

**How Does That Work? A View From the Bottom**

by A. G. Kaiser – [agkaiser.org](http://agkaiser.org)



"Man's character is his fate.": Heraclitus - (c.540-480 BCE)

“No intelligent educated person believes that Noah built an ark and saved the animals two by two. But it is a useful parable. It teaches of the destructiveness of the corruption of human greed and lust. Of course our “sins,” including the original sin of corruption of social instinct for personal gain, are self destructive. We don't need a god to wreak vengeance. We're doing it to ourselves.”

- A. G. Kaiser (b. 1946 -)

Foreword:

“When in the Course of human events, it becomes necessary for one people to dissolve the political bands which have connected them with another, and to assume among the powers of the earth, the separate and equal station to which the Laws of Nature and of Nature's God entitle them . . .” - Thomas Jefferson, “The Declaration of Independence.”

I thought about sunrise in the East. I thought about “Nature and Nature's God.” I was inspired to move my vantage point to a place high above the North Pole. From the lonely void way up there, I saw the Earth below me. I noted that it spins counter clockwise on its axis.

In the Daniel Boone National Forest in Kentucky, I watched the moon set, after sunset, several nights in a row. Each succeeding night it set later. I realized that from above the North Pole, the Moon's orbit took it counter clockwise around the Earth.

I was hitchhiking from Marblemount, WA to Cincinnati, in the Summer of 1975. I'd taken the scenic route: down the Skagit River to I-5; to 101 at the Oregon border; to San Francisco; then I went East. Crossing the desert in Nevada or Utah, I watched the constellation Taurus rise a few hours before sunrise. It was in July. The sun, which would rise a little later, had been in Taurus a few months ago. I realized that from above the North Pole, the Earth's orbit appeared to be counterclockwise about the Sun. The observed motion of the stars in the ecliptic about the Solar System, is clockwise and imaginary, in real time.

Time and space are imaginary. Matter is separated by the imagined space. Time, the sequence of events of masses and energy, is determined and measured by the same oscillations and motions of matter/energy in space, which are illuminated and/or caused by gravity and electro-magnetic phenomena. From our perspective, all activity originates at the Sun. Time and space help our minds to order the location and sequence of events of matter and energy. Time and Space are not themselves things.

Time is imaginary. It is not a thing. It is a quantity derived from real things. Matter and energy are the only real things. Travel in time can take place only in the imagination. There we are free to go where we wish.

We may see our past and if we choose, recount possible journeys to the present. We may extrapolate from the present to any possible future. But don't be too specific; only one future will come to pass. We can more probably predict the characteristics of the future. We can not alter it, for better or for worse, unless we change ourselves. We can alter our behaviors. If enough of us make positive alterations, the future can be more positive than the present is for most people.

I can imagine a time, more than ten thousand years ago, when civilization did not yet exist. That time had been for more than a million years. That's at least one hundred times longer than the existence of civilization. For 99% or more of the time that Humans have lived in groups, we have survived by leading ourselves for our common well being, in our mutual self interest.

<http://eurozine.com/pdf/2009-08-20-graeber-en.pdf>

[debt-5000-years-08-20-09-graeber-en.pdf]

[Editors note: if you're offended or frightened by questions that are less than faithful and possibly heretical to the dogma of free market capitalism, please don't read this. I don't want you to be prepared for the coming test of your sanity. I want you to fail, in the eyes of sincere and honest Human Beings, who are courageous enough to accept and face the truths (the facts) as they really are.]

For less than one percent of the time that Human social structures have endured, we have been led in a cultural experiment by self interested leaders. We've been led away from a known successful societal paradigm, that accomplished the survival of our species and its progenitors for millions of years. Our divergence, from the tried and true common welfare social economic model has been accelerated in the past 200+ years, by the radically new theories of Adam Smith and his followers. No one can predict the future. But anyone with a functional brain can see that civilization has failed or is failing all but a small fraction of the Human population. We're moving in a direction towards self destruction.

If you think that war, hunger, economic insecurity and oppression suffered by the majority of the Human Race, to guarantee the freedom of a few to hoard most of our produce, are natural and good things and cannot be avoided, then you and your thoughts are a threat to the survival of us all. Such a mindset is a parasitic disease that infects leaders and harms those that they lead. That disease is an abomination of Human Nature by the corruption of social instinct. It is the result of a failed experiment with Human social structures.

“. . . Why no mumblings of atonement for the predatory nature of capitalism itself, its core values and standard operating procedures no different from those of the beasts in the field? . . .” - “Doing the Laundry” by Lewis H. Lapham; Harper's Magazine – May, 2010 *Lewis H. Lapham is the National Correspondent of Harper's Magazine and the editor of Lapham's Quarterly.*

There are two kinds of free people in America. First are the rich who are free to have the rest of us work to make them richer. Then there are we, who are free to choose whether we will work for them or suffer poverty and die with nothing. It is possible in the land of opportunity to work for them and still remain poor. But don't admit that you know about the down side of the American promise. You'll be labeled a socialist traitor to democracy, if you want a fair share for the people who do the real work and supposedly rule. If you don't believe me, ask the ghosts of Huey Long, John and Bobby Kennedy, Che Guevara or Martin Luther King. You may only exercise you're freedom by the allowed choice. You may vote for one of two corporately owned politicians. Lately you can also choose a Tea Party candidate, who can see no harm done by the corporations, but ascribes all of the evil to the government they own.

*At extremes of the personality spectrum are two kinds of people. Those who are honest, unselfish and honorable are at one pole. The polar opposite is those who care only to win at any cost to others and the community of the Human Race. Most of us are somewhere in the schizophrenic between. The good people would put the down the bad, if only the malefactors didn't have most of the money and power. The rest of us can't figure out whose side we're on, even when we are abused, conquered and impoverished, by the evil that rules and educates us with its media and wholly owned subsidiary government.*

***The New Face of Revolution: After Tunisia and Egypt, the World, By Ted Rall:  
February 03, 2011***

... “Global revolution is imminent.

“The first great wave of revolutions from 1793 through 1848 was a response to the decline of feudal agrarianism. (Like progressive historians, I don't consider the 1775-1781 war of American independence to be a true revolution. Because it didn't result in a radical reshuffling of classes, it was little more than a bunch of rich tax cheats getting theirs.)” ...

<http://www.informationclearinghouse.info/article27401.htm>

*ICH-Revolution-coming-Rall-2-3-11*

See outline: How-layers-outline-notes.odt

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

### The Abstraction of Economy: How Imaginary Enterprises Can Have Real World Negative Consequences

The conventional economic wisdom endorsed by Everyman is faith in free market capitalism. Motivated by profit, investors stimulate growth and create jobs. In the process, everyone wins. Competition and individuality are rewarded. All good Americans, including all of our successful politicians, believe in Free Market Capitalism.

Cooperation is suspect, except that the majority of us must cooperate so that the investors and corporate elites may compete and profit in the global market they've created. The rest of us must be satisfied to win less than average, so that job creators can be rewarded [with enough more than average] for allowing us to work for them in their wealth producing industries. These are the common sense family values we've learned to revere. They define the economy.

The provision of the sustenance of the Human Race is merely one agency by which corporations, businesses and investors profit. The manifest reason for the existence of an economy is the enrichment of the elite ruling class of über individuals by any and all means that they can devise. Any attempt to tax the grand global corporations, in proportion to the wealth they extract from the people/community, is intolerable. To regulate the operations of the ruling class plutocrats is a threat to the freedom of the common man. Just ask any base conservative/libertarian. They identify with their betters and know that makes them better than you.

Conservative economists and politicians tell us that if interest rates (the profits of investors) are too low, there's danger of inflation. They also tell us unions of employees, who bargain for living wages, working conditions and benefits, create inflation. Fewer now say that the market is self correcting and needs no regulation. Many more still believe that consumers must be encouraged to consume, so that the investors [mostly you and me who invest mostly in our small businesses] can continue to prosper and we can all win. Because of the low wages required for increased corporate competitiveness and profits, we must buy with borrowed money, just like the small businesses must borrow from the large financial concerns to keep afloat. It also means that at least 90% of us have no money to save or invest. Don't be too concerned about the private debt required to sustain the economy and which increases the profits and wealth of lenders. Worry instead that the government is spending too much money on needy people through entitlements and welfare. Don't think about where all the money really is, how it got there or about the recipients of the interest on public and private debt, from whom we must borrow to survive.

Lefty and his friend, Cabeza Caliente, were an unusual pair of American dreamers. Lefty, a computer scientist, had been downsized when his job went to the Pacific Rim, where technical professionals worked for much less money at Microsoft's outsourced production facility among many others. Cabeza's position as an electronics engineer had succumbed to the insourcing of an H1b visa recruit, whose lower wage was so much more competitive in the global market environment. He'd cut his asking price but was still unable to get hired. A foreigner with a visa is more easily intimidated.

While visa holders started out working for less in the 1990s, all of the new generation of techies now work at the lower wage standard that has been imposed. Perhaps that's why American students followed the money to business schools and American science and math education declines.

Both outcasts were in their late fifties, which also contributed to the inability to find new places among the ten percent or less that still have middle class incomes and some positive net worth. The official statistics say that only 77 percent of us live from paycheck to paycheck. That looks like Mount Hopeless from the bottom.

The two “peers” were eating lunch during the half hour noon break. The construction cleanup jobs for the day were assigned at 6am by the manager at Temps. Most of their fellow laborers were proud Americans. In fact, they still are. They toe the party line.

“The greedy unions should accept cuts, so that we can compete in the global market and the taxes can be cut. If the employers don't profit, there'll be no jobs for us.” Johnnie Bird, informed by Olgen Bleck and Hustle Limburger, has a ready answer for almost everything. “It's government spending, on welfare to lazy addicts, and the greed of union workers that's impoverished most of us.”

Lefty was incredulous. “If we give yet more to the corporations, by cutting the take home of those who make a little more than our minimum wages, the economy will recover? If you want more for yourself you think it can come from those who are worse off or only marginally better off than you? You need to look a little higher to see what's wrong with the economy. You have to know where the real money is, if you want some of it. Instead of trying to drag down those who've got a little more than you, why don't do as they did and try to raise yourself up, by joining with others in your situation? Why don't you strive for solidarity with people and get a little back from the rich parasites who have it all? It sounds to me like you don't even have enough sense to know who to be jealous of!”

J-Bird ignored the implication, if he noticed it, that the collapse may have to do with concentration of wealth with too few 'people.' The possibility of quasi fraudulent business practices never enters his mind. “Screw you! You're the one who's jealous of the success of real American individuals. If we raise the taxes for the job creators or make them less competitive by demanding more like the corrupt unions, we'll all suffer. Do away with the unions. We need to cut the socialistic programs like welfare, Social Security, and Obama-care that break the budget. Big government, regulation and taxes are what brought the economy down.” Trickle down is Everyman's touch stone; J is his faithful representative; Ronald Reagan's his hero. Olgen Bleck and Hustle Limburger fill him in on what's happening.

“Hey J, why do you think the Teamsters kept electing Jimmy Hoffa fifty years ago?” Lefty didn't wait for the other to absorb the question. “It's because he stole more for the union members than from them. They knew who's side they were on.”

“So stealing's OK?”

“It's the only game in town. That's what the bankers and company bosses have been doing for the ruling class since the beginning of civilization. Even Moses tried unsuccessfully to regulate their scam, in order to protect his community from them.”

Cabeza is pissed off. “We, with ninety percent of Americans, can't afford health care. If you aren't poor already, get sick and see what happens. Then you'll be more like those of us at the bottom of the economic ladder in this great land. You won't be able to afford a house, clothing or even food without help from somewhere. Our government, they say, can't afford to keep on providing Social Security and Medicare for those who have paid for it all their lives. That's what the conservatives who looted the trust fund to pay for the MIC [Military Industrial Complex] and other privatized government functions, owned and operated by their class, tell us. They would stop the Food Stamps you need to survive, if commodities traders, Monsanto, ADM, Safeway, Kroger's and HEB would let them.

“So if we and our government can't afford to keep us alive, who can? Who has all the money that we need? Why do they have it? Why shouldn't we take it away from them to save our lives? It's our government but the ruling class owns it! They're maybe one percent of Americans at the top and up to 9% more who sell out and minister to the rich parasites. Screw them! We and our government don't have to borrow from them to live. We don't have to go into debt at all. They've got it all. We can tax them to death and be rid of the pestilence that afflicts the Human Race.”

### Wall Street Bankers Take in Record \$135 Billion in Compensation

The [Wall Street Journal](#) reports 2010 was a banner year for bankers as Wall Street compensation hit a record-breaking \$135 billion. That's a 5.7 percent increase from 2009.

## 43 Million Americans Now Receiving Food Stamps, a 14% Increase

The number of Americans on food stamps continues to increase, as 43.6 million people relied on food stamps in November. The number of people receiving food stamps has jumped by 14 percent over the past year. In Washington, D.C., and Mississippi, more than one-fifth of residents receive food stamps. - Democracy Now 2/3/11

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... “Global revolution is imminent.

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<http://www.informationclearinghouse.info/article27401.htm>

*ICH-Revolution-coming-Rall-2-3-11*

“About government regulation, I hear conservative leaders say things like get the feds out of the way and let entrepreneurs do their thing.” Lefty anticipates the cons' next play - in a calmer tone that attempts to moderate Cabeza's emotional rant. “The clever derivatives trades that eluded regulation brought the economy down. That's what comes of downsizing engineering and skilled work. Twenty five to thirty years of college students following the money to business schools to learn how to loot their fellow Americans is what's turned most of us into a third world people. Who do the top cons think the entrepreneurs are?” - see the News Hour [1/26/11] debate on the State of the Union Address, 2011.

Everyman doesn't acknowledge that: our debt, public and private, increases the profits of those with money to invest in the credit industry or government bonds. (Fox News told him the investors are his grandma.) Costs of production, including wages and salaries, increase investors' hoards, if their business consists of making loans to or investment in manufacturing operations or for outsourced production. In support of systematic theft from the community, Reagan's inspirational libertarian mentor said that moderate inflation is a byproduct of growth; growth of finance and other non productive services are as beneficial as any other; the abstract transactions increase the velocity of money and therefore reduce the necessity of inflation.

“So back up a little” Lefty is skeptical of [failed] conservative economic theories. “Why do we have an economy in the first place? It's not about finance. It's about the material things we need to live. If investment is in finance, credit markets or even material services, as most is nowadays, it doesn't stimulate production of goods. They don't create jobs for many of us and they're constantly finding ways to increase profits by reducing the cost of labor any way they can think of. The government, its debt and taxes aren't big compared to the corporate and financial pyramids. The financial derivatives of mortgages and other instruments leverage the debt traded on Wall St to the 100s of trillions. It dwarfs our personal and public debt.”

Lefty doesn't automatically believe everything the corporate media propagates and which is often considered common wisdom. In fact he thinks that wisdom is uncommon. So rare that he believes businessmen, bankers, investors, CEOs and their wholly owned politicians and media to be all but completely devoid of it. He thinks the economy is dysfunctional for at least ninety percent of us.

“So, explain to me: how does that work? You say that banks and investors stimulate production and so create jobs that grow the economy. I see that the profit of the investors, which is the part of the price paid by consumers that goes to service finance, takes from the earnings of producers and/or adds to the prices of the products we must buy, in order to live. I can't see how that tax on the economy can add value to anything or enhance the ability of anyone to have more of what we, the community, [used to] work to grow, make or build.” The cons were shocked silent by the heresy, so Lefty continued.

“They won't pay us a living wage so we can buy what we need, including the healthcare and other benefits they've overpriced to feed the greedy. But suggest they pay taxes so we the people can continue life. Then cover your ears to the keen that arises from those poor rich victims of socialism.



Explain to me how the profits of finance are not negative forces in the economy, because they add to the cost of the goods we buy? We buy that is, if we're lucky enough to have the means, after the rich exact everything tax [cost of finance] that they demand as their due.”

“I work for my money!” Racine Peckerwood regained an outraged conservative voice. She's armed herself with the facts from 'fair and balanced' news broadcasts. “I don't want taxes to rob me to give to the lazy loafers, who live off the government. Worse, the deficit is robbing my children to pay welfare to aliens and to force reparations to negras down our throats.”

Cabeza Caliente's sarcasm is a match for the fervor of the base formation of the right. “You're homeless, Racine! If I wanted to rob someone it would be someone who had something to rob. It would also be something that I needed. You need to see how the financial overlords are threatening our existence and that most political parties are wholly owned corporate subsidiaries. It's the corporations that own the government, who are the threat. They're the ones who have what we need, because they've taken it from we the community that produced it. If they directed and managed the production they did so for their own benefit – not ours! They've displaced us from prosperity and democracy from America, in the pursuit of individual profit at the expense of we the people.”

*In light of what's actually happening to the majority of people in America and around the world, it's absurd to believe that 'free market capitalism' and private enterprise efficiently provide anything but more wealth for the few at the top. Even superficial examination of the access to the goods and services that are produced shows that most wealth is concentrated with 1%, the ruling elites, and the 9% or so who minister to them. To believe the private enterprise system works better than we the people providing of, by and for ourselves is beyond foolishness. It's evil! Those who programmed us to believe it are the source of the evil.*

*Antam says. 'To cure foolishness and evil one must reject the part within that wants to believe the lie. Stop believing the lies. Reject the greed within yourself that's the reason for the lie. That is the part of you that wants to believe.'*

“The white scum that's floated to the top own all the property and mortgages.” says Cabeza. “They have all the money. It's their power and control of economy and government that's the problem.” By this time the neo dupes had walked off. The scowls on the faces, seen over their shoulders, was their Parthian shot. Cabeza and Lefty were also returning to their tasks. The conversation turned to musing, as they picked up their brooms and began to sweep. “How does Everyman's Tea Party get it so wrong?”

Lefty answers the rhetorical question with another. “What happened to the Bush tax cuts, that were sold as a stimulus package. Remember, in 2001 a family of four with \$31,639 income paid no federal income tax. [Tax Policy Center](#) By 2010 that family could make \$50k with no tax liability. [how-a-family-of-four-making-50k-can-pay-zero-income-taxes](#) These people, and all who make less - that's most of us - can't be said to benefit much from tax cuts. But ignore the facts. Say instead that they and more have benefited from the conservative delusion. Where did their savings go?”

Cabeza responds. “Real Estate Brokers, derivative hustlers and predatory lenders got most of it. The prices of houses were inflated. People went into debt on the promise that prices will always rise. The lenders deliberately conflated price and value, to facilitate the fraud that soon parted the fools from the tax rebates plus everything they could borrow against future earnings. The glorious Bu[ll]shites saw to it that the expected incomes never materialize as they spent and re-spent the Clinton surplus on post 9/11 growth of government security and 'defense' spending. Those inside the government looted the treasury and trust fund to enrich their counterparts in the private sector, with whom most of them would trade places in a few years. Meanwhile, the con artists who service the ruling class elites created the housing bubble and ran off with the cash fees and commissions, while the taxpayers were forced to borrow money to save the criminals, because we can't live without the banks and brokerages that bankrupted us. By the way, are they called 'brokers' because they broke us and our country?” Being Caliente, he didn't wait for a response to his attempt to interject some humor.

“We know we need the banks, because the corporate media and even PBS repeats it every day.

Now they have all the money we ever had, including the Bush tax cuts, and they won't give it back. Not even a little bit of their excess over \$250k taxable per year. They say they need it to create jobs. That just doesn't happen. They haven't done what they say or what their theories predict for a long time. The benefits of pandering to the rich never actually 'trickle down.' They stash their loot in foreign banks and evade taxes on it. Why would anyone in their right mind (or who hasn't sold out to them for a little to a lot more than average) believe anything they say?"

"... even though corporate profits are up 60 percent and corporations have almost \$2 trillion in cash. They're approaching \$7,000 of cash for every man, woman and child in the United States. They're not investing this money. They're not creating jobs. . . ." David Kay Johnston, Democracy Now 3/3/11

**Breaking News: Tax Revenues Plummeted** [David Cay Johnston](#) | Mar. 3, 2011 08:43 AM EST

"... Corporate income tax receipts fell 27 percent and declined 34 percent per capita . . ."

<http://tax.com/taxcom/taxblog.nsf/Permalink/UBEN-8EL2Y8?OpenDocument>

"a bipartisan commission (right-wingers on both sides of the aisle) to "cure" the federal budget deficit by cutting back social spending – to pay yet more bailouts to the economy's financial wreckers."

<http://www.counterpunch.org/hudson11152010.html>

AN-Hudson-Obama-Betrayal-11-15-10

### **Moment of Lies: Galbraith Attacks Lack of Evidence for Frantic Deficit Fear Mongering**

By James K. Galbraith, New Deal 2.0

<http://www.alternet.org/story/149075/>

AN-Galbraith-on-Bowles-Simpson-12-3-10

"You said, 'they haven't done what they say'." Lefty wants that point expanded a bit. "The free market theory predicts that deregulation and tax cuts for the rich and their corporations will result in jobs for us. But that hasn't happened. The [delusional] theory has only worked for them. It's failed the rest of us: about ninety percent of the people. So Wall St investors and CEOs are doing great but the money they're making isn't going into job creation. What's happening?"

*{The corporations are sitting of \$2 trillion that they won't reinvest. [thenewstribune.com](http://thenewstribune.com) Why won't they use it to stimulate the American economy by doing the free market thing? They know we're tapped out. It's the profit from cutting costs by investing in China and forcing us into debt because of no or low paying jobs. They know another round isn't happening because we and our government are saturated with debt. So they'll just sit on it. No one will think of taxing it to recoup the \$2 trillion or more that was pumped into the Wall St Ponzi to hopefully create more debt and cover the losses of speculators in the debt the 'manufacturers who're sitting on the cash forced us in to in order to make that profit by selling us the products they wouldn't pay us to make because there's not enough cash to made that way. No, the idiots, the 'best and brightest' morons, just wonder what went wrong with their perpetual motion of money machine.*

*Maybe they'll move their headquarters to China too. There they can do to the Chinese people, under the watchful eye of the totalitarian communist government and state banks, what they did to us under our weak republican government. I can't wait to see how that works out. Literally! I'll have died of starvation before the free market thieves, our masters, are executed for their crimes by their Chinese masters. Their ill gotten gains will be confiscated but it will be too late to save us. }*

"... even though corporate profits are up 60 percent and corporations have almost \$2 trillion in cash. They're approaching \$7,000 of cash for every man, woman and child in the United States. They're not investing this money. They're not creating jobs. . . ." David Kay Johnston, Democracy Now 3/3/11

Cabeza didn't ponder the question very long. "It must either be going into Caribbean and other foreign banks or invested in China, India or elsewhere. It doesn't go into capital investment in American small business or any other domestic production or the jobs would be manifesting. I guess investors in high yield credit card and pay day type loan sharking are still chasing the big bucks. But

many of us are increasing our debt and fattening the predators just so we can live day to day. None of the profits and ruling class tax breaks that are supposed by the theory to stimulate growth seem to be doing so. Or at best, it's growth of finance that only benefits a few at the top, instead of growth in real production that the rest of us can share in. All that comes down from the elites is more shit!" Betrayed by his rising tone, Caliente's anger had increased as he spoke.

Lefty uses a soothing tone - not patronizingly. He fears if he exposes his own outrage over the top down class war we're losing, he may himself erupt. "Nor have Everyman and his representatives really thought about conservative borrow [. . . from the trust fund. Social Security is the most hated of the New Deal programs that cons want to sabotage and destroy.] and spend on MIC cronies. Reagan used Star Wars paranoia to jack up The Hill and get the scam started in earnest. Cheney went from Secretary of Defense under Bush I to CEO of Halliburton, which got a big MIC infusion during the Dick's {stet} presidential administration. Top cons and their dupes choose ignorance w.r.t. where the money's really going or where it can possibly be saved.

"The rank and file rely on media news propaganda for the 'facts' to support flawed moral judgments their revered leaders supply them with. Even pretentious educated bourgeois snobs don't see how the deficits, which are a red herring, were first accelerated by the conservative heroes they emulate in the hopes of getting rich. No one seems to see that all the proposed fixes from cuts in entitlements [The trust fund was looted to pay for the privatization scam. Now they must be payed out of the general fund.] to trade agreements and currency reforms benefit only the few at the top and are destructive to the nation and the people.

"The real money is wasted on the profits of the financiers of the MIC: the untouchable military budget that increasingly enriches private contractors at orders of magnitude higher cost than the unprivatized way we used to do war business. All you have to do is compare military spending proportion of budget, deficits and debt (and the overall size of the same) ante and post Reagan.\* And, like the bankers that fund it, military spending produces nothing but debt and misery for Americans and it's even worse for the afflicted peoples caught in the crossfire. The only people who profit are the contractors who supply the much more expensive weapons, munitions, supplies and services of today's privatized military operations. Of course conservatives only implement their theories of economy and liberty. They never check the real results on either."

Lefty saw the boss approaching. Not willing to risk firing for free market heresy, he turned the subject to sports. Cabeza, so warned, went with the current.

\* <http://www.cbo.gov/ftpdocs/108xx/doc10871/AppendixF.shtml>

<http://www.truthandpolitics.org/top-rates.php>

Tax-cuts-and-spending-medlay-1903-2009

After a short time the conversation slowed then stopped. Lefty began to reflect on the 'common wisdom' he'd heard repeated almost ritualistically since the late1950s. He could even remember bits of conversations among adults in his family from as early as his tenth or eleventh years. He still resented being harshly reprimanded, if ever he precociously tried to contribute his own wisdom. Such reminiscences are key to his understanding of how the Tea Party gets it so wrong.

Needless to say, he didn't allow the influence of his family to keep him benighted forever. Though maybe it lasted longer than it should have. Worse, like a kite's tail too long, remnants of the bad old days still drag down the flight of his spirit from time to time.

"Only property owners should have the right to vote." In 1964, uncle Liam owned his home in Cincinnati and a farm in Indiana, about 30 miles away. He often said things, on the way to the farm on Saturday mornings, which the teenage Lefty found incredulous. His cousin Red was all in the Birch Society/Libertarian fold. Brother Micky was on the road to catholic delusion by free market/christo fascist dogma with racist overtones. He was still far from articulate in the religion of the money god.

During Lefty's high school years, his own unarticulated anti Tory sentiment manifested as a generic resentment of middle class pretentiousness and hubris. "So only the Lords and masters should have power?" A picture of a wannabe WASP German Catholic husband and his over the top posturing wife, indignant in middle class hubris, looking at him sternly to put him in his place, was inspiring not altogether teenage rebellion.

"People without property shouldn't have the right to tax us," cousin Red explained. At the time, property tax funded public schools and had been the target of local conservative demagogues for some time. "But don't worry, your dad owns a house. He'll be able to vote."

Lefty was not reassured. "So will Aunt Terry be willing to give up her vote? I don't think my mom will."

An expression of chagrin escaped the fortress of ideology that usually made fast their countenances. Uncle and cousin hadn't considered the consequence of the hidden plank in the 'reform' platform. Brother Micky was silent. Lefty, who was able to extrapolate backwards in time to previous manifestations of conservative 'thought,' just shook his head sadly, while the cousinly expression in support of regression to feudalism caused a democratic reaction of rising anger that festered, hidden for the time being, in his brain.

"I know a good book you oughta read." Uncle Liam was back on track the following weekend. "Capitalism and Freedom' by Milton Friedman. He's an economist who really understands the danger of our commie socialist federal government. He says that the government should see to national defense and enforce the law, especially contracts and property rights. And, for mine, most of that should be left to the states. The federal government violates states' rights all the time."

[http://en.wikipedia.org/wiki/Capitalism\\_and\\_Freedom](http://en.wikipedia.org/wiki/Capitalism_and_Freedom)

"What states' rights are being violated?" Lefty thinks he knows this road. He could predict the racist turn the conversation was about to take. He wasn't wrong, though it would be years before he'd know such is traceable all the way back through the Civil War to Calhoun and 'Nullification.' Aside: did Calhoun speak to Marbury v Madison or did his rants just ignore it?

In the early 1960s, rednecks' rebel flags and the cry, 'the south will rise again,' were being seen and heard more often in the North. The increased frequency of such phenomena corresponded to the rise of the civil rights movement. Brown v Board inspired an 'Impeach Earl Warren' billboard just north of downtown Cincinnati. It was still there in 1964. Lefty doesn't remember if the anti racist jurists were called 'activist judges' back then or that particular slur wouldn't come till Roe v Wade. But the conservatives had the same sentiment towards judicial promoters of justice and freedom of choice for all (as opposed to the 'just us' system they want) that persists to the present.

"The commie Eisenhower sent the 101<sup>st</sup> Airborne into Little Rock ten years ago." Cousin Red would have hardly noticed when he was six years old but, obviously, he'd been informed. "Johnson's getting ready to interfere soon too. We don't need a federal civil rights law. The states can take care of their own."

*{Uncle Liam was a 'Right to Work' proponent. He also said that most slave owners took good care of their niggers. Virginia gov McDonnell said we take care of our people. How patronizingly reassuring he was in his defense of the Wisconsin tyrant Walker. [News Hour McDonnell 3/9/11](#) }*

With a wink and a nod, uncle Liam trots out one of his favorite slurs. "If 'Martin Lucifer King' and the rest of the outside agitators would let things alone in the South there'd be no problems. The Negras are happy folk. Just let 'em have their watermelon and corn on the cob. There's no reason they have to mess up our restaurants. A man should be able to run his business how he wants and have the right to serve whoever he chooses. Friedman explains why the government shouldn't make laws that restrict owners about who they hire or sell to. And you shouldn't vote unless you know what's good to vote for. The states deal with things that affect their own people better than the government. They know who's intelligent enough to vote right their own states."

“Really!” Lefty wasn't convinced. “So there never should have been a civil war and the South should not have been interfered with?”

“The feds had no right to take away a man's property.” That sort of slipped out from cousin Red. Uncle Liam sent him a look to let him know he'd gone too far. He doesn't disagree. But with the civil rights struggle picking up steam and congress considering legislation on the subject, he doesn't think that particular tack to be a good strategy, except among the hard core conservatives and libertarians. Again the subject changed.

Micky, who would be a lawyer in about ten years, hadn't said anything again. It would be a while before the history he'd lived had been rewritten to conform to conservative doctrine. That is: his Libertarian relatives (and yet to be met mentors) had not, at this time, accomplished his metamorphosis to the dark side. [I take poetic license for that anachronistic metaphor.] In any case, he still had a conscience with respect to the well being of the majority. His lingering decency no doubt prompted the following question. “Uncle Liam, uncle Paul is building subdivisions and making a lot of money, by hiring non union construction workers. But he got his start in the same building trades union that my dad and uncle Willy belong to. Why does he think unions are bad now?”

“He never really believed in them.” Uncle Liam seemed a little unsure at first but quickly recovered. “It's wrong for men to join together to keep someone out of a job. Employers should be free to pay the best workers more and fire the lazy ones. The machinists union I belong to gets my dues or I can't work. I could get more if me and my boss were free to choose our own deal. That's what the free market is about.”

Lefty's wonders about freedom. “That may work for you! But do you think your machinist wage would be as good, or you'd have health care and a pension, if unions hadn't created the standard we all enjoy. What percentage of the population had their own homes, cars or could send their kids to college in the '20s and '30's? If the employers decide these things for us, possibly with input from a few sellouts, what percentage of us will have them forty or fifty years from now? How are we free to choose? ”

“You can choose to work for someone else.” Red has been well trained and the responses are all but automatic. “If you want rise above the rest you've got to start a business of your own, not steal from someone else's.” Like many who've read Ayn Rand, the working class kid fancies himself 'The Fountainhead' or expects to be like John Galt someday. They don't see that Rand's heroes made real products and that financial usuries are not healthy for the economy. They also conflate small business and individual pursuits with the global corporate monsters that actually pay much less than their share of taxes. But the wannabe defends the ruling elite class, who overwhelm the majority with poverty made inevitable by their wealth and power. The psychology of that kind of self destruction befuddles Lefty.

*{the conflation of individual and small business with corporate participation in the free market is the fundamental mistake of Ayn Rand and her acolytes that's played by Tory wannabe sellout deceivers like Milton Friedman and dupes like Reagan and Greenspan. The free market fanatics are clueless in their box of dogma. They see no difference between individuals imagining, producing, marketing and retailing a real product and the scaled up collective corporate domination of the market that becomes more and more abstract until it withdraws from production altogether and enters banking, finance, insurance and pure speculation that produces nothing whatever but debt for we the people and our government. Worse, most of the religious followers of the free market don't actually participate and don't see that if they did there's no way they could compete with the corporation but they imagine some impossible ideal and that the only reason they aren't rich is the welfare many must have to survive.*

*But who really gets the welfare. Isn't it Safeway and Kroger in the end? Isn't it landlords who rent to those jobless who would be homeless without AFDC? Isn't it employers who've outsourced good jobs and pay no living wage or pension or health care for their domestic labor, though they may have sham programs that workers can't afford like Walmart? The downward spiral for most Americans*

*started with Nixon's amendment of Taft Hartley; Reagan's busting of PAFCO and looting of SS trust fund for Star Wars. Bush/Cheney's borrowing to fatten Halliburton and other MIC. }*

“OK, intended or not, you're saying we must have others work for us to be rich.” Lefty hadn't gone to college yet but he was always good at math. He understood that if one had more than average, another must have less. It would be a while before that somewhat intuitive understanding would be reinforced by the zero sum concept of conservation of matter and energy. “So how many will ever have an opportunity to be anything but one of the many who must work to make another wealthy? And why shouldn't we stick together to get more for ourselves? The rich stick together to keep the much more than average that they have.

“If we count on the conscience or good will of the one's we work for, who only want us to serve their self interest, we'll just get poorer. They'll pay a few sellouts a little to a lot more and fuck anyone else who wants a decent life.”

*{Virginia gov McDonnell said Right to Work state's 103k employees are good. We take care of our people. How patronizingly reassuring he was in his defense of the Wisconsin tyrant Walker. [News Hour McDonnell 3/9/11](#) }*

Such attitudes weren't typical of Catholic German-Americans in their 12<sup>th</sup> year of parochial school education in Cincinnati. Some of his attitude had been cultivated by summer jobs at power plants and oil refineries. The union construction workers ranged from liberal to John Birch conservatives. The latter were quiet, except for a few outspoken fools, until after Nixon was elected. A couple of years later, in 1966, after dropping out of the U of Cincinnati, Lefty would join his dad's building trades union. There he was confirmed in the populist faith he'd displace Catholicism with.

The experience would also reinforce his revulsion for the bourgeois hubris that attempted to belittle and disrespect everything he did and said, whenever he had the misfortune of encountering WASPs - or even wannabes like his older sister. Articulation of the institutionalized social evils in America would come after he'd returned to school for his bachelor's degree, about twenty years later.

It would be many years before Lefty would realize that a general trait of [especially bourgeois] conservatives/libertarians is that they don't really want freedom and democracy for Humanity. They pretend to populism to gain support but what they really want is the freedom to have others slave for them to make them rich. They are the latter day Tory traitors to the American Revolution. Their defense of private property is more akin to a nostalgia for slavery, feudalism and the dominion of the royal aristocracy they wannabe, than it is to the love of liberty for all.

They pretend to be rugged individuals. Do they secretly long for masters to tell them how to live and to care for them? Do they long to orbit the really rich and powerful, in the hopes some of the wealth attracted to the massive bodies will fall on them. Have they reinforced their fantasies with the ideological and economic delusions of Ayn Rand and Milton Friedman?

Among the German Catholics of Cincinnati may it be more like nostalgia for Rome's patron client sort of feudalism? Ironically the patrons that rule them for the most part are WASPs, who are more likely to be [unwitting] sycophants of British royalty. Witting or otherwise, they're all Tory traitors to the American Revolution. Whatever, I still believe the 'rugged individuals' usually seek out heroes to emulate and see no irony in their self image. No wonder Buddhists understand identity to be imaginary, like any virtue.

Uncle Liam ranted often about welfare and giveaways to the poor, twenty to thirty years before Reagan cashed in on such ignorance. “The government needs to be cut back. We all need to tighten our belts to save the economy.” But back then the rich were getting richer but not as fast as they would when the 90% marginal income tax rate went away. Of course the general progress, even uncle Liam's good machinist's wage, went with it. [after he'd retired no doubt]

What we can't afford, apparently, is wide spread prosperity. Or even what most of us need to live. And we have less of that as taxes on the rich fall and the blame is put on the government programs that help the rest of us. Even Social Security and Medicare, which we've paid for, are attacked.

Ironically, the CEOs and rich investors in MIC suppliers and contractors that looted the biggest part of the trust fund by coercing the feds to borrow and spend on them, got richer by the government growth and spending. The MIC swindle has been a dominant since WWII.

While the first billionaires [such as Howard Hughes] were arising and CEOs were making many times the majorities average, nonetheless they spoke of the greed of the unions as the source of poverty of the rest in the sixties, while planned obsolescence and cheap labor in the 'right to work' states of the South and West were enticing Northern industries to relocate. I don't think many actually left the country before Reagan. But they were talking competition and blaming the government spending and the victims of corporate greed even then.

It's always that narrow vision with the cons. "We can't afford it." They say. What they mean is that they won't be so rich and have so much more power than is good for America; that they won't be able to stifle our freedom and democracy, if we get what we need to live, whether by collective bargaining or taxation of the rich. It'll be interesting to see if the rebellion in Egypt that's spreading to Wisconsin takes hold in America. Unless things change, we can't have a living wage, health care or a pension, because the ruling class wants it all for themselves.

It's the desire of the Tory aristocracy to maintain power, which they did through and beyond the American Revolution to this day, that is the heart of darkness of conservatism that drives all their posturing and propaganda. It's the hubris of the middle class and their disdain for himself that was prominent in Lefty's mind, while under forty. Most of the ideas were undeveloped, though present in vague and incipient ways.

Prisoners in America have a constitutional right to health care. As states cut Medicaid to save money, the poor who're not in prison will lose their sub standard health care. No doubt a good conservative American will insist that even shitty health care be taken away from those who are provided with it at government expense. No one will demand that health care, which we can't afford, must be our right too.

And why can't we afford it? The rich can afford rhinoplasty and other elective procedures and their providers make millions. The free market dictates that self interest and individual choice are paramount. It is inevitable that most of us can't afford high quality or even any health care without government assistance. Government subsidized health care for many would require the rich to pay taxes. That will never do!

They might not be able to afford breast or penile implants; doctors might have to give up lucrative non health related practices like plastic surgery and sexual drug therapy for general practice, in order to supply the demands for decent health care for the rest of us. The free market health care system would break down. If we interfere with the free market, the highest quality health care would no longer be available only to the rich. Bad government!

Reacquisition of the taxes they won't pay is the only way to undo the harm the truly greedy do to the community of our nation. Even the free market money god they worship collapses regularly when wealth becomes too concentrated. In their blind pursuit of profit and self interest, they can't see that fatal flaw in their beloved but obviously failed theory of the 'invisible hand' of [mindless greed] individual self interest.

The Smith folly is for the successful, moderately or otherwise. What about the base? There's no chance we can all be rich or even have average net worth. How are the dupes of Rand misdirected from appreciating that mathematical certainty? Nobody's born that stupid! Lefty knows that many of them have been so foolish since at least the mid 1950s.

Why haven't Reagan and Bush's supply side tax cuts worked as promised? They claimed authority [and stole charisma] from JFK's posthumous tax cut of February, 1964, which increased growth and general prosperity. But the latter day mockeries of populist beneficence go mostly to the top brackets. Kennedy's cut went to the demand side. Ordinary people got the most. The top marginal

rate went from 91% to 77% for taxable income over \$400,000. There weren't nearly so many of them back then and 400k was like \$4 million today. But the percentage living in poverty was also lower and so the gains were appreciated. The money was spent and the economy grew, by making real goods not abstract manipulation by the financial 'industry.' Now with the 'best and brightest' creating Wall St miracles, the rest of us just try to keep up with necessities. There's little hope or opportunity for a better life, as record numbers face foreclosures, buy food with Food Stamps and live in tent cities.

Bloomberg <http://www.bloomberg.com/news/2011-02-17/u-s-loans-in-foreclosure-tie-record-as-lenders-delay-seizures.html>  
<http://www.bloomberg.com/news/2010-10-05/food-stamp-recipients-at-record-41-8-million-americans-in-july-u-s-says.html>

AP 9/18/08 [http://www.msnbc.msn.com/id/26776283/ns/us\\_news-life/](http://www.msnbc.msn.com/id/26776283/ns/us_news-life/)  
Huffington 3/5/10 [http://www.huffingtonpost.com/2010/03/05/tent-cities-national-coal\\_n\\_487908.html](http://www.huffingtonpost.com/2010/03/05/tent-cities-national-coal_n_487908.html)

Tax-cuts-and-spending-medlay-1913-2009

JFK lowered taxes, but supply-siders wrongly claim he's their patron saint.

By David Greenberg Posted Friday, Jan. 16, 2004, at 11:00 AM ET

<http://www.slate.com/id/2093947/>

tax rates 1903-

<http://www.truthandpolitics.org/top-rates.php>

Historical Budget Data

<http://www.cbo.gov/ftpdocs/108xx/doc10871/AppendixF.shtml>

If ever the reality of economic oppression by the centrally planned Wall St. economy began to infringe on conservative conditioning, the demon socialists could be invoked, along with the avenging spirit of the 'Great American,' Joseph McCarthy. McCarthy may have been discredited but my uncles didn't buy it. His work was part of the national psyche by '64. We even took loyalty oaths at the union hall. To this day there are few with a good word for socialism, even after we've been so obviously sold out by the capitalists of Wall St. Defense and Security bloat government size and spending but the cons ignore it as the source of the deficit and debt.

Deficit reduction ala Ted Rall won't help domestic war victims. But it does withdraw occupation forces from foreign lands. The proposal gets the annual shortfall that increases our public debt down to \$456 billion, before the suggestion that we tax those who benefit most from the economy.

"When it comes to revenues, you have to go where the money is: the wealthy. The rich have gotten richer, which is a big part of the reason we're in a Depression again. They're hogging all the goodies. The rest of us can't spend." - Ted Rall

<http://www.rall.com/rallblog/2010/11/11/syndicated-column-yes-i-can>

Ted-All-Straight-Talk-on-Budget-11-11-10

. . . Scarborough the other day on *Morning Joe* said, "There's nothing ideological about this, because, look, we have liberals doing this, like Custom and Jerry Brown out in California; we have conservatives, like Kasich. So there's really no ideological content to any of this attack on labor. It's just, look, there's no money." . . .

There is, of course, an ideological content to it, which is a long story, a long history in the United States, of capital and the corporate power resisting anything that labor needs, anything that labor wants. And in the New Deal, in the Depression, working people won a lot, and the business community never reconciled to that . . . -

[http://www.democracynow.org/2011/1/6/crackdown\\_on\\_organized\\_labor\\_states\\_call](http://www.democracynow.org/2011/1/6/crackdown_on_organized_labor_states_call)

DN-Zweig-cons-attacks-labor-claims-no-money-1-6-11



From 1990 to 2005, adjusted for inflation -- the minimum wage is down 9 percent, production workers' pay is up only over 15 years 4.3 percent. At the same time, the rich get richer: Corporate profits are up 106.7 percent. The S&P 500 is still up 141.4 percent since 1990. CEO compensation is up 282 percent. Call it transfer of wealth. Or call it class warfare. <http://www.alternet.org/story/149531/> Larry Beinhart  
the\_class\_war\_launched\_by\_america's\_wealthiest\_is\_getting\_more\_savage  
AN-Beinhart-class-war-beats-us-1-14-10

[ [Edward R. Murrow: A Report on Senator Joseph R. McCarthy](#)

Edward R. Murrow: A **Report** on Senator **Joseph R. McCarthy** ... Murrow: A **Report** on Senator **Joseph R. McCarthy** See it Now (CBS-TV, March 9, 1954)

[www.lib.berkeley.edu/MRC/murrowmccarthy.html](http://www.lib.berkeley.edu/MRC/murrowmccarthy.html) backs up some of the above. see layer 3 in outline and maybe this which link is at end of history section. On Democracy Now, 2/17/11, Noam Chomsky is laying down the history since 1950s.

<http://www.democracynow.org/shows/2011/2/17> ]

Lefty can remember that the sociopathic corporations depressed the economy with their greed in the '50s, '70s, '80s, and '00s. [double zero is so right for Dubya] How can they, with a straight face, demand austerity for their victims to compensate for their MIC fraud and other social crimes? It's no surprise to him that in the aftermath of the biggest financial/corporate swindle of all times, they're after the victims again in the '10s. This was on his mind when the conversation resumed at quitting time.

Cabeza likes to mock the conservative base with a bad imitation of Homer Simpson. "Oh no! Don't tax the rich! Please, take it out of our pensions. We don't need health care. Quality life should only be for quality people like you. We the people love our corporate masters. You give us life itself. Please, can we suck your dicks. Mr. Murcock, won't you take my little girl. She's very innocent. She's sure to please you."

"Hey, the rich aren't all pedophiles!" Lefty still has some restraint.

"Yeah? Well . . . we must all be children or we wouldn't let them fuck us all day long!

"How many times did they blame government spending and deficit on Social Security and Medicare? There's a separate tax and trust fund to pay for that. They've looted it to fatten insurance, pharmaceutical, corporate health care providers, crony contractors of high cost privatized government services and MIC suppliers. That is: who got most of the money from the general fund and benefited most from the borrowing of the trust fund? It wasn't we the people who they expect to pay for their fraud."

Cabeza channels Homer/Everyman again. "No, not just foreign aid. Not just the Pell Grants and the rest of the money for our children's education. Not just the earmarks to fix our roads and bridges. That's not nearly enough. Please sir, take our pensions. Take health care for the poor, lowest paid workers and the elderly. Please, it would be unfair if you had to pay taxes so that we could live."

How many times has this game been run since 1950? How many times have we been played by the elite ruling class and their corporations, who own our government? How many times were we distracted from the corporate looting of our tax dollars by their media and politicians invoking the fear of enemies like communists, socialists, terrorists, liberals or unions. The last are the best misdirection the rich can employ. Those who have a little more than you are more visible to you. If you drag them down instead of attacking those with real money, the Tory traitors get away clean with the booty.

"See how the other half lives." Lefty reminisces. "By 1970 it was almost half who could buy a home, have a car and send their kids to college. It must have annoyed conservatives to see ordinary people with so much, because everything we had, they didn't. They've been working hard since then and have almost undone all the progress made to that point. It's no longer the other half. It's the other ten percent or the other ninety percent now. It depends on which side your on."

As a teenager and young adult, Lefty was subliminally inspired by the sacrifice of a half dozen or so of good men. They included: Medgar Evers, John Kennedy, Malcolm X, Che Guevara, Martin Luther King and Bobby Kennedy. It was thirty or forty years after the last that the importance of most of them had penetrated his fog. By 1970 he'd only consciously felt the loss of the Kennedy brothers. But that was enough to suppress hope and inspire him to drop out. He only half realized he was embarking on a quest for the enlightenment to be found in the acceptance of reality - the truth.

All of those assassinated in the sixties had tried to change the world for the better and were having some success. The conservatives and libertarians who vilified and hated them may not have taken an actual part in their murders. But they poisoned the well that the lunatic fringe drinks from. They did it deliberately for the political advantage to be gained by turning a blind eye to racism and bigotry, in order to martial the lowest common denominator of morality and scruples to the conservative cause, which has always been the preservation of the wealth and power of the ruling class. I wonder if anyone is surprised that such amorality can be so successful. Of course the dupes would see the success as a measure of God's approval.

It all looked pretty hopeless by the early seventies. Lefty eventually lapsed from his survey of the good fight. He wanted to find a better way to live. He was childishly naïve yet in 1974. He wanted to go to Alaska and live in the wilderness.

!(+)

Carlos Marquez and Veritas Economicus are two of a growing number of highly educated individuals who've been marginalized in the past twenty to thirty years. They're talking about the great recession caused by financial sector greed and the apparently successful attempt to assign the responsibility to the government and the solution to cutting programs for the poor and the elderly.

“Where is the money?” Carlos wants to know. “Why are so many people unable to afford health care or much of anything else? As Wall St has continued to profit and wealth has continued to be concentrated, jobs and wages for most of us have shrunk or remained flat. The failure of tax cuts for the 'job creators' to produce the jobs that were predicted or in any way provide for the majority (80-90% or more of us have negative net worth) is evidence of a failed economic theory. When will Americans catch on?” Such thoughts and questions are growing in and expanding the minds of thinkers in America and around the Earth.

They're waking up in Britain.

They surround branches of the banks that caused this crash and force them to close, with banners saying, YOU CAUSED THIS CRISIS. NOW YOU PAY.

Vision: Everyday Brits Are in Revolt Against Wealthy Tax Cheats -- Can We Do That Here?

By Johann Hari, The Nation

Posted on February 5, 2011, Printed on February 7, 2011

<http://www.alternet.org/story/149806/>

AN-Han-Brit-Revolt-no-tax-rich-2-5-11

Dr. Economicus never gives quick and easy answers. “You asked rhetorically, 'Where is the money?' And your implication that the standard party line definitions of the problems and suggested solutions reflect stubborn adherence to unproven or downright failed theories is an understatement. The right wing ideologies that are overlaid on the 'information' their corporate media propagates are delusions. They're constantly reinforced by that complex system of disinformation. The politicians are the principal skills of the corporate rulers of America. How do they do their part in the deception?

“The first half hour of house speeches on 2/9/11 were interesting. The first speaker, Rep. DeFazio D-OR, pointed out that subsidies to Exxon and tax cuts to the rich were not considered as appropriate for deficit reduction. He mentioned several other conservative 'ironies.' [first five minutes] But don't take my word for it. The next time you get on a library computer, see and hear it at C-SPAN.

<http://www.c-spanvideo.org/program/HouseSession4003&memberid=6068>

“The Democrat was followed by 'that's just the way it is' Rep. Poe R-TX, who blamed the deficit on foreign aid. That complaint's been often in vogue over fifty years that I know of, though lately the litany has concentrated on ear marks. Ear marks amount to 20 billion or 2% of 1 trillion, which is also a little more than one half of one percent of 3.7 trillion. The irony of this misdirection was no doubt lost on Poe or his cohort, Gomert R-TX, who he mentioned in his predictable rant.”

About the time Veritas mentioned Poe, 'Cowboy,' a good hearted transient camper who had sympathy for progressive ideas but was brought up a true believer, walked into the bivouac next to the dry riverbed and sat down on a rock. “Why is that wrong. Foreign Aid is a terrible waste of money!”

Dr. Economicus acknowledged Cowboy but didn't interrupt the flow of his discourse as he continued. “Later a Democrat pointed out that we get a lot of return on foreign aid, with allies and trade. He also stressed that it was less than 1% of the budget anyway so the money that is needed is not to be found there. But even the better guys, and I don't mean good, won't mention that most aid comes with strings attached.

“Most of it can only be spent for military purchases from US manufacturers. [No doubt exceptions are made for Halliburton's services since they moved to Dubai to evade taxes.] The non MIC support has similar constraints. So like food stamps that can only be spent to subsidize ADM, Monsanto, Safeway and many others, the vested interest of the American corporations that own our government will not let their motivation to profit, by looting the treasury, trust fund or whatever else they can acquire, be thwarted by the elimination programs that are corporate cash cows. The party line, which the cons spout day and night to seduce the unwary true believers, will never be implemented in the end. While some like Poe, Gomert and R&R Paul may believe their unproved political and economic theories, you must only listen to C-SPAN congressional speeches and witness the votes occasionally to begin to see that the political and economic theories they reflect are a show to fool the public. You only need to see enough to convince yourself it's a performance. It's a waste of time to pick it apart and address it point by point.

“If you're still not convinced that the problem is systemic and can't be solved piecemeal, realize that you can't squeeze multi trillions of dollars out of multi \$billion programs. The ratio of futility to utility is a thousand to one. It's the same folly to try to tax the poor with a sales [Fair my ass!] tax. We just don't have it. But more of us are starting to see where it is and how the lies, including the specious political and economic theories that politicians and false prophets propagate for the benefit of corporate contributors, are in a great part responsible.”

“Right on!” Carlos cheers. “Today, more of us than ever before in my life know who has the money and how they got it. We aren't as big a percentage of the population as they are in Egypt. But like them, we're growing in numbers and courage. America will be free of the corporatist tyranny one day. One way or another!”

“Remember about 1 hr 23 min into the movie 'Wall St: Money Never Sleeps.’” suggests the economist. “A meeting of investment bankers with the Sec. of the Treasury to discuss the imminent global economic collapse is the scene. The bankers say they need 7 to 8 hundred billion to support 70 trillion in toxic derivatives. The Eli Wallach character says if not it's the end of the world: ATMs and credit dry up, finance freezes and everything stops.

“Well yeah, everything stops for the abstract economy. And that's what we bailed out in 2008. We preserved their greedy world, which we accept as our own and which is controlled by their money to maintain and increase their wealth and power. But what's lost in the real economy, except for their control of it, if the banks fail? The real economy is the production and distribution/transportation of the real things Humans need to live. They say that will stop if they don't facilitate it [and profit by it] with finance. Is that a threat?”

“I think so,” says Carlos. “If we do need such a service, we don't need them to do it and threaten our existence with their greed. I say no! If we must have financial institutions like banks and

brokerages to help produce and distribute products to the consumers who need them, then we must protect ourselves by doing finance of, by and for ourselves on a non-profit basis.”

“It's not the economy that's broken.” Veritas continues. “Wall St's perpetual motion of money machine failed. It repaired itself by breaking the rest of us. Because the few have control of our lives by the use of their money and power, things have cyclically broken. Wealth becomes too concentrated. That's the limit to growth of the Ponzi we call finance. That's how much the bubbles [created by the greed of the rich] can expand. We will never have a stable, reliable economy, while the few retain their excess wealth and power, which is predicated on the dominance of finance over real economy. Fewer than the rich are those in America who are willing to face that truth or, apparently, are intelligent enough to see it and haven't sold out to the ruling class.”

“I don't know.” Cowboy's not there yet. “We got problems all right and the politicians aren't being straight with us. But individuals got to be free to make private enterprise work. I don't trust the government.” He left smiling but didn't wait for an answer.

How do they keep them conned? No one voiced the question. It's the standard American mindset. A rain of little ideas are constantly repeated. The download never stops.

!0 – after work

After the day's labor and their \$50 checks had been cashed and food purchased, Lefty and Cabeza returned to the camp by the Santa Cruz River. Dr. Economicus was still sitting with Carlos Marquez and talking about the conservative call for austerity. After greetings and some small talk, Carlos recounted some the conversation, including Poe's attempt to make a scapegoat for the latest budget crisis out of foreign aid.

Lefty catches up fast. “I've been hearing such drivel since the 1950s. Foreign Aid, welfare, unions, resistance to bond issues for education and any New Deal progress especially Social Security were the demons assailing the spirits of my John Birch uncles in Cincinnati, when I was growing up. Over the years the cons and libs have added Food Stamps, Medicare, PBS, student loans, HUD, Fannie and Freddie to their litany of sorrows and evils of government.

“The petty [not much money to be saved] list:

“Foreign Aid

“Ear Marks

“PBS

“Public Education

“Student Loans

“pre bailout HUD, Fannie and Freddie

“people who were victimized by sub prime”

“The common thread is diversion from the mess conservative greed has created.” Veritas expounds. “Blame the poor who were victimized with sub prime loans [at most 10-15% of the \$10 trillion in residential mortgages] but not the money made on fees and \$70-100+ trillions in derivatives [leveraged debt liabilities that they label as assets and the sure bets that they will fail] sold to China and others.”

“Maybe they believed they're smarter than the Chinese et al.” says Carlos. “But who's got us by the balls now. Our geniuses tell us the trade imbalance will right itself when the Chinese let the yuan rise to the market. But will the Chinese import the goods our masters made in China, with their labor, and give back the money we spent on those goods to do it? How absurd!”

“Our 'experts' are morons!” the economist asserts. “The yuan will go up and those Americans who can barely afford to shop at Walmart now will be priced out of life itself, because the cons say we can no longer afford the safety net of welfare or even the Social Security and Medicare we paid for in advance. They won't mention that they spent our trust fund to enrich Halliburton and the rest of the

government contractors, while creating few domestic jobs and little lasting wealth. Besides some planes and locomotives, the only high tech we still produce is military. Only a limited amount of that can be exported and none of it is permanent wealth.

“Not all complaints about government are petty. But the con/libs don't want to address the major expenditures like military [and the insurance, pharmaceutical and corporate health care frauds will see to it that nothing really happens to the Medicare cash cow or reduction of the costs that are their profits] because that's how they loot our government. Then they blame the drain, created by cons, who sabotage useful programs to divert their funding to the private profit, on SS and entitlements they claim want to starve but actually defraud to fatten the ruling class investors. I'm talking about: privatization that diverts public funds to profits of cronies; outsourcing that reduces tax income; military adventures, supply and contracting that loot the treasury. But entitlements and welfare, ie the safety net, are made the scapegoat. The lie facilitates the plunder of America and the economy, SS/Medicare trust fund and gov treasury by MIC, corporate med and insurance, private prisons etc [ie cons in general] that continue to bring down the government and people that the corporations own. But the false consciousness the predators have cultivated responds like Pavlov's dogs to divert us from the problems and fix the blame on:

“Public sector unions [Wisconsin Gov. threatens demonstrations with National Guard]

“Food Stamps and welfare.

“Social Security and Medicare.”

“The elephant they ignore,” says Lefty, “is the MIC; resource and contract wars; foreign located US military bases and non wealth producing expenditures like high cost prisons to fill with 3 strike addicts and petty criminals who are the most profitable for the corporate frauds. But they stick to the theory that for profit is more efficient than we the people, though it's disproved by experience over and over.”

“They blame the victims in all of the above.” Cabeza judges the judges of the right. “The con/lib plan obviously is: divert and misdirect in any way possible so they can gather more wealth from us and our government. Concentrate wealth more and get richer yet. But morons like Poe believe them.”

“Doc you called the ruling class predators.” Carlos sums up the Human Culture of the past ten thousand years. “What do you call a predator that preys on its own species? . . . A cannibal.”

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“According to [noted researcher Edward Wolff](#) (pdf), only the top 5 percent of American families increased their percentage of the country's total household net worth from 1983 to 2007. So unless you make \$160,000 or more, your household value has decreased, percentage-wise, over the last 25 years.” - Paul Buchheit is a professor with City Colleges of Chicago

<http://www.alternet.org/story/149477/>

AN-Buchheit-rich-rip-1-11-11

[noted researcher Edward Wolff](#) (pdf)

/home/agk/literature/endgame/econ-origins/Wolff-wealth-trends.pdf

Dr. Economicus, though rejected by his peers and reduced to poverty, partly due to his heresies, continues to voice the kind of unwanted ideas that helped to precipitate his fall from grace. “Public and private budget cuts can benefit the American people instead of the ruling class. I have examples.

“Military and government: Cut out the middle men. Hire the worker bees directly. Fire all contractors. The expensive part of government expenditure, the profit of investors and high cost management, will be eliminated. They'll be replaced by lower cost civil servants. The private 'talent' will have no choice but to work for us, instead of the other way round.. The majority of jobs will be saved and there will be more money to pay the workers.

“See the growth of budgets and debt, especially since Reagan's privatization and Star Wars

scams borrowed from people's Social Security to pay the profit of contractors, vendors and their investors and CEOs. The theory of private industry efficiency and savings is disproved by experience. Their only efficiency has been at concentrating wealth. The leeches continue to grow richer while the rest of us grow poorer. When they've sucked the treasury dry they blame entitlements and unions. But who has the money? Eliminate this fraud by deprivatization. What we need in common we must do in common, of, by and for the people."

Lefty endures the pedantic style of the former professor. He sees the opportunity to gain insight and perhaps more importantly, vocabulary that will aid his self assigned mission to awaken the Americans he comes in contact with to the threat posed by the rich. He asks himself what might be some responses of the right wing dupes. Out loud he probes the professor's depth just a little. "What happens to all the people who work for the MIC? And you say the conservative politicians blame entitlements and unions. But even many who bear the liberal label think that the auto workers brought down Detroit with outrageous demands?"

"The manpower and resources dedicated to the military create no wealth. Everything we put into defense, whether necessary for self preservation or merely desired by profiteering contractors and vendors who live by soaking up government spending, is lost to the world forever. If we build houses or cars we create goods that people may use in their every day lives and which are not immediately blown up or necessarily decreed obsolete and discarded. But the market cares only for profit. The ruling elite class doesn't care about consequences to the community that supplies it. That's self destructive of course. They can't see it, though. They're only the "best and brightest" in their advertisements. And the propaganda in Detroit is as mendacious as anywhere on Earth.

"Look at General Motors. In the past 15 years they've gone to the unions over and over for cuts. In this and other industries, often with the complicity of federal judges in bankruptcy actions, pension funds and medical benefits have been cut. In the auto industry retroactive cuts have even burned retirees. But the stockholders often were spared. And the bankers, lawyers and CEOs who presided made hundreds of millions or even billions out the the cons. GM split off the profitable credit subsidiary, GMAC, before most of the cuts took place. If you did a similar slight of hand before applying for welfare, you'd be charged with hiding assets. GMAC is still profitable and is a major subprime and derivative player. Today they are foreclosing on our homes."

"GMAC is a global financial services company, formerly a part of General Motors, and known for years as General Motors Acceptance Corporation. GMAC provided direct financing to dealers and clients, expanding its operations in recent years to include insurance, commercial finance, online banking and mortgage operations." "**GMAC Mortgage**, the country's fourth-largest home loan lender, that it had violated legal rules in its rush to file many foreclosures as quickly as possible"

"Auto accessory for sale," the advertisement might read. "One careless owner. Price reduced. Please call Rick Wagoner at 1-800-FIRE-SALE."

General Motors Corp. seems to be struggling to sell General Motors Acceptance Corp. [Bloomberg, December 13, 2005](#)

Lefty's silence indicated his questions had been answered for the moment at least.

The economist continues with his examples of non destructive budget cuts that focus on where to find the money. "Medicine: the profit of investors and high priced management are the most unnecessary part of Medicare and all other health industry costs. Cut out the middle men. The American people can hire the providers directly. We already pay for the pharmaceutical research but give the profits to big pharma. Cut the fat from the health care budget, public and private. Get rid of the rich owners and their expensive managers, who take from the many for the benefit of the few. Get rid of insurance and corporate medical providers who fatten on our tax dollars by defrauding Medicare. [see Bill Frist and HCA, which was fined \$1.8 billion for Medicare fraudulent billing.] Keep the doctors and nurses and the rest of the real health care providers. Let them work for us, instead of the proprietors of the health care system. The reason we the people can't afford health care, public or private, is the concentration of wealth with investors and managers at the top of the economic ladder.

“Finance: Get rid of middle men brokers and agents who add cost to money movement but are not necessary to the transactions, except to offload work from the heart of an overly centralized (on Wall St) financial system. Cut private profit from banking, insurance and investment, to cut the high cost of parasitic finance. Pay premiums only for real work and material products. Accountants, managers, lawyers, bankers and other functionaries of abstract economy can work at lower compensation than real workers. Take the con out of economy.

“Our high overhead system and the cons who operate it are the cause of economic failure. The more that wealth is concentrated, the less there is for real life needs. In general: those who do less real work, should be paid less than those who struggle with material tasks. To begin to understand why our government and most of the rest of us can't afford what we need to live and so are forced into debt, ask this question. Who has all the money? I've listed three [four counting the GM/GMAC bankruptcy] of the biggest economic frauds and abuses. To find the rest, look to see who took the money and who has it yet.”

Dr. E's list of systemic economic swindles: MIC overhead; Healthcare overhead; Financial overhead. Union busting bankruptcy frauds have been a very popular private sector swindle that's now infecting our local, state and federal governments.

“There is only one group of people who can pay for anything at this point: the wealthy.” Sam Harris, Huffington Post [http://www.huffingtonpost.com/sam-harris/a-new-years-resolution-fo\\_b\\_802480.html](http://www.huffingtonpost.com/sam-harris/a-new-years-resolution-fo_b_802480.html)  
<http://www.alternet.org/story/149396/>  
HufP-AN-Harris-ruination-12-29-10

“OK, that's what's going on all right. But the Tea Party dupes are inoculated against sincere attempts to understand and solve real problems.” Cabeza is impressed but doesn't want to wait for a detailed picture resolution. “We need to find a way to cut through the bullshit! The fools are pasted with it and won't budge. The high overhead system is, ironically, the foundation of the 'free market' capitalistic scam that is threatening the Human Species.”

Carlos Marquez feeds Veritas a question that it's hoped will elicit an explanation of the dysfunctional thought and systemic flaws that support the debilitating concentration of wealth. “Doctor, you said we should look to see who has the money. How does it get there and can the free market be the solution to the crisis its acquisition and hoarding created and extend?”

*The “lesser people” are also the majority of consumers. Bottom Feeders help to keep aquatic Eco-systems clean, by consuming the crap that filters down. Unfortunately they have no power over the scum that rises to the top. - Antam*

“Concentration of wealth is harmful to Human culture and a threat to our survival. It's perhaps the greatest threat that civilization has always faced.” With that ominous introduction, Dr. Economicus begins to reveal the destructive nature of abstract economy. “Consider this analogy: In a hypothetical casino card game the house takes 5% of every pot. If 10% of the money at the table is on average played on each hand, then the house takes 0.5% of the money in the game on each rake. After 200 hands, 100% of the money that is on average at the table has been taken by the house. The only way the game may continue is to have new money come to it. The winners, of course, smell the new blood and even anticipate it greedily. And the biggest winner over a time is always the house. Until the free market fundamentalists took over, the biggest difference between a casino and finance was that the casino took a bigger cut of the handle.

“The media have played up the CDS and futures gambling aspect of derivatives, in what they call 'Casino Capitalism.' This distracts from the better casino analogy where the principal players are the house that always wins. And that's the truth about the big hedge funds, banks, brokerages, investors and insurance companies. They take a cut of almost every transaction and enterprise through interest on finance and profit on investment, banking and credit card fees, etc. Even if some of them did lose a

little on the derivatives frenzy and didn't pass on their losses - to we, the people, their victims, the all time losers - by virtue of the bailout, the biggest just got bigger and only the suckers and small fry got hurt badly or wiped out."

"I see," says Lefty. "If some of the big boys become losers who are culled from the herd by the rest of the bulls, what's our probability of success?"

Veritas continues. "If someone loses, was it by a plan of the winners? Whether or not the 'downturns' are planned, they happen regularly and the hard core ruling class elites profit by them. Wealth is concentrated and the only thing that grows in a financially dominated economy is debt and the money supply. Do you know the difference between a bubble and a Ponzi scheme? Neither do the losers when the scams collapse. The biggest losers in the global economy are ordinary people, wherever they live." [lure-and-f!k](#)

Lure-Totally-Fuck-AN-6-14-10

"I like your take, Doctor. In your better casino analogy, the house counts on a percentage of the play year in and year out, just like a bookie I ran into around 1970 had always done." Carlos doesn't so much make predictions as anticipate the high probability of a dead end, if we continue on a bad road to nowhere. "That's the way it is for the banks and that's why they must end up with all the wealth. 'There can be only one' and corporations are immortal persons. But even if there are 10, 100 or 10,000, our prospects for success or even survival are inversely proportional to theirs."

"Right!" The professor says. "And remember, all the profits of the financial industry are added to the cost of the products you buy. Financiers and bankers make no real goods. For profit banking takes from everything the community does, much more than the service is worth. The common wisdom [an oxymoron] is: such things can't be done of, by and for the people, on a non profit basis." Clear the Moneylenders from the temple: <http://www.informationclearinghouse.info/article25437.htm>  
Non-Profit-Banking-ICH-5-18-10

*"Moses forbade usury but orthodox bankers can find a way. Buy the house at the customers negotiated price then sell it to that person at a 100% markup payable in equal payments over 20 years. Amortized loans at 8% for 20 years come to, for example, \$50,000 principal plus \$50,375.67 interest. Even God's laws have loopholes and I know Muslims who exploit them in this way. But at least they pay lip service to Mosaic law. Christians and Jews have abandoned even that. Check out doubling time at various interest rates. Compare real inflation rates to future value on investments."*

<http://www.shadowstats.com/> - Antam

"They say the answer to all the problems is to stimulate investment of the wealth that's been concentrated." Lefty is catching on. "Finally I hear someone speak the truth. Finance is a burden on the community not our salvation. It's worse than taxes. There are no deductions and no loopholes. The bankers tax everything. The naïve will say we have a choice to not go in debt. But is that really true? If they have all the money and make even more by the refusal to pay employee/debtors a living wage, we have no real choice."

"Imaginary economic activity consumes real goods and services but contributes only the cost burden of its profits to the economic equation." Veritas Economicus is, after all, either a professor of imaginary economics or an imaginary professor of economics. "How this came about is better understood by Antam.

"I quote. 'Destructive abstract economic activity was born when the first community leader began to act in self interest, rather than for the common well being. I'm guessing that started to become commonplace about 10,000 BC, as cities, settled agricultural communities, began to absorb excess population that wandering tribes and clans could not support.' Antam is concerned with origins."

Dr. Economicus continues his own thought: "It wasn't until the fortunes of economic elites became capitalized corporations and re-invented banking and finance, complete with the miracle of



compound interest on investment, that they achieved their greatest victory over we mere mortals. The immortal corporations will be perpetual winners, by continually growing the percentage of property and wealth that they own and/or control.

Janet Tavakoli, author of "Dear Mr. Buffett: What An Investor Learns 1,269 Miles from Wall Street" talked in Chapter 1 about Warren making money after the time of life when most had retired and were spending it but his fortune was still growing exponentially. ". . . Due to the benefits of a continued compounded growth off of a greater base of wealth, . . ."

"How is the interest compounded on the money lenders' and other investments? The profit on last year's investment with a manufacturer was added to the cost of production and the price of the goods produced. Next years dividend reflects the cost of service to this years debt or capital financing. The interest or 'vigorish' becomes an exponentially increasing part of the cost of doing business. That is: compound interest to the lender/investor who finances the production and cost increases on the merchandise we must buy to live. The pattern of exponential growth of finance costs to the real economy must hold true for profits on all investment and trade, not just the banking and capitalization [non] industries.

"Farming isn't a good example of an industry, at least at the family farm level, that has any control over the price of its product. Most of the food dollar goes to commodities brokers, bankers, insurance and chemical [read oil] companies. But small farmers do borrow the entire cost of production each year. If they make a profit, the price of the food must reflect the interest on their debt. That is compound interest to the lender and an exponential increase in food cost to the rest of us. We might talk later about how they're squeezed out by lenders and the concomitant growth of agribusiness: commodities brokers, bankers, insurance and chemical [read oil] companies."

*"Einstein called compound interest the most powerful force in the Universe. He didn't explain that is so because it causes the compression of the matter of wealth (and the money that represents it in the economic equation) into less and less space. He didn't say where he thought that might lead. His experience was with the compression of highly energetic physical matter. . . . Hmmm?" - Antam*

Professor Economicus has more to say. "A larger percentage of the economy is abstract and non productive each year. The process concentrates wealth and most people are compressed into the smaller economic spaces they can afford. Will there be a chain reaction?"

"Whatever!" Carlos Marquez answers, "This can't end well. Most politicians and pundits talk about direct investment in the production of real goods. The principal structure on Wall Street is a build of investment in finance and trading of previously issued stocks and securities that have little effect on production. Speculation and the bubbles speculators create are even more abstract than everyday Wall St activities."

"I see." Lefty has been listening. "If all the chickens finance banks or trade stocks and securities that financed bakeries and none actually bake bread, there'll be none for the Little Red Hen to share, regardless of anyone's contributions to the non work of first, second and n levels of abstraction of finance."

"Right!" The academic continues. "Trade in derivatives, which are more abstract devices, exacerbate the discordance with which ordinary economic instruments din the community. Securities like CDSs have been associated with the label, Casino Capitalism, because big investors and banks are gambling. That's misleading. Indeed, as noted, there is a casino of finance. The Wall St establishment and the banks are the house, though they sometimes play against each other. They always win in the end, whether or not a few of them are displaced by the up and coming. It's their world. Corporations (paper people) create markets for paper and real people pay higher prices for real goods as a result of the profits that investments produce."

<http://www.harpers.org/media/pages/2010/07/pdf/HarpersMagazine-2010-07-0083022.pdf>

HarpersMagazine-2010-07-Food-Bubble

<http://www.harpers.org/archive/2009/06/0082533>

“Shut up, you liberal commie punk!” Johnnie Bird is a “real” American. He and another conservative camper, Corpo Dupese who aspires to regain status by rising to manager at Temps, had wandered into the liberal gathering and been listening since Lefty's quip about the little red hen.

The words “share” and “red” set J-Bird off. It's expected that you will share what little you have with other homeless people. Homeless cons will share but are better at getting than giving. Cons at all levels react to certain words, similarly to the stimuli that cause dogs to salivate. 'Share,' put it in a larger context, is free market heresy.

Carlos is a contemplative man with more time than money to spend. Yet he won't waste it by bothering to engage the vitriol of the lunatic fringe. Instead, in spite of the futility of addressing stupidity, he encourages reflection. “Think about what the banks, brokers and the richest investors are doing. They really are like the house that must always win in the end, when the biz is 'Casino Capitalism.' The big questions are: What must be the end of play? Can they win in the end if all of us lose so much that we can no longer play their game? Or will general impoverishment lead to our extinction, in the service to an improbable ideal of greed and stupidity, promoted by the rich, whom most of us serve unquestioningly?”

“We don't know when, if ever, that will happen on ours or a parallel Earth. We should be able to see the direction in which we're going. We don't know if the perpetual motion of money promised by the all service economy worked out for the rich who may exist through a worm hole. The Interstitial Universes Interchange hasn't heard a word from them for several millennia. We can see how the game works and guess at the odds of success based on an updated economic theory. But that's not likely, given the subject matter, to come unequivocally from scientists. Or we can agree on a measure of success and collect the data empirically to determine the actual probability, after the fact?”

Radi Calize, a good guy known to the group, has been listening for a while. He laments. “I hope that's not too late to avoid destruction of America and Americans by the greedy and shortsighted ruling class and their even more foolish supporters. Why can't the lunatics see that the way to guarantee that we have the things we need to live is to make them – of, by and for ourselves?”

Nouriel Roubini: How to Break Up the Banks, Stop Massive Bonuses, and Reign in Wall Street Greed  
By Zach Carter and Nouriel Roubini

<http://www.alternet.org/story/146900/>

Break-up-Banks-Roubini-mostly-normal-5-19-10

- Definition of VIGORISH

1

: a charge taken (as by a bookie or a gambling house) on bets; also : the degree of such a charge <a vigorish of five percent>

2

: interest paid to a moneylender

Origin of VIGORISH

perhaps from Ukrainian vygrash or Russian vyigrysh winnings, profit

First Known Use: 1912

- <http://www.merriam-webster.com/dictionary/vigorish>

Radi is intrigued by the idea of the casino of capitalism and its parasitization of the economy by the unnecessary cost it adds to every product and service we buy. But he's not sure how to convey that message to Everyman. He decides to provoke one of the resident representatives and see what response it stimulates. “Medicine should be free. Internet should be free. Telephone and electricity should be free. Airline, train and bus travel for work should be free.”

“Hey there lib, who do you think's gonna pay for all this?” Corpo Dupese is dependable. “The

government is too big and too broke already.”

“Who pays for it now?”

“Private enterprise.”

“Where do they get the money?” Now Radi knew, by Corpo's vacant expression, that the fool was too deep in the same old box to see the truth. “That's a rhetorical question. We pay for it like everything else. How much cheaper will it be when we don't have to pay the vig? We can cut out the corporate middle man. If we do for ourselves we won't have to pay outlandish compensation and bonuses to CEOs. We won't have to buy yachts and planes and support extravagant lifestyles for investors or their profligate heirs like Paris Hilton. If we make and do what we need and want on a non profit basis, of, by and for ourselves, we won't have to pay the tax of unnecessary, exorbitant and usurious profits on everything we buy.”

Cabeza restates in his own style. “Where do we get the money to pay the corporations and the useless parasites of the ruling class elites who do it now? It comes from we the people, who are also we the consumers, who pay for everything including the good for nothing ruling class parasites who own the corporations.”

Corpo wasn't convinced. He thought it best though to save his objection for a media moment. For him that's a moment when his mind has been cleared by a media hero like Hustle Limburger or Olgen Bleck. Besides, he was much more interested in keeping labor down in the mockery of a hiring hall that takes three or four times the percentage from workers that unions get. They hire out their casuals for \$10 or \$12 or more per hour and pay minimum wage. This is “popular” and encouraged in “Right to Work” states like Arizona. Corpo hopes to work his way into management and live off the work of his fellows just like the big boy's do.

Right-wing rants in support of their wealth concentrating scams would be wasted on Radi. He can't be instilled with fear for the private property of the ten percent left in the middle class. He won't believe that justifies the system as it is. Radi, who sees the great bulk of the wealth in the hands of one percent or less of the population, must be labeled a demon socialist for his vision. The media giants will renew Everyman's fear that liberals and progressives, the fictional kind that Bleck and Limburger invent, want to redistribute the wealth of the ten percent. Those who've gained a little more than average by selling out to the rich are not a high value target.

Real progressives want to go after those who really have it. Ironically, Ev is somewhat justified in his paranoia. Not because the progressives want to fleece the middle class to make up for the economic crimes of the ruling elites but because the media heroes and wholly owned conservative politicians of both treacherous parties will, if threatened by credible popular anger, throw him under the bus. It's his skill [or is that shrill] heroes who'll go after him for the crimes of his rich masters.

Radi knows that the bourgeois wannabes provide cover for and minister to the rich. They are a buffer between them and us. The conservative middle class perform their function by the class imperative: 'The people mustn't tax the rich to have what they need to live, because we the sycophants, sellouts and wannabes might suffer.'

Everyman doesn't think about it quite like that. Neither would he admit to himself that his motivation is: “I've got mine to hell with everyone and everything else.” No, he doesn't think about such things. It's more of an emotional response to a series of ideas, which he's induced from the ether that perpetually surrounds his head. They include: the fanatical and thoughtless defense of the private property of those who have most of it; ritual tributes to individualism that all but deny the existence of community; states' rights founded in the antebellum South and Calhoun's arguments; a notion of taxation that ignores the cost of private enterprise externalization and finance's exactions of profits, and an anti government obsession that's outright rabid. Snuffy's chicken thievery and tax dodging corn squeezin's seem less anti social by comparison.

Corpo wanted to say that private enterprise is always more efficient than government but the way that devil Radi had been talking it seemed unlikely to work this time. It didn't occur to him that the

increase in budgets and deficits had begun at the same time Reagan-Bush had begun to privatize government service and the idea had spread to state and local governments. The growth of such services in the private sector and their profits was too obviously associated with the growth of government spending and borrowing that occurred simultaneously, for Dupese to see it. No, until the blame was again fixed where he knew by rote it should be, it wouldn't do to think for himself about the economic problems. Only the subconscious may see the truth.

Personally I think the subconscious is repressed schizophrenia if it exists at all.

Conflict is a dependable distraction from thought. If argument fails, pick a fight or run away. J-Bird, who was standing closest to Cabeza and listening, is ever ready. "I've heard enough your commie obamy crap." He was holding his pit bull close on the short lease. The dog's neck hairs were bristling and he and his boy were focused on the nearest enemy.

Caliente didn't like their attitude. He looked in the dog's eyes and said, "Take your bitch and get out of here!"

J-Bird loosened his grip on the leash for a second and the dog lunged forward, pulling himself by the neck onto his hind legs. "Better watch your mouth spic, if you don't want us to chew you up and spit you out."

"Tie up that dog and try it on your own."

Carlos moved close to Corpo, while Lefty walked up to the trio of would be combatants. He said to J, "Let me hold the pup while you two settle this." He took the leash in his right hand while his left went to the butt of the snub nosed .38 Special revolver in his back pocket of his jeans. Lefty doesn't trust dogs too much.

Taking in the situation, J-Bird thought the odds were now against him. His fighting spirit was quenched for the moment. Weakly, shrilly, he said to Cabeza, "Your going to get it someday." With that he grabbed the dog's leash and stormed off from the progressive camp. The other con followed.

"So, I ask again, how do we cut through the bullshit?" Cabeza shakes his head slowly as the fools leave. "These guys are hopeless. Some day, or more likely some dark night, they'll catch one of us alone. Then they'll turn violent. Are we ready for it?"

Carlos nods recognition of the threat then answers the question. "I don't know. The more they're victimized by corporate greed the more they blame it on the government. To them of, by and for the people is a call to rise up and take over the fed to stop it from interfering with the freedom of the rich to enslave them. How does a mind like that work?"

"Look at recent news themes side by side."

February 2, 2011

**House Republicans have introduced a bill to prohibit the EPA from regulating green house gas emissions.**

**Scientists have linked the unusually violent winter to climate change.**

"Why do Republicans consistently promote policies that are destructive to America and the Earth?" Cabeza wonders. "Are they as foolish as the rabble they rouse to preserve the wealth of the ruling class they are and/or serve?"

Carlos explains. "In their hearts, I believe most conservative leaders see their base as rabble to be exploited. They also revere and emulate royalty and plutocrats, who've been exploiting that kind of foolishness, which the rich have induced in trusting populations, for thousands of years. In other words, today's leaders are only barely emerged from the lower classes they wish to have work for them so they can rise further. They are themselves still quite foolish.

"But the neo aristocrats and wannabes do have enough sense not to queer their pitch by letting their base know what they think of them. Instead, they pander to racism with the state's rights arguments of Calhoun, only slightly distorted to shift the main thrust to income tax and individual private property. The corporations that own most of the property and the mortgages on most of the rest

are not recognized as the really dangerous collectives that impoverish us and that are owned and controlled by a few rich people. There is no honesty or sincerity in conservative leaders. We must be better than they are, if we want to 'win the hearts and minds' of the people they've deluded.

“We need to understand the problem, including their program, much better. We can't educate people about it until we've thoroughly learned the subject ourselves. I think one thing's certain. We can't merely expose them to the truth. We need to cultivate their minds, if they're to be part of the solution. That's what conservative leaders have done in a very deliberate and harmful way.”

“Agreed. We need to raise our own consciousness first. Antam has a favorite spiritual retreat in the desert.” Professor Economicus sees an opportunity to help raise the consciousness of the willing a little higher. “Maybe we can set up a camp out there. We could hold informal seminars to help us understand the basic economic structure. We have an unsustainable cultural paradigm that is the source of our social unrest and economic failure. In a more peaceful setting we can clear our minds and study the reality that's evolved over the millennia. Then maybe we can devise a way to reach the less thoughtful people. In the end we need everyone we can muster to accomplish a meaningful change.”

“Yeah, we should think about that.” Lefty was reminded of origins by the mention of Antam and evolution over the millennia. “Professor, what do you think Antam might be likely to say about so many people who choose social and economic paradigms that serve the few at the expense of the many, including themselves?”

“When I've spoken with Antam, he's talked mostly about human origins. If we visit his camp, you can ask him yourself. How do you see the current human condition?”

Lefty thought a moment before he spoke. “Most people accept the notion that we compete in a free society. We believe that's so and that it is the ideal social mechanism. It's supposed to produce the greatest material progress for all. It's considered natural that the winners take most for themselves. Of course the rest must have less as a consequence but that's rarely if ever noticed. As wealth is concentrated more suffer want and poverty and/or grow deeper in debt.

“It seems obvious to me that the economic principle of each individual competing in his own self interest could only have led to many working for the benefit of the few and their ministers. That's destructive to the community, which is the source of material production. We believe we've freely chosen to live in such a way that most of us must suffer so a few and their sellouts can live extravagantly. Most think this is the best of all possible worlds. What are most people thinking?”

“I can answer that last question with a quote,” Veritas said with a wry smile. “Mark Twain said, 'Most people don't think. They just think they think.'”

Carlos has an idea. “Lefty, imagine that you're an up and comer. At some point you see that no matter how hard you work, you can never produce enough on your own to be rich. In order to acquire so much property and goods, others must work for you. So your task then becomes to assemble an economic base of workers to produce your wealth for you.

“Obviously, if it takes ten or a hundred or a thousand or more people to produce enough wealth for one to be rich, not very many of us can be rich no matter how hard we work. And none but a few CEOs can make it by working for someone else. In reality they're managing and taking a cut from the production of those who work for the owners. That is: management does no work itself. It skims from the work of employees, just like the owners.

“It may be that few of the rich ever think about this aspect of zero sum reality. But if they do, they aren't going to share it with us through the TV or newspaper empire they own. Quite the contrary. They're going to busy themselves convincing us we're free and all have the same opportunity they have. If we're poor it's our own fault. But, whether they're aware of their mendacity or not, they'll teach their children of their superiority and how to keep most of us working for them for all of eternity if they can manage it. And their system seems to be working for them.”

Lefty nodded with understanding. Radi was moved to speak up. “Successful media campaigns are big reasons why the system works for them. And we're made susceptible to the propaganda by the

belief system that's instilled from the time we start to be aware of our surroundings.”

A few minutes earlier, J-Bird and his bull dog had just posed the con's first really violent threat. There'd been more subdued negative reactions to a number of revelations about abstract economy that were made by the Professor over the past few weeks. It needs to be emphasized that these were somewhat less heated interactions with the right than that just experienced.

Three weeks ago the pros had been forever, it seemed, discussing the common wisdoms that are repeated almost ritualistically by the cons. In fact they've been repetitious, if not liturgical in their own right.

“Of course they're highly moral and righteous persons, in there own minds.” Recalling allusions to righteous hard work, Lefty spies a chink in armor of conservatives' minds. He will try to prize it open a bit. “They believe the rich have worked hard and deserve what they've gained. Those who need social services are not good, even if they themselves are those losers they're talking about. They seem to identify with those whose excess makes poverty, near poverty and barely making it inevitable for 80-90% of us. I don't know how they are so taken in by the ruling class that keeps us down, by the abuse of wealth and power.

“Even the poorest will argue that they don't deserve what the rich deserve. Are they aware, when they adopt the righteous bent that they're talking about themselves. They believe they don't deserve to live off the government, so they try to hide their food stamps even from themselves. Meanwhile the elite ruling class has outsourced the jobs to make more money. That's part of the reason they have it all. So should 'novus povertus' go extinct? That's nature's way. That's where the too common belief leads. If we do die off, will Safeway and Walmart survive without the government subsidy of welfare that provides so many of their customers with the means to consume? There must be a way to raise consciousness, even for those who apparently don't want to know the truth.”

**{In notes and an email (2/5/11) to Aurora is a discussion of meritocracy.** The choice and opportunity shibboleth is alluded to in that email. It's also the weakest link in the conservative chain of lies. Aurora answered weakly that not everyone would go for the 100k house in the 150k market when I asked what would happen if they did. The closer we come to the libertarian ideal the more wealth is concentrated. The 10% don't want to see this or don't care that the rest of us are suffering. We're on a bad road. A bad road can't come to a good end. It is a zero sum game. That's the physical and mathematical certainty that underlies reality. }

“But we don't see Safeway, ADM or commodities traders calling for an end to the food stamp program.” Cabeza sheds light on an inconsistency. “Oh, their wholly owned politicians might give lip service to the deficit, crippling debt and the evil of social spending and other non specific blather as they court your vote. But like MIC contractors, they know where their profit comes from. They won't let the programs go away, as long as they can still milk them. Who are the real welfare recipients? Remember the Frist family HCA [Hospital Corporation of America] defrauded the government of billions in Medicare heists, while the Senate majority leader, Bill Frist, was denouncing the same government size, spending, waste and social programs. They say that private enterprise is more efficient. Yeah, at stealing from the people and our government.” - [DOJ release](#)

Lefty wants the real welfare recipients to pay. “Can we afford not to tax the people who take the most from government with their scams and give the least back in taxes? Most corporate taxes are avoided and the 15% capital gains, when not evaded, are paid only when investors cash out. How far would 40% of all investors' capital gains, corporate profits [not allowed to slip through loopholes] and executives total compensation go to alleviate poverty or pay down the national debt?

“They've demonstrated that they won't create jobs with it - at least not in America. Hell, they won't even loan it to us to buy houses, since the inflated real estate/mortgage broker scam collapsed. Maybe they'd rather foreclose and sell them back to us when the prices go up or even sell them at a loss to get a quick fix of fees and closing costs again. That we will have no money to buy the houses,

because they have it all, will never occur to them. In their single minded pursuit of individual self interest, the economic elites are blinded to the cumulative destruction of America and Americans that they depend on to buy their products and make them rich.”

“The rich have all the money.” Radi Calize, a mid West Asian observer has an idea. “They own the all the property or the mortgages and both major political parties see that debt is the biggest threat to America. The cons won't see: it's not that we took on the debt; it's that we were forced into it, because too few have too much wealth, that's the problem. The harm to the community has been exacerbated by accelerating concentration of wealth. Why not confiscate the excess plunder of the plutocrats, who've looted America by abstract economic activities. We can recover the loot with taxes on those who have it to be taxed or debt forgiveness forced on the moneylenders? They claim to have earned their ill gotten gains by entrepreneurship but what do the big winners abstract activities really do besides wreck the real economy of production and consumption?”

“They don't want to talk about real solutions.” Carlos Marquez has been watching the game since the late 1950s. “They'll continue to offer “macro-economic” fixes that concentrate on abstract economy and the health of investors, who only want to profit by speculations and financial power plays that parasitize real economy. The experts can't see that their theories have been disproved by the resulting reality. Worse, the clowns running this circus still want to stimulate investment, when Wall St is the only sector that still prospers. What are they investing in and profiting by? If it produced real jobs or products, the American consumers wouldn't need government help.”

The News Hour on 10-15-10 reported that Ben Bernanke suggested a possible “quantitative easing.” Apparently, if implemented, the FED would buy up government bonds to lower the interest rate so investors would move their money elsewhere.

“We're not printing money. The amount of currency in circulation is not changing. The money supply is not changing in any significant way. What we're doing is lowing interest rates by buying Treasury securities.” - Ben Bernanke, 60 Minutes, December 5, 2010

But he deceives us [or himself] when Ben says he's not printing money. Perhaps the deception is a mental reservation or a dissembling that's unconscious. But just because no physical money is turned out by a real press doesn't mean money isn't created. We can take Bernanke's word for it. The FED Chairman's apparently forgotten what he'd said on the same show to the same interviewer 21 months earlier.

“The banks have accounts with the Fed, much the same way that you have an account in a commercial bank. So, to lend to a bank, we simply use the computer to mark up the size of the account that they have with the Fed. It's much more akin to printing money than it is to borrowing.” - Ben Bernanke, 60 Minutes, March 15, 2009

I've heard American businesses are sitting on a lot of cash they're afraid to spend on anything considered risky. I suggest that anything real is considered risky, while collateral backed debt or government bonds that drive us deeper into the hole that Wall St created are seen as secure investments. What proposals like “quantitative easing” really indicate is that, while economists, bankers, investors, CEOs and the politicians they collectively own focus on their abstract money making inventions, they fail to remember what an economy really is.

“Only the FED, the government is the problem.” Corpo Dupese has the answers. “Investors just need the certainty of predictability and security before they'll risk their money. We must keep their taxes low and reduce government debt to give them confidence. They know what to do to save America.”

“They know what makes money for themselves.” Cabeza couldn't believe anyone could be so naive. “They refuse to know that their profit has always and can only concentrate wealth, even as they maneuver us in support of their avarice and greed for a bigger yet share of the community's produce.

The more they have the greater percentage they take by profit on investment and the more we and the economy must suffer. It's a zero sum game after all. The more the economy grows the greater percentage of wealth they hoard. Exponentially accretive concentration of wealth is like a systemic cancer of the financial sector.”

“The investors' profits are the malady, which afflicts the economy we depend on for life.” Radi concurs. “Those who say that government is the problem are either the liars that own it, who took it away from we the people, or they're fools. Forget the trickle down nonsense. The tide is rising only on the rich shore. It's receding from ours. Our boats will bottom out. But you winners don't know much about the interactions of Sun, Moon and Earth, do you? Why should you? It's only fundamental to the existence of life. What do economists, conservative politicians and especially their dupes want to know of reality, physical or economic?”

Carlos Marquez promotes a people's economic theory. “Concentration of wealth is what ails the economy. 'Quantitative Easing' sounds impressive, to the layman, but in the end it only hides the economists' ignorance. If they aren't ignorant fools, they're con artists and frauds. There is no monetary solution. If the rich invest the money they're hoarding, they will make even more and wealth will be more concentrated, because they'll continue to want to maximize profit by keeping wages low. That means the double crush of the American consumer, who works for less and loses even that to outsourcing and higher prices for lower quality merchandise. The rich have it all. They want to keep it all and get even more. They've destroyed the economy by investing in high return credit and ignoring real production. They don't have a clue about what they have done and are doing.”

“Thank you Ayn Rand.” Cabeza doesn't mince words. “You fucking moron! Thank you Milton Friedman, you cynical liar - you son-of-a-bitch!”

[http://www.democracynow.org/2010/11/19/economist\\_ha\\_joon\\_chang\\_on\\_currency](http://www.democracynow.org/2010/11/19/economist_ha_joon_chang_on_currency)

Extended interview:

[http://www.democracynow.org/blog/2010/11/12/economist\\_ha\\_joon\\_chang\\_on\\_the\\_g20\\_summit\\_currency\\_wars\\_and\\_why\\_the\\_free\\_market\\_is\\_a\\_myth](http://www.democracynow.org/blog/2010/11/12/economist_ha_joon_chang_on_the_g20_summit_currency_wars_and_why_the_free_market_is_a_myth)

DN-Ha-Joon-Chang-tries-explain-collapse-response-inadequacies-11-19-10

Corpo Dupese didn't hear Cabeza. He was depressed by Carlos's exposition but couldn't quite see reason. It was too much for him to imagine. All that mattered, he'd learned, is making money. “What difference is there,” he thinks, “whether one makes and sells a material product or gets it quick and dirty on Wall St?”

When he heard a trusted mentor say that every dollar loaned to a consumer was multiplied ten times or more as it was spent and spent again, Corpo's spirit arose to the scent of money in the air. You'd think he'd actually received something other than the good word. “Have you heard about the multiplied effect?!”

Lefty just rolled his eyes. He's not convinced that the velocity of money is a sound theory on which our livelihoods can depend. However, he has something to say about investment in investment that we call banking or finance.

“Are they aware that they're saying: perpetual motion of money can support an economy? What's being serviced by the circumlocutions of finance? We no longer produce many material consumer goods domestically. In lieu of manufacturing in America, our investors fund it in China. In America, real production has been replaced by the abstract activities of the financial industry. But that works well for big bankers and elite Wall St investors. It doesn't seem to be working very well for at least 80% of us. I suspect the percentage for whom the economy works is shrinking. If not already, it will soon be less than 10% of Americans that will benefit from the scheme. Can a people survive, if we don't produce the goods we need to live? What happens when we can borrow no more to buy them from the Chinese? How have we been conned?” - [Democracy is Coming...to the USA By Tim Gatto](#)  
ICH-Gatto-Corporatist-Propaganda-10-14-10.pdf



“Since 2003, it's not China but Germany, that colossus of European socialism, that has either led the world in export sales or at least been tied for first. Even as we in the United States fall more deeply into the clutches of our foreign creditors -- China foremost among them -- Germany has somehow managed to create a high-wage, unionized economy without shipping all its jobs abroad or creating a massive trade deficit, or any trade deficit at all. And even as the Germans outsell the United States, they manage to take six weeks of vacation every year. They're beating us with one hand tied behind their back. . . .” - Thomas Geoghegan - [Were You Born on the Wrong Continent?](#)  
AN-McNally-on-Geoghegan-Ger-up-US-down-10-14-10.pdf

Carlos Marquez is usually skeptical of the claims of the defenders of concentration of wealth. “The cons say that if we drop the tax, the outsourcers will bring back the profits and invest them here. That's ludicrous of course but the fools lap it up. Those profits are the money we borrowed from the rich to buy the outsourced products in the first place. These people had their chance to invest in America but the invisible hand twisted their arms, so they invested in China. They may loan it to us again but what kind of moron believes they will invest it in jobs here?”

“Presidents say we'll innovate our way back to prosperity and trade solvency. But not all political figures march to the corporate beat.”

“Become more innovative? Out-compete? Who or what is he talking about? Big American corporations are innovating like mad all over the world, with research and development centers in China and India. And their profits are soaring. They're sitting on almost \$1 trillion of cash. But they won't create jobs in America because there's not enough demand here to justify them.” - Robert Reich The Big Lie <http://robertreich.org/>

“Sustainable demand depends on secure income and plenty of it.” Dr. Economicus speaks in layman's terms in this instance. The theory that underlies the rhetoric remains rigorous. “That means good jobs. But the supply side wants the profit from cheap labor. They also want us to buy their products. They claim their money making schemes prove they're the 'best and brightest' but their little light is too dim to expose the contradictory elements of their economic theories.”

It didn't take Dupese long to be reset after that last assault on the program which rules his thoughts and usually provides him with ready responses. “If we can just create a healthy tax environment for business, the investors will do their magic.” See? Corpo simply loops back to a previous blather and executes the same old algorithm to arrive at a positive feedback solution of infinite speciousness.

Lefty barely heard him. There was no need to listen to the trite responses he'd heard a thousand times. He was about ten years old when he realized the adults had the same conversations repeatedly. Such support rituals are a comforting background that's conducive to the docility of a puerile population. Nonetheless, a rebellious few eschew reinforcement of conditioned responses and insist on really thinking for themselves. Lefty represents a group that may be less populous than the rarefied ruling class of rich investors. “Not all investment is equal. Investors may choose to put money into a real enterprise that makes a real product. Or they may invest in abstract activities like finance or foreign trade. Finance is divided into banking, credit, insurance or investment funds, derivatives and other frauds, sometimes illegal ones.” Lefty has been paying attention to Carlos and Veritas.

Carlos reinforces and elaborates on the lessons learned: “Finance and non productive services have become the most profitable investment and so the 'invisible hand' moves more activity to these areas every year. But we need real goods to live. The profit from investment taxes real production. It's operators take real products from the economy but put none into it. Those who live by investment alone have a negative effect on the economy. They don't provide healthy growth; they stifle it by concentrating wealth and making it harder for the majority to get even basic necessities, because less are produced and their prices rise. They must because investors tax production with their profits.

“Unhealthy growth of GDP, by the perverse and unnatural laws of the market economy, serves

those who invest in the finance and debt that oppress us. Worse, as China begins to allow the rise of their living standard by ignoring strikes and unionization, our prices for consumer goods rise even more.\* If they let the price of the yuan rise, as our idiot economists and politicians have suggested as a cure for the trade imbalance, the cost of everyday goods from China in Walmart that most of us are dependent on will go even higher. And we no longer make the stuff of life at home. But who cares, as long as Wall St knows how to make money on our misery.”

“Now, the Fed and the Congress, two weeks ago, said, 'We want China to raise its currency by 20 percent.' This would create billions and billions of dollars of bonanza for Wall Street banks, and it would enable them to earn their way out of debt by essentially looting the China central bank, the Brazilian central bank, the Turkish central bank and the other central banks, because you can now borrow money in America at one percent.” Michael Hudson 11/5/10

[http://www.democracynow.org/2010/11/5/new\\_600b\\_fed\\_stimulus\\_fuels\\_fears](http://www.democracynow.org/2010/11/5/new_600b_fed_stimulus_fuels_fears)

DN-Hudson-devaluation-11-5-10

\* reported in the Financial Times [June 10, 2010] - Honda's transmission factory's 1,800 workers accepted a 24-33 per cent wage increase. The Chinese connection to the abstractions that tax our economy will be explored further in another section.

Lefty is still listening. “Yeah. It's only common sense that the cost of profit on abstract activity must add unnecessarily to the cost of goods, if the financing is done on a for profit basis. For profit investment is not good for the economy. It's harmful, just like hoards of money and property are good only for the rulers and damage the community and the people in it.”

“I see,” said Radi Calize. “For profit services are more hurtful to us than the things we do of, by and for ourselves on a non profit basis. Leaders who look out for themselves before the community they're supposed to serve, whether politicians, CEOs and executives, or rich investors, have betrayed the Human Race.”

“As the crash of 2008 plays out, Wall St is recovering, while most of our jobs and incomes continue to fail and our homes are foreclosed.” Radi wants to get something going. “The contracts dictated by the perpetrators {stet} of the crime are supported by law and courts of the government they've bought. We the people meekly submit to the Just US System of the Tories who own us. We see our well being decrease as the number of billionaires and the size of their fortunes increase. Why don't we see the connection? Why don't we grow brains and balls and do something?! Let's undo the damage to our community. Let's punish the perfidy of the Tory traitors to the American Revolution. Who are the ruling class?”

“You've got it all wrong!” T. Partes's nationalistic fervor is part of the belief system that bolsters his self image as the rugged individual. An attack on his rich role models questions his faith that it's the government, not its owners, that keeps him from the wealth that would make him one of them. That they've bought his nation is so remote a notion that it's as far from his grasp as the riches he imagines. “We need to take our government back from the socialists. They're the reason we aren't rich yet!”

“They've undermined democracy by buying our government with funds their corporations have conned or extorted from you.” Caliente isn't coolheaded enough to see that T. can't be reached by reasonable emotional rhetoric. “Let's quit fawning and sucking up to them. They no longer create many jobs, because they don't invest in anything real. Almost none of their employees do anything useful. They invest in credit and finance: the subjugation of America with debt. Then they tell us if we take back what they've stolen by taxing them, they won't make jobs. But they don't create jobs or anything else anyway.”

Carlos tags in. “Legal pyramid scams of banking, investment, foreign trade and other usuries that constitute finance can not be sustained without real domestic production. They won't use their hoards to do what needs to be done if we are to survive.”

“We must tax them to death,” says Cabeza. “They're a greater threat to survival than all the tyrants and terrorists since the beginning of time. Moses knew that. Why don't you?”

“. . . Hundreds of millions of dollars are pouring into advertisements for and against candidates — without a trace of where the dollars are coming from.” - [Robert Reich](#)  
Reich-Perfect-Storm-Threatens-Democracy-10-20-10

Everyman is programmed to be a fool. It's impossible to tell him anything because his mind is so filthy with the lies he's internalized that he is inoculated with resistance to the truth. He is made an intelligent moron. Slightly above him are those who “are in the know” that it's about having more than others but still think it's a “good thing.” They confuse moral good with the con artists' success at swindling the rest of us. T. Partes is representative of lower class Republicans and Libertarians, who form most of that group. Some of the ruling elites are also the kind of idiots that eat up that shit.

“Somewhere though, there are the cynical parasites who created the system,” asserts Radi. “They're fools of another sort, who systematically weaken the Human Race for individual gain. They threaten our survival. Until enough of us realize, it's us against them, there is no way to stop them. The rich are the ultimate enemy. They are more dire than all the tyrants and terrorists since the beginning of civilization.”

On the News Hour [9/28/10] Gwen Ifill interviewed two economy gurus on the reason for the the growing difference between rich and poor. Timothy Noah of Slate magazine explained about the profits from increased productivity not being shared like it was for 25 to 30 years after WWII. Gwen wanted to know why the share structure wasn't maintained. That must have been for the clueless among us. Howard University Professor Roderick Harrison stated: it's going to profits [and CEO compensation] instead. They mentioned that Democrats had a better record for sharing than Republicans. - [PBS Newshour: Income Inequality Gap](#)  
income-inequality-NewsHour-9-28-10

Corpo Dupese responded automatically to counter the minimal damage that his conditioned mind may have sustained. Never let the socialists get a foot in the door is the simple advice he's internalized. “The successful entrepreneurs get their just rewards. Free market capitalism is the best of all possible worlds. Why should the best and brightest be dragged down by those of us they've left behind? Are those who point to success and whine that they don't share trying to start a class war?”

“Not me,” insists J-Bird. “I'm not rich but my employers have always been fair. I joined no socialist union but have been promoted and paid as I deserve, before the cutback the greedy unions caused. I had a decent life and won't tolerate your interference in the market that's responsible for it. The government shouldn't pick the winners. Keep your hands off my winnings! We took the risk and we deserve the rewards.” Of course he's not really living as he boasts. Nonetheless he somehow believes his lie.

Lefty ignored the schizoid programmed response. He has a different take on the interview. “No one stated the obvious. Do they know? I wonder when they'll catch on. If they already know, will they ever come clean with us? The rich and their CEO ministers have looted the economy, the nation and the people – with speculation, outsourcing, downsizing and non productive investment in credit and financial gimmicks like [subprime mortgages and derivatives](#). They and the less than 10%, who've sold out to them for a little more than average, betrayed us. When their pyramid scam collapsed they commanded their wholly owned politicians to use taxpayer money, Fannie and Freddie and the FED electronic printing press to buy up the worthless paper the cons had created and grown richer on. They keep the profits of their swindle and we buy up the junk that had taken the fraud's victims. All the elite players got to eat their cake and have it too. Why don't we go after some of the bonuses and profits from the Ponzi?”

On WA Journal, last segment 12/9/10 Janet Tavakoli, author of "Dear Mr. Buffett: What An Investor Learns 1,269 Miles from Wall Street," said that Fannie and Freddie were blamed but not the cause of the collapse. The bad loans were originated by other banks and predatory lenders..

“The corporations and elite investors, with the great man's blessing, take from the community

then take some more or force us to compensate the losers among them, to who bought the junk.” Cabeza Caliente is being uncharacteristically coolheaded. “They have no sense of responsibility to the people who buy the products of their trade with China, which is the predicate of our debt bondage, or to we the people, who use their overpriced services.”

“So the question is, do corporate executives, provided they stay within the law, have responsibilities in their business activities other than to make as much money for their stockholders as possible? And my answer to that is, no they do not” - Milton Friedman

Corpo defended his masterful heroes. “Look at Bill Gates. He's one of the biggest winners of all. He wasn't one of 'them' and he's got billions and gives much of it away. If the good guys of the corporations didn't make jobs for us we'd starve. I'd be rich too if it wasn't for the government regulations and taxes.”

“I guess he thinks one can get rich by working for others, instead of the other way round,” Radi cracks in an aside.

“I don't know what you heard,” Veritas mused aloud to Corpo. “Your answer must have been prepared for you for some other conversation your trainers anticipated. But since you wannabe like the big boys, who are what ails us, think about this. Mark Zuckerberg co-founded Facebook in 2004. By conservative reckoning it's considered a small business. How many jobs did its 26 year old founder create, while amassing \$6.9 billion with his 24% share of the company? If 1700 employees received \$2 million each, it would total \$3.4 billion in compensation. Does an employer [and don't forget the co-founders and principal investors on the board] who hoards a huge percentage of the profit, really benefit the economy? And if one takes that much from the community and gives so little back, in the form of jobs or the creation of permanent wealth, for how many of us is it mathematically possible to succeed?”

\* from: <http://www.facebook.com/press/info.php?factsheet> on 10/5/10 -

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Members: Mark Zuckerberg, Marc Andreessen, Jim Breyer, Don Graham and Peter Thiel; Observer: David Sze;

Observer: Paul Madera

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“Does insubstantial electronic production make anything that's useful?” Lefty has a utilitarian bent. “Yes, entertainment like Facebook is in the end more valuable or at least less harmful than the predatory services of bankers, who make even more money and hurt us more than taxes with their levy on economic activity.”

“When motivated by greed in a for profit financial system, finance becomes unbearable.” Carlos can blend morality and pragmatism. “The marginal services that banking and finance provide, tax and impede more than facilitate economic growth. The 'best and brightest' who work things like Facebook and Banking feed, clothe, house and provide health care for no one but their owners, large shareholders and a relatively small number of operator/employees, none of whom produce a material product that can help to sustain our lives.”

Radi chips in on the *best and brightest*. “Yet every dollar they make, like the cost of crime and punishment, is added to consumer costs and to our GDP. Then they reinvest it in the most lucrative credit industry and make even more out of nothing. It's touted in the propaganda as a sign of strength of capitalist economy. What's really signified is the treachery of academic economists, who sellout to the rich masters.”

“Waste and fraud and gambling; Katrina increases GDP; urban sprawl especially increases GDP. Hours stuck in traffic increase GDP.” - Thomas Geoghegan - [McNally interviews Geoghegan](#)

“The ruling elite class in America is so puerile and stupid! They can't see that their childish greed and vanity are a threat to the survival of us all,” says Cabeza. “They can't see that to win so much from the community for themselves destroys that very thing, which is the source of their wealth. If they are as they claim in their intolerable hubris, 'the best and brightest,' the Human Race is in desperate straits. If the best and brightest can hypnotize themselves to believe that childish greed for wealth and power are not only harmless but a positive good and that their “competition” is constructive, what hope is there that our species can continue much longer? I know Everyman can't see it. It's plainly visible. But so many don't want to know the truth!”

“Let me ask you a question, J.” Veritas, who has calculated the truth about competition, wants to follow up on Bird's warning about his winnings. “How do you quantify winning? How much more than average must one have to be a real winner?”

“Huhnnh?” J was lost at the word quantify.

“If you compete in a game, there has to be a score to determine the winner. How much do you have to win to be made? Ten times the average? Twenty? One hundred? Surely, if you have only two or three times the average net worth, you're merely managing the lowest classes of labor, like them you work to contribute to the real winnings. So what are the odds of getting rich? If ten percent have on average ten times the norm, what's left for the rest of us, besides the negative net worth of eternal debt?”

A blank look betrayed J's mathematical shortcomings. But caution is in order here. A large but poorly educated person might threaten violence when faced with the truth, in order to cover ignorance. Whereas the ruling class's most violent members are constrained by cooler heads to use it stealthily, sparingly and only as a last resort in defense of the perpetual concentration of wealth with themselves.

Veritas ignored the inability to do fourth grade math. “If ten percent of us have only five times the average wealth to themselves, that leaves half the average per capita for the competition amongst the 90%. The average of \$15 trillion over 300 million is \$50,000. If \$25k each was the pie for 270 million Americans . . .”

At which point Carlos Marquez jumped in. “. . . to fight over amongst ourselves. Not many of us can be winners, in that competition, unless most of us starve. Are you starting to get it? Many of us are. When there are enough awakened to the reality of our dysfunctional system, you're going to want to reconsider the question: whose side do Tea Party dupes wannabe on?”

“There'll be no class war on my watch!” Racine was a little worried but remembered to be offended.

Racine Peckerwood spoke as if a businessman boss was listening. “I'm a loyal American. I won't listen to this commie crap.” She put a hand on her purse to open it as Johnnie Bird, a large man who's used to intimidating liberals, shook off his puzzlement, walked up behind her and glared at Carlos.

“Watch it kids. This is Arizona. Everyone has a gun!” Cabeza Caliente said with a little heat as he stepped between the Tweedle twins, J and Racine, and the more academic thinkers and Lefty.

Stop children! This isn't going to happen. Not with the clowns that perform in or run this circus. No one will resort to violence to protect or seize the winnings of the ruling class, without their permission. You can compromise and life will go on as it always has. None of you have the stomach for this anyway. Though some of you can be trained to defend the elites with ruthless violence, you can't act on your own. You must get the word from the officers appointed from on high.

No one actually voiced that admonition. But as if in response to some signal, everyone turned it down a notch or two and the conversation, such as it was, continued. The confederates of the right were silent for a time. Then, as they often do, they walked out of the forum altogether. They were off to have their program reinforced by an injection from a “fair and balanced” demagogue.

Veritas wondered, when he reflected on the proceedings, how to get through the barrier of

ignorance and misguided loyalty on the right. The left might be infused with courage and persistence but that would not be enough strength to deal with the willingness to violent repression by the ruling class. They must have the support of their foolishly conservative brothers, who are the dupes of the rich - and who are also their goons and enforcers, whose treachery to their own is bought for a pitifully few pieces of silver.

The world's once and probably future richest man wasn't forgotten by Radi Calize. "The Gates Foundation has enriched itself, investors and corrupt executives at home and abroad, by the creation of commodities markets in Africa. It was supposed to be a market solution for hunger but it increased starvation due to increases in the cost of food to ordinary people. Their aim was to stabilize the prices for small farmers but they put them out of business and the winners were the chemical/oil companies and banks behind agribusiness corporations - and, of course, the ubiquitous investors and the officials they corrupt."

"Don't forget that the officials, who are bribed, take away the people's land and resources so the Giga corporations can 'develop' the third world," reminds Carlos.

"The Giga enterprises of paper people work well with one another and foreign tyrants in their threat to the Human Race." Radi couldn't pass up the invitation. "[ADM](#) is one of the principle architect/perpetrators {stet} of the growth of hunger. By anti-trust crimes that make money at the expense of corruption of markets (results in increased of food cost) that we depend on for the goods we need to live, it shows itself to be a proud corporatist standard bearer. This criminal against Humanity, boasts of converting food to fuel, which fuels starvation by raising commodity prices, and calls itself the '[supermarket to the world.](#)' What more proof is necessary that market theories are failing, than growing poverty, hunger, debt and homelessness in America and around the world?"

"Any concentration of wealth can only make poverty and homelessness grow," says Carlos. "For the 77 percent of us who live from paycheck to paycheck, capitalism looks more like a failed theory every day. The at least 13% of us are the jobless poor, who are even less well served by our scam economy. At most ten percent still make enough to be comfortable by selling out to the rich masters."

"But don't tax them." Radi Calize waxes sarcastic. "Everyone should pay a fair sales tax. Even the poor. No income tax, no capital gains tax, no inheritance tax will assure that less get rich, while the lucky few stay rich and more become poor. Almost 100% of middle class and working poor incomes will be subject to that travesty of a tax. As in Robin Hood's day, we'll pay tax to support [today's spiritual heirs of] royal aristocracy. In our time and place they are the Tory traitors to the American Revolution. Of course the bourgeois don't care about the mathematical certainty that only a few can be rich. Even petty peddlers and cabbies can be better off than most or the rest of us. They can also pretend that soon they'll be rich too."

Corpo Dupese, reenters stage right. A flat taxer, he demonstrates his ignorance of how income brackets work by saying, "With a flat tax I won't have to worry about an income increase causing a loss by pushing me into a higher bracket."

"Fools need to look at the tax rate schedule in the 1040 instructions. Everyone gets the same deductions and rates up to the point where the net wage, salaries, tips and taxable dividends (the taxable part that's left after all deductions) exceed the bracketed level. The higher tax is paid only on the marginal revenue, not the entire income." Caliente doesn't so much patronize as openly ridicule such ignorant people. "When are you going to learn? I have no respect for the masters who lie to you about such things. I have even less for morons who believe them."

<http://www.alternet.org/story/149265/>

AN-Holland-9-con-lies-taxes-spending-12-19-10

Lefty tries to console the losers with an explanation, though he has little hope that he'll penetrate the too common obtuseness. "If we implement a flat tax, we'll be told it will cover everything from

capital gains to inheritance but whatever 'fairness' it promises will be compromised away in the congressional deals. And sales taxes have always taken a much greater proportion of the incomes of those who can least afford the burden.”

“Don't conservative/libertarian dupes ever learn?” Cabeza's tone betrays his scorn. “In the end, only the middle class and working poor will pay it. I'm not surprised if libertarians don't see that. Their naivety is like that of their heroes. Ayn Rand and Ronald Reagan were hopeless fools. But cynical Tories like Milton Friedman have always known how to play them. Those who promote the 'fair tax' or the 'flat tax' and school vouchers, support education and well being for the rich only. That and general poverty has resulted from the exemption of the rich from taxes, or at least the shift of the principal burden to the poor. The so called 'common sense proposals' will exacerbate an already, for most of us, dire situation. Most Tea partiers, libertarians and middle and working class conservatives are unwitting instruments of their masters' greed. The rest are the evil masters themselves and their ministers, like CEOs and politicians, sellouts, sycophants and wannabes.

“And let me repeat: the Gates Foundation helped Africa by creating commodities markets.” Lefty supplies the facts as he declaims. “When the foundation, some corrupt officials and investors there and here got richer by the creation, the price of food put millions more in danger of starvation. The grand and glorious accomplishment was apparently in harmony with the likes of the Goldman-Sachs wheat bubble a few years earlier. The market isn't the solution. It's the problem.”

<http://www.harpers.org/media/pages/2010/07/pdf/HarpersMagazine-2010-07-0083022.pdf>

HarpersMagazine-2010-07-Food-Bubble

<http://www.harpers.org/archive/2009/06/0082533>

Harpers-Kaufman-Let-Them-Eat-Cash-06-09

Antam is more concerned with the invention of the lies that occlude the real danger from the conservative base. That needs to be better understood and publicized. The left tries to mitigate the damage done to the community by the greed of the ruling elites but doesn't seem able to come to grips with the real problem. At least they're not very effective. How do we expose heart of darkness of our civilized culture of the past ten thousand years? Well, though eventually we must understand where we come from, we're naturally more interested in the truth about the straights we're in today.

“Before we let Gates go, lets examine the latest generosity,” adds Lefty. “The [Bill and Melinda Gates Foundation](#) announced it will donate \$35 million in grants to U.S. community colleges. 'Philanthropist Melinda Gates . . . [talks] about efforts to improve job training and graduation rates there.' - PBS News Hour, 10/5/10”

“Bill and Melinda [Gates Foundation's education mission](#), which is 'to ensure that all students graduate from high school ready for college and career and prepared to complete a postsecondary degree or certificate with value in the workplace.'” - <http://www.alternet.org/story/149232/> by Scott Thill 12-17-10

“The jobs that the community college grads can command will pay less than those filled by H-1B visas that Bill regularly lobbies for.” Radi takes up line. “He never mentions that his outsourcing and in-sourcing of more advanced engineering jobs are a big part of the reason that American kids followed the money to business school. There they learned to loot America, stash the cash in Caribbean banks and bring down the country with a housing and derivative bubble. And most fools, including the one's who were taught to use abstract instruments to assault the economy, still believe they have and can create wealth with works of words and numbers.

“Now the good people who've seen to it that academia no longer creates enough American engineers (partly because the PHDs have returned to Iran, India and China to teach in universities at home) want us to bring back foreigners, who work for less than Americans, to take the few good jobs that are left on our shores, while their philanthropist better halves support education of Americans with

associate degrees, which command half of a living wage, for we who have been left behind by the global economy on which the masters grow richer. What few American engineers we still have, have less buying power than in the 1980s. Managers back then saw the really well paid engineers and scientists, who created the high tech revolution, and set about to downsize engineering because they were jealous. Now the research is done in China and India and the managers don't see anything wrong because their Cayman Island accounts are still growing. Only the rest of America and Americans suffer from their stupidity and greed.”

Cabeza rubs it in. “Suffer behind means you, you bourgeois snobs who disdained the unions that raised your parents from the muck!”

Like Ted Stevens, the truth is no obstacle for Johnnie Bird. “NO! NO! NO! NO! NO!”

“Look at Wall St.” Lefty wasn't impressed by the display of puerile obtuseness and/or denial. “They've inflated the money supply with usuries upon usuries and obscured the fraud with terminology and paper creations. We're saturated with debt and have no jobs or are underpaid. But their profits are unabated and Wall St is happy. Now the president's Fiscal Commission wants to make them happier by making we their victims face the cuts and a national sales tax. How are so many so fooled?”

The energy is winding down, so Carlos keys it up again. “The Caribbean or Swiss accounts continue to grow. When will they see it? 'Free Market Capitalism' is concentrating wealth with a few elites and impoverishing the rest of us. It's time to get mad!

“Finance, including banking, continues to support itself with an unsustainable perpetual motion of circular investment and debt, while they speculate on which scam will blow up first. [For the really slow among you, I'm talking about the 2008 housing bubble and banking/derivatives crisis.] That was inevitable and was predicted over 150 years ago.

“All Twentieth Century theories for the implementation of socialism, we're told, have failed. Open your eyes! 'Free market capitalism' is a more devastating failure yet. Replace it with what? You can't solve a problem until you admit there is one. Anyway, it won't matter to your masters that there's no ready answer to the tyranny that's an immediate threat to our survival. They count on your inability to see through their fraud. They'll eventually be held responsible for the mess they've created, no matter what Milton Friedman said or whether or not it can be undone.

“I wouldn't want to be a well known CEO or politician when the people wake up from their anti government free market delusion, which directs us to turn on ourselves. And we will awaken eventually - Tea Party misdirection notwithstanding. Yeah, there's a class war alright. In the past forty years the ruling class escalated and won it. But the people will rise again. In the meantime, I suggest you grow a garden, get independent supplies of water and energy [solar or wind . . .] and be prepared to get off the grid, because it may go away. Ready or not, we will reap what has been sown by our greedy shortsighted masters.” [Food in Uncertain Times](#)

[http://www.youtube.com/watch?v=ODHz74ZImkw&feature=player\\_embeddedAN-Food-e-Energy-Independence-10-21-10](http://www.youtube.com/watch?v=ODHz74ZImkw&feature=player_embeddedAN-Food-e-Energy-Independence-10-21-10)

“We've taken on debt until we're saturated with it, because we've lost our jobs or are underpaid.” Dr. Economicus is a man of the people. “Downsizing has also affected the educated middle class by the accelerating growth of temporary services that lack benefits and security. Much engineering, software creation and even accounting have moved to Malaysia and India. These are the good jobs that the 1980s promoters of the service economy promised would be created in abundance for Americans. They say now as they said then, it's education you need. But the handful of educated MBA clowns they actually hired are the one's who created this circus of debt. [<http://www.outsourcing.org/>]

“The real American economy, by which we live, has been dismantled and shipped to India, China, South and Central America and the Pacific Rim, to serve the short term profit of elite financial leaders. Whether this was done cynically, stupidly or any combination thereof is irrelevant. It's not why the ruling class did it. It's that they did it.”

“The US computer industry, Grove observed, employs only 166,000 -- fewer than in 1975, when the first PC was



assembled -- while the industry in Asia employs 1.5 million workers, engineers and managers. The world's largest computer maker, China's Foxcon, employs 800,000. They make the products Americans know as Dell, Apple, Microsoft, Hewlett-Packard and Intel.” -Greider; Nation Magazine, reprinted at Alternet- 11-5-10  
[http://www.alternet.org/story/148757/with\\_the\\_world\\_economy\\_on\\_the\\_brink%2C\\_america\\_must\\_start\\_producing\\_for\\_itself\\_again](http://www.alternet.org/story/148757/with_the_world_economy_on_the_brink%2C_america_must_start_producing_for_itself_again)

AN-Nation-Greider-America-produce-11-5-10

What happens is that the Chinese joint venture partners tend to suck the technology out of their foreign partners, and then they kick them aside in a few years. . . . China has offered huge subsidies to Evergreen and other solar manufacturers to build their plants in China. . . . China offered this company interest rates of 4.8 percent, and they financed 60 percent of the new plant in China. And they don't—Evergreen doesn't even have to make a payment of interest or principal on those loans until 2015. So this is a tremendous subsidy to Evergreen.

[http://www.democracynow.org/2011/1/20/has\\_obama\\_assumed\\_the\\_position\\_of](http://www.democracynow.org/2011/1/20/has_obama_assumed_the_position_of)

DN-China-growth-Scott-Belcher-debate-1-20-10

Corpo Dupese has been prepared by the masters. “Are you suggesting tariffs or trade war? We can't interfere in the free market.” Dupes always know that's a bad idea.

“If we force corpses to in-source and produce in America, and tax or tariff their imports, we'll raise prices for Americans dependent on Walmart,” the professor admits. “but that's already happening as the strike at Honda in China and the proposed upgrade of the yuan (plus 20% in '08 and '09 but don't mention it) take effect. To wait for the owners to react to the danger they've created is to allow them to inhibit us from creating a domestic economy that can support our lives, without dependence on China for the things we need to live. When the masters say trade will suffer, they're only looking out for themselves. Trade is not necessary to a real economy that supports our lives. It's only required for the profit of non producing businesses and traders. Perhaps if the latter was spelled differently it would be more obvious who and what they really are.”

Radi Calize sees the need for drastic measures. He thinks compromise with the conservative rich is death to the rest of us. “Dependence on Chinese goods is a threat to our survival. To take the economy into our own hands is what we must do to save our lives. Nationalize the traitorous corporations and banks and tax their ill-gotten profits. The short term problems we might create by fighting for our survival are better than the alternative: free market termination of America and most Americans. You want a solution trade and tariff dilemma? Tax the rich! There's your solution!”

“The corporations move money, instead of doing real work.” Lefty returns to reasonableness, though he can't remember when 'objective' conservatives or libertarians ever really listened to reason. “They rely on trade, by outsourcing manufacturing, while cutting the jobs and incomes of consumers to save money and increase profits. What can go wrong for a snake that eats its own tail? They force us to increase [lucrative to them] debt in order to live, while they ignore the terminal trade imbalance that must result, because profit motive dictates they manufacture offshore.

“The corporate geniuses can't see the simplest truth. If you don't produce anything real and you destroy your consumer base, there no longer is a market. If we want foreign trade, we must make goods to export. If we want a domestic market people must have real jobs that produce real, material products. If the corporations don't care about a domestic market they betray America and Americans. If all the elite investors go for the big payoff of finance and none stoop to lowly manufacturing, the economy must falter.”

“It's their money and property. They can do with it as they please.” John Bird can't differentiate between a rich and powerful corporate person and himself. He fears that limitations on the property and power of those, who use it to bind the rest of us in their debt, will endanger what little he's accumulated, all of which is in his pockets or the kit that must accompany him wherever he goes. Or is it that he thinks we can all be rich and he supports his betters on the prospect?

“What does enlightened self interest mean to we the people?” Caliente is self interested too.

“The corporations care only for the CEOs and principle investors, while they ignore any responsibility to the community that buys their goods and services. The players mostly make nothing and wonder what went wrong with the economy.”

Dr. Economicus explains: “The expert talking heads analyze the leading indicators and moralize about principles but never see fundamental function of economy is to provide us with what we need to live. As long as the Wall St abstractions keep the fortunes of the ten percenters (the sellouts) on the rise, they don't care what happens to the rest of us and don't know they're bringing down their own kite faster.”

Carlos tags in. “They are oblivious to the fact that they and their masters are a parasitic disease that threatens the survival of the Human Race. They just keep on talking.”

“Like the words they give us to explain their [unwitting?] frauds, the activity we still do in America is imaginary – abstract.” Veritas continues. “Ex Nihilo Nihil Fit. Making money out of money is a circle jerk of debt that can't sustain itself or come to a good conclusion.”

Radi speaks for guilty . “Blame it on the UAW or the low price of the yuan. Don't think about what its rise would mean to us and the Chinese or that we don't really make enough goods to offset the trade for our everyday needs anyway.”

“ . . . It is the imaginary, non-linear elements of the [economic] system and especially the attempt to exploit them, that are our problem. While the economy is made to appear confusing or incomprehensible, it is made up of simple transactions. It's better understood as a un-ostentatious algebraic equation. But the con artists who profit the most from the efforts of the community, obscure their looting with a pseudo calculus of derivatives and flawed integration. [of profits under an imaginary line of growth]

The best way to understand the big lie is to note that you can't make something from nothing. Perpetual motion defies the Laws of Thermodynamics. There must be equilibrium between production and consumption to sustain any economy. Usury, ie. finance (or trade) and any service useful or not, take material goods but burden [a] the community with their production. [An economy that doesn't produce enough material goods or pay its workers enough to buy them, cannot short circuit the necessary equilibrium with finance and trade. That only works for a time and only for the greediest few at the top. To be sustainable for the rest of us, it must make real goods.] Making money with money is the most abstract practice and therefore the most dissipative to economy. You can't make something from nothing. . . .”

- agk 7/15/2005 also available at my website: [Post Agrarian Times: Volume 5, Issue 7](#) bracketed inserted by author during present writing

Michael Snyder – September 24, 2010

[http://www.alternet.org/story/148236/15\\_shocking\\_facts\\_show\\_that\\_the\\_middle\\_class\\_is\\_being\\_wiped\\_out](http://www.alternet.org/story/148236/15_shocking_facts_show_that_the_middle_class_is_being_wiped_out)

Collapse-asks-how-does-it-work

Carlos Marquez's expertise is the likely real consequences of concentration of wealth, as differentiated from trickle down theories. “Let's look at the 2007 to . . . crisis. Do economists, in their complex comprehension of the works of our economy, lose sight of its original function in Human Culture? Is it possible that such a deficient viewpoint, which focuses on the profit of a few leaders, occludes the fundamental purpose: to produce the food and material goods we need to live? Some economists are less abstract than others.

“Paul Krugman may be one of the more real economists. He says now is not the time to cut deficits. [The Third Depression, NYT, 6/27/10 and again on PBS News Hour on 8/27/10] That is the lesson of the great depression. He's not wrong but the answer is inadequate. FDR had idle factories to

return to the production of jobs and wealth. In the global economy, America no longer has enough factories that provide the kinds of things that fulfill the needs and wants of the greatest part of the population. We're dependent on China for our day to day consumer goods. For the most part, we no longer have a real economy. Our economic leaders continue to profit in the abstract markets of finance and trade, while we grow deeper in debt and poverty.

“The government can only stimulate consumption and that shorts the formula by half. The jobs that produce most consumer goods have been outsourced. We no longer have an economy that provides the goods we need to survive. Few of us can still support our lifestyles. Soon, we won't even be able to sustain our lives. We must begin to make the things we need to live. To hell with trade and exports that enrich the few at our expense. We can't trade when all that's made is money. The limit to our existence is circumscribed by the concentration of wealth with an elite ruling class and their ministers, the trade imbalance and debt saturation.

“So what's the hold up? Moyers, Stiglitz, Krugman and others have said as much or at least come as close as possible without offending conservatives, who still have the power to stymie any real solution. Doh! I said it myself. The need to compromise with reactionaries precludes the possibility of salvation for their victims of economic fraud, in service to the ruling elite class of investors. How do we do? I don't know for sure, except that no god or hero will save us. We must save ourselves.”

“But the actual world revolves around meeting our genuine needs, which may or may not involve money. In the big picture, money is just one small, much abused abstract tool.” Joe Bageant

<http://www.informationclearinghouse.info/article26693.htm>

Bageant-ICH-Hive-not-so-smart-10-25-10

Tunisia and Egypt, early 2011. Riots in Greece, Spain and Ireland.

See Moses on usury and Jubilee for early thoughts on money and property.

See archives/posts-2008 at agkaiser.org for: [Stimulate What?](#), which was originally posted on January 31, 2008. The file at the website is dated May 23, 2008 due to a reorganization of the pages.

T. Partes called into WA Journal. He said that, “If the Democrats hadn't blocked the reform of Fannie and Freddie by the Republicans and if they hadn't demanded home ownership for those who can't afford mortgages and forced the [poor] bankers to make the loans then there would have been no crisis. More government interference in the market will only make things worse.” He blamed it all on Chris Dodd and Barney Frank. He said, “See the truth at Fox News!”

Lefty looked at Cabeza beside him at another computer in the library, and said about T's comment, “He apparently didn't remember Bush boasting of his positive influence on the economy and that home ownership, a key indicator, was up due to his fine work. I heard that many times including just before the crash.”

' . . . It was George W. Bush, not Vladimir Lenin, who said in a 2002 speech, “We have a problem here in America . . . a homeownership gap,” and said, “we've got to work together to close [the gap] for the good of our country.” This was standard American Enterprise Institute - quality conservative fare.' - [Alternet, Joshua Holland 10/10/10](#)

AN-Cons-Blame-Poor-for-Housing-Bubble

Cabeza nods. “All that Fox will ever tell their dupes (like Partes, wherever he actually gets his disinformation) is that which supports the delusional theories of Ayn Rand and her acolytes like Ronald Reagan and Alan Greenspan. Their goal, if they know it or not, is to divert attention from Wall St looting, which is aided and abetted by the government the corporate owners have hijacked. Another source of flawed ideology and demagoguery is the works of the cynical Tory sympathizer, the late Milton Friedman. The Wall St parasites, including Rupert Murdoch, never see the failure of their paradigms and the unabashed Tories refuse to acknowledge it as long as it can still be milked. Of fools

and hypocrites, I'm not sure who I respect less. Neither do the latter acknowledge that they are Tories, though in fairness they may not be self aware enough to know it. Does that make a difference? I think not. It simply means they're fools as well as liars and vicious parasites. It doesn't mitigate their threat to the survival of the Human Race.”

Glimmer, another pro who's been hanging out, is a contemplative soul. He reflects on the moral and philosophical implications of the growing concentration of wealth in America. “Should anyone have enough money to own more than one home, while others have no home? Is this what James Madison and Thomas Jefferson, the preeminent founders, wanted? They were the soul of the American Revolution.”

The right analogy is not often far from Marquez's reach. “The plutocrats of the founders day were the king and peers they fought against. Would Jefferson and Madison truck with the neo Tory traitors, who have weakened democracy in America with a corporatist empire that buys the government. Would they approve of a conservative activist Supreme Court that aids and abets with “Citizens United,” the rich ruling elite. What did they think of Tory sympathizers in Madison's and Jefferson's day? Would the founders have approved of Antonin Scalia any more than they did Benedict Arnold? The latter sold out the revolution and lived happily ever after in England on the profits from his deal. Clarence Thomas' wife is collecting plenty from her lobbying and he's still aiding and abetting such treachery from the bench. The least he could do is leave America with his questionable profits.” . . . “Justice Thomas may have been operating under an undisclosed financial conflict of interest -- his wife is founder of Liberty Central, a conservative advocacy group, that would have benefited from greased-up fundraising and spending rules” . . .

[Thomas at Koch dinner](#)

[Democracy Now on Citizens United, 10-28-10](#)

DN-10-28-10-Citizens-United

[The Mendacity of Hope](#)

Mendacity-of-Hope\_Hodge-Harpers-10-5-10

Corpo Dupese says government must be minimal. “It should never pick winners. It should protect homeland, persons and property with police and military; government courts must enforce contracts. There is no other legitimate [misuse of word] function of government.”

Glimmer notes that, “We're told that we are free and independent agents, who determine our lives by our choices.” He asks, “Is that common sense really common delusion? Have freedom and democracy in America been fictionalized by corporate power and wealth?”

Calize is certain. “Contracts are abstraction. Reality is concrete. Shall we be ruled by the imaginary? Shall we allow the paper people to bind us to poverty with abstract inventions, like the corporate person-hood itself?” For the benefit of Corpo, J-Bird or T. Partes, his questions are rhetorical. But conservative dupes think the government is the problem. Radi doesn't believe that conservative touch stones are gems.

“The government has no more power than the corporations that own it allow we the people. And that's not much. The government can be the solution, if we take it back from the rich ruling class that's hijacked it.” Cabeza knows what it will take to get our country back. “But the bankers successfully killed 'cram down,' which might have helped to take down the real estate speculators, rich investors and their CEO lieutenants and politician minions (facilitators) who looted America with the derivatives of and the real estate bubble itself. Nothing less than confiscation of the plunder through taxation of the rich will get our real economy going again.

“I don't think it's sinking in as deep as the internalized propaganda about the demon government and too much taxation of the rich parasites and their ministers who've sold us into debt slavery. So I'll say it again ... and again ... and again.”

“You can say it until you're blue in the face. I won't listen to your socialist drivell!” Johnnie is

red faced indignant. He doesn't own much himself but he's been schooled in the danger of a government that is truly of, by and for the people - instead of the owners. He knows what's going on. "The federal government, for itself, has millions of tons of preserved foods stashed away in underground storages, but this food is not for the masses, unless they surrender their firearms, and then they will get a food coupon from the \*feds\* to buy out of the federal government food warehouse wherever it is set up in your area." He and the remaining voices of conservatism withdrew from the discussion at this point.

Radi is puzzled, "Is he talking about food stamps or the commodities food banks? My latest information is that DES in Arizona has a sign banning guns from their building, like the post office, but they don't ask if you're carrying. The Food Bank didn't even have a sign the last time I looked. Anyway what's important is that it's immoral to let people starve but the cons seem to think it's immoral to act through government of by and for the people in our common self interest."

"We must keep in mind that those we've been interacting with are the dupes of the ruling elite class and not themselves the perpetrators of the evil and the defrauders of Humanity." Carlos declaims.

"I'm no longer convinced by or have much hope for the moral argument. Not because it's invalid but because it's so commonly distorted and corrupted, I've despaired of its utility as a motivator for change. Conservatives will not be swayed from the desire to hoard the wealth of the community by a moral argument or complaints about the suffering of others for want of the hoarded resources of survival. By their morality, the cons believe they deserve what they take for themselves and that others have not worked hard enough or been clever enough and so are morally deficient.

"The merit - including the physical strength and willingness to violence - of individuals determines who has and who has not. The cons take it on themselves to be the arbiters of good, evil and merit. They glorify the conqueror and want to keep the spoils. Fitness for war is a natural means of survival to them. Theirs is a clan of raiders, who can't see that if everyone lived as they do there'd be no one producing loot to be robbed. They're Darwinian winners in the Monty Python caste. The Human Race is threatened by their stupidity and greed. Which came first, the belief that we live in a meritocracy or the determination of who is meritorious, by the perverse and destructive standards of conservative/libertarian fools?

"The moral argument is without meaning when each advocate uses a different set of standards, principles, ideals, ideology and, in short, employ opposing moralities. The conservative morality that supports the greed of the few can not dominate forever. It is conducive to concentration of wealth, which will continue until its producers, the rest of us, no longer have enough to survive. Then even the Tea Party fools will awaken to the folly of the people adopting the morality of the ruling class."

"I've heard Antam say: 'Eventually we realize that the morality of greed of the few is a threat to our survival. The more successful it is the less is produced and therefore the less there is for those who dominate the community to steal from it.'" Radi is hopeful. "Whether it takes a critical mass, like the 'hundredth monkey' or whatever, at some point the system will explode.

"Don't bother to try to convince an elite conservative with a moral argument. Better, make them see that it's in their self interest to kick back a little to where it came from, in order to keep the game going. They need to wise up. Louis the XVI and Marie never did and look what it presaged. The cons need to see that their profit is predicated on the consumers who buy their products and services. Without us they can have nothing. Their businesses can't flourish and they can make no money if we have no good paying jobs. That should convince sane aristocrats, even if they don't have enough common sense to fear for their lives."

"That assumes there are sane conservatives. If they can't see the self interest in allowing the rest of us to live, God help them and us." Carlos continues. "The system must collapse when the greedy fools of the ruling class and their middle class ministers have it all. We know that appeals to the sincerity and goodwill of conservative are pointless. They have none. Common sense is also a dead end

for the same reason, if they can't see that our well being is theirs too. If they remain obtuse, the only course left to us will be to try to eliminate the threat.”

{The preceding three week flashback needs Cowboy and lots of polish.}

! decision to go to Antam's retreat

J-Bird and the con's next appearance was on that pay day when J and his pit bull threatened violence.

Veritas Economicus has gathered the progressive caucus for a strategy seminar. “Our conservative counterparts are not responding to reason. How can we get through to them? I suspect that we need them, if we're going to save ourselves in the end. Unfortunately they think each other and all little people are the one's bringing us down by gaming the system. They don't have a clue that the real players are like the Frist family's HCA that bilked Medicare out of billions while railing against the inefficiency of the government their fraud was bankrupting. I don't know how to reach the rank and file or the remnant of the middle class who've sold out for a few [hundred thousand] dollars more than the rest. The petty bourgeoisie are the ones who disseminate the lies of the ruling class. We've got a lot to talk about and then more to do.

“For now though, have you thought about moving the camp to a more peaceful environment?”

Veritas recalls con delusions to begin the lectures series with a recounting of current economic conditions. “Let's put aside immediate responses to their paranoia about government that ignores its corporate ownership. They can't see that intervention to rescue the people from the corporatist rulers is needed or desirable. Let's talk among ourselves about the problems we face. I suggest we start with a rational discussion of the economic threat we face in common with the conservatives, whether or not they know it. Recovery is on everyone's mind. We can talk about that a little then we must complete the discussion of abstract economy to round out our understanding of the real affliction of the economy that we depend on for the things we need to live.

“Recommendations for stimuli or appropriation of productive capacity capital assume we still have the potential for sufficient domestic production to put people back to work. The production and jobs that consumption can promote are offshore or handled by less people and more software. [The software and computers are produced in Asia, like almost everything.] That can't move our economy. We fail to recognize that outsourcing and abstraction of economy (debt, finance and the growth of the more abstract epi layers that are called derivatives) have created a perpetual motion of money machine. Such inventions are usually referred to as bubbles, Ponzi scams, pyramid schemes or banking, Wall St and the inevitable business cycle. We can't convince those at the bottom who've already lost their livelihoods to the global economy and service economy in America that they are the victims of the rich. How will we convince the 10% or so remaining in the middle class that think they've got theirs now. They should care about what's happened to us because they're next?!

“The abstract economy continues by its monetary inertia, which must slowly bleed off, because debt is not a sustainable basis for existence. Nothing comes of nothing. [‘Ex Nihilo Nihil Fit.’ Lear watered that truth down by his petty pursuit of flattery.] Without dramatically increased domestic production and independence from China, our system can only run down in the end.”

Radi rephrases the professors description to reinforce his own comprehension. “No matter how much new blood we pump into it, the elite investors and creditors will suck it dry. We need to invest in production. Those who have the capital won't use it to do what America needs to survive. To do what must be done, we must have back the concentrated wealth and debt holdings that have been hoarded by the principal owners of our democratic republic. Stimulation, without wealth redistribution, can at best produce a short term reanimation of corpus economicus. The concentration of wealth that is killing us is the inevitable end of abstract economy. Moses knew it. Why don't those who would have more of the

same, by reviving the failed model, continue to insist that we stick with this Frankenstein economy?”

“No one will face the truth.” Lefty doesn't mind answering Radi's somewhat rhetorical question. “The liberals and progressives see that the depression can't be averted if the people don't get jobs and relief from debt or somehow have the ability to consume restored in a sustainable way. They aren't willing to take the direct approach. They won't go to where the money is to be had, in order to free America from debt bondage. They won't tax the rich and put the money into domestic production, which investors refuse to do because there's more profit to be had in China or purely imaginary activities like the credit industry.”

“The invisible hand of mindless greed is crippled, withered and useless, except to batter us with its blunt force of the will to domination by the rich. It always has been so.” Cabeza could not keep still.

“The libs don't acknowledge that hoards of money and wealth, a predictable conclusion of the free market, are the substantive cause of the stalled economy.” Lefty hadn't missed a beat as Cabeza had commented in undertones. “They're willing to borrow more from rich investors, which anyone should be able to see can only exacerbate the problem, though it will delay the downfall. They say money is tight but no one asks: where did all the money accumulated by banks, brokers, real estates agents, investors and all the rest go to? How much of the profits from the bubble fraud do they still have?”

“Thus until the private financial sector is fully reformed — or supplemented by parallel financing institutions as was done in the New Deal — high deficits and a high public-debt-to-GDP ratio are inevitable.”

**[There Is No Economic Justification for Deficit Reduction](#) by James K. Galbraith**

J-K-Galbraith-deficitcommissionrv

Carlos explains why they don't see where the money went. “All of the credible players focus on the workings of the economic engine. Even the progressives among them fail to see the overall result of its locomotion. But that myopic vision is better than the answer suggested by conservatives and libertarians.

“The reactionaries' response is to continue to concentrate wealth and immediately exacerbate the downturn. They suggest that a further reduction of entitlements and government spending, which is not to include military privatization bloat that is the most wasted expense, [and the cash cows of their campaign contributors and principal supporters] will cure what ails the economy. They talk about the government debt, which they've created more of than have the demon liberals, as if it's the whole of the problem. The derivative securities, debt and other leveraged 'assets', estimated by some to be \$150+ trillion and by the most timid at \$70T, never cross their little minds. Private debt may be ten times or more than the federal load. Most of that is the leveraged assets of banks and Giga investors. The rich owners have all the money and are the problem but they will only misdirect us to government crimes which they committed and blame on their opponents.”

“Yeah,” interjects Radi. “Reduction of tax on the economic elites, they say, will cause them to create jobs. They recite the rest of the litany, which is derived from their failed trickle down/deregulation theories: wage cuts, a reduction of the wealth of the majority, will make America more competitive; a 'fair tax' which forces those with the least to pay the greatest proportion of what little they have to support corporate welfare; and other equally delusional paradigms that rob the poor to aid the rich. They want all the profit while we pay all the costs. What did Milton Friedman say about externalization of costs?”

Cabeza ignored the question. “Even Robin Hood knew that it made no sense to continue to rob the poor, after taxation by the feudal lord's had broken them and concentrated all the wealth with the masters. The rich man's chicken talk, about the glorious future investment will create, flies in the face of our experience of Wall St players, who find greater profits in outsourcing (to countries whose people have unconscionably low living standards for their majorities) and investment in the credit industry, when they aren't growing rich(er) on the privatization scam, at taxpayer expense. Yet, as Dr. Economicus pointed out, the worst victims and most educated bourgeois can't see where the real

problems lie. Much less do they have a clue about real solutions.”

[More later on the reason that privatized government operations cost 5 to 10 times more than when done of, by and for the people.]

“. . . Republicans have wanted to destroy Social Security since it was invented in 1935 by my predecessor as labor secretary, the great Frances Perkins. Remember George W. Bush's proposal to privatize it? Had America agreed with him, millions of retirees would have been impoverished in 2008 when the stock market imploded. . . .” - former [Labor Secretary, Robert Reich; 9/27/10](#)

[Reich-Repu-Social-Darwinism-10-27-10](#)

Veritas shakes his head sadly. “You're right, Cabeza. I'm not sure how to wake them up. All we can do is study the situation and know certainly that as our understanding of the problem grows, so will the possibility of finding a solution.”

I don't think anyone hears me. I've never studied economics. I'm not in the councils of the elites. I'm not even among their middle class ministers who have more than average incomes and net worth. The superiors claim to have it all worked out. It's said that it's not loyal to free market capitalism to suggest that the American investors on the boards of corporations and the educated middle class who minister to them would betray us with what appears to the untrained mind to be a confidence game. (Is a trained mind one that responds to commands, like a dog?) The “Moral Bankruptcy” that's at the heart of the [virtual] fraud that's damaging our economy and nation, mostly by concentration of wealth, may be politically impossible to address.

<http://motherjones.com/politics/2010/01/joseph-stiglitz-wall-street-morals>  
[MJ-Stiglitz-Moral-Bankruptcy-2-10](#)

“. . . Bankers had taken control of the world's food, money chased money, and a billion people went hungry.” - [www.agkaiser.org/endgame/econ-origins/HarpersMagazine-2010-07-Food-Bubble.pdf](http://www.agkaiser.org/endgame/econ-origins/HarpersMagazine-2010-07-Food-Bubble.pdf) – Frederick Kaufman. - <http://www.harpers.org/media/pages/2010/07/pdf/HarpersMagazine-2010-07-0083022.pdf>

[Harpers-Kaufman-Let-Them-Eat-Cash-06-09.pdf](#)

<http://www.harpers.org/archive/2009/06/0082533>

[Robert Scheer's Columns](#) In Money-Changers We Trust

<http://www.alternet.org/story/149366/>

[TDig-AN-Scheer-Money-Changers-12-29-10](#)

On NPR's Marketplace one day, in the spring of 2010 I heard about computer applications that hold stocks for an average of 11s before trading. The “expert” consultant said the regulators would have a hard time sorting through all the data generated in just the few minutes of trading that surrounded the mysterious thousand point crash and recovery in May of 2010. He also said the people doing the trading were a lot smarter and were paid a lot more than the regulators.

“Whether 11 seconds, minutes, hours or days, imagine some Giga traders leap frogging the price of their respective [near cornered among them] stocks by trading a small part of them back and forth until a school of ordinary fishes see the bait and goes for it.” Is Radi being cynical or just painfully honest? “Then they sell and pick up a bundle. While this is no doubt considered 'smart' and is legal, as far as I know, the benefit to their personal economy is at the expense of ours. (And here lies the zero sum equation that the Chicago Boy's couldn't find.) If the fraud is not legal but hidden in a million lines of code in some trading application, will the authorities ever find it? Is the ability to hide junk in a great pile of garbage an indication of a superior mind that must be bought with an even bigger pile of real money? But more importantly, such operations are purely destructive to economy. They make money out of nothing and no wealth is produced. It's pure inflation that serves the few at the expense of us all.”

'So mythical financial instruments such as derivatives and layers of bets on derivatives, and bets on those bets,



bloomed out there in the “virtual economy,” sending out algorithmic spores that spawned even stranger financial flora. The whole of it could not be understood by any single human participant.’ - [Joe Bageant](http://www.informationclearinghouse.info/article26693.htm)  
<http://www.informationclearinghouse.info/article26693.htm>  
Bageant-ICH-Hive-not-so-smart-10-25-10

Lefty is a little more objective as usual. “Maybe there's no conspiracy to jack the market and cash in on the 'energized' fools who buy into it. So what? On 60 Minutes 10/10/10, some mathematician 'geniuses,' who write the programs that cash in on price differentials that sometimes last less than a second, were interviewed. To a non genius computer scientist, with some experience programming computers, the description of their algorithms didn't seem so arcane. But the interviewer seemed barely able to grasp the meaning of the word, 'algorithm.' Again, so what? Is there any reason why we should understand the nuts and bolts of the game?”

“The purpose of investment, we're told, is to provide capital to those who want to produce some real product for the real market.” Doctor Economicus offers a more theoretical perspective. “That's well understood. Everyone should see that the fast electronic trades make only money that inflates the supply and are counter to the stated purpose of the financial market.”

“They are parasitic on the real economy.” Carlos exclaims, “Wake up people! This ain't rocket science. It's fraud plain and simple. It takes from the community and gives nothing but fast talk [and algorithms] in return. True 'free market' believers think no laws against fraud are needed. People will vote with our dollars. But the con artists have all the cash and own the market. They have too many more votes than us. The fraud is systemic. There is no applicable law. There is no common sense. These operations have yet to be recognized as the fraud that they are. And while most continue to see no wrong in making money any way one can, solutions to our economic problems remain out of sight.”

Veritas speaks in general terms about the workings of Wall St. “Traders don't carry around cash to do their business. How is credit extended to them? How does that work? We're told that by the standard practice (and law in some jurisdictions) of fractional reserve banking an institution maintains a ten percent reserve of deposits or assets and loans out the rest. At the end of each day they borrow overnight loans to make up any shortage of their reserves. Somewhere up the food chain of banking that money may be taken from the discount window at the FED.”

Carlos asks the professor, “People are also borrowing 10 to 100 times the value of their assets. That's called leverage. Are banks doing the same on the assets they hold as reserves?\* Instead of ten percent reserves and loan the rest of deposits, do they utilize ten times [or more] the assets?”

“Not exactly. When the bank or the trader uses his leveraged credit to buy stocks, the money is created on and transferred between the electronic ledgers of the financial institutions that carry the trades. At the end of each day the various financial institutions may have taken in as much as they put out. They may not need to visit the FED. And if the stock prices have increased due to the trading, then so has the value of their assets.

“Do price increases in the stocks due to purchases funded by leverage, create more money assets in the system? Apparently so. I'm certain they do nothing to the existence of material goods and properties that give all currency and securities their value. How many imaginary investments are made on credit backed by imaginary assets? What happens when someone diverts some of the imaginary [leveraged] money to the real world economy of production and consumption of material goods and property?”

\* “. . . President Obama said in April 2009: 'The truth is that a dollar of capital in a bank can actually result in eight or ten dollars of loans to families and businesses.' . . .” Leverage is only one way the banks and elite investors steal from us. There exorbitant fees and penalties add insult to injury.  
[big banks are working overtime to rip you off](#)

The professor continues. "While the accounting rules that deal with leverage are complex, the fact that they can be evaded with disastrous effects are obvious. Google the Lehman Brothers collapse. There's no need to track the maneuvers point by point to see the fraud in the creation of these imaginary assets and electronically minted money."

"Presumably the money they create on their electronic ledgers can be used to buy real goods, on which they drive up the price by competing with the rest of us for things the con artists wouldn't have been able to purchase without the imaginary money their scam injects into the supply." Lefty sees through most frauds eventually. "Is this why they say that easy credit due to low interest rates encourages inflation? Yeah. Right. That's what they were talking about."

"But here's what I'm talking about," says Cabeza. "Banks are allowed to loan us money that they've never had and which strengthens the bonds of our indenture to them. If you can't see what's wrong with an elite class dominating the majority in this way, God help the Human Race, because we're incapable of helping ourselves. We accept the right of parasites to afflict us and threaten our survival and give us only bullshit in return for our freedom and security, which we've surrendered to our masters so they may increase profits that hurt us even more."

Doctor Economicus explains for the layman. "Remember, trading of stocks on the exchange doesn't finance the production of real goods. I doubt even the corporations that trade their own stocks, do so with the intention of increasing their physical capital or manufacturing capacity, if they have any. They're after short term profits and the only thing that most of them make is money that inflates the supply. How is a \$15-20 trillion economy affected by hundreds of trillions worth of derivatives of imaginary securities? Not to worry! The monetarist told us the velocity of money precludes the need to increase the supply and therefore fights inflation. Trade more, trade faster. When imaginary money moves on electronic ledgers it's at the speed of light."

"Stop!" Lefty can stand no more. "No matter how complicated the machinations, the brainchild of the 'best and brightest' can make nothing from nothing. Creation of money, even when we pretend it's not so because the government isn't doing it, can only increase inflation. Will a real economist explain this to us scientifically?"

For the theoretical explanation, we turn again to Professor Veritas Economicus. "Matter and energy are real things but time [space] and compound interest are imaginary. Like the money they create, the latter have no substance. Their only value is for measurement and exchange. Money has a price but is worth nothing on its own. If its supply is mathematically dilated, it suffers a proportional loss of value. Even the price of gold is inflated by our irrational [imaginary] desire for it. The decorative value of gold is specious. Gold money must be exchangeable for useful goods to be worth the price deluded individuals are willing to pay for it. (Delusion is good business for those who sell gold and other specious things.) The money created on paper or electronic ledgers by the FED or other private banks is totally imaginary because no material goods or property has ever existed for it to represent. What's created by the FED at the discount window and banks in credit lines is purely imaginary. What do I mean by that?"

"The money we use today is a complex number. If  $I$  is the inflated money supply then  $I = R + Fi$ , where  $R$  stands for Real money that represents material goods and  $F$  is for Fiat.  $E$ , for Electronically minted, might be substituted for  $F$ , with no change in meaning or validity. It's imaginary either way. We often lay the blame for the decline of the dollar on the government alone. But the imaginary money created on bank ledgers or by other leverage and abstract inventions of finance dwarfs the government printing press by orders of magnitude.

"The experts pretend this isn't happening. If asked about the creation of money and inflation, they'll say the money in circulation hasn't increased. But they're deliberately dissembling, because at that moment its coins and paper money in their mind, as they pretend the electronic variety doesn't

exist. Most questioners don't see through such fraud. See the 60 Minutes interview of Ben Bernanke on 12/5/10”

“. . . In addition to the audit, the Fed for the first time would have to reveal by Dec.1, 2010, the identities of banks and other financial institutions that took more than \$2 trillion in nearly zero-interest loans." -- from the office of Sen. Sanders, 05/11/10. . .” - . . . Money Out Of Thin Air, By Terrence McNally,

<http://www.alternet.org/story/146829/MoneyOutOfThinAir-AN-5-12-10>

In the 1980s, when the business schools were first starting to talk about the service economy, I asked a business major, “What?! Do you expect to just kick back and rule the empire?” That sarcasm was a response to his assertion, during a class discussion, that we could sell ideas and management in place of manufacturing; more jobs would be created here than were outsourced was part of the vision for the glorious future, currently being propagated. He was offended by my incredulity. I never got a chance to follow up my rhetorical question. The boy had complained to the instructor that I didn't understand. No more than a few words were heard of the explanation: to manage production offshore [at least in China or India] was to lose control of it and destroy the ability to produce real wealth in America. The political science professor heard the first few words, which were hotter than I'd intended. He cut me off and changed the subject. That was 1987.

Now it's come to pass that we've lost control of production and the debt that we've undertaken to import foreign goods. We still have “the worlds strongest military” but we can't handle Afghanistan. What could we do to get control of the Chinese or Indians? Even the Pakistanis are starting to nut up on us. No wonder we worry about an Iran with nukes. Then look at the resurgence of resistance to imperial corporate incursions in Latin America. Venezuela, Cuba, Bolivia, Ecuador and Nicaragua are among the members of The “Bolivarian Alliance for the Peoples of Our America” (Spanish: *Alianza Bolivariana para los Pueblos de Nuestra América*, or ALBA) Support for renouncement of debt and “free trade” treaty bonds have also been noted in Brazil, Argentina, Uruguay and Paraguay. If I'm not mistaken, they also participate in Chavez's Bank of the South, that hopes to provide freedom from The World Bank and IMF bondage that masquerades as foreign aid and “debt restructuring.” But our corporatist politicians and media aren't talking about the real developments in Latin America. They seem as naïve as that young man in 1987.

Later in 1987, I remembered a graffiti in a men's restroom in the Physics and Atmospheric Sciences Building at the University of Arizona. The limit as GPA approaches zero in Electrical Engineering equals Business Administration. If I'd thought of it at the time (and kept my cool) I could have gotten my money's worth out of my offense to the sample of the 'best and brightest' I'd encountered that day earlier in the year.

Carlos Marquez: “To really understand the imaginary economy we need an imaginary economist. The real economists either don't know what's going on or will not tell us for whatever reason. Let me tell you something about Veritas Economicus, whom we've all learned to respect in the past few weeks. Despite his Latin sounding name, he's not a South American 'Chicago Boy.' The professor is one of the least renowned and is among the very few competent economists of our day.”

“In spite of what you may have heard,” Dr. Economicus ignored the flattery. “The zero sum equation is as important to any real economics, as it is to physical theories like Conservation of Matter and Energy. So let's start by revisiting the zero sum equation.

“If, like many notorious economists and politicians, you don't believe in it's relevance to the free market, think it over. Here's one applicable equation that might help the process. The amount produced equals the [maximum] amount consumed. So,  $a-b=0$ . The instantaneous measure of wealth on the Earth is fixed at any given moment.

“The percentage of wealth owned by one is denied to everyone else. If a class owns much

greater than the average of wealth then the rest of us must collectively have less [on average] than average. 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 a given class is changing (the first derivative is non-zero) then wealth is either becoming more or less concentrated. The sign of that derivative is more important than instantaneous distribution, because if wealth is becoming more concentrated the majority may become more impoverished and deeper in debt even if the overall production is increasing. That is: a rising tide doesn't necessarily raise all boats. It can put yours on a dry bottom, if you live on a non-rich shore. No doubt those on rich side believe they deserve all that they've won in our competitive economy, because they believe they are the best and brightest. It must be so. They tell us that every day.

“In this discussion we speak only of the real economy of material goods. It's obvious that the zero sum equation of Conservation of Matter and Energy rules all of material reality. Perpetual motion or ex nihilo production are not possible in the physical realm. And that realm includes the real economy.”

“Thanks, Dr. Economicus.” Lefty was impressed. “What do you think of those who game the system by abstract manipulations, while boasting of righteousness founded in American moral superiority and military might? I know they're called the best and brightest. Everyone tends to overlook the downside that's created by winners. Everything they win, we or some third world country must lose. Thanks so much for the mathematics that represent that reality.”

The good doctor smiled and continued the discussion of imaginary or abstract economy. “In the end, all of finance is unsustainable, because it upsets the zero sum game of physical reality. They are making something out of nothing and they ignore us: the one's from whom they win, by injection of imaginary money into the real economy.”

C. Caliente rephrases it his way. “It's their game and the only thing it makes is money. The perpetual motion of money economy is a threat to our survival. But the perpetrators of this crime against Humanity don't understand that their greed is self destructive, as it bleeds the global system that produces their wealth. They're self destructive fools for doing it. We're bigger fools for allowing it.”

“Yeah.” Lefty is a little more reflective. “The invisible hand of mindless greed is the only strategy that capitalistic dogma and dominant ideology permit. It has worked to dig us into ever deeper holes in the past 200+ years. The cons recognize that borrowing money back from the rich and increasing the deficit is not a solution. Conservatives and Libertarians don't see that refusal to invest in American production by the elites (because there's more profit in Chinese industry or purely abstract instruments) as a problem, because it's not affecting them in a negative way. (or they're too stupid to see it)

“Nor do they see that this is a dysfunction of economy and that it is the inevitable end of each individual working in his own self interest. That is: profit motive and competition are the reason for the failure of America, because the winners on Wall St continue to loot the country. They continue to flourish as we grow deeper in public and private debt, from which they profit. Neo con elites are the neo aristocracy or their faithful [co-opted] servants. They've got theirs and don't know or want to know that the world is on a dead end path as a result.

“The preservation of the movement towards feudal like conditions that has been waxing in the West for the past forty years, which have existed in much of Latin America and elsewhere for centuries, is the object of their words, actions and recent obstructionism. They've got theirs and that's all that matters. They are ideologically bound to refuse to tax the hoards of wealth or even to recognize that the growing poverty and the needs of ordinary people are not met by their do nothing obstinacy. So far that's worked to keep the Tea Party base conned. The most tragic flaw in our economy is: as each man pursues his individual self interest, none can see the collective self destruction the invisible hand has nearly accomplished in America.”

“Really people, wake up!” Cabeza is energized. “This is not superior intelligence at work here. Our leaders have seriously flawed reasoning processes and are oblivious to the negative consequences of their greed and stupidity. If they do know that they're operating a fraud but are amoral and unscrupulous, they are still intellectually challenged, or perhaps mentally unbalanced, because they're unaware that they are self destructive. As they win their game by their 'mind boggling' [not really very good theater, great OZ] manipulations, they destroy the rest of us who do the work - when we can get it. In any case, the existence of such devolved individuals is a threat to our common well being. They cannot be called smart. They are a threat to Human survival. But they've always blamed the inflation that's the engine of a 'service industry' business plan on the workers they rip off to make their money.”

The professor continues. “In a real world, wage increases necessary to offset inflation due to the cost of finance are caused by the investors' [abstract] profits. This truth is not expressed by the performances in most economists' repertoires. But outside of a fantasy theater of finance and politics, all unnecessary inflation is due to non productive services. For profit banking and finance do the most damage. Wage increases are damage control required for the survival of ordinary folk.”

“Yes,” Lefty takes it up again. We are already saturated with the debt to the rich that we took in lieu of wages so we could do the consumer duty and continue to live, while they grew richer, especially in the past forty years. The New Deal era is the only period I know of, when the direction (rich richer and poor poorer) was reversed for a time. The damage to the economy by the concentration of wealth over the last four decades, because it reverses Human progress, seems to me more hurtful than any previous aristocratic oppression. Admittedly, the only class war battle loss I've experienced is the service economy's money making scams. They're equivalent to an attack on currency by counterfeiting on a large scale. The money that lenders create on their ledgers or that the FED loans to them at nominal rates and is loaned in turn to consumers, adds to inflation and to the personal cost of the purchases made with it. They win and we lose.”

“Such damage to the Human Race,” says Dr. Economicus, “and threats to our survival are merely the systemic harms caused by the ordinary 'reasonable' (sic) usuries of banking and finance. Throw in the pay day loan banks and credit card abuses by ordinary banks, to start to get a feel for the pain that's being inflicted by the runaway greed of financial parasites and modern day legitimate loan sharks. 'Drive Time' is advertising, 'approved,' bad credit no problem. Are these the same frauds that 'Now' exposed in 2009? The ones who put people in cars, which have been selected by the buyer, then priced after the loan limit is determined? They're knowingly placing credit victims in overpriced cars that they won't be able to keep, in order to get a few months inflated payments then take it back and sell it again. Is that what bankers who pushed subprime mortgages did and was considered reasonable and good standard practice? What of the higher level [of abstraction] derivatives pushers?”

[lure people into that calm](#)

Lure-Totally-Fuck-AN-6-14-10

[http://www.alternet.org/story/147451/meet\\_the\\_man\\_who\\_made\\_a\\_fortune\\_exploiting\\_the\\_poor\\_with\\_payday\\_loans](http://www.alternet.org/story/147451/meet_the_man_who_made_a_fortune_exploiting_the_poor_with_payday_loans)

Payday-loan-king-AN-7-6-10

“All for profit lending and abstractions of finance are death to the economy,” says Carlos. “How much more is the Human Race harmed by the outright legal frauds and extortions of these low life scums? Moses knew in either case. The more money made by interest [usury] the more damage to the real economy that's perpetrated by the financial industry.”

Dr. Economicus has more criticism to share with us. “When credit card companies and banks offer giveaways and 'extra miles,' who pays for them? If the retailers are made to cough up the extra in the form of fees and percentages, they'll add it to the price of the goods – for everyone. The schmucks who go for the rewards will probably pay so much more for their purchases that the reward will be negative. Worse, those of us who don't use credit cards, mostly the poor, will pay to offset your excess

consumption. This is typical of the dysfunction of an economy that's planned by the invisible hand of mindless greed.”

Cabeza is inflamed. “The one tenth of one percent who rule and benefit most from the 'bonus miles,' by their investments in the credit industry, can easily convince the ten percent, if the middle class is still that large, of bourgeois ministers [sellouts for relatively little more] that they've got their seats and they'd better not rock the boat. They don't want to know that the economy is dysfunctional for most of us. If they were forced to face the truth they would harden their countenance and claim they deserve theirs or that they don't care as long as they've got theirs. If wealth hadn't been grotesquely concentrated and economic activity corrupted by outsourcing and investment in investment to begin with, the ruling class would not have so much money to lend us and we wouldn't be forced to borrow it, to get what we need to live.”

“If they would instead invest in production of real goods that give us real jobs and the money to buy their products without borrowing, the economy would have a chance to recover.” Lefty usually tries to temper his criticism with possible solutions, even if they are highly improbable. “But they want the big dividends paid by the credit industry and other purely abstract operations, when they don't go for the cheapest labor by outsourcing manufacturing for maximum profit. Unchecked by reason and sanity, the invisible hand of mindless greed has created an economy in America that can't sustain itself. Worse, we're so far in private [and less so in public] debt even the Chinese are starting to cut us off from the goods we need to live.”

[For more details, look ahead to the section on invisible hand v centrally planned.]

Marquez discounts Lefty's defense of the truly greedy. “The ruling class elites [bankers] and their wholly owned politicians, economists, CEOs and bourgeois sellouts don't want to know the truth. They just want to keep their fraud going as long as possible. They will not see that the system is busted. It could never have done anything but fail. They must be crazy!”

“What's wrong with those morons? Cabeza isn't cool; he won't buy the insanity plea. “They're the greatest threat to survival the Human Race has ever faced. They are our enemy! That's the only way to see it. Yossarian, in 'Catch 22,' knew that the enemy is anyone who will get you killed.”

[on fixing the blame see endgame: Galbraith. What to do about it: Moyers and Pilger.

<http://www.alternet.org/story/148770/>

AN-Galbraith-Obama\_s-Biggest-Mistake-11-7-10

<http://www.alternet.org/story/148720/>

AN-Moyers-OK-that-it\_s-mission-impossible-11-2-10

<http://www.informationclearinghouse.info/article26743.htm>

Pilger-ICH-stand-and-fight-11-3-10]

When the housing bubble first burst, the important facts of the case were denied whenever they came to light. The truth was quickly recovered by the misdirection and disinformation propagated by conservative elites. Since then, the history provided has almost completely obscured the truth.

Cabeza Caliente isn't given to euphemism. “The devolved, degenerate and revisionist American dis-comprehension of ourself propagated by the predators who manage the herd has gained the support of PBS in the past decade. Today NPR assumed the position dictated by the cons, by retro-blaming the mortgage crisis on big government Fannie and Freddie.”

Fannie and Freddie were blamed but not the cause of the collapse. The bad loans were originated by other banks and predatory lenders. - WA Journal, Janet Tavakoli 12/9/10

NPR, 6/25/10 - “Right now they're responsible for the financing of roughly three out of every four [75% of] mortgages,' says Ed DeMarco, the government's conservator who oversees Fannie and Freddie.”

“First, it's my understanding that F&F are a private corporation that the government stands

behind with loan guarantees or FED [also an association of private bankers] funding.” Carlos remembers details long after the media news has forgotten. “Second, two and one half years ago they were on the hook for 60% of all mortgages but only 20% of the bad ones. The “troubled” sub prime loans were issued to make money on fees and commissions, by bankers. Who must be at fault more than anyone else, including the demon federal government?”

With the collapse of housing prices and unemployment, 10% of the previously sound loans held by Fannie and Freddie are now at least 25% underwater and 4M homes are 50% under. Many of those loans are troubled and/or the mortgage holders income has fallen. - WA Journal, Janet Tavakoli 12/9/10

[conservatives typically blame the victims](#)

AN-Cons-Blame-Poor-for-Housing-Bubble.odt

Radi observes, “The derivatives of the loans were the means of obscuring the junk so it could be passed off to suckers like foreign investors and pension funds. NPR claimed it was F&F who bundled the mortgages and created the bad derivatives of bad loans. In fact, despite the revisionist history that's so in vogue in America, if F&F are holding more bad mortgages today isn't it because the Bush regime ordered them to buy them up to bail out the banks, in September of 2008? It was the banks calling the shots. They were responsible. They and their employees and subsidiaries or contractors have kept profits made in the scam at the outset of the mortgage bubble. The average taxpayers were made to fork over even more in that final shearing of the sheep by the administration that orchestrated their rich patrons' [including themselves] first big kill in early 2001. Bush is the first president I can remember who orchestrated two such “cyclic downturn” plunders during a single administrations tenure.” Too big to fail convinced Fannie and Freddie to take the hit for the banks. Instead of their normal function as loan guarantor, they bought up the banks toxic assets to aid their balance sheets. - WA Journal, Janet Tavakoli 12/9/10

When NPR talked to Barney Frank in the next segment, he said that the new financial regulation bill would hold the banks to safe practices, while allowing them to do good business.

“That's not OK,” insists Radi Calize. “There are no safe practices or good business of for profit banking and finance. They concentrate wealth and stifle real economic growth in America like weeds destroy gardens and cultivated fields. Investors rob the economy of vital nutrients by their virtual taxation, the financial profit that takes a cut of almost every activity in which real producers and consumers engage. For profit finance and banking are intrinsically malignant, because they afflict real economy like deadly growths. Concentration of wealth with an elite few is death to the community that creates the goods. Their weapon of mass destruction is the debt we owe them and which we must pay.”

“And when their Ponzi schemes collapse and the price of houses fall below the principal owed, they want not only to keep the ill gotten gains of the scam. They want your house or payment in full on the inflated and fraudulent loans,” said Caliente, without a pretense of a coolheaded demeanor. They still excuse their behavior by saying they believed it when told the housing prices will always go up. [like a real estate salesman.] Janet says its ludicrous to say they believed that prices will always go up. It's [a flat out Ponzi sales pitch] not the analysis for a competent business plan. - WA Journal, Janet Tavakoli 12/9/10

The next three paragraphs were written by me before 12/10/08; See Economic-Fundamentals-Through-Post-Doc which was posted at my website and is still available through the archives link. [Homeless Homepage](#) I've updated the reprint that follows by ascribing it to my newly invented critics like Lefty.

“Let's look at some facts.” Lefty is web enabled. “From Internet searches I was able to piece together useful statistics about the number of mortgages and average amounts. I never did find a direct statement of an estimate of the number at risk but not yet delinquent in the current crisis. The closest I got was the google search for 'mortgage crisis' that pointed me to Wikipedia: 'As of August 2008, 9.2% of all mortgages outstanding were either delinquent or in foreclosure.' They cited the [Mortgage Bankers Association](#), (September 5, 2008) where you can add delinquencies of 6.41% to actual foreclosure proceedings of 2.75% to get 9.16%. I'm going to round it up to 10% of the total of 51

million or so mortgages. I was able to calculate the 51M number from statistics about Fannie Mae and Freddie Mac. [Some of the useful data was gleaned from an Arizona Daily Star article on November 12, 2008]”

Radi notes. “The financial bailout fraud is abundant with typical kinds of spin and distraction that conservative/libertarians use to keep US conned. Republican true believers imply that privatized Fannie and Freddie are really a government entity and not a private, for profit corporation with a taxpayer guarantee that the investors will lose no money. The deceivers try to hold them responsible, though while F&F control 60% of the 50M mortgages in America, they only hold 20% of those at risk. [Arizona Daily Star article on November 12, 2008] If the 10% at risk figure is accurate, then that would leave F&F with about 1.02 million at risk mortgages, while other private financial 'institutions' hold 40% of all mortgages and 80% [4.08 million] of the bad ones.

“MBA's [Mortgage Bankers' Association] David G. Kittle in Senate testimony claims that the average purchase price of homes bought in 2007 was \$313,600 [MBA cited [census data](#) ] if all of those properties were 100% mortgages with no consumer equity accrued, the total of the loans would come to \$16 trillion. Calculated Risk says there's about \$10.5 trillion in outstanding mortgage debt.<sup>2</sup> Conservatives try to blame the consumers, whom the parasites victimized though the bad loans that amount to maybe \$1 trillion. They don't talk about the derivatives of those mortgage “assets” which the financial industry leverage into anywhere from 50 to 100 trillion or more in their pyramid scam/debt kite, which made CEOs and investors richer yet. Pam Martens [A Credit Crisis or a Collapsing Ponzi Scheme?](#) - Counterpunch; November 13, 2008. But they want to protect that hoard. The hoard is the problem. This attempt to blame the victims by the Republican frauds would be laughable if so many Americans hadn't been duped into believing it – yesterday, today and tomorrow. The boobs of the rank and file have been eating this crap forever. . . .”

<sup>2</sup> by CalculatedRisk on 3/06/2008 02:20:00 PM

One of the headlines from the Fed's Flow of Funds report this morning was that household percent equity had fallen to a record low 47.9%. This is a simple calculation: divide home mortgages (\$10,508.8 billion) by household real estate assets (\$20,154.7 billion) gives us the percent mortgage debt (52.1%). Subtract from one gives us the percent homeowner equity (47.9%). - [Calculated Risk web site](#)

- /home/agk/html/volhtml/posts-2008/Economic-Fundamentals-Through-Post-Doc.odt

On 10/7/10, Jon Stewart and The Daily Show reported that MBA had defaulted on its \$79M mortgage on an office building in DC, after its CEO was shown lecturing American homeowners on the moral imperative to pay our debts. On 10/8/10 I googled Mortgage Bankers Association default and got a lot of irrelevant responses and only one [WSJ](#) article (and one external link that referenced it) from 2/6/10 that gave little detail, because the MBA refused to discuss it. The did say they'd gotten \$41.3 from CoStar Group Inc. who “is to receive \$6.1 million in property-tax abatements” from the District of Columbia.

Cabeza Caliente was outraged by the MBA hypocrisy but even more by the difficulty in finding reliable information about it. “As the Internet grows more commercial, the media corporations control of it becomes more obvious. Any information on the crimes against Humanity by the real threat to our existence, the corporations and the Tory politicians they own, are either not reported at all or obscured by the over-reporting of the 'bread crumb sins' of we the people, the victims of the corporatist empire. On '60 Minutes' (May 9, 2010) it was reported that the financial giant Morgan Stanley had walked away from an office building in San Francisco. I googled 'Morgan Stanley default' today (10-8-10) and got a page full of misdirection, including an article in which MS lectures foreign governments on the evil of renouncing their debt.

“Bankers, brokers, investors and middle men up the yin yang have made billions on the loans, while inflating the market to do so. When their Ponzi crashed they want our tax money to guarantee their 'investment' and want us to honor our debts to them as well. Fuck them! The money owed to them,



which they created on their ledgers to begin with, is the reason the economy failed. The cash they stashed in Caribbean and other offshore banks is the loot they stole from us to begin with and which has brought America down. The clowns running this circus are the greatest threat to the survival of the Human Race that has ever afflicted the Earth. They are more onerous than all the tyrants and terrorists since the beginning of civilization.”

“Honor our debts! Are you out of your minds?!” Radi Calize is angry too. “If we can't prosecute the banksters, we can tax them into rags, force them onto the street and let them to suck dicks for a living. We can use the confiscated loot to build houses for honest homeless people who have been the victims of the ruling class investors all along. All other debts will have been forgiven and there will be no billionaire lenders or landlords to drag us down. We can complete the economic recovery by recalling the military from Iraq and Afghanistan and use them to invade the Cayman Islands to retrieve the plunder that the financial pirates buried there. We'll have already saved a bundle by firing all the contractors of privatized military services. If Eric Prince can't be prosecuted we can cut his income and hopefully put him on the street, with the rest of the ruling class parasites. From that happy day onward, we the people will perform financial and other services of, by and for ourselves on a non profit basis.”

On October 20, 2010, Joseph Stiglitz said again that the foreclosures and lack of consumer cash preclude recovery.

\*Nobel Laureate Joseph Stiglitz: Foreclosure Moratorium, Government Stimulus Needed to Revive US Economy

[http://www.democracynow.org/2010/10/20/nobel\\_laureate\\_joseph\\_stiglitz\\_on\\_how](http://www.democracynow.org/2010/10/20/nobel_laureate_joseph_stiglitz_on_how)  
DN-Stiglitz-foreclosure-calamity-10-20-10

A couple of months before I posted Economic-Fundamentals-Through-Post-Doc:

“During the debate, 10/7/08, McCain said, ' . . . the match that lit this fire, was Fannie Mae and Freddie Mac. . . . '

“David Cay Johnston - DN 10/8/08; <http://www.democracynow.org/2008/10/8/debate> - commented, 'Well, the senator from Arizona's description of the facts is just extraordinary for being a fact-free zone. Fannie Mae and Freddie Mac never originated a single loan. They certainly are participants in what went on here, but the problem was caused by this notion of, quote, deregulation.

“ . . . if you can package a loan, securitize it [ed. MBSs, CDSs and other derivatives] and then sell it to places like the pension funds that you and I support with our tax dollars for public employees, then what do you care if the loan goes bad, especially if you get big fees and especially if the more toxic the loan is, the less likely it is to be repaid, the bigger your fees? That's what deregulation has meant, and that's what's brought us to this pass. . . . '

“Milton Friedman didn't believe in zero sum reality. 'The most important single central fact about a free market is that no exchange takes place unless both parties benefit.' - Milton Friedman - Freedom, Economy, Partnership, Profits and 'Most economic fallacies derive - from the tendency to assume that there is a fixed pie, that one party can gain only at the expense of another' - Milton Friedman. His specious pronouncements didn't point out that, though the business dealers all won, the rest of US lost. Ninety percent of US lose to all of the swindlers involved in any financial deal. [Do you] See through Friedman's speciousness? But all the free marketeers, while rejecting zero sum, the heart of game theory, insist that noninterference by government in “outcomes” [a game theory term that describes the result of zero sum interactions] among the 'agents' is the only way to play the game - as long as they're winning.”

- /home/agk/html/volhtml/posts-2008/Devolution-of-Economy-10-8-08.odt

see also: /home/agk/html/volhtml/posts-2008/they-ain't-that-smart-11-1-08.odt

[Note also that even if the pie is growing or the tide is rising, the winners are taking an exponentially

increasing percentage of it. I've already discussed the compound interest on investment. If we continue on this path . . .]

Carlos Marquez: "Our brain dead politicians excuse their service to the Tories, who've countered the American Revolution with the power of their banks, by claiming that to ignore the loud blather of the right wing dupes of the plutocrats would be political suicide. I must ask them: isn't continuing to honor the debts to the elite investors of abstract economy a faster and more concrete death wish for most of us? I say to hell with them all!"

Lefty also deplures self destructiveness but limits retribution to the material realm. "To survive, we must tax the capitalists and corporations in proportion to the profits they extract from the community. At least we must recover the costs of welfare, research, global expansion and corporate environmental damages that are externalized to people and our government. They've promised jobs but given only debt, as they've sucked tax money by privatization of public and military services or invested in credit and other abstractions, which invariably cost more than when we do them ourselves, of, by and for the people on a non profit basis."

"Antam told me once I should read Moses on usury and Jubilee, for a better understanding of the unsustainability of post modern finance, which concentrates wealth constantly." Veritas speaks up. "Without regular reversal of the flow, the dissipative practice must hoard everything and the economy must collapse. Since the defeat of freedom and democracy, by the ruling elite, who bought our government with campaign contributions abetted by the activist conservative judges of the Supreme Court, there is less chance that reason can ever prevail over the greed of the rich. Our survival is more at risk than ever.

"To survive, no more corporate subsidies or bailouts can be tolerated. No more corporate welfare. All the money they make comes from the community of consumers. They must be forced to maintain the base of their business. That base is us and our Planet. If they can't be brought into the Human Community they prey on at the present, then the services they perform must be done of, by and for ourselves on a nonprofit basis. In any case we can't allow the abstract parasitization of our economy, our livelihood, to continue, if we want to continue at all."

A machine to move a substance from a lower place to a higher place has been designed and operated successfully for hundreds of years. It's owners and admirers have come to believe the machine is infallible. But all substances on Earth are finite. When all of the material has been moved to the higher ground, there's nothing more the machine can do. But the owners and admirers will not understand that all that can be done in this way has been done. There's nothing more for their marvelous machine to do.

Our economic engine of free market capitalism has successfully moved all of the wealth and money to the top. The system has faltered because it was so successful. Since higher profits, the sign of their success, have demanded outsourced production and low compensation for the majority of consumers, the rich owners can only loan us back past profits, to create future profits. Theoretically they could sell the foreign made goods in other markets but even the middle class ministers to the neo aristocracy might see the flaw in that plan. So far they've decided to let the abstract part of the machine, finance, operate on monetary momentum, which they hope will become perpetual motion.

The simple truth is: no matter how much motion they induce in the economic corpse, the mortality is due to the concentration of wealth at the top. But they won't give it back so that we can have a real economy again. They want even more. They've got it all and that's the economic disease. They live in denial and will not do what it takes to be cured even if they kill off the Human Race in the process. They've got it all. Their machine has worked too well. There is no more to take from us. The details of the process should be obvious. Nonetheless further examination will be forthcoming.

Ben Bernanke was asked on 60 Minutes [12/5/10] about quantitative easing: buying government bonds to keep down the interest rate. They still think if they can make the market more liquid, the credit issued will result in more jobs. But they don't see or don't want to know that we've crossed the event horizon. The concentration of wealth has achieved a critical mass and nothing can escape to where it's needed, to sustain the life of the economy or the lives of the people who depend on it.

Even if they do loan it back to us so we can buy more and keep the game alive, they will profit even more on the interest and wealth will become more concentrated. What the experts have never seen and apparently never will is that finance [banking] has always been leading to this dead end. Abstract economy was never a sustainable model in the beginning. It could only have led to collapse and no matter how many times we reanimate the corpse it will eventually fail utterly. It has never done anything but suck the life out of the Human Race, for the benefit of a few rich parasites. The expert morons can't see it, because they don't want to know the truth.

Stimulate what?! There's no real economy here. There's only finance. Should we stimulate more outsourcing by loaning entrepreneurs money at interest to further concentrate wealth? How will a bigger trade deficit help? We're too far in the hole they've dug. There's too little real economy left in America since the miracle of trade and profits without production was wrought by the service economy and outsourced manufacturing. The things we the people need to live must be made and distributed of, by and for ourselves. The lower the cost of goods the more broadly they can be distributed. The lowest cost goods and services are those made on a non profit basis of, by and for ourselves. To have hope of continued survival we must take back the means of supporting life and the government that are owned by the ruling class and their corporations.

We began the discussion of the abstract economy of finance with the question: How Does This Work? We've learned that it doesn't. The salient points of the truth that's been exposed are recounted below, thought not necessarily in the order we discussed them.

#### Salients of Abstract Economy Part:

- 0- Investment adds to cost of products and is a cancerous growth of the economy.
- 1- Casino of finance concentrates wealth by compound interest on investment, which is growth of the money supply, not the economy.
- 2- Derivatives accelerate dissipation of economic energy. They further fuel inflation by increasing debt with electronically and privately minted money.
- 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- Denial by the ten percent who've "got theirs" that the pyramid scheme of banking and finance that provides for their well being is at the expense of we the people who are the community.
- 6- We grew up by learning that "the system works!" [for them] Those who've got theirs don't care to know anything else. That it's becoming or is already a threat to the survival of the Human Race will not penetrate their puerile minds.

The world and the Human Race have come to be unified under capitalists. Ten thousand years ago we were all hunter gatherers, who had been successful with that economy for more than a million years. After up to ten millennia of corrupt leadership and a few hundred years of Capitalism, we have devolved to imminent failure due to the corruption of greed and the predictable fraud that we pretend are unavoidable, incidental and negligible.