime change
And convince one's allies that 'We're The Good Guys'

Date: 16/02/2022
There is nothing more important to a democracy
than citizens' education of/for their civic duties

Date: 15/02/2022
When adolescent bullies find themselves humored
by their intended victims; what is the likely reaction?

Date: 12/02/2022
Biden: "Wasn't Russia supposed to invade Ukraine?
Why do we have a foreign policy blunder on our hands?"
"What went wrong?"

Date: 06/02/2022
How to covertly weaponize regime change
& replace unfriendly 'totalitarian', 'dictatorial' governments

Date: 04/02/2022
It keeps getting warmer! 2021, a *La Niña* year
Was still among the 7 warmest years on record!

Date: 21/01/2022
We're hellbent on ending it all one way or another!
So, why not a new Cold War with hypersonically delivered nuclear arsenals?

Date: 20/01/2022
Welcome to the New Cold War in Asia:
As Washington Tightens the Noose around China

Date: 19/01/2022
If it walks like a duck & quacks like a duck...
High=jacking Civil unrest in pursuit of regime change

Date: 16/01/2022
The US must lead the peoples of the world
out of the wilderness and into the Promised Land!

Date: 14/01/2022
It's not just 'sanctions' & drones! US Execution Squads
are being deployed around the world: 'weeding out enemies'!

Date: 12/01/2022
Is anyone actually directing US foreign affairs
Or is US belligerence just klutzy malicious mayhem?

Date: 09/01/2022
The inexorable march of capitalism's footprint is brutal
Our planet cannot afford deregulated capitalism - nor can humanity!

Date: 04/01/2022
It's a New Year: Once again, let's remind ourselves that:
Sovereign Governments do NOT **recirculate** taxes!
But they DO need to TAX!

December 2021:

Date: 31/12/2021
Let's get real: in the 21st C 'Global Progress' is an Impossible Dream
Imagine Developed Nation emissions in another 160 nations this century!

Date: 30/12/2021
O frabjous day! Callooh! Callay! A 'NEW' method:
CCS to capture CO_2 from industrial & other processes

Date: 29/12/2021
How does one negotiate with an imperious nation
which views agreements as transitory expedients?

November 2021:

Date: 29/11/2021
How cheerfully he seems to grin; How neatly spreads his claws
And welcomes little fishes in, With gently smiling jaws

Date: 20/11/2021
COP26 commits us to doing absolutely nothing
to prevent human extinction & eco-collapse

Date: 19/11/2021
We are in uncharted waters. There is no analog
for current rates of greenhouse warming in earth's history

October 2021:

Date: 31/10/2021
For 21st Century Western capitalists Fiscal Policy is the devil
Walk this way and I will provide you with a loan instead

Date: 22/10/2021
'Net zero' emissions in 2050... or 60... or...
A place where dreams come true: Never Ever Land

Date: 16/10/2021
Blood and Tears: Battles for Independence & Colonizers' response-
Neo-Colonialism: the face of post-WW2 capitalist exploitation

September 2021:

Date: 30/09/2021
We create our own reality & impose it on the world
Past as precedent displaced by irrational expediency

Date: 25/09/2021
Yet another Western military-political bloc
Wasting limited resources on illusory threats

Date: 23/09/2021
Beware: for a militarist State diplomacy is prelude to War
US nuclear armaments tie recipients to its agendas

Date: 27/12/2021
in 2022, would you rely on US negotiated promises?
Can it be trusted to honor its negotiated agreements?

Date: 26/12/2021
When nations resist US vassalage they should not
underestimate how vindictive the US can become!

Date: 21/12/2021
Rule by invisible or visible power-brokers?
What kind of polity controls the heart of Capitalism?

Date: 17/12/2021
Beware of the flattery of US Presidents bearing gifts
The US Is getting serious about the threat of war with China

Date: 14/12/2021
A confused & threatened empire opposing imaginary threats:
four-armed giants defying those inspired by impossible dreams

Date: 12/12/2021
A truly integrated world of independent equals
wholly focused on the wellbeing of each & so all

Date: 09/12/2021
Is there a single virtue that one may practice all one's life?
A universal reciprocal responsibility for each others' welfare

Date: 02/12/2021
Profitable Sophism: a myopic highway to Disaster
How to virtue signal & grow rich the 'Green' Way

Date: 14/11/2021
Simplistic models & mindless procrastination
Calculating the 'economic cost' of possible extinction

Date: 10/11/2021
A viable nuclear fusion reactor could be here by 2025
It could pave the way for massive generation of clean energy

Date: 08/11/2021
Our homes, cars, ships & planes will all be 'Green'!
We'll create lots of jobs & the world will be saved!

Date: 05/11/2021
Carbon Offsetting: A 'burn now, pay later' solution
Gambling humanity's future on fictional technologies

Date: 02/11/2021
Technology will deliver a decarbonized economy
Our industrialists & financiers will chart the path to net zero

Date: 15/10/2021
Withdrawal? We have 'over the horizon capabilities'
to strike terrorists & targets without boots on the ground

Date: 11/10/2021
Government treasuries or 'finance departments' & reserve banks
became departments of the same government

Date: 10/10/2021
Intervention US style - The symbol of the age is the American general
Up at 4 am to run 8 miles before mending a failed state

Date: 08/10/2021
The world we construct buttresses our 'reality'
Governments issue debt, sell it to themselves, & pay 'interest' on it!

Date: 02/10/2021
Heat stress exposure due to deforestation is comparable
to the effect of climate change under 'Business as usual' conditions

Date: 15/09/2021
US Presidents: fabricated & promoted by hucksters:
Visionless Messianic shams:
If the Blind lead the Blind...

Date: 09/09/2021
Fragmenting tropical forests: the burgeoning capitalist need
for accessible resources & to hell with the consequences!

Date: 07/09/2021
Invasion, Regime change, Exodus & 'war by other means':
Sanctions, frozen credit; boycotts: Will there be Afghan Contras?

August 2021:

Date: 31/08/2021
Spring Chores & unravelling polities and climates
Cogitating in a fast-changing, unpredictable reality
It is, once again, that time of year. I'm in the throes of imposing my version of order within the bounds of my small haven: mowing, spraying, cutting firewood for next winter, clearing & burning debris; &, of course, letting the mind wander where it will, contemplating my (our?) future in a world I (we?) cannot control. Posts will be erratic until I've reimposed order in my tiny part of the world and turn once more to trying to make some sort of sense of the rest of it!!

Date: 27/08/2021
Would you invite the US to select, arm & train your Armed Forces'?

July 2021:

Date: 29/07/2021
It is so much easier to see the flaws in others
than to recognize those flaws in oneself

Date: 24/07/2021
If a foreign nation's polity mirrored the US
Would the US see it as a 'democratic' or 'corrupted' nation?

Date: 20/07/2021
Never Forget: Sovereign Governments Create Credit:
& Govt departments/ institutions **must NOT determine policy**

Date: 16/07/2021
The US has always invaded other nations for their own good
Good governance thru democratic reforms builds strong nations!

Date: 13/07/2021
US hegemony undermined by

June 2021:

Date: 30/06/2021
Born Free: to develop their own unique selves
in a globalized world of 'independent' individuals

Date: 29/06/2021
All in the Hokey Pokey: You put your left foot in...
you put your left foot out, you put your left foot in & you shake it all about!

Date: 26/06/2021
With a binary division of the world between 'The West' and 'The Rest'
who are 'authoritarian'; it is The West's duty to 'free' the 'oppressed'

Date: 25/06/2021
It's tough, in Washington, to get everything you 'really' want
But it has bipartisan support!

May 2021:

Date: 30/05/2021
Oil, gas & coal states' politicians won't like it!
Short-term political appeasement trumps looming climate disaster!

Date: 28/05/2021
A life & death question: How much should we spend
on nuclear forces modernization & enhancement?

Date: 27/05/2021
The Art of Corporatist Politics: If US President Biden had *really* wanted to he could have
been transformative- instead he's kept faith with Trump

Date: 25/05/2021
Designation of Palestinian citizens of Israel as 'Middle Eastern Arabs'
is aimed at denying their legitimate claim to land occupied by Israel

The ubiquitous results suggest it might be unwise!

Date: 26/08/2021
US tells Vietnam "We need to oppose the 'Bully of Asia'"
Vietnam must get along with China & stand up to China: That's leadership!

Date: 22/08/2021
Rain seldom falls on the highest point on the Greenland Ice Sheet
Well, hardly ever in the past! But it does now!

Date: 20/08/2021
What on earth was the US doing in Afghanistan?
The answer: continuing what it had started in 1979

Date: 18/08/2021
We are not that special after all & we should expect
many other Solar Systems like our own floating in the Milky Way

Date: 16/08/2021
The US had 20 years to plan its final exodus:
Did it really not know how abysmal its 'nation-building' efforts were?

Date: 15/08/2021
The latest consequence of US exceptionalism:
Regime change in a once secularly governed nation,

Date: 12/08/2021
Temperatures are running above the decades-long linear trend
Is there an emerging feedback mechanism accelerating global warming?

Date: 10/08/2021
Conservative reports on climatic trajectories filter out 'alarmism'
it is long-past time to introduce a little panic into the conversation!

Date: 05/08/2021
This is the result when a sovereign nation uses fiat
credit to fund both infrastructures & communal wellbeing

corporate stupidity
A 'Dual Circulation Strategy' made possible by Globalization

Date: 12/07/2021
A Sisyphean bid to ensure fundamental reform:
Don't criticize: get involved & push!

Date: 09/07/2021
Nations which will not accept US hegemonic dominance are faced
with one of two roads leading to subjection: defeat or surrender

Date: 06/07/2021
No, we are not reducing potent greenhouse gas emissions!
Anthropogenic methane emissions **more than double** current estimates

Date: 04/07/2021
After 50yrs of rampant neoliberalism it'd be cheaper
to tear down the World's decayed infrastructures & start over!
Closer to reality then satire?

Don't make the ideal enemy of the real!

Date: 24/06/2021
Biden does not miss a thing, I assure you!
Why did Putin feel he needed to explain this?

Date: 22/06/2021
The laudable digitalization of cross border capital flows: Governments have
a fiduciary responsibility to maintain control of such flows!

Date: 19/06/2021
But for the whimsy of the weather that could have been me!
Around the world, people are losing their homes; bewildered and ...

Date: 18/06/2021
Why did you not vigorously oppose the election
of this corporatist president before he was elected?

Date: 17/06/2021
We'll Build Back Better, greener, fairer, more equal, feminine:
Words for mass consumption: the real objectives are darker, more threatening

Date: 13/06/2021
US militarism now drives regime change atrocities
Liberating 'the oppressed' through indiscriminate destruction
Is this Capitalism's kismet?

Date: 12/06/2021
If the PIG ice shelf's rapid retreat continues, it could
further destabilize the glacier far sooner than expected

Date: 12/06/2021
'The economy' is a human construct which should benefit us all!
If its rules work against the 99%. Then **we should change the rules!!**

Date: 11/06/2021
The US has spent $19 trillion on its military since 1991:
Nearly as much as the rest of the world combined

Date: 10/06/2021
White House officials have not wavered in their commitment
to make climate a core part of infrastructure packages

Date: 06/06/2021
The history of capitalism is one of militarism, invasion, subjugation,
& rapine, justified as a morally required 'civilizing mission'

Date: 03/06/2021
There are 2 governments in

Date: 21/05/2021
We've 'mowed the grass': Time to return to 'normal'
Subjugation will continue until they learn to 'submit'!

Date: 20/05/2021
The tail must stop wagging the dog! the US needs to
regrow its moral & ethical spine lost in the past >70 years

Date: 18/05/2021
Sadistic Western Colonialism in the Middle East &
Ongoing Arctic Ice Sheet Melting: We are trifling with disaster!

Date: 17/05/2021
This is what colonial invasion looks like (& always has!)
The US is a colonial power and Israel is its latest colony!

Date: 15/05/2021
Biden: This is a 21stC battle between democracies & autocracies:
That's what's at stake here. We've got to prove democracy works!

Date: 12/05/2021
They destroyed our economy, our schools, our way of life;
funded a flood of propaganda & recruited, trained, & armed the terrorists

Date: 09/05/2021
So, this is how to justify 'rollback inertia': Say:
'we're going to have resilient infrastructure' without a plan

Date: 09/05/2021
When the Center of World Capitalism plays dirty
What can nations do to avoid its SWIFT attacks?

Date: 05/05/2021
We are 1 of >8 million species on a small planet in a minor solar system
among >100 billion stars in 1 of >trillion galaxies in an infinite universe

Date: 03/05/2021
A grim future for US Southwestern states
the 2nd driest 20-year episode in a 1200-year record persists

Date: 02/05/2021
As aquifers fail & Mountain glaciers shrink:
With failing crops & billions waterless: What happens then?

		the US today: One visible, the other invisible that gathers intelligence, conducts espionage & secret operations all over the globe Date: 01/06/2021 **If Nigeria is a failed state, the US should NOT deepen** its engagement & discipline Nigeria's leaders (What Hubris!)	
April 2021: Date: 29/04/2021 **The international order is fraying: interminable conflicts must be resolved** Who Will Intervene? Who will keep us safe? Date: 27/04/2021 **As He died to make men holy, let us die to make men free** The US has a God-given mission & responsibility to the world Date: 25/04/2021 **Climatic conditions are worsening around the world:** we are creating an uninhabitable hell for millions! Date: 24/04/2021 **Why do intelligent progressive economists still believe that** Governments need taxes in order to spend? How long will this persist? Date: 22/04/2021 **It isn't easy being 'Green' but we'll fix things with Green** New Deals for the West & Revolutions for the rest! Date: 19/04/2021 **Nobody 'deserves' a $multibillion fortune. It's time to 'redistribute'!** Nations have a fiduciary commonweal responsibility Date: 17/04/2021 **In a hypersonic weapons based war, no country, no region, no city is secure** The theater of war is the world **With 14000 hypersonically delivered nuclear warheads available this is insane!** Date: 16/04/2021 **How is our Capitalist World going to end?** For end it will! With either a Bang or a Whimper! Date: 16/04/2021 **The overheated dreams of weapons makers & Pentagon planners** Could this be the way our capitalist world ends? Date: 15/04/2021 **A strangely muted, ineffectual 'Green New Deal'**	March 2021: Date: 30/03/2021 **This is a tale of two worlds: A world of 'high finance'** & a gutted, parasitized industrial world & its communities Date: 28/03/2021 **Thank God there are grown-ups in the room - No** They're not Biden & his immaculate professionals Date: 27/03/2021 **17 gaps have emerged in US Forces capabilities** after years of counterinsurgency & counterterrorism Date: 25/03/2021 **Trump's tactless belligerence & sanctions diplomacy** Have become the new US foreign policy style of choice! Date: 22/03/2021 **In 2020 US Special Forces were covertly engaged in** extra-legal, often lethal, activities in 154 countries **80% of the world's nations!** Date: 21/03/2021 **South American 'socialist' parties can win elections** But will the US really support such rule of, by & for the people? Date: 19/03/2021 **Voters expect me to be FDR! For cri sake Joe tell 'em** you gotta keep 'em safe from Killer Putin's Russia, China & Iran & ... Date: 17/03/2021 **"Our most fundamental advantage: our democracy"** What does Biden's 'Democracy' mean for the US & for the world? Date: 16/03/2021 **The Greenland Ice Sheet is not a 36 million yr old block of ice** It has melted & re-formed (possibly several times) in the past million years Date: 16/03/2021 **US political leaders have abandoned democratic norms** They are no longer reliable 'guardians of democracy' Date: 14/03/2021 **Will the CIA, FBI & DOJ invent new reasons for Biden**	February 2021: Date: 28/02/2021 **So you think that the 'War on Terror' is winding down?** It's more widespread than ever: There are 'terrorists' Everywhere! Date: 26/02/2021 **Competition should not preclude cooperation** Self-assured friends do both & remain friends! Date: 24/02/2021 **West & East: Antarctica is melting & the rate of melt is exponential!** Glaciers are also moving more quickly from land into the ocean **& We're threatening each other over ideologies???** Date: 22/02/2021 **You're Friend or Foe; For us or against us; A simplistic binary view of the world** Don't underestimate how petty & nasty we can be! Date: 21/02/2021 **Western leaders must get along with/stand up to China:** if they can't do both together they don't deserve to be leaders Date: 19/02/2021 **Mired in prolonged campaigns & unending insurgencies** the US is replacing regular troops with 'Contractors' Date: 17/02/2021 **Perpetuating hubristic US foreign policies: We'll** more effectively target sanctions on the path to diplomacy Date: 16/02/2021 **Confusing means & ends, wasting limited resources on illusory threats:** A US 21st Century fixation on great-power-competition Date: 14/02/2021 **A move from an extremely unequal society** to a more egalitarian one & back to a new gilded age Date: 12/02/2021 **Let me tell you about the very rich:** They are different from you and me	January 2021: Date: 30/01/2021 **A dawning awareness that for 70 yrs the 'Free World'** has pursued feckless, self-serving US foreign policies Date: 26/01/2021 **Delusions of Dominance & military prowess require** vast expenditures & justificatory external threats Date: 24/01/2021 **In the US there is a wide range of 'reasons' which can be used to justify** environmental deregulation 'rollback inertia': People should 'temper their expectations' Date: 22/01/2021 **Changing Southern Ocean temperatures and** the warming of subsurface subpolar deep waters Date: 20/01/2021 **Can a sovereign nation employ a 'dual circulation' strategy** to insulate itself from reserve currency liberalization demands? Date: 19/01/2021 **The 2°C threshold will be passed in 2034-2052** with modest mitigation of emissions: 2038-2072 Date: 18/01/2021 **Nor ARE THOSE SEVEN YEARS AN ANOMOLY:** Human impacts are snow-balling so records will be broken! Date: 14/01/2021 **By all means hope for the best, but always plan for the worst!** What looks like centimeters now, might all-too-soon become meters! Date: 11/01/2021 **Never attribute to villainy...: But sometimes it is just that!** How U.S. state & corporate power capture Sovereign polities Date: 03/01/2021 **Epiphanies happen - but, perhaps, not in mainstream economics!** Ideologues don't convert: they organize anti-heretical crusades

Averting catastrophe by tinkering with a broken system

Date: 13/04/2021
The MSM is building an image of a radical progressive hero
Not a US president wedded to a neoliberal, plutocratic future

Date: 11/04/2021
Where are Democracy's Philosopher Parliamentarians?
They won't be 'discovered' through self-promoting 'elections'

Date: 10/04/2021
The post-WW2 erosion of US civilian primacy continues
It's fast-morphing into a Cimilicy: a civil-military state

Date: 06/04/2021
Will the US behave as a Wrecking-Ball or
cooperate with others to address looming disasters?

Date: 02/04/2021
The impact on sea level could be measured in meters
& once the retreat starts it might be impossible to halt it.

Date: 01/04/2021
Let's have an Infrastructure plan to rival the Belt and Road
One of those Bright Ideas one gets during a phone call!

to see Venezuela; Brazil; Bolivia as Regime Change challenges?

Date: 11/03/2021
First Bolivia, now Brazil: Have Regime Change Experts lost their touch?
Is it too much to expect that they will cease and desist?

Date: 08/03/2021
The same old USA: Regime Change makes the world....
Callously destructive bombings, embargoes, sanctions...

Date: 03/03/2021
After decades of financial liberalization, countries are
now victims of vaccine imperialism & vaccine apartheid

Date: 11/02/2021
Incursion of warm water underneath ice shelves
has sped disintegration of marine-based ice

Date: 10/02/2021
Accomplice to Carnage: On a ride with a drunk driver
Secure in their military prowess & ability to control events!

Date: 07/02/2021
Ideologically blinded defense of the status quo
It will be too costly & high taxes will hurt Wealth Creators

Date: 01/02/2021
The US & its Western allies are 'countering terrorism'
in 80+ nations on 6 continents
What exactly is 'Terrorism'?

Date: 01/01/2021
We need to shop: it makes us feel so good!
Willingly & knowingly sowing the seeds of our own destruction because...

December 2020:

Date: 31/12/2020
Fear not, we're going to get it all under control!!
2021 will be a huge one for climate negotiations

Date: 29/12/2020
Will a Biden Presidency herald a new US understanding of
Central & South American 'socialism' or is that a vain hope?

Date: 28/12/2020
$600? Get your priorities right!
There be nations to overthrow, dontcha know,
and wall street billionaires to be made whole
(echoing 'Timbers')

Date: 25/12/2020
Mobilizing a 'totalitarian' state: or is it simply an interdependent state?
China is in the midst of a mass mobilization for chip mastery

Date: 23/12/2020
Should campaign funding be Private or Public?
The funding source will determine the nature of government

Date: 21/12/2020
Most see grotesque accumulations of wealth & power as normal
Money floods American politics:

November 2020:

Date: 27/11/2020
An irreversible tipping point in East Asia?
A feedback loop between soil moisture deficits & surface warming

Date: 22/11/2020
100 year coastline floods: a near annual occurrence
The threshold will be reached between 2040 & 2060

Date: 19/11/2020
Legions of dispossessed, denigrated, despairing human beings
On a lonely island of poverty in a vast ocean of material prosperity

Date: 19/11/2020
There was a loud boom & within seconds everything was gone
Storms are getting more ferocious & more frequent.

Date: 15/11/2020
To underwrite & promote the commonweal at all government levels:
The prime responsibility of a democratic Sovereign State

Date: 13/11/2020
the volume of suboxic ocean water could expand by 50%

October 2020:

Date: 30/10/2020
US backed Bolivian coup seems to have 'failed'?
& complicit politicians are seeking asylum in the US:
More far-right US voters?

Date: 29/10/2020
Ocean acidification is no longer a somber forecast
It is, already, a present-day reality

Date: 29/10/2020
US media, think-tanks and politicians seem addicted
to calling for the government to be "tough" on China

Date: 28/10/2020
The militarization of US foreign policy:
You need vaccines...?
How about spy planes instead?

Date: 22/10/2020
To engineer a US military foreign policy takeover:
Appoint military officers to Govt Administration positions

Date: 20/10/2020
The 6th Great Mass Extinction: A Capitalist Production
Turning our only home into an uninhabitable hell for millions

Date: 18/10/2020
The School of the Americas:

September 2020:

Date: 30/09/2020
The missing risks of climate impacts: There is no end
to the catalog of climate disasters already threatening communities

Date: 29/09/2020
Arctic warming brings thawing & drying tundra
& fires lurking in drying peat bring multi-season firestorms

Date: 27/09/2020
Imposing irrationally justified sanctions on nations
around the world to bolster US election prospects

Date: 26/09/2020
Both polar regions & tropics are warming & changing
& the tropics are expanding toward the poles

Date: 24/09/2020
Public policy since independence has produced
pain, hunger, marginalization, exploitation, domination, & deliberate impoverishment

Date: 16/09/2020
From Compliant Acolyte to Belligerent Rogue State
Determined to divide, discredit & weaken Western Democracies

Date: 08/09/2020
As atmospheric CO_2 grows,

Without access to money political aspirations wither & die

Date: 20/12/2020
A hypersonic missile at Mach 20 can travel from
Washington to Moscow in less than 20 minutes: Are we all stark raving, suicidally mad?

Date: 19/12/2020
How high will sea-levels rise through the 21stCentury?
Prepare for higher rates than usually predicted!

Date: 17/12/2020
Americans are obsessed with stock markets & their dopamine hit
China considers the overall economic, social & political impact

Date: 16/12/2020
So much power to one fallible human being:
A trail of indiscriminate bullying, invasion, destruction...

Date: 12/12/2020
US-China decoupling: what happened in 2020?
Exports up 21%: China's highest US surplus since 2016

Date: 11/12/2020
Is Biden Sleepwalking Into World War III?
Control over the military should be in civilian hands

Date: 08/12/2020
In a post-Trump, Biden US (and World) it seems that
We're all going to get what US citizens voted for!

Date: 04/12/2020
There has been a stream of stomach-churning crimes:
Indiscriminate destruction, humiliation, torture, murder...
What has it all been for?

Date: 03/12/2020
An absurd Central Bank policy: Don't tax, just spend: Buy assets, cut interest rates!
Untold wealth for the Rich; Trickle-down poverty for the rest

Date: 01/12/2020
Australia is committed to peace & stability in its region
So, it will develop hypersonic missiles to deliver Nuclear Warheads!

by 2100 resulting in production of H_2S, toxic at levels ~4 μg/l.

Date: 11/11/2020
A strange obfuscation of Treasury/Central Bank interactions
Beware 'Sovereign Deficits'; Millstones around the necks of nations

Date: 07/11/2020
Let's eliminate all fossil fuel use: That'll fix the problem! Too late for that!
Agricultural emissions alone will drive further warming

Date: 06/11/2020
Central Banks should fund all state and local
government deficits for the foreseeable future

Date: 06/11/2020
An Alice in Wonderland fiction: Our Central Bank is
responsible to itself: It 'lends' to 'Government'!:
Beware the 'Federal Deficit' my son! The jaws that bite, the claws that catch!

Date: 01/11/2020
True Democracy is not about 'electing leaders':
A subversion of Government of, **by** & for The People

Date: 01/11/2020
A real 2020 responsibility facing US Citizens:
The largest amount of plastic waste of any country in the world

implicated in human rights abuses:
Often called "School of Assassins" or "School of Coups"

Date: 17/10/2020
Arctic warming by only a few degrees may abruptly
trigger a threshold-like permafrost climate change feedback

Date: 17/10/2020
An extraordinary outburst of consumption & productivity
forcing abrupt physical, chemical & biological changes to the stratigraphic record

Date: 16/10/2020
A weaponized US Dollar is being circumvented:
An alternative reserve currency is being used by 'sanctioned' nations

Date: 09/10/2020
A Rogue Superpower: Trump's transactional approach to foreign policy the norm
for most of US history: using 'partners' as expendable buffers

Date: 04/10/2020
Of 21stC 'Mega-Wealth' & 19thC Robber-Barons:
Compared with these 'finance guys' they look like 'Johnny Appleseed'

Date: 03/10/2020
In 2008 we socialized risks & privatized rewards:
After 2020 public spending must focus on the Commonweal:
Let's get it right this time!

Date: 02/10/2020
$1 billion in US stimulus funds for personal protective equipment
callously diverted to weapons manufacture

Date: 01/10/2020
On the brink of an ideologically driven blunder in the Arctic:
The real enemy isn't Cold War ghosts but looming environmental disaster

temperatures escalate
The rate is higher in warmer than in cooler periods

Date: 05/09/2020
The rate of oceanic CO_2 absorption & acidification
are greater than current ocean models estimate

Date: 04/09/2020
If capitalists can profit from cleaning up their messes
of course they'll do so. They only need a plan (or 2)

Date: 03/09/2020
Bering Sea ice loss greatest in 5500 years, driven by
increased CO_2 levels & warm water inflow from the Pacific Ocean

August 2020:

Date: 27/08/2020
It's not just the Arctic: ice-shelf basal melting from
warm water inflow is also occurring in the Antarctic

Date: 24/08/2020
The Gig Economy? It's indentured servitude

July 2020:

Date: 31/07/2020
In 2020: A striking contrast between worker insecurity
& burgeoning corporate bottom-lines

Date: 30/07/2020
In 2020, neither unemployment nor business failures were inevitable:

June 2020:

Date: 30/06/2020
First signs of Greenhouse-Gas feedback loops
are emerging in a rapidly warming world

Date: 29/06/2020
We are living on a planet almost uniquely tailored

May 2020:

Date: 31/05/2020
Demonstrations across the US suggest that
anarchy looms in a nation primed to implode

Date: 29/05/2020
359 mya our ozone shield vanished for a short time,

facilitated by 21st century surveillance technology

Date: 23/08/2020
Global Warming has accelerated since 2015
running well above the linear decades-long trend

Date: 22/08/2020
Interaction of atmosphere, ice & ocean can
result in a rapid rate of ice melt in the Arctic

Date: 14/08/2020
There are limits to atmospheric warming
beyond which feedback mechanisms take over

Date: 13/08/2020
Tropical forest soil carbon is highly sensitive to warming
creating a positive feedback to climate change

Date: 12/08/2020
The Limits of our ability to implement solutions we know
could have averted looming disasters. Is it now too late?

Date: 07/08/2020
Time to get ready for Summer: It is also time for Government of & by the People
in this increasingly insecure & uncertain neoliberally driven Covid-19 world

. . . . . .

It's that time of year (getting earlier by the year - a week or two earlier than last year): everything is starting to grow again. The place has been looking rather unkempt and needing attention. Lawns are already being mowed, next winter's firewood is already being felled, cut up and stacked and the residue burned (I'm only writing this because a blast of Antarctic weather with strong winds and intermittent light rain is keeping me indoors - a large eucalypt I felled yesterday is awaiting my attention once the weather improves). Sugar Gum seedlings (E. Cladocalyx) are ready for planting as trees which do not coppice are felled (yesterday's eucalypt will coppice!). This time last year wildfires were already burning along the east coast of Australia and in my neck of the woods rainfall totals this year have been below 50% of the average. It's time to collect the understory detritus which has been accumulating through winter and mulch what's left (a cloud of dust accompanies my efforts when I do this - I'm not just wearing a mask for Covid-19 reasons these days, I also need one when mulching under trees).

They have arisen because governments adopted a flawed fiscal approach.

Date: 29/07/2020
A tsunami of waste threatens the earth
byproducts of a deregulated capitalist world

Date: 26/07/2020
Resource extraction from 'Resource-Rich' nations has TRIPLED
since 1970 to feed insatiable consumptive appetites

Date: 25/07/2020
Every dollar we've provided is borrowed money
that our children and grandchildren will have to repay

Date: 23/07/2020
Oh no! Every dollar we spend is a borrowed dollar:
The harsh reality: We will have to pay back the debt.

Date: 18/07/2020
International treaties? We Oversee the World:
The future: ours to create;
The World: Ours to Dominate

Date: 15/07/2020
We're on track for at least 4.3-4.8°C by 2100
& greenhouse gas emissions are growing exponentially

Date: 12/07/2020
As the US weaponizes its 'reserve currency' hegemony
Sovereign nations will devise alternatives

Date: 06/07/2020
If ever there was a chance to reset Western communities
The 2020 Covid-19 crisis has presented one:
It's time to seize the moment & remake the world!

Date: 02/07/2020
The race is now on!
The world is arming itself
with the kinds of weaponry only insanity could justify

to support life and here is what we are doing to it:

Date: 28/06/2020
Caught in the debt-trap of foreign credit borrowing
by predatory, US based, international organizations

Date: 25/06/2020
An unassailable US liberal order & global hegemony:
a transient 30 year illusion all-too-soon unravelling

Date: 24/06/2020
A life-and-death question for all of us:
Who Can We Trust With the Nuclear Button?

Date: 24/06/2020
An anti-business attack on 'free enterprise' by
elements of society: the college campus, the pulpit...

Date: 22/06/2020
In 2020, we live in an Orwellian Newspeak world
A thicket of unreality stands between us and the facts of life

Date: 20/06/2020
Both Republicans & Democrats agree that
China is now a vital threat to the United States

Date: 19/06/2020
The basis of a nation's infrastructural Commons:
Publicly maintained by & **freely available** to all its residents

Date: 15/06/2020
To Save Its Democracy, does the United States need
A dose of the medicine it regularly administers "over there"?

Date: 15/06/2020
Many post-colonial territories are in various stages of change:
Reshaped by their indigenous apprehensions

Date: 14/06/2020
Watching two systems: political & liberal capitalism;
decentralized authoritarianism & federalism - respond to a crisis

Date: 13/06/2020
The evidence for looming natural disaster grows:
GHG N_2O is 298 × more potent than CO_2 with a 110 yr lifetime

Date: 08/06/2020
Beware recolonizing Neoliberal attack dogs:
& their financial-parasite infesting ambitions

Date: 07/06/2020
An empty, bumbling, visionless, worn out old Suit: the *status quo*
- or -

Coinciding with a brief, quick warming of the Earth.

Date: 29/05/2020
Full employment is a fundamental aim of the Australian Government:
in 1945 the people of Australia are entitled to expect full employment

Date: 29/05/2020
The GFC & Covid-19 have driven governments to create money freely
This could transform the perceived spending power of the state.

Date: 26/05/2020
From Carpet Bombing to Targeted Killing:
The Sociopathic Evolution of Forever War

Date: 17/05/2020
As Arms Traders to the world the US and EU
Between 2007 & 2017 supplied 89% of the world's armaments

Date: 15/05/2020
The US is pressing for a decoupling from China:
The last such decoupling policy led to World War.

Date: 14/05/2020
The Strategic Case for U.S. Climate Leadership
How Americans Can Win With a Pro-Market Solution

Date: 13/05/2020
Marshaling fear by ascribing malicious motives to China:
A new super-villain to 'justify' US belligerence in the 21st century

Date: 09/05/2020
***Laissez Faire* Capitalism has defunded communal infrastructures & services;**
& dismantled social safety nets & processes of wealth redistribution

Date: 05/05/2020
As income inequality rises; union membership declines:
Returning to the days of weak, unorganized labor

Date: 02/05/2020
Ocean acidification is proceeding at a rate 10×
faster than at any time in the last 55 million years

Date: 01/05/2020
Wealth inequality is best curbed through
progressive income & wealth taxes & corporate taxes

It won't be long before the next fire season is declared. So, updates are likely to be increasingly sporadic over the next month or two.

Date: 05/08/2020
The stage is set for climate driven natural disasters
Atmospheric GHGs now guarantee escalating catastrophe

Date: 04/08/2020
Concerned Capitalists: Out-competed by those who
focus on tangible short-term contributors to profit

Date: 02/08/2020
The most serious threats to 'freedom & democracy' come...
from 'Homeland Security' surveillance organizations

not **Black**; not **White**:
We The People
Promote the General Welfare
Have they died in vain?

Date: 05/06/2020
Recolonized by the stalking-horses of Capitalism
Never attribute to villainy what can be explained by stupidity

Date: 04/06/2020
The US is heading into a 21st century Cold War with a new Evil Empire
determined to ensure overwhelming military supremacy

Date: 03/06/2020
A deep depravity exists within the neoliberal capitalist system of the 21st Century
Corroding & corrupting the heart of Western Capitalism

Date: 02/06/2020
Current atmospheric CO_2 levels are higher
than any found since the Paleogene Period 23 mya

Date: 01/06/2020
Fiat currency governments do not 'issue debt'!
The term 'Government Debt' is a Gold Standard anachronism

April 2020:

Date: 23/04/2020
It's getting monotonous but, annual average
CO_2 & CH_4 concentrations are higher in 2020 than in 2019

Date: 21/04/2020
Political incrementalism has a bad habit:
of produciing cosmetic change like lipstick on a pig

Date: 21/04/2020
There are clever (& profitable) technological Fixes:
Let's 'Fund' them!
It's win-win; Planetary Protection For Profit!

Date: 20/04/2020
A 2020 consequence of US neoliberal politics:
Covid-19 has exposed the irrationality of
laissez faire capitalism

Date: 15/04/2020
How will governments pay for Covid-19 Spending Commitments?
Feigned anxiety about deficits and debt has an anti-democratic purpose

Date: 14/04/2020
Undoing the New Deal: The Coup Against Wallace.
Biden to Sanders:
"I'm going to need you. Not just

March 2020:

Date: 29/03/2020
Why has the US gone to such lengths in Venezuela?
To destroy the dream of creating a true democratic political model for Latin America

Date: 28/03/2020
Tell a lie big enough & keep repeating...
US Regime-Change policy
With house-trained Main Stream Media as its echo-chamber

Date: 27/03/2020
Earth's climate system is dependent on deep ocean circulation
& is critically poised near a tipping point for abrupt disruptions,

Date: 21/03/2020
How should governments respond to the Covid-19 social & economic crisis?
Like Roosevelt in the WWII era or as Mega-wealth dictates?

Date: 20/03/2020
Weaponizing a public health crisis of global import for political ends
redefining the very notion of what it means to be evil

Date: 18/03/2020
in 2020 US Democrats confront a stark choice:
Government for all
or a neoliberal future

February 2020:

Date: 28/02/2020
Sanctions of Mass Destruction: America's War on Venezuela
US sanctions have crippled governments & killed people around the world.

Date: 25/02/2020
Nations descend into their own delusional Orwellian realities:
Self-serving, often phantasmic, reworkings of reality

Date: 25/02/2020
Military-Industrial Complex Budgetary Justification 101
If they have it TINA:
We must get it!

Date: 24/02/2020
An urgency 'spurred by rivals Russia and China'
has accelerated US development of hypersonic technology

Date: 23/02/2020
For the sake of humanity: Change course before it is too late!
A massive increase in US military spending aimed at apocalypse

Date: 22/02/2020
Can paranoia be induced by a compunction of conscience
which dawns on any evil-doer not hardened beyond redemption?

January 2020:

Date: 28/01/2020
100 seconds to midnight
& on the pedestal, these words appear:
Look on my Works you mighty & despair:
Nothing beside remains

to win the campaign, but to govern"

Date: 13/04/2020
Sovereign Government expenditures *within* its borders
should *never* be funded from private or international sources

Date: 12/04/2020
Sovereign Credit Creation, Escalating Deficits
& the need to 'pay down the National Debt'

Date: 10/04/2020
Entrenchment of privilege & wealth & undermining
of US governments' fiduciary responsibilities

Date: 05/04/2020
Governments have a fiduciary duty to underwrite
the solvency of people and businesses in times of crisis

Date: 01/04/2020
In the 2020 Covid-19 crisis, especially:
All levels of government need to be in complementary, symbiotic relationship:
Sovereign credit creation should underwrite the needs of lower levels of government

Date: 16/03/2020
Unaccounted-for N_2O global emissions from rice
may be as high as annual climate pollution from 200 coal power plants

Date: 11/03/2020
At last! a formal investigation of U.S., Afghan & Taliban officials
for war crimes including torture, committed in the "war on terror."

Date: 11/03/2020
On the cusp of terrestrial, marine & freshwater ecosystem disintegration
Over timescales of years & decades - not centuries

Date: 05/03/2020
Trump's version of 'peace with honor' excludes the Afghan government!
After 18 years, the US hands Afghanistan back to the Taliban

Date: 21/02/2020
Anthropogenic sources of atmospheric methane
Are far more significant than previously realized

Date: 16/02/2020
There is a new Evil Empire & The US & 'its allies' must ensure the peace & security of the world:
'The contrast between China's malevolent actions & US' leadership couldn't be more obvious'!

Date: 12/02/2020
An acceleration of global ocean circulation that
extends into the deep oceans on a planetary scale

Date: 11/02/2020
Current climate stressors align with Phanerozoic fossil extinction regimes
Such as seawater warming, hypoxia & acidification

Date: 10/02/2020
On accommodating kleptocratic Bullies: Venezuela yields control
of its oil to foreign companies in bid to keep the economy afloat

Date: 06/02/2020
U.S. Defense Corporations: business is booming, thanks to:
Judicious hiring, defense budget growth & lower taxes

Date: 01/02/2020
Who are the world's 'Wealth Accumulators & hoarders'?
Mega-Wealth is de-coupling from the nation-state

December 2019:

Date: 20/12/2019
It was 43°C on 18/12 & hotter 2 days' later (47°C);
Yes, this is anecdotal, but I assure you: **it is not 'normal'!**

Date: 14/12/2019
Congress Passes $738B Military Bill, Jettisoning
measures to rein in the president's war powers

Date: 09/12/2019
2019 was Australia's driest year on record
It was also its hottest!

Date: 03/12/2019
War: America's default position on global affairs:
Peace: an ancient, withered dream:
At stake is the future of humanity

Date: 02/12/2019
How to make a 'Socialist' Economy Scream:

November 2019:

Date: 28/11/2019
Bolivian coup follows a sordid tradition of U.S. meddling
in the political & economic affairs of Latin America

Date: 26/11/2019
If War-Crime-conviction is subject to the whim
of a President, war crimes are no longer subject to the rule of law

Date: 18/11/2019
New Bolivian Leader Sets Conservative Tone:
Their sin: They implemented Socialism too well!

Date: 07/11/2019
Public & Private realms should focus on:
The Commonweal & Benign Welfare Capitalism

Date: 06/11/2019
Job Guarantee: a 'minimum wage' taskforce
OR

October 2019:

Date: 30/10/2019
Sea level rise might all-too-soon become meters!
630 million live on land below projected annual flood levels for 2100

Date: 29/10/2019
Inured to WMD escalation: If they have it so must we!
WMDs on hair-trigger alert: a 'normal' part of life

Date: 28/10/2019
From 'Defeating Terrorism' to Kleptocracy:
Trump tweeted,
"The U.S. has secured the Oil."

Date: 25/10/2019
Fomenting regime-change: 'Make the Economy Scream'
Trump's ham-fisted version: Impose Sanctions

Date: 24/10/2019
Neoliberal vocabulary reinforces its ideology:

September 2019:

Date: 28/09/2019
Historically, the aim of incorporation was public benefit
Not anymore! Now they are 'for profit' businesses

Date: 27/09/2019
Justifying economic and strategic aggression as
necessary to protect the world from 'terrorism'
What a tangled web we weave...

Date: 24/09/2019
2015-19 is set to be the warmest 5-yrs on record &
Ocean heat content has reached new records

Date: 23/09/2019
The plutocratic alternative: Elitist Elective Government
The legacy of citizens engrossed in bread & circuses

Date: 15/09/2019
Economic elites & businesses

They don't care & they're really hurting the people

A taskforce based on communally established wage structures?

Date: 01/11/2019
3 years in a row: the new, and impossible, normal
The latest eruption of wildfire in California

It legitimizes & bulwarks neoliberal understandings
Not a Neoliberal?
Then avoid its vocabulary!

Date: 18/10/2019
Unstable, unpredictable Job scheduling practices
proliferate & Insufficient, volatile work hours are common

Date: 14/10/2019
Neoliberal devotees: mired in a bog of false premises
The ignorant can be educated: Stupidity is genetic

Date: 13/10/2019
In 2018 the US 400 wealthiest paid a lower total tax rate
(federal, state & local taxes)
than any other income group

Date: 10/10/2019
Government has stepped into the employment breach
Despite nonsensical claims that governments do not create jobs

Date: 08/10/2019
Are we really entering a 'Feeling Economy' World?
What will "share the scraps" jobs focus on next?

dominate U.S. politics
but average citizens are disenfranchised

Date: 14/09/2019
Psychosocial risks: the pandemic of this century
Precariousness, stress & overwork can kill you

Date: 09/09/2019
'Terror' justifies reducing Morality to Expediency:
Secret detention & torture by the CIA in the 'War on Terror'

Date: 09/09/2019
Economic Efficiency & the Virtues of Deregulation
The balance between pain & gain: the Pareto Optimum

August 2019:

Date: 24/08/2019
US 'leaders' enthralled by magical thinking:
Take from the poor; give to the rich: It will trickle down!

Date: 19/08/2019
Presumptuous hubris & military adventures
Impulsive Bullying as US foreign policy & practice

It's that time of year (getting earlier by the year!): everything is starting to grow again. The place looks rather unkempt and needing attention. Lawns need to be mowed, next winter's firewood felled, cut up and stacked and the residue burned. I've already planted 20+ trees (E. polyanthemos & camaldulensis - 'Koala' trees) and have another 15 seedlings (E. melliodora (also Koala fodder) & cladocalyx) to be planted - replacing the trees used for next winter's firewood. Given the wildfires already burning along the east coast of Australia, it's time to collect the understory detritus which has been accumulating through winter before the next fire season is declared (this has already occurred elsewhere). So, updates are likely to be increasingly sporadic over the next month or two.

Date: 12/08/2019
Rapid disintegration of global

July 2019:

Date: 30/07/2019
What predatory creditors want is not the interest but
debtors' assets: to own & control their labor, property & lives

Date: 23/07/2019
A 'reserve currency' nation losing credibility:
Using Reserve Currency powers to enforce political/military ambitions

Date: 22/07/2019
It's War: US violation of their international treaties:
Losing control of a world they believed they 'owned'

Date: 17/07/2019
Deficits... represent sinful profligate spending
This fallacy is based on a false analogy to borrowing by individuals

Date: 12/07/2019
National borders & parochial legislatures as impediments;
'Free trade' as a means to Gross accumulations of 'wealth'

Date: 09/07/2019
Once we're over the ocean-carbon threshold...
ocean acidification, species die-offs, and more become inevitable!

Date: 07/07/2019
Is Trump an "inept," "insecure" & "incompetent" leader?
That is the British Ambassador's unvarnished assessment!

June 2019:

Date: 26/06/2019
Trump: More Iran sanctions; threatens 'obliteration'
Rouhani: WH actions mean it is mentally retarded

Date: 24/06/2019
Vacillating belligerence as constraint: like a schoolyard bully!
Pompeo: there are 'ties between Iran & al-Qaeda': ignorant nonsense from a US Secretary of State!

Date: 22/06/2019
Americans: slouching toward another Middle East war
Cavalier ineptitude, bombast & farcical simplism

Date: 18/06/2019
The Southern Ocean depths are warming:
The necessary nudge to budge the West Antarctic Ice Sheet?

Date: 16/06/2019
Legally sidelining the US President in foreign adventures:
The administration declined to describe actions taken under the new laws

Date: 14/06/2019
They're at it again!
Set the stage; Point the finger:
Repeat & repeat... until people start believing it!

Date: 11/06/2019
Activating tipping points in a

May 2019:

Date: 31/05/2019
Protesters: ungrateful, ignorant & patronising:
The coal industry delivers $billions in royalties & taxes to Government

Date: 30/05/2019
Playing Russian roulette with the fate of humanity:
global warming could ignite an Arctic "methane bomb"

Date: 28/05/2019
The Arctic is heating up far faster than elsewhere, BUT, it is now a land
of opportunity... with untapped reserves of oil, gas, uranium, gold, fish...

Date: 27/05/2019
It's too late for a slow transition to renewables:
Too late for a transition that is 'profitable' & preserves lifestyles

Date: 26/05/2019
Strong CO_2 & Methane rise:
Extinction-level warming:
Who Cares?
We really are a peculiar species!

Date: 24/05/2019
Atmospheric CO_2 Just Exceeded 415 ppm:
Crossing a barrier into a hot, polluted future

Date: 21/05/2019
Corrupt, Petty, Angry, Resentful but he knew how

marine resources:
Ecosystems that indirectly sustain billions of people

Date: 11/08/2019
the assault on Western workers has intensified for those
precariously employed: contingent, gig and other contract workers

Date: 09/08/2019
What happens when foreign credit floods into the US?
The US$ rises against overseas currencies (it's elementary...)

Date: 08/08/2019
Unwitting Trump-created reserve currency Paradox:
A US dollar surge driven by Trump's 'Trade Wars'

Date: 04/08/2019
The US is rigged against workers: Hard-won Rights are gone:
No other Western nation treats workers so badly

Date: 07/07/2019
Central Bank funding of regional government
Should regional/local governments use Private Banks?

domino-like cascade
Pushing Earth irreversibly into "Hothouse Earth" conditions

Date: 06/06/2019
Do frogs really remain in water as it heats up?
Humans seem unconcerned as their evironments warm!

Date: 04/06/2019
US quandary: Russia or China: Which is the greater 'threat'?
They're both totalitarian enemies of Democracy & the West!

to channel white resentment: Which US president was that?

Date: 19/05/2019
U.S. war heroes are just 'trying to do their job':
Presidential pardons should protect them from US prosecution

Date: 17/05/2019
When will Western populations finally rebel or
are they so terminally confused that they can no longer tell reality from theater?

Date: 16/05/2019
Lies, Damned Lies & US foreign aggression:
We have received intelligence related to "Iranian activity"

Date: 14/05/2019
Heads I Win Tails You Lose: credit default swaps
allow Hedge Funds to force companies into bankruptcy

Date: 13/05/2019
Entering Twilight: investor-state lawsuits
with the deck stacked to advantage Corporations

Date: 11/05/2019
191 nations subsidizing humanity into oblivion
with fossil fuel subsidies worth $5.2 trillion in 2017

Date: 07/05/2019
Environments are collapsing at unprecedented rates:
1,000,000 species are threatened with extinction

Date: 06/05/2019
A trapped and brutalized people maintaining their
identities & self-respect & refusing to be victims

Date: 04/05/2019
Let's open Venezuelan oil reserves to our corporations
& destroy governments that put their peoples' needs above ours

Date: 03/05/2019
It's either balanced budgets and surpluses
OR
Freedom from money markets in meeting public financial requirements

April 2019:

Date: 29/04/2019
Private debt builds and shonky bankers defy
responsible and ethical business practice

Date: 28/04/2019
The management downsides as
hyper-globalization spans nations and continents

March 2019:

Date: 30/03/2019
'The Russians' will nuke us if they think they can get away with it
Welcome to 'Cold War Mark II': A new nuclear arms race

Date: 29/03/2019
Beware the agents of plutocracy, bringing:
Rampant inequality & retrenchment to a gilded age

February 2019:

Date: 25/02/2019
Automation contributes to productivity &
impoverishment of the most vulnerable workers
What are we to do?

Date: 22/02/2019
Distribution of money has been via jobs.
This will have to end. Jobs are becoming precarious

January 2019:

Date: 31/01/2019
Helpless outrage for the millions of victims:
Mere 'collateral damage' of US 'regime change'

Date: 28/01/2019
The West has inaugurated in other territories, areas of
premeditated savagery and real barbarism

Date: 26/04/2019
Balanced Budgets & Surpluses are NOT evidences of
astute economic management: They are **not** virtues.

Date: 19/04/2019
We do not need to live in neoliberal societies.
Such societies ensure increasing inequality

Date: 16/04/2019
Tax & Spend is what Government should do:
Balanced budgets: not virtuous; Deficits: not irresponsible

Date: 11/04/2019
Israel's Arab citizens: used to legitimize a sham democracy
Racist Israel resembles apartheid South Africa

Date: 09/04/2019
It's the struggle between right & wrong; good & evil
Democracy and Totalitarianism

Date: 08/04/2019
Democracy, Israeli Style: Celebrating oppression
For Palestinians: arrogant control and state violence

Date: 07/04/2019
International support for Israel will be eclipsed
by anti-apartheid protests against the Israeli state

Date: 05/04/2019
No two state solution: Night is darkest just before Dawn
An expanded democratic Israel will be required to enfranchise Palestinians

Date: 04/04/2019
American people admire the most daring liars
they detest those who try to tell them the truth (œH. L. Mencken)

Date: 01/04/2019
The neoliberal hollowing out of Sovereign States:
transferring policy making powers to unelected technocrats

Date: 26/03/2019
The demoralizing degeneration of the US
toward plutocratic militarism, kakistocracy & fascism

Date: 23/03/2019
Parallels between precursors of the 2003 invasion of Iraq
& the 2019 US promotion of regime change in Venezuela
The more things change...

Date: 18/03/2019
Distorting the truth; blatantly lying; challenging reality:
tell a lie, keep repeating it: people will come to believe it

Date: 15/03/2019
Bullying involves Threats, Humiliation, Ostracism
Withholding resources, Intimidation, Sabotage...

Date: 11/03/2019
Violence breeds violence: When will we ever learn?
Surely the lessons of the Middle East have taught us *that*, if nothing else!

Date: 10/03/2019
In 2018 the US exported currency worth $65.3 billion
Its currency is its most profitable export product

Date: 04/03/2019
The trajectory is now set, the die is cast:
The future for humanity will be catastrophic

Date: 03/03/2019
Ripping the scab from the US body politic
to reveal the depravity & criminality of the powerful

Date: 21/02/2019
It's worse than you think: We're headed for 7°C (13°F)+ higher than today:
Up to 5°C (9°F) within the lifetimes of our children

Date: 19/02/2019
EU: captured states, where corporate interests
malignly influence decisions on EU matters

Date: 18/02/2019
From 1936-1980, the top US income tax rate stayed above 70%;
At 94% in 1944 & staying above 90% from 1952-63

Date: 14/02/2019
A Reserve currency as an 'export resource'
buttressing access to foreign resource imports

Date: 12/02/2019
Constricting US 'Free Speech': It does not include
the right to Criticize Israel or US support of its policies

Date: 11/02/2019
Years of finance deregulation & lax oversight:
Western Democracies bought & paid for by Mega-Wealth

Date: 07/02/2019
Progressive taxation rates are essential
if Governments are to limit Muck Accumulation

Date: 03/02/2019
The US is not 'behind' a Venezuela coup,
It is openly leading it: & a 'Coalition of the Willing' subserviently follows

Date: 27/01/2019
'Regime Changing' US Presidents. The Recipe:
Undermine, defame, fund & train 'dissidents'; Gather a 'Coalition of the Willing'....

Date: 23/01/2019
Utopian Zionism: Dreams of a 'Homeland' hijacked by
bigots, thugs, charlatans & venal mega-wealth

Date: 22/01/2019
The greatest purveyor of violence in the world today?
King: Moral Leadership when desperately needed

Date: 21/01/2019
Israel's sociopathic immorality & Western
concern with 'loss of funding' & charges of 'anti-Semitism'

Date: 16/01/2019
Records show rapid ocean warming since 1971:
The nudge to budge the West Antarctic Ice Sheet!

Date: 13/01/2019
The fruits of economic growth go straight to the already-rich
doing nothing to reverse the trend of inequality

Date: 11/01/2019
Amoral Nations driven by 'What Must be Done':
Morally Rudderless, Adrift in Dangerous Times

Date: 07/01/2019
Morality can, finally, be reduced to expediency
American agents set targets of units which torture, kill, abuse &...

Date: 05/01/2019
Cost per US taxpayer for post 9/11 Wars: $23,386
What else could be done with US$5.6 trillion?

December 2018:

Date: 30/12/2018
Perhaps we are paranoid: but that doesn't mean
that they're not scheming and plotting to get us!

Date: 28/12/2018
Past 22 years include the 20 warmest years on record
2018 is on course to be the 4th warmest year on record

Date: 24/12/2018
Hope for the best, but always plan for the worst:
1°C warmer & sea levels were 6-9 meters higher than today

November 2018:

Date: 23/11/2018
These are extraordinary crimes against humanity:
Moral depravity in an ominous time in history

Date: 20/11/2018
Money talks: Profit, Power & Revolving Doors:
Corporate lobbying & the subversion of government

Date: 19/11/2018
What creditors want: irreversible debt peonage
Sounding the Alarm on Leveraged Lending

October 2018:

Date: 30/10/2018
Bombing raids on sovereign nations
Regime change with prejudice: We came, We saw, He Died!

Date: 25/10/2018
It is clear that the financial system is broken
and needs serious reconstructive surgery

Date: 23/10/2018
'Populism' is not a collective noun for
demagoguery & neo-fascism
True Democracy is 'populist'

September 2018:

Date: 23/09/2018
A spider's web of international relationships between Finance Centers:
Concentrating wealth over the past 50 years

Date: 22/09/2018
China can avoid damage from US tariffs with a Keynesian stimulus
Knowing US importers will pass the tariffs on to consumers

Date: 21/09/2018
Trumpian trade policy has torn up US created Rules

Date: 23/12/2018
Extreme wealth should attract extreme taxation
applied to capitalism's arch accumulators & hoarders

Date: 19/12/2018
'Democratic Capitalism' is not an Oxymoron, but:
It does require a clear understanding of democratic credit creation and circulation

Date: 15/12/2018
Pentagon has failed its first comprehensive audit,
There were 'accounting discrepancies that could take years to resolve'

Date: 07/12/2018
Fear not! Capitalism's future is now assured:
Vast fossil fuel resources have been discovered!

Date: 03/12/2018
Pentagon spending: fabricating numbers
to justify demands for more money each year,

Date: 02/12/2018
***Fait Accompli*: From Public Regulation of the Private Realm to:**
Private Enterprise capture of the Public Realm

Date: 17/11/2018
Predatory Lending: the *raison d'être* of Unregulated Capitalism
Driving the impoverished into irreversible debt peonage

Date: 13/11/2018
References to external sources now start with œ,
to clearly signal that **they are internet addresses**

Date: 11/11/2018
What the Hell Happened to Brazil? The World Bank
& the magic of prosperity through austerity

Date: 05/11/2018
Nuclear Winter or Global Warming? Take your pick:
The myopic stupidity of Western capitalists

Date: 04/11/2018
Respect for government, the Supreme Court, the president: it's all gone
We've become a plutocracy that doesn't like government or pay taxes

Date: 03/11/2018
Barack Obama: the "worst mistake" of his presidency was:
failure to plan for the aftermath of 'regime change'

Date: 19/10/2018
Cumulative changes in US annual wages, 1979-2017
It hasn't slowed down: the rich get even richer!

Date: 18/10/2018
US Politics: a long, sorry tale of corruption, greed, lies,
abuse of power & ideological fundamentalism?

Date: 08/10/2018
Combat protectionism's evils: globalize production
Trade should be 'freed' from parochial constraints

Date: 01/10/2018
Morality as Expediency; Victory as Ceaseless Combat:
'War Heroes' & the 'Once Were' forgotten ones of unending wars

Trump is reverting to a pre-1930s tariffs free-for-all

Date: 20/09/2018
Hubris, self-belief & a sociopathic will to power
übermenschen write history: 'might is right'

Date: 16/09/2018
Escalating Blackmail to Shield US War Criminals:
'National Security' can be used to justify torture

Date: 15/09/2018
Central Banks, agents of states & their treasuries,
should serve as fiscal agents of the state

Date: 08/09/2018
A self-serving piece of Revisionist Fluff
The rescue & reward of financial malefactors

Date: 06/09/2018
The U.S. military only loses if it stops fighting so:
Unaccountable generals wage endless wars without congressional constraint.

Date: 05/09/2018
Of fiat reserve currency, deficits & US security:
a problem 'as critical as the nuclear threat'

Date: 04/09/2018
The US dollar as reserve currency for the world
makes its plutocrats richer & impoverishes the rest:
Could this be intentional?

Date: 01/09/2018
a tale of missed chances & a missing 'New Deal';
of Obama's meaningless chants of 'Yes We Can'

August 2018:

Date: 29/08/2018
Is an economy that ensures full employment
and shared prosperity
'an impossible dream'?

Date: 27/08/2018
The exploitation of Africa's natural resources
by multinational companies has destituted its peoples

Date: 26/08/2018
In fossil-fuel rich nations, promoting CO_2 reduction
policies can have serious political repercussions

Date: 19/08/2018
It's hard to believe, but politicians in Australia
are still arguing against reducing CO_2 emissions & advertisers promote

July 2018:

Date: 31/07/2018
From the Holocene to the Paleogene
Did the tropics become ecological dead zones?

Date: 23/07/2018
The top-secret world the US has created:
So massive that its effectiveness is impossible to determine

Date: 19/07/2018
Path-breakers in the "science" of war:
The Global Growth of U.S. Special Operations Forces

Date: 17/07/2018
Trapped in slavery by ruthless employers:
Western forms of Debt bondage & indenture

June 2018:

Date: 29/06/2018
Overstated claims of Central Bank Independence
are used to abrogate democratic accountability

Date: 28/06/2018
Corporations offshored factories & technologies,
hijacked profits & betrayed their Western bases

Date: 20/06/2018
Something is rotten in this Neoliberal World:
'Free-Markets' lead to burgeoning inequality

Date: 16/06/2018
Profits are siphoned into Tax Havens
So profits are accumulated but wages stagnate

May 2018:

Date: 24/05/2018
Sociopathic social and environmental rapine:
Heat, flood, & drought records broken by 2064

Date: 23/05/2018
More than 100 killed & 2700 injured by snipers
"There are no innocent people in the Gaza Strip"

Date: 18/05/2018
The paramount functions of a democracy's schools:
To prepare each citizen to choose wisely and freely.

Date: 15/05/2018
The track-record of Western Colonialism:
The subjugated will overthrow the colonists:

'clean coal' power stations

It's that time of year: everything is starting to grow again, the place looks rather unkempt and needing attention. Lawns need to be mowed, next winter's firewood felled, cut up and stacked and the residue burned. Given the wildfires already burning along the east coast of Australia, coupled with the recent horrors of California, Greece, Portugal and elsewhere, accumulated debris under trees and in garden areas must be cleared and burnt before temperatures start rising here. So, unless inclement weather keeps me indoors, there are likely to be significant gaps in the next 2-3 months.

Date: 16/08/2018
Faced with a need to choose, capitalism
will come down on the side of exploitation

Date: 15/08/2018
The offshoring of jobs and technology transfer:
as a deliberate policy to weaken domestic labor

Date: 13/08/2018
The US dollar's role as the major world currency:
A major contributor to chronic U.S. trade deficits

Date: 10/08/2018
How to shoot oneself in the foot with a 'trade war'
Levy imposed tariffs on American consumers

Date: 02/08/2018
The trajectory of Western 'civilization' is ominous:
Increasingly certain environmental catastrophe

Date: 01/08/2018
Becoming Clean & Green by Offshoring Pollution:
Investing in coal-based power projects elsewhere

Date: 16/07/2018
To disenfranchize citizens and hijack democracy
Engross them in a self-indulgent pursuit of 'bread and circuses'

Date: 13/07/2018
The personification of capitalist govt. run amok
Confusing "the country" with "my company."

Date: 09/07/2018
Are 'JG', 'Make-Work' pejorative terms?
What was FDR's Civilian Conservation Corps ?

Date: 08/07/2018
Simplistic 'trade wars' are not so easy to win
in a deregulated hyper-globalized world!

Date: 07/07/2018
Regulatory agency employees are hired by the firms they regulate
creating a "revolving door" between government and the private sector

Date: 06/07/2018
We live in a deregulated hyper-globallized world
geared to exploiting neutered nation-states

Date: 03/07/2018
Outworn, right-leaning, inequitable neoliberalism
Disguised as freedom, modernism & emancipation

Date: 15/06/2018
Helping to drive corporate debt to record levels
by inflating a bubble in stocks and bonds

Date: 12/06/2018
The US Fed must purchase 'debt securities'
only in the open market:
An absurd charade

Date: 11/06/2018
Machines don't move to low-tax places, profits do.
multinationals shift 'paper' profits to tax havens

Date: 08/06/2018
A Debt-Financed Future: Ruin or Prosperity?
Macaulay: 'the nation became richer & richer'

Date: 07/06/2018
What is happening on this small planet of ours?
Wars of annihilation: 'Precision Bombing' & 'Targeted Killing'

Date: 01/06/2018
From Democracy to Plutocracy:
How elected Western legislators lost their way

Date: 11/05/2018
Putrefying piles of dung venting noxious fumes:
Enveloped in those fumes, repose the mega-wealthy

Date: 09/05/2018
When loss of resources becomes 'a profit' &
Accessing resources is 'Living beyond our means'

Date: 07/05/2018
Policymakers often choose to ignore bubbles
Seeing them as evidence of a robust economy

Date: 05/05/2018
Of Blank Checks, Hubris & US Presidential Power:
Waging unauthorized War across a Borderless World

Date: 04/05/2018
The latest expansion of America's secret wars:
Battling 'rebels' who pose no threat to the US

April 2018:

Date: 30/04/2018
The IMF and World Bank have expired Use-By dates:
Decaying organizations often turn noxious

Date: 27/04/2018
A global proliferation of extreme wealth:
Private wealth managers for the uber wealthy

Date: 25/04/2018
(i) **The Corporatization of Public Responsibilities**;
(ii) How Corporations parasitize Governments

March 2018:

Date: 29/03/2018
A quality-of-life-ensuring, social safety net
Ensuring inclusive economic wellbeing

Date: 27/03/2018
So, who is orchestrating the 'Russian' hysteria?
Russian diplomats expelled across US & Europe

Date: 25/03/2018
Private credit creation cannot be the source
of unencumbered Sovereign credit

Date: 22/03/2018
Oh what a tangled web we

February 2018:

Date: 25/02/2018
We live in an Orwellian Newspeak world.
MSM promote & airbrush Western military activity

Date: 23/02/2018
Allow 'market forces' to rectify labor problems:
Macron: TINA way to reduce unemployment

Date: 22/02/2018
A US President with a blank check to wage war
who outsources that power to the Pentagon

January 2018:

Date: 26/01/2018
An American empire of chaos... of graveyards
With an exaggerated, imperial presidency

Date: 24/01/2018
From Public-Private Partnerships
to Private Capture of the Public Realm

Date: 23/01/2018
The World's Plutocrats are partying again!
and Western politicians have joined them!

Date: 17/04/2018
Is there public support for Progressive Taxation
regimes in democratic capitalist countries?

Date: 16/04/2018
Core Elements of Democracy's Commons:
Require a Comprehensive Bill of Rights

Date: 15/04/2018
Presumptuous hubris & impulsive war making:
"Mission Accomplished!" Trump tweeted

Date: 10/04/2018
The Corporate Plan: Citizens in Servitude
Big Business's aim: dismantle public education

Date: 08/04/2018
Universal programs for Grass-Roots problems?
'Government of the people, ***by the people***'

Date: 06/04/2018
Most democratic quintile of the world's countries
Accounts for 92% of all world armaments exports

Date: 03/04/2018
Selling Arms as if There Were No Tomorrow
Who is the leading arms dealer on the planet?

Date: 01/04/2018
What are capitalism's Infrastructural commons?
Do **the Commons** include Social-Safety-Nets?

weave
When first we practice to deceive

Date: 20/03/2018
Bundling US government credit requirements
as 'debt', to be sold as 'debt securities'

Date: 17/03/2018
How anomalous legal directives are legitimized
&, though redundant, are justified through time

Date: 16/03/2018
Central Banks could issue unencumbered credit
Why go through this elaborate charade?

Date: 12/03/2018
Capitalists used their wealth & collective power
to subvert feudalism &, 800yrs later, democracy

Date: 10/03/2018
U.S. Military Budget Components FY2019
Why Military Spending Is Bigger Than You Think

Date: 08/03/2018
A 'Credible Threat' and Cold War Mark II:
A nuclear arms race with a reinvented external threat

Date: 05/03/2018
A Cold, Calculated Determination To Ensure
Overwhelming Nuclear Weapons Supremacy

Date: 03/03/2018
A truly symbiotic governmental system, or:
Funding States through progressive taxation?

Date: 19/02/2018
3rd World Communities are Changing - but into What?
Sprawling squatter settlements on the outskirts of towns

Date: 18/02/2018
Its Budgetary Focus reveals its priorities
Is it: The People; The Marketplace; or ...?

Date: 13/02/2018
What is important about a Sovereign State's budget
is its **focus** & whether it is inflationary or deflationary.

Date: 11/02/2018
Money is like muck, not good except it be spread
This is The State's responsibility.

Date: 09/02/2018
What do US leaders think of their own record?
Woodrow Wilson (1919): The world knows America as the savior of the world!

Date: 06/02/2018
Hottest year on record without an El Niño - 2017
Climate scientists predicted this rapid rise

Date: 05/02/2018
Put them to work: Free-Riders threaten society
We should only supporrt the Truly Disabled

Date: 02/02/2018
The message hasn't changed: "Greed is good."
Davos' so-called global elite believe it to be true!

Date: 20/01/2018
A case for State-level Progressive Taxation
Should citizens contribute 'As they are Able'?

Date: 12/01/2018
Western colonial practice toward 'the natives':
The egotistic & barbarous aims of 'civilized' people

Date: 10/01/2018
The nature of Israel's Apartheid System
Reject all euphemisms, Apartheid is the Reality!

December 2017:

Date: 31/12/2017
Sleep-Walking into catastrophe:
Let's **Accumulate Capital!** Is this the way it all ends?

Date: 29/12/2017
A New Understanding of 'The Commons'
in a world of grass-roots community empowerment

Date: 23/12/2017
Independence or **Interdependence:**?
Rules of acquisition **or** Reciprocal responsibilities

Date: 21/12/2017
Building a Nuclear Arsenal in an unstable region
Why have US officials condoned it?

Date: 18/12/2017
The last, most dangerous Western Colony:

November 2017:

Date: 30/11/2017
This is the way Civilizations wither & die:
Hopefully, not with a bang but a whimper!

Date: 28/11/2017
The infrastructures of The West are decaying:
We are wantonly eroding our Commons

Date: 27/11/2017
Banking 'Quiet Periods' & proper financial regulation
The absurdity of financial deregulation exposed

Date: 19/11/2017
When sovereignty is compromised
Does sovereign Credit become Encumbered?

Date: 18/11/2017
Big Money is funding perfidy across the US

October 2017:

Date: 22/10/2017
Calling Sovereign-credit-needs 'government debt'
Enables bond holders to 'tax' those needs

Date: 19/10/2017
Nothing is 'lost' or 'owed' by the government
When it issues currency and other forms of credit.

Date: 17/10/2017
Become Profit-Makers to fund Spending?
-OR-
Final freedom from domestic money markets?

Date: 15/10/2017
Citizens are transformed into 'customers' who *should* pay for services they choose to use

Date: 09/10/2017
The Neoliberal definition of

September 2017:

Date: 23/09/2017
Delusion? Conspiracy? or Ideological Straitjacket?
Why go through these elaborate charades?

Date: 19/09/2017
Largest upward transfer of wealth in US history
Who can protect us from these evils?

Date: 16/09/2017
A Universal Basic Income: Heart of 'The Commons'
UBI works best if paired with a jobs guarantee

Date: 14/09/2017
Limiting neoliberalism's bizarre consequences
Where sovereign credit creation is disavowed...

Date: 10/09/2017
The severely ambitious are often delusional

With Nuclear weapons &
its own 'Native Reserves'

Date: 07/12/2017
Short-term profits & long-term disaster:
It's all about the money.
When will they ever learn?

Date: 05/12/2017
How to Usurp & Subvert National Sovereignty:
Undermine the Central Reserve Authority

Gutting the power of the lower 90% to oppose them

Date: 10/11/2017
The Driver and Guarantor of True Democracy:
'Bottom-up' Government: Of, By, & For The People

Date: 07/11/2017
Pres. Trump: Pitchman for armaments factories
& the Western military industrial complex

Date: 05/11/2017
Western nations have been drawn into incessant
poorly justified, ill-considered war-making

Date: 03/11/2017
The rubblized generals of America's rubblized wars
on a rubblized planet
now reign supreme

Public Deficits:
the difference between **earnings** and **spending**

Date: 06/10/2017
The common-law rights of the English
Presumed to be the 'natural' rights of humanity

Date: 01/10/2017
Market Forces introduce rational social change
The burning Question:
Rational for Whom?

There's no vaccine for the folly of excess hubris

Date: 08/09/2017
Revenue raising taxation should be anomalous
Economic discipline through regulation!

Date: 05/09/2017
Taxes are not needed to 'fund public expenditure'
Except in a bizarre neoliberal 'reality'

Date: 04/09/2017
In 2017 Neoliberalism is alive & well - Ask France
A new labor code to 'boost France's economy'

August 2017:

Date: 31/08/2017
How to handle digressions offered in footnotes
These often elaborate ideas beyond chapter topics

Well, the year is flying by and it's now time to get the spring chores done. There's firewood to be felled, cut up and stacked; clearing to be done and debris to be burned in preparation for the fire season (this really is a post-20th C. necessity in my neck of the woods); lawns and garden areas to be reclaimed and tidied up and various building maintenance chores to be undertaken; so there may be significant gaps over the next couple of months (unless, of course, inclement weather keeps me indoors!)

Date: 29/08/2017
Global Land Acquisition & Sustainable Development
It's only words, and words are all we have...

Date: 28/08/2017
'Development' at the expense of others
Living beyond a nation's environmental means

Date: 27/08/2017
Economies must serve communities
They are not independent 'environments'

Date: 21/08/2017
MMT as Lens not Ideology
Policy reflects ideology & monetary understandings

Date: 20/08/2017
Capitalist infrastructure is capitalist Commons

July 2017:

Date: 30/07/2017
Eroding Civil/Military separation of powers
Civilianizing the military and militarizing civilians

Date: 27/07/2017
MMTers are a Motley Crew
No they are ***not*** 'the lunatic fringe'!

Date: 24/07/2017
From 'citizens' to 'customers':
Corporatization of the commonwweal

Date: 23/07/2017
Public responsibility for the commonweal
Grass-roots Government

Date: 21/07/2017
Public Choice Theory:
Government should get out of The Economy

Date: 20/07/2017
TPP, TTIP, TiSA
and the resurrection of the Undead

Date: 17/07/2017

Date: 14/07/2017

Date: 13/07/2017

Date: 09/07/2017

Date: 07/07/2017

Date: 06/07/2017

Date: 01/07/2017

June 2017:

Date: 29/06/2017

Date: 27/06/2017

Date: 26/06/2017

Date: 24/06/2017

Date: 22/06/2017

Date: 20/06/2017

Date: 19/06/2017

Date: 16/06/2017

Date: 12/06/2017

Date: 11/06/2017

Date: 10/06/2017

Date: 09/06/2017

Date: 05/06/2017

Date: 02/06/2017

Date: 01/06/2017

May 2017:

Date: 31/05/2017

Date: 28/05/2017

Date: 24/05/2017

Date: 21/05/2017

Date: 19/05/2017

Date: 16/05/2017

Date: 15/05/2017

Date: 14/05/2017

Date: 12/05/2017

Date: 11/05/2017

Date: 05/05/2017

Date: 04/05/2017

Date: 01/05/2017

Beware Public-Private Partnerships Date: 18/08/2017 **After neoliberalism, What Next?** On the Cusp of Revolution or ...? Date: 17/08/2017 **What is Neoliberalism?** We seldom recognize that **it is an ideology**... Date: 14/08/2017 **...Only Believe,** **It *will* trickle down!** Democratic Capitalist Governments *Create* Credit Date: 11/08/2017 **Sovereign Government 'debt' is private wealth** Public spending should be **publicly** funded Date: 10/08/2017 **Trump is Not Cause, But Consequence** Step-by-step Democracy loses its way Date: 08/08/2017 **Brutality, despotism and corruption in communities** Are evidences of *communal disintegration* Date: 07/08/2017 **Privatization of Security Is Coming:** The over-extension of decadent imperialism Date: 02/08/2017 **Overwhelmed by ingrained fears**: People will plead to be delivered from phantoms			
April 2017: Date: 30/04/2017 Date: 27/04/2017 Date: 26/04/2017 Date: 25/04/2017 Date: 23/04/2017 Date: 19/04/2017 Date: 16/04/2017 Date: 15/04/2017 Date: 12/04/2017 Date: 11/04/2017 Date: 09/04/2017 Date: 07/04/2017 Date: 06/04/2017 Date: 04/04/2017 Date: 03/04/2017	March 2017: Date: 28/03/2017 Date: 27/03/2017 Date: 24/03/2017 Date: 23/03/2017 Date: 22/03/2017 Date: 18/03/2017 Date: 16/03/2017 Date: 14/03/2017 Date: 12/03/2017 Date: 09/03/2017 Date: 08/03/2017 Date: 07/03/2017 Date: 06/03/2017 Date: 01/03/2017	February 2017: Date: 27/02/2017 Date: 26/02/2017 Date: 22/02/2017 Date: 20/02/2017 Date: 19/02/2017 Date: 18/02/2017 Date: 16/02/2017 Date: 13/02/2017 Date: 11/02/2017 Date: 04/02/2017 Date: 03/02/2017 Date: 02/02/2017	January 2017: Date: 30/01/2017 Date: 26/01/2017 Date: 24/01/2017 Date: 23/01/2017 Date: 22/01/2017 Date: 20/01/2017 Date: 19/01/2017 Date: 19/01/2017 Date: 18/01/2017 Date: 17/01/2017 Date: 15/01/2017 Date: 14/01/2017 Date: 11/01/2017 Date: 10/01/2017 Date: 08/01/2017 Date: 06/01/2017 Date: 06/01/2017 Date: 05/01/2017

			Date: 03/01/2017 Date: 02/01/2017 Date: 01/01/2017
December 2016: Date: 31/12/2016 Date: 30/12/2016 Date: 26/12/2016 Date: 23/12/2016 Date: 22/12/2016 Date: 20/12/2016 Date: 15/12/2016 Date: 13/12/2016 Date: 11/12/2016 Date: 10/12/2016 Date: 08/12/2016 Date: 05/12/2016 Date: 01/12/2016	November 2016: Date: 29/11/2016 Date: 28/11/2016 Date: 23/11/2016 Date: 22/11/2016 Date: 21/11/2016 Date: 20/11/2016 Date: 19/11/2016 Date: 15/11/2016 Date: 13/11/2016 Date: 12/11/2016 Date: 10/11/2016 Date: 05/11/2016 Date: 04/11/2016 Date: 01/11/2016	October 2016: Date: 30/10/2016 Date: 24/10/2016 Date: 23/10/2016 Date: 21/10/2016 Date: 17/10/2016 Date: 15/10/2016 Date: 14/10/2016 Date: 11/10/2016 Date: 09/10/2016 Date: 08/10/2016 Date: 07/10/2016 Date: 06/10/2016 Date: 03/10/2016	September 2016: Date: 30/09/2016 Date: 28/09/2016 Date: 24/09/2016 Date: 22/09/2016 Date: 20/09/2016 Date: 18/09/2016 Date: 16/09/2016 Date: 15/09/2016 Date: 14/09/2016 Date: 13/09/2016 Date: 11/09/2016 Date: 10/09/2016 Date: 09/09/2016 Date: 05/09/2016 Date: 03/09/2016 Date: 01/09/2016
August 2016: Date: 30/08/2016 Spring has arrived early this year, the weeds are taking over; dogs are becoming lost in what should be 'lawns'; next year's firewood has to be felled, cut up and stacked; and debris burned in preparation for the fire season, so updates will be spasmodic over coming weeks! Date: 25/08/2016 Date: 24/08/2016 Date: 21/08/2016 Date: 18/08/2016 Date: 14/08/2016 Date: 12/08/2016 Date: 10/08/2016 Date: 09/08/2016 Date: 08/08/2016 Date: 07/08/2016 Date: 06/08/2016 Date: 05/08/2016 Date: 04/08/2016 Date: 01/08/2016	July 2016: Date: 31/07/2016 Date: 30/07/2016 Date: 29/07/2016 Date: 26/07/2016 Date: 25/07/2016 Date: 24/07/2016 Date: 23/07/2016 Date: 22/07/2016 Date: 21/07/2016 Date: 20/07/2016 Date: 19/07/2016 Date: 18/07/2016 Date: 17/07/2016 Date: 16/07/2016 Date: 14/07/2016 Date: 13/07/2016 Date: 11/07/2016 Date: 08/07/2016 Date: 07/07/2016 Date: 06/07/2016 Date: 03/07/2016 Date: 02/07/2016 Date: 01/07/2016	June 2016: Date: 30/06/2016 Date: 28/06/2016 Date: 27/06/2016 Date: 24/06/2016 Date: 23/06/2016 Date: 22/06/2016 Date: 21/06/2016 Date: 20/06/2016 Date: 17/06/2016 Date: 16/06/2016 Date: 15/06/2016 Date: 12/06/2016 Date: 10/06/2016 Date: 09/06/2016 Date: 08/06/2016 Date: 07/06/2016 Date: 06/06/2016 Date: 05/06/2016 Date: 03/06/2016 Date: 01/06/2016	May 2016: Date: 30/05/2016 Date: 28/05/2016 Date: 26/05/2016 Date: 25/05/2016 Date: 24/05/2016 Date: 21/05/2016 Date: 19/05/2016 Date: 16/05/2016 Date: 15/05/2016 Date: 14/05/2016 Date: 08/05/2016 Date: 07/05/2016 Date: 03/05/2016 Date: 02/05/2016
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