

## How Does That Work: A View From the Bottom

### A brief synopsis with chapter summaries

The object of 'How . . .' is to differentiate abstract economy from the real economy that we form to support survival of the human race. With independent reasoning supported by data with references, it's demonstrated that our system fails all but the capitalists of the 1% and the 9 or 10% of educated middle class ministers who serve and support them.

'How' demonstrates that the economy of a people is the means by which we provide ourselves with the stuff of life needed for survival. Economy is collective by definition and must be for the survival of the species, not the individual. I attempt to cut through the ideological bullshit with which we delude ourselves and diminish the survivability of the Human Race.

Many truths need constant repetition, to counter the constantly repeated lies we've internalized and by which we're deluded and controlled. Data and mathematics are employed to reinforce an alternative and truthful [real] perspective.

"How Does That Work" attempts to awaken with the truth. On the way to exposition of the fundamental fraud of neoclassical economics, it's pointed out that even fourth grade math is sufficient to debunk most common belief/delusions about capitalist dominated economy. Supportive articles are referenced. They include essays I've written and began posting on my website when it was established in 1996. Constant, vigorous repetition by the 'dark side' has propagated a false consciousness. The program must be displaced.

Outline:

0- How does that work? Finance/investment adds to the cost of the things we need to live. It doesn't give us more of anything. It takes some of everything. The cost of investment is added to products and is a cancerous growth on the economy. "Where is the money?" Documents the concentration of wealth.

1- Casino of finance concentrates wealth by compound interest on investment, which is growth of the money supply, not the economy. This explains some of how wealth was concentrated and shows why it could only have been so, in an economy that's increasingly dominated by finance.

2- Derivatives accelerate dissipation of economic energy. They further fuel inflation by increasing debt with electronically, privately minted money. They add superfluous layers of abstraction of economy that exacerbate the parasitization by finance/banking. There are 700 to 1000 trillion [1 quadrillion] dollars of derivatives of an annual world economy [GDP] of \$61 trillion.  
[http://en.wikipedia.org/wiki/World\\_economy](http://en.wikipedia.org/wiki/World_economy) See "Fictitious Capital."

3- Sleazy and/or nonproductive trading schemes that make only money, and which point up the failure of the free market theory of investment and healthy growth, exacerbate decline and together with outsourcing thwart recovery.

4- Debt, not the American economy, is the only thing that grows, as competition drives the players to the lowest common denominator of morality, scruples and intelligence.

5- Exposé of the denial by the ten percent who've "got theirs" that the pyramid scheme of banking and finance is at the expense of we the people who are the community.

6- The imaginary economy of banking and finance, that works for too few, threatens the human race. We see that a usurious system must self destruct because it concentrates wealth until consumption becomes impossible for most. Domestic production has been abandoned for profit on trade.

Through the voices of characters, the flaws of our culture are studied and criticized.

We owe. Our government owes. Debt is crushing us all. It's a threat to our lifestyles, if not our lives. The system is such that there's no way out. We cannot earn our way out of debt. All the profit goes to the lenders. The interest we pay cuts into the money we need to survive. The banks and über investors have the power of life and death over individuals and the entire Human Race. Why do we allow them to dictate the terms of our existence?

'How' doesn't really answer that question. It merely exposes the mechanisms of debt slavery and points up the ironies of our docile acceptance and even emotional defense of our financial overlords. It also attempts to broaden the debate. The usual suspects are usually questioned only about what can be done within the constraints of our culture, which is dominated by 'capitalist free market' ideology. We often hear of 'outside the box thinking' but don't seem to know that the box may be redesigned by the vision of those who're out there. If one doesn't know that, one is inside the thought container, though really 'out of it.'

The view from the bottom is that corporately owned government and domination by finance, in our devolution to faux economy and democracy, can't work for most of us. Fifty years ago we were progressing to broader distribution of opportunity and wealth. Most Americans have been regressing economically for at least forty years. The truth about free market solutions is that there are none.

'How' contains few concrete suggestions for the creation of or mutation to a workable culture. It does observe that the cooperative economy of hunter gatherers succeeded for millions of years, while civilized and competitive communities, led by self interested leaders are failing or have failed, due to concentration of wealth, after less than ten thousand. It does examine the mechanics and inevitability of concentration of wealth by finance capitalism and its 'invisible hand' of mindless greed. I do not recommend regression. We must find a better path forward.

All thinking persons will benefit from the cultural insights presented in “How Does That Work ...”

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## Chapter Summaries

### 01 - Observations of Common Wisdom

Touches on the historical antecedents of free market capitalism. Establishes a contemporary cultural baseline and begins the polemical conversation. Introduces the conflict of the freedom to own unlimited property with the freedom of the majority from coercion by the owners; concentration of wealth with the few limits our liberty. Begins the discussion of the nature of economy.

### 02 - Garden Variety Fools

Points up the exaggerated importance of private property and individuality and how they've become dysfunctional in our community, which, like any community and/or economy, is an intrinsically interdependent construction. Begins to debunk privatization: a regression towards feudalism and away from democracy. Demonstrates the obtuseness of popular beliefs about politics, freedom and economy. Exposes conflicts between political assertions and the policies that are forthcoming. Opens the question of promise v opportunity. Continues the discussion of the nature of economy.

### 03 - How Does That Work

The dawning. We're trained to believe investment stimulates economic growth and creates jobs. Reality: finance taxes all economic activity, because it adds to the cost of the products we buy. Representative conservative dupes react emotionally to the exposure of their delusions. We see that to keep the base enthralled, the top con artists decry welfare and entitlements as frauds perpetrated by liberals and the poor, while they milk the government through their private (or privatized) service businesses. It's also noted that after the scams of ordinary financial usuries had impoverished us and our government and derivatives of the debt had utterly destroyed the real economy, we hear macroeconomic drivel about the money supply and other inside the box non solutions that fail to even glimpse the real problem: concentration of wealth.

### 04 - Where is the money

Examines data and the moralizations of the behavior of others that obscures it. Examples of the self contradictory 'logic' of conservatives are presented. The ill distribution [concentration] of wealth is documented. The money we need to rebuild our economy is found and a plan to tax those whose hoards are the source of the problems is proposed. How to double down when they threaten us with more of the same if we try to get what we need. % Δs 1983 to 2004 show that we've been moving in the wrong direction. Cut through the propaganda/bullshit: Government and private debt, which are dwarfed by derivative paper, are emphasized to distract us. Treacherous looting of America and stashing the cash in offshore banks is mentioned.

### 05 - More Observations of Common Wisdom

The expectation: profit rules even as the consumers whose purchases create it are impoverished. True believers, who expect to get theirs in spite of the odds and the downward economic spiral in America, are ridiculed. Misdirection to entitlements and government debt obscures frauds of the one percent, who loot and pillage America. The nonsense of paying interest to the 1% on money we borrow from instead of taxing them, is discussed. Zero Sum Reality is introduced. The profits of über investors and the executives who work with them are assigned their proper culpability.

### 06 - Common Delusions Give Rise to Anger in the Awakened

Points out that individual self interest is conflated with corporate greed. Examples of dysfunctional free market dogma in action. Income disparity endangers at least 90% of us. Asks how

high can the debt kite fly? Agribusiness dangers to come to us are manifest in third world exploitation. Our military repression must ultimately fail in its role as corporate enforcer. Wars on drugs and terror are hyped in corporate media and juiced by government borrowing and spending, while drug profits are laundered and new entrepreneurs arise. Some reflection on our common wisdom: individual v collective pursuits. Whether or not conscious, central control of the economy by Wall St is noted.

#### 07 - The Right Theories are Wrong and/or Deliberate Bullshit to Deceive the Base

For instance: tax cuts for the rich will trickle down resulting in jobs for we who lose when the social programs are gutted to save money. But the MIC continues to get fatter while the jobs go overseas. They talk of principles but it's principals they love. It's power and privilege for the few that the conservatives do. When their pyramid scams of finance collapse, they call for austerity. The iterative nature of such right wing lunacy is explored with reminiscences from the 1950s and 60s. The reader is encouraged to observe the reality that results.

#### 08- Misdirection

An examination of the free market faith. Note the conflation of individual freedom from coercion with corporate freedom to dominate the community. Example(s) of concentration of wealth abetted by wrongheaded rebelliousness that inevitably lead to loss of liberty and choice for the majority. Connects the decline in America to successful right wing proselytization of their victims. Ritual reinforcements of free market religious dogma are examined.

#### 09 - Profit in Medicine and Other Free Market and Right Wing Ideological Failures:

Management interference in production and distribution of goods and services, in the attempt to maximize profit and personal income, is found to be the heart of darkness of the American economy. The seemingly deliberate obtuseness of conservatives and libertarians is at least as old as the baby boomers most of the older generation are. The ritual delusions have changed little in the past fifty years though today they're called talking points. The self destructiveness of the 'cult of individuality' hasn't changed at all, except that it's becoming more dangerous. Hint at the the next big market movement that's disguised by the free market religion.

#### 10 - Slavery is Freedom

It's seen that the con in conservatism is the oxymoron: 'the freedom to own slaves.' The irony of the colligation of the base by induction in (or projection into) them of desire to look down on others is a sublimation of antebellum racist attitudes towards servants and property. We see how we're distracted by the real load we push, the Tories who own America. The drivers of the cart point to the baggage of poverty the über investors and their principal servants have created with their greed. All contributes to the failure of the 'free market,' which appears to be taking the Human Race down with it.

#### 11- 1980s - Accelerated Dissipation of American Economy

Two brief case histories help to describe the downsizing that predicated the shift from productive to parasitic financial economy. A look at the real threats to our existence. Then some of the disinformation that distracts us from addressing critical problems is glimpsed. A modest 'fair tax' proposal. Central control by Wall St power leads to looting and bail out of looters of economy. Keeping the slaves conned. Looking for ways to cut through the shit.

#### 12 - How Did We Get Here From There?

First we pay to create their businesses, then we pay more and more for the goods and services they provide. Asks and answers the question: why is property more important than life? A thumbnail sketch of the rise and fall of the middle class since about 1940. American royalty supports subjugation

of the people. The conservative strategy to undo progress and re-concentrate wealth is abetted by conflation of individual liberty with corporate person-hood and freedom. The threat of dominance by increasingly abstract economy and those who lead the community for personal gain is noted. Diversion and misdirection of people, the victims who're blamed. The delusion that we can all be rich supports the fraud of abstract economy. Reduction of costs by reducing overhead and superfluous participation in government operations and private enterprise.

### 13 - Casino Concentration of Wealth

Proposition: Capitalism doesn't work because capitalism can't work. It must self destruct by the concentration of wealth it makes inevitable. The mathematical certainties of that proposition are discussed. A glimpse at the origins of civilization and systematic economy, is included here. Some economic history is also examined. How do banks get their start? Where does profit come from? Is a rapidly growing abstract economy sustainable in a finite real world? That is: what is the probability of success for the Human species?

### 14 - More Common Delusions

Examine common misunderstandings (and how they're propagated and maintained) about who pays for everything. Looks at the questions: who merits opportunity and what are the odds of winning? Do the 'experts' care about the nation and the rest of us? We're entertained by a typical right wing response. 'Epistemic closure' supports closed mindedness of conservative 'populism.' The cult of the individual helps to sustain the delusions.

### 15 - Don't Tax Them - Borrow From Them

The cumulative effect of individual self interest is the destruction of America. Dysfunctional healthcare system contributes to dissipation. Have a look at the capitalism-feudalism connection. The American Revolution failed to deal with the Tory traitors. Now they own the place. No solutions will be countenanced by the power elites. Reinforces the answer to the question: where can we get the money to solve our problems. Quantitative easing and low interest rates are not the answer. Additional debt will exacerbate the economic folly.

### 16 - Dissipating Fogs Will Be Challenging

Looking for a chink in the conservative armor of denial. Some standards of the rhetorical litany. The reality of an unsustainable non economy is examined. How will China react when the outsourcers move on to Malaysia, with the expectation that they'll sell the goods to Chinese consumers? The opportunity and education dilemma, the hole the MBAs dug, is pointed out. Some of the history of decline of America is presented. Government is neither the problem nor the solution, though it could be if we can take back the power from the über investors. Government is bought and sold in the congressional lobbies.

### 17 - Sleazy Schemes and the Delusional Economics That Fosters Them

A look at some schemes of the not so 'best and brightest.' Asks what is the real economy and is perpetual motion of money possible? What is money? Is outsourcing and trade real economic activity? Some unlikely to be considered suggestions for corporatist America. The 'multiplier effect' is debunked. The nature of money is mentioned.

### 18 - Dissipation of Economic Energy

More on the velocity of money. Money is not material. Value is extracted, not added, as money circulates. 'Rentier Capitalism' is parasitization. Ritual conversations reinforce conditioned 'thought' responses. The rise in the cost of Chinese goods will price Americans out of life. We recede as Chinese

workers advance. Sino-business people don't enjoy the power and influence over their government that our rulers do. Examination of the closed minded resistance to the truth. A look at the confusion about what produces wealth. 'Market solutions' are questioned.

#### 19 - Ten Percent Sell Out

Keeping them conned: selling out cheap to the elites who threaten our common survival with their individual greed. The normal love of fair play is exploited by proposals that promise economic justice. Education is downgraded by training lower paid 'associates.' Cynical 'solutions' are offered but few get mad or even notice the perfidy. Denial of foolishness about concentration of wealth thrives. A look at who benefits from foreign trade. Dependence on foreign production is a threat to our lives. Destruction of the domestic market for corporate profit is treason.

#### 20 - Imaginary Economy of Finance-Speculation-Risk-Merit and Moral Bankruptcy

An introduction to the 'pseudo calculus of derivatives and flawed integration of profits under an imaginary growth curve.' Realization of conservative principles results in poverty and oppression starting in the 16<sup>th</sup> Century right through to the acts of the Tory traitors of the present. Reality is no impediment to conservative ideology, whose dupes inevitably welcome the boots of the masters on their throats in the name of freedom, meritocracy and individuality.

#### 21 - Retreat to the Wilderness

A glimpse of the homeless jungle is compared to the 'unimproved' desert. Reminiscences of travelers enhance the narrative and reinforce premises. An old definition of cynicism is revived. Some common wisdoms are debunked.

#### 22 - The Exploration of the Truth

Pursuit of enlightenment begins with a desire and willingness to accept the truth. A look at the oxymoron: 'free market capitalism.' The 'debt crisis' is examined. Winners own the world and losers fall to market theory. See what must be done to save ourselves from debt and why most of us are not capitalists. See why competitiveness in the global market is destructive to the American people. The real economy of production of real good has been traded for a simulacrum: finance and trade. Will the Chinese fall away from the Capitalist Faith? We serve the sentences of the rich criminals who own us.

#### 23 - Invisible Central Planners of Wall St

We look at the devolution of the free market to capitalism. Unnecessary trading and middlemen are pointed out. What's the probability of success? The individuals who implement the central control and plan from Wall St are unaware of their collective strategy because they're blinded by their puerile selfishness and greed. This immaturity afflicts most Human minds at this stage of devolution. MBAs, and the lawyers they hire, oversee the decline of the middle class and real professionals: scientists, engineers and medical practitioners. Our minds are crippled by the lies we've been trained to believe. It's seen that devolution begins with Original Sin and that progress is stifled by über investors.

#### 24 - Chronic Decline- Moral and Otherwise

A view of civilization as devolution to capitalism. Did Marx plagiarize Moses, in his prediction of the collapse/self destruction of capitalism? How long have we been crazy? Social services as corporate subsidy is discussed again. Is capitalism just a variation on feudalism and aristocracy? Looking for clues in recent history and Joseph Conrad, about the development of banking and investment. The common thread through history is concentration of wealth, through people who are pressed into service to the rich. The fall from the garden is still ongoing.

## 25 - Specific Economic Decline - Private Mint – Derivatives

From the beginnings of agriculture to contemporary agribusiness, it all works to concentration of wealth. Imaginary money is born of the credit that facilitates trade. Then there are derivatives of financial domination of the Human Race. See that there's real and imaginary money. The latter is how the masters steal from the real economy. Derivatives are just the latest scam to increase the [imaginary] money supply. Should we be good and buy American, when our leaders will rip us off anyway? Can we get out of the box? What do we need to do to defend our lives?

## 26 - Distribution of Wealth Revisited

The instantaneous distribution of wealth is described by a zero sum equation. The average times the number of people equals the total wealth. The zero sum representation of that equation is:  $W_m \times P - T_w = 0$ . [  $W_m$  = mean Wealth;  $P$  = number of People;  $T_w$  = Total wealth] A corollary to the distribution zero sum is: if the percentage of wealth owned by the [über] investor class is changing (the first derivative is non-zero) then wealth is either becoming more or less concentrated with the owners' class. The sign of that derivative is more important than instantaneous distribution. Supply side looks at the way it is this moment. It ignores the origin of economy, as the few prosper on abstract manipulations while most grow deeper in debt to them. An attempt to summarize the debt/mortgage crisis and all. Conclusion that there are no 'safe practices' of for profit banking and finance. While all the players won more and more of the non fixed pie, the rest of us ended up with less. Milton Moron didn't get it.

## 27 - Conclusion: It's Not Alright to Make Money, if You Make No Wealth.

Will the moral argument be enough to save us? The money machine is hypothesized. You can stimulate a real economy but goosing abstractions will only create a bigger problem. How would a free man respond to a capitalist? How would a slave who thought he was free respond to a free man? Paradise is lost to ignorance but the fight to regain it continues.



About the author:

Greg Kaiser was born in Cincinnati, Ohio at the end of WWII. Twelve years of Catholic education didn't cure his unease with the status quo. By the time he was 21, he'd concluded that the Human Race is self destructing. The past forty-five years haven't relieved his dis-ease. He hopes to alert several fellow Humans to the danger before he leaves the Planet.

Greg's education includes a BSEE from U. of Arizona.

The market for this book is the subset of the Human Race, who would like to see us survive the extinction event being unconsciously executed by the ruling classes. They have the wealth we need to live.

As far as I know, no one has ever attempted to awaken humanity in a manner similar to this.

“How Does That Work: A View From the Bottom” is complete and self published at:

The manuscript of 'How . . .' is complete.

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