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Bill Geddes

4th December 2012 (begun in early August 2012 - how time flies!)

Is it getting warmer?

This post is in two parts. I started it in late winter, assuming that spring was still two or three weeks away, but spring came early this year. Spring chores took over and now, with next winter's firewood cut and stacked, I'm back to it:

It is mid-August, winter is tailing off, but it still has a sting in the tail. Yesterday was almost like spring, but this morning the wind had swung to the south-west, it was raining and cold. Now, in midafternoon, the wind has died down, birds are squabbling in the trees in what is obviously an early start to spring-time enthusiasms and the dogs are stretched out on a lawn in the sun.

Early winter might have had a depressing effect, but the promise of spring seems to have reinvigorated everything. All round the property it is the same. Birds are becoming amorous - and just a little belligerent toward possible rivals; bulbs and almonds are in full display; spring flowering plants, shrubs and fruit trees are setting bud; and last evening the frogs were clearing their throats as they emerged from winter hibernation. This morning the froth of their merry-making fringes the dam. One hopes for their sake that they are not being overly optimistic about the end of winter!

It's time to check the woodpile and select trees to be felled for next winter's fuel supply. The pile is larger than usual for this time of the year. It looks as though I could cope with another 2 to 3 months of winter, yet I cut much the same amount of wood as in past years. Could it be that, despite the apparent coldness, this winter has been milder than normal?¹ I don't bother with records so I have no way of knowing, but the woodpile is already about a third of what I need for next year.

Thank the Deity(ies) for Capitalism!

I have found at least 10 trees that will contribute to the pile. Two or three of them are growing too close to power lines², several more have reached their use-by date, and a few fire prone pines and eucalypts near buildings need to come down to make room for fire resistant species (I've already planted about 60 of those this year³).

- [The Virtuous Capitalist, The Poor and the Wasteland](#)
- [Capitalism and Work: the White Man's Burden](#)
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Links:

[Jeremy Geddes Art](#)

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[Complete Home Library](#)

[application](#) (a free 'Windows' application [written by me] which includes an HTML Reader for use in reading these entries on your own computer)

It looks as though I will have more than enough wood for next winter. Everything has started growing again, things are beginning to look rather scruffy! I'll have to start mowing lawns once more.

I have a couple of petrol driven chainsaws with 24" and 26" bars; a diesel tractor/front loader to help control the direction in which trees fall; to move the sawn logs to the pile; and cart the debris to the fire pit; and a log splitter to split the wood ready for the fireplace. And I can do all this over a 3-4 week period at the end of winter and start of spring.

All the above was written in August. It is now late November, the lawns have been mowed and trimmed several times; 15 trees have been felled, cut up and added to next winter's wood pile; the debris piles have been burned and replacement seedlings have been planted and are doing well. It appears that we're headed into an *El Niño* season but late spring is a beautiful time of the year.

The deciduous trees are now clothed in fresh green foliage; the eucalypts tipped with soft red-tinged leaves. The callistemons, white cedars (*Melia Azedarach*) and other spring-flowering shrubs and trees are in full bloom; the banks and beds are vivid with gaillardias, gazanias, statice, roses, ice plants (*Carpobrotus*), bougainvillea, pelargoniums and other flowering perennials. It is easy to pretend that the rest of the world is not real - just a hazy mirage (I've got to stop listening to the News - it brings one back to a rather depressing reality!!).

The frogs were right - we've had warm weather since they spawned and the dam has been alive with tadpoles. Frogs are turning up in the most peculiar places - a small light brown frog had found its way into my rain gauge a couple of days ago - I've no idea how it got there (raining frogs??). The birds are well into nest building and raising their young and even strong winds and rain squalls haven't dampened their ardor. The wild weather has simply encouraged them to carry on their courtships in the relative shelter of the gardens. It is an invigorating time of the year!

Young Barry (a rather intelligent kelpie/huntaway cross), our resident philosopher, reminds me each morning of the nature of reality: according to him, as he prances under a bird feeder and scatters the honey-eaters, life is just one long meaningless bark - but that's all the more reason why we should not take it seriously; why we should enjoy it!

We need Capitalism tempered with Wisdom

I couldn't possibly enjoy my lifestyle without modern equipment. I live in a very privileged time. I'm not anti-capitalist, how could I be? I live in a capitalist world and I depend on the products of capitalist enterprise.

But, I know that we, as relatively intelligent beings, have a responsibility not only to enjoy life, but also to tailor our institutions and activities to ensure the greatest good for all; to enhance human welfare everywhere.

How appropriate for our times is the observation, made more than 2500 years ago and reiterated by humanity's sages throughout history:

How much better to get wisdom than gold, to get insight rather than silver!...

Better to be lowly in spirit along with the oppressed than to share plunder with the proud.⁴

(*The Proverbs* (16: 16, 19))

It would be truly delinquent to abdicate responsibility for our futures to those who have hijacked them; who have placed self-interested greed before human welfare and loudly insist that we are all better off for this.

We have a responsibility to mitigate the social and environmental consequences of the often antisocially driven predilections of a few real-world Scrooge McDucks who have plundered our communities and our environments for their private benefit⁵.

It is not anti-capitalist to question the *status quo*. It is not 'socialist' to suggest that obscene accumulations of 'wealth' should be recycled back into the real-world economy of productive enterprise and social wellbeing; whatever might be claimed by those intent on protecting and 'growing' their 'asset portfolios'.

But, I know that they already hold the high ground. They already control the opinion-shaping apparatuses of capitalism.

There is little or no scientifically valid data to support the claim that the wellbeing of the real economy and the social welfare of people requires that those who accumulate wealth should be able to keep it - as much as both the ideologically driven and wealth accumulators of the world might want us to accept this⁶. Most of that accumulated

wealth becomes trapped in vortex economic activity⁷ .

On the contrary, there is a great deal of scientifically validated evidence that, as Iglesias and de Almeida⁸ (2012, p. 85) put it, normal market exchange activity results in a concentration of wealth in very few hands:

...the system converges to a very unequal condensed state, where one or a few agents concentrate all the wealth of the society while the wide majority of agents shares zero or almost zero fraction of the wealth.

... in the low and middle income classes the process of wealth accumulation is additive (and mainly due to wages), causing a Gaussian-like distribution, while in the high income range, wealth grows in a multiplicative way, generating the observed power law tail.

... a frequent outcome in these models is *condensation*, i.e. concentration of all available wealth in just one or a few agents. This final state corresponds to a kind of equipartition of poverty: all agents (except for a set of zero measure) possess zero wealth while one, or a few ones, concentrate all available resources.

The system on which we rely for our well-being can only deliver a better quality of life for all if it is tailored to that end. Clearly, we need capitalism; but we need it shaped to the long-term benefit of all⁹ .

Let's Stop Blaming Our Victims!

It really is time to ensure the well-being of all, not merely the absurd wealth of a few at the expense of the rest.

The US President Franklin D. Roosevelt, in 1934, during the 'Great Depression', provided a clear road-map for communities and nations wishing to refocus their economies, their communities and their individual lives:

These three great objectives: the security of the home, the security of livelihood, and the security of social insurance--are, it seems to me, a minimum of the promise that we can offer to the American people. They constitute a right which belongs to every individual and every family willing to work. They are the essential fulfillment of measures already taken toward relief, recovery and reconstruction.

This seeking for a greater measure of welfare and happiness does not indicate a change in values. It is rather a return to values lost in the course of our economic development and expansion.

Ample scope is left for the exercise of private initiative. In fact, in the process of recovery, I am greatly hoping that repeated promises of private investment and private initiative to relieve the Government in the immediate future of much of the burden it has assumed, will be fulfilled. We have not imposed undue restrictions upon business. We have not opposed the incentive of reasonable and legitimate private profit. We have sought rather to enable certain aspects of business to regain the confidence of the public. We have sought to put forward the rule of fair play in finance and industry.

It is true that there are a few among us who would still go back. These few offer no substitute for the gains already made, nor any hope for making future gains for human happiness. They loudly assert that individual liberty is being restricted by Government, but when they are asked what individual liberties they have lost, they are put to it to answer.

We must dedicate ourselves anew to a recovery of the old and sacred possessive rights for which mankind has constantly struggled: homes, livelihood, and individual security. The road to these values is the way of progress. Neither you nor I will rest content until we have done our utmost to move further on that road.

(Franklin D. Roosevelt, [Message To Congress Reviewing The Broad Objectives And Accomplishments Of The Administration. June 8, 1934](#))

What can one say but 'Amen'!

It really is time to break out of the mindset of Western capitalism. It is not just 'unfortunate', it is morally reprehensible to blame the victims of aggressive, self-interested capitalism for their degraded circumstances ¹⁰.

[The Last Western Colony \(and its Native Reserves\)](#)

This morning I woke to a news report telling me that Israel was bombing Gaza because its people would not play dead; like a man who has his foot on the throat of another, telling him that this is his

fault because he keeps on 'struggling'. As an Israeli spokesperson put it: "We have to bomb them because they keep shooting rockets at us". And, when the US president Obama was asked for his reaction, he blithely told Gaza to stop shooting rockets at Israel! The West has its own well-developed spin on this sort of thing.

I was brought up on the horrific stories of the Warsaw Ghetto during World War Two¹¹. A trapped and brutalized people were blamed for resisting Nazi oppression, for maintaining their identities and their self-respect and refusing simply to be victims. I was inspired by those stories (and I still am!).

Now, I am witness to similar atrocities, but now I am supposed to accept that the behavior is reasonable because it comes from us! (Yes Us!) No, this is not a 'Jewish' problem, any more than the atrocities of the past, committed against indigenous inhabitants of North America and many other colonial and post-colonial territories, were 'Protestant' or 'Roman Catholic' problems (and yes, Israel is a Western colony, politically, financially and militarily supported by the West; replete with its own 'native reserves'¹²).

The charters and legislative enablers contrived by European governments to justify, in their own minds, the subjugation and dispossession of colonial populations, is matched by similar legalisms of the past 50 years to justify Israeli activity¹³. This report to the US Congress: Jeremy M. Sharp, [U.S. Foreign Aid to Israel](#) (Congressional Research Service RL33222, March 12, 2012) gives an interesting summation of the importance of US involvement in Israel's economic and military strength. As this report says:

Israel is the largest cumulative recipient of U.S. foreign assistance since World War II. To date, the United States has provided Israel \$115 billion in bilateral assistance. Almost all U.S. bilateral aid to Israel is in the form of military assistance, although in the past Israel also received significant economic assistance.

Strong congressional support for Israel has resulted in Israel receiving benefits not available to any other countries; for example, Israel can use some U.S. military assistance both for research and development in the United States and for military purchases from Israeli manufacturers.

In addition, all U.S. assistance earmarked for Israel is delivered in the first 30 days of the fiscal year, while most other recipients normally receive aid in installments. In addition to

receiving U.S. State Department-administered foreign assistance, Israel also receives funds from annual defense appropriations bills for joint U.S.-Israeli missile defense programs.

... On March 5, 2012, House lawmakers introduced H.R. 4133, the United States-Israel Enhanced Security Cooperation Act of 2012. If passed [Signed into law: July 27, 2012 (see [Signing of the United States-Israel Enhanced Security Cooperation Act](#))], this bill would, among other things,

- allocate additional weaponry and munitions for the forward-deployed United States stockpile in Israel;
- provide Israel additional surplus defense articles and defense services, as appropriate, in the wake of the withdrawal of United States forces from Iraq;
- expand Israel's authority to make purchases under the Foreign Military Financing program on a commercial basis;
- encourage an expanded role for Israel within the North Atlantic Treaty Organization (NATO), including an enhanced presence at NATO headquarters and exercises;
- support extension of the long-standing loan guarantee program for Israel, recognizing Israel's unbroken record of repaying its loans on time and in full;
- and require the President to submit a report on the status of Israel's qualitative military edge in light of current trends and instability in the region.

This is a Western problem; yet another display of a predilection for blaming victims for the consequences of our aggressive self-interest which stretches back at least to the late 15th century: they shouldn't get in the way; they need to accept that times are changing; they 'need to adapt'; they need to 'compromise'.

(See [Who were 'The Poor'?](#) for some of the treatment meted out to their own 'poor' by 18th century British elites.)

As Herbert Spencer put it in 1884,

To become fit for the social state, man has not only to lose his savageness, but he has to acquire the capacities needful for civilized life. Power of application must be developed; such modification of the intellect as shall qualify it for its new tasks must take place; and, above all, there must be gained the

ability to sacrifice a small mediate gratification for a future great one.

The state of transition will of course be an unhappy state. Misery inevitably results from incongruity between constitutions and conditions. All these evils which afflict us, and seem to the uninitiated the obvious consequences of this or that removable cause, are unavoidable attendants on the adaptation now in progress.

Humanity is being pressed against the inexorable necessities of its new position – is being molded into harmony with them, and has to bear the resulting unhappiness as best it can. The process must be undergone, and the sufferings must be endured.

No power on earth, no cunningly-devised laws of statesmen, no world-rectifying schemes of the humane, no communist panaceas, no reforms that men ever did broach or ever will broach, can diminish them one jot.

(1884 Ch. 3, p. 40)

Western people have given a great many absurd justifications for their ruthless suppression and exploitation of others through the centuries. It seems that we have not changed our spots!

It's time for the *aggressors* to learn to compromise and adapt. We do neither them nor ourselves any long-run favor by condoning and supporting their behavior.

End Notes

¹ I wonder whether these graphs are relevant?

- This NASA summary of extreme heat shifts in the northern hemisphere: [Shifting Distribution of Northern Hemisphere Summer Temperature Anomalies, 1951-2011](#);
- This Cryosphere Today comparison of melt curves over the past 32 years: [Northern Hemisphere Sea Ice Area](#); and
- This National Snow and Ice Data Center (NSIDC) graph of Arctic ice melt: [Arctic Sea Ice Extent](#).

² on closer inspection, make that 5! The moral: never plant

Monterey pine near power lines - no matter how high the lines are.

³ Experience over the past two decades, in my neck of the woods, makes it prudent to start planting for an increasing likelihood of wildfires through the coming decades. This experience is reinforced by the increasingly strong warnings being given by climatologists.

Here is a NASA report on recent wildfire activity in Western Australia (similar fire activity is developing in South Australia, Queensland and inland New South Wales and, today, the Fire Authority for the Australian state of Victoria has declared a 'total fire ban' with the likelihood of dangerous grass fires 'serious'): [Wildfires Light Up Western Australia](#).

Here is the latest NASA report focused on the United States: [Climate Models Project Increase in U.S. Wildfire Risk](#). As the report says,

... the U.S. land area burned by fire each year has increased significantly in the past 25 years, so too have the emissions. Carbon dioxide emissions from wildfires in the western U.S. have more than doubled since the 1980s, according to Chris Williams of Clark University in Worcester, Mass

So, I've started replacing trees which might pose a fire risk with others less likely to do so. Of course, no trees are truly fire proof, it is a matter of how long it takes to get them going.

There is also a lot of disagreement as to the merits of various trees. My motto is: if everyone seems to agree then treat it as 'fire retardant'; if almost all agree then treat it as 'fire resistant'; if more than half agree then treat it as 'less fire prone'.

And, of course, always test them if you can. I try to get a few off-cuts or branches and toss them on the fire when I'm burning debris. Guess I'm naturally cautious, but I have found a few, which some people have claimed were a fire risk, to be slow to burn - which should allow the fire front to pass with minor problems.

On those grounds:

My fire retardants are, in order of effectiveness (and distance from buildings):

- White Cedar (*Melia Azedarach* - said to be as close to 'fire proof' as a tree can get. In the last disastrous fire in this state, these trees remained unscathed and the buildings they protected were also spared. My experience is that this tree is both drought and salt tolerant (and, of course, for those reasons, considered an environmental risk));
- Pohutukawa (*Metrosideros Thomasii*);
- Plum, Apple, Crab Apple seedlings. All the fruit trees are either seedlings I have struck or cuttings from previously grown seedlings selected for both their fruit and salt tolerance.

The Fire Resistant trees:

- Sydney Red Gum (*Angophora Costata* - not very salt tolerant);
- River Sheoak (*Casuarina Cunninghamiana*);
- Silky Oak (*Grevillea Robusta* - from experience, moderately salt and drought tolerant);
- Himalayan Ash (*Fraxinus Griffithii*);
- White Ash (*Fraxinus Americana*);
- Green Ash (*Fraxinus Pennsylvanica* - an excellent early budding variety, both salt and drought tolerant);
- Common Ash (*Fraxinus Excelsior*);
- Flowering Ash (*Fraxinus Ornus*);
- Claret Ash (*Fraxinus oxycarpa* 'Raywood');
- Golden Ash (*Fraxinus excelsior* 'Aurea');
- Desert Ash (*Fraxinus angustifolia* - both salt and drought tolerant and considered an environmental threat).

The 'Less Fire Prone' trees include:

- Sydney Blue Gum (*Eucalyptus saligna*);
- Gungurru (*Eucalyptus Caesia*);
- Swamp Yate (*Eucalyptus Occidentalis*);
- Cootamundra Wattle (*Acacia baileyana* - best when young, needs to be added to the wood pile after about 10 years);
- various Western Australian *Corymbias* (*Ficifolia* and *Maculata*);

- Black Sheoak (*Allocasuarina Littoralis*);
- Drooping Sheoak (*Allocasuarina Verticillata*).

Of course, no tree is finally safe from a human being with a chainsaw and if I decide that any of these are a fire risk, they will become firewood!

⁴ We, in the West, are losing our way. Everywhere, we seem to be winding down our commitment to anything other than stripped down profiteering. See (Sarah Kendzior, *Aljazeera*, 20 Aug 2012) [The closing of American academia](#) for a depressing picture of what we are doing to our 'institutions of higher learning'.

(And, yes, it really does matter when we replace our colleges and universities with cut-price job certificate factories).

As I explained to a disinterested administration at the 'institute of higher education' to which I was attached at the time of my retirement a few years ago:

Western tertiary institutions are metamorphosing into shop fronts of cut-rate educational packages aimed not at furthering understanding of the issues they address but at satisfying the demand for job-required certificates.

The administrations which have emerged have, largely, already accepted the validity of this new rationale for existence and are geared to cutting production costs of the packages they sell so as to remain competitive in a global marketplace.

All that is now needed is educational packages which consumers will buy. Since consumers seldom know beforehand what should be contained in an educational package, they, so long as the certificate they receive gets them a job, accept the contents as incidental to the main purpose of involvement – increasing their employment prospects.

Commercialism has overtaken and commoditized the organized pursuit of wisdom in Western countries. (See [Consumer Society and Commoditization](#) for more on this.)

In this new world, academic staff ... are reconstituted as assemblers and maintainers of stripped-down educational packages tailored to meeting market demand at minimal cost. Their existence becomes defensible only through the amount of money they generate and by the number of students who buy their wares.

Since administrative personnel are central, previously academic titles become administrative titles; managers are converted into professors and granted pseudo-legitimacy as 'academic leaders'. They then use this manufactured legitimacy to drive academic staff to conform to the new merchandising demands of their metamorphosed institutions. Since they are the new academic leaders, academic staff find it difficult to challenge the legitimacy of their demands, always justified as necessary in an institution 'in crisis'.

The academic consequences for Western tertiary institutions of the activities of these pseudo-academic administrative hierarchies were best spelt out by a hand, writing on the wall of a dining hall in Belshazzar's palace:

"This is the inscription that was written:

Mene, Mene, Tekel, Parsin

"This is what these words mean:

Mene: God has numbered the days of your reign and brought it to an end.

Tekel: You have been weighed on the scales and found wanting.

Peres: Your kingdom is divided and given to the Medes and Persians."

[Book of Daniel (Chapter 5 Verses 25-28)]

Bill Geddes

Of course, even had administrative leaders been concerned about the direction in which they were steering the institutions they had hijacked, they could have done little to alter course. They had been appointed because they were prepared to displace the organized pursuit of wisdom with various income generating schemes, including production of job-required certificates. Had they chosen not to do so, they would have been replaced by other more malleable souls.

See Paul Krugman (*New York Times*, November 25, 2012), [The Fake Skills Shortage](#) for a few of the pressures being brought to bear on employment remuneration in this new world of stripped-down, ultimately self-defeating, profiteering.

(A word of caution on Krugman's position: Krugman believes in the virtues of free trade and globalization, however, he wants to mitigate the effects of the consequences. So, he writes as a person concerned for mitigating effects, while still

supporting the fundamental causative policies. Rather like a Climate Change Denier who, while believing that climate change isn't happening, sees the consequences and wants to mitigate their impacts in people's lives.

Much of the confusion which people often feel in trying to come to grips with economic solutions to social problems stems from similar mismatches between basic economic presumptions and massaged explanations/mitigations of social outcomes. The consequence is that for many, economics seems to be just too difficult to get one's head around: "The confusion I feel must be because I am missing something!!")

For more on the *Summum Bonum* see [In Search of the 'Greatest Good' – The Summum Bonum](#)

⁵ Having subjected my senses for too long to the Bloomberg channel, I am now quite certain that the ability to ruthlessly accumulate wealth - all too often at the expense of the already-poor of this world - does not equate to intelligent breadth of perspective.

Gina Rinehart, Chairman of Hancock Prospecting and 'the world's richest woman', has provided a delightful insight into her mindset:

In a 10-minute video posted on the Sydney Mining Club website, Ms Rinehart said despite wanting to create sustainable jobs in Australia, she and others are being forced to "make a different" choice.

"People who know what it is to hire people...understand better than most what could prevent them from doing so," she said.

Overseas competitors, such as in Africa, can offer much cheaper investment opportunities, she said.

"Furthermore, Africans want to work and its workers are willing to work for less than \$2 per day," Ms Rinehart says in the video.

"Such statistics make me worry for this country's future."

Hitting out at the government, the world's richest woman said our grossly in debt nation will be hurt "as the self-interested complaints of a greedy few is now becoming the accepted truth and more ominously is showing up in incontrovertible data."

Companies in WA are investing in low-cost highly resourced

Africa as businesses need to sell their product on the world market and not at Australian prices.

Australia is slipping down the ranks of global competitiveness due to the carbon tax, red tape, new and increasing taxes and infrastructure that lags well behind the world's best, she said.

(Sarah O'Carroll, '[Australia is too expensive for business says Gina Rinehart](#)' *Herald Sun*, September 05 2012)

As David Lazarus explained in the *Los Angeles Times*:

Just in case you were beginning to think rich people were deeply misunderstood and that they feel the pain of those who are less fortunate, here's the world's wealthiest woman, Australian mining tycoon Gina Rinehart, with some helpful advice.

"If you're jealous of those with more money, don't just sit there and complain," she said in a magazine piece. "Do something to make more money yourself -- spend less time drinking or smoking and socializing, and more time working."

Yeah, let them eat cake.

Rinehart made her money the old-fashioned way: She inherited it. Her family iron ore prospecting fortune of \$30.1 billion makes her Australia's wealthiest person and the richest woman on the planet.

"There is no monopoly on becoming a millionaire," she said by way of encouragement.

"Become one of those people who work hard, invest and build, and at the same time create employment and opportunities for others."

Boom. Almost too easy.

Why are people poor? Rinehart blamed what she described as "socialist," anti-business government policies, and urged Australian officials to lower the minimum wage and cut taxes.

"The millionaires and billionaires who choose to invest in Australia are actually those who most help the poor and our young," she said. "This secret needs to be spread widely."

And now it's out there.

Thank you, rich people. We're not worthy.
(David Lazarus, [World's richest woman says poor should have less fun, work harder](#), *Los Angeles Times*, August 30, 2012)

Like Rinehart, many of those who have limited their horizons to wealth manipulation and accumulation display an 18th century, middle ranking lack of concern for the victims of their exploitation (see [The Virtuous Capitalist, The Poor and the Wasteland](#) for more on this).

Jefferson provided his own astute description of such activity in late 18th century Europe:

...they have divided their nations into two classes, wolves and sheep. I do not exaggerate. ...man is the only animal which devours his own kind.

Yet, how often we hear the victims of their asocial behaviors claim that the ability of such wolves to accumulate wealth equips them to preside over all our destinies!

⁶ See Robert Frank (*The New York Times*, April 12th 2007) [In the Real World of Work and Wages, Trickle-Down Theories Don't Hold Up](#) for more on this. As Frank explains:

Trickle-down theorists are quick to object that higher taxes would cause top earners to work less and take fewer risks, thereby stifling economic growth. In their familiar rhetorical flourish, they insist that a more progressive tax system would kill the geese that lay the golden eggs. On close examination, however, this claim is supported neither by economic theory nor by empirical evidence.

The surface plausibility of trickle-down theory owes much to the fact that it appears to follow from the time-honored belief that people respond to incentives. Because higher taxes on top earners reduce the reward for effort, it seems reasonable that they would induce people to work less, as trickle-down theorists claim. As every economics textbook makes clear, however, a decline in after-tax wages also exerts a second, opposing effect. By making people feel poorer, it provides them with an incentive to recoup their income loss by working harder than before. Economic theory says nothing about which of these offsetting effects may dominate.

If economic theory is unkind to trickle-down proponents, the lessons of experience are downright brutal. If lower real

wages induce people to work shorter hours, then the opposite should be true when real wages increase. According to trickle-down theory, then, the cumulative effect of the last century's sharp rise in real wages should have been a significant increase in hours worked. In fact, however, the workweek is much shorter now than in 1900.

Trickle-down theory also predicts shorter workweeks in countries with lower real after-tax pay rates. Yet here, too, the numbers tell a different story. For example, even though chief executives in Japan earn less than one-fifth what their American counterparts do and face substantially higher marginal tax rates, Japanese executives do not log shorter hours.

Trickle-down theory also predicts a positive correlation between inequality and economic growth, the idea being that income disparities strengthen motivation to get ahead. Yet when researchers track the data within individual countries over time, they find a negative correlation. In the decades immediately after World War II, for example, income inequality was low by historical standards, yet growth rates in most industrial countries were extremely high. In contrast, growth rates have been only about half as large in the years since 1973, a period in which inequality has been steadily rising.

⁷ For more on this see: [Trapped in the Vortex Economy](#)

⁸ See J. R. Iglesias and R. M. C. de Almeida, [Entropy and equilibrium state of free market models](#), *The European Physical Journal B – Condensed Matter and Complex Systems*, Volume 85 (2012), Number 3, 85-95

⁹ I am always impressed, when I again read FDR's vision of an American future, summed up in this explanation made in a 'Fireside Chat' in 1934:

Men may differ as to the particular form of governmental activity with respect to industry and business, but nearly all are agreed that private enterprise in times such as these cannot be left without assistance and without reasonable safeguards lest it destroy not only itself but also our processes of civilization.

The underlying necessity for such activity is indeed as strong now as it was years ago when Elihu Root said the following very significant words:

Instead of the give and take of free individual contract, the tremendous power of organization has combined great aggregations of capital in enormous industrial establishments working through vast agencies of commerce and employing great masses of men in movements of production and transportation and trade, so great in the mass that each individual concerned in them is quite helpless by himself.

The relations between the employer and the employed, between the owners of aggregated capital and the units of organized labor, between the small producer, the small trader, the consumer, and the great transporting and manufacturing and distributing agencies, all present new questions for the solution of which the old reliance upon the free action of individual wills appear quite inadequate.

And in many directions, the intervention of that organized control which we call government seems necessary to produce the same result of justice and right conduct which obtained through the attrition of individuals before the new conditions arose.

...In our efforts for recovery we have avoided on the one hand the theory that business should and must be taken over into an all-embracing Government. We have avoided on the other hand the equally untenable theory that it is an interference with liberty to offer reasonable help when private enterprise is in need of help.

The course we have followed fits the American practice of Government - a practice of taking action step by step, of regulating only to meet concrete needs - a practice of courageous recognition of change. I believe with Abraham Lincoln, that

The legitimate object of Government is to do for a community of people whatever they need to have done but cannot do at all or cannot do so well for themselves in their separate and individual capacities.

I still believe in ideals. I am not for a return to that definition of Liberty under which for many years a free people were being gradually regimented into the service of the privileged few.

I prefer and I am sure you prefer that broader definition of Liberty under which we are moving forward to greater

freedom, to greater security for the average man than he has ever known before in the history of America.

(Fireside Chat-- Sunday, September 30, 1934)

For a clear discussion of some of the consequences of Roosevelt's New Deal policies through the 1950s-1970s, see Paul Krugman, *The Twinkie Manifesto* (*New York Times*, November 18, 2012). As he says,

... in the 1950s incomes in the top bracket faced a marginal tax rate of 91, that's right, 91 percent, while taxes on corporate profits were twice as large, relative to national income, as in recent years. The best estimates suggest that circa 1960 the top 0.01 percent of Americans paid an effective federal tax rate of more than 70 percent, twice what they pay today.

Nor were high taxes the only burden wealthy businessmen had to bear. They also faced a labor force with a degree of bargaining power hard to imagine today. In 1955 roughly a third of American workers were union members. In the biggest companies, management and labor bargained as equals, so much so that it was common to talk about corporations serving an array of "stakeholders" as opposed to merely serving stockholders.

Squeezed between high taxes and empowered workers, executives were relatively impoverished by the standards of either earlier or later generations. In 1955 *Fortune* magazine published an essay, "How top executives live," which emphasized how modest their lifestyles had become compared with days of yore. The vast mansions, armies of servants, and huge yachts of the 1920s were no more; by 1955 the typical executive, *Fortune* claimed, lived in a smallish suburban house, relied on part-time help and skippered his own relatively small boat.

... Strange to say, however, the oppressed executives *Fortune* portrayed in 1955 didn't go Galt and deprive the nation of their talents. On the contrary, if *Fortune* is to be believed, they were working harder than ever. And the high-tax, strong-union decades after World War II were in fact marked by spectacular, widely shared economic growth: nothing before or since has matched the doubling of median family income between 1947 and 1973.

See Warren E. Buffett (*New York Times*, November 25, 2012),

[A Minimum Tax for the Wealthy](#), for some of the consequences of Roosevelt's New Deal policies through the 1950s-1970s and consequences of the neoliberal post-1970s years (and a more realistic summation of the true wealth of those at the top in the 1950s-60s than given by *Fortune Magazine*, as paraphrased above by Paul Krugman). As Buffett says,

Between 1951 and 1954, when the capital gains rate was 25 percent and marginal rates on dividends reached 91 percent in extreme cases, I sold securities and did pretty well. In the years from 1956 to 1969, the top marginal rate fell modestly, but was still a lofty 70 percent — and the tax rate on capital gains inched up to 27.5 percent. I was managing funds for investors then. Never did anyone mention taxes as a reason to forgo an investment opportunity that I offered.

Under those burdensome rates, moreover, both employment and the gross domestic product (a measure of the nation's economic output) increased at a rapid clip. The middle class and the rich alike gained ground.

So let's forget about the rich and ultrarich going on strike and stuffing their ample funds under their mattresses if — gasp — capital gains rates and ordinary income rates are increased. The ultrarich, including me, will forever pursue investment opportunities.

And, wow, do we have plenty to invest. [The Forbes 400](#), the wealthiest individuals in America, hit a new group record for wealth this year: \$1.7 trillion. That's more than five times the \$300 billion total in 1992. In recent years, my gang has been leaving the middle class in the dust.

That US 'leaders' should have seen fit, over the past forty years, to strip and dismantle, rather than adapt and shape Roosevelt's New Deal measures boggles the mind! (See [The emergence of welfarism: Social Costs are Production Costs](#) for more on this.)

¹⁰ How easy it is for those who belong to exploiting groups to blame their victims for the consequences of their policies. First, dispossess them, then, as their communities disintegrate and they become demoralized, point to the consequences as justification for your attitudes and policies (see [Bubbles and Wasteland](#) for more on this).

¹¹ See [Fight to the death: Warsaw Ghetto tales of horror, honor, sacrifice in 'Isaac's Army'](#), a review of Matthew Brzezinski's

book, (*Isaac's Army: A Story Of Courage And Survival In Nazi-occupied Poland*, Random House, 2012) for a brief description of it all.

¹² See [Teaching 'the Natives' to Work](#) for more on this common Western colonial approach to the 'management' of indigenous populations - often argued to be not indigenous. As Cecil Rhodes explained of the tribes of the regions which were to become Northern and Southern Rhodesia (Zambia and Zimbabwe): They were invaders, who had no 'real' right to the lands on which they lived.

Here is a Zimbabwe Embassy explanation of what happened:

The advent of European settler occupation of Zimbabwe in September 1890 is the genesis of the dispossession of blacks of their land. The 1893 invasion of the Ndebele Kingdom leading to the creation of the Gwaai and Shangani reserves: the 1896-97 Shona and Ndebele first Chimurenga/Imfazwe (war of liberation); the nationalist struggle in the period before and after the Second World War; the second Chimurenga/Imfazwe which gave birth to the independent Zimbabwe in 1980; the contentious Lancaster House Constitutional negotiations and the Agreement in 1979 and, as already stated the current internal political developments, all bear testimony to the centrality of the land issue in the country's history.

The systematic dispossession realised largely through violence, war and legislative enactments by successive colonial Governments led to the racially skewed land distribution and ownership pattern that until recently was characteristic of Zimbabwe.

Having regard to the political and related problems arising from the Boer controlled Witwatersrand gold fields in the Transvaal, Cecil John Rhodes, the Prime Minister of the Cape, and through his British South Africa Company (BSAC), became fixated with the idea of developing a second Witwatersrand (Second Rand) to the north of the Limpopo river. The Rudd Concession of 1888, fraudulently obtained from King Lobengula, became the vehicle through which colonialists obtained mineral rights in Mashonaland. The concession provided Rhodes with the impetus to obtain a Royal Charter in 1889, which among other things, granted the BSAC authority to administer and govern the region that encompasses present day Zimbabwe. The Charter was

granted notwithstanding King Lobengula's protestations that he had been deceived.

Lobengula repudiated the Rudd Concession stating that he would "not recognise the paper, as it contains neither my words nor the words of those who got it." The response by Queen Victoria to King Lobengula's protestation to this development was that it "would be unwise to exclude white men".

... On account of the settler's superior firepower the African resistance fighters of the Chimurenga/imfazwe were subdued. The rapidity of the establishment of additional "Native Reserves" throughout the country was given impetus with codification – in the British Government's Southern Rhodesia Order in Council of 1898 – of the policy of racial segregation. By the same instrument it was provided that

The Company shall from time to time assign to Natives inhabiting Southern Rhodesia, land sufficient for their occupation and suitable for their agricultural or pastoral requirements

Invariably, this land was located in marginal and low potential areas.

Land acquisition for speculative purposes was the precursor to land acquisition for agricultural production as an economic activity, its euphemism being "white agricultural policy," which commenced in 1908. However, its successful realisation was predicated on the continued dispossession of the African of the best land and the destruction of his property in the years 1908-14. By 1914, white settlers, numbering 23 730 owned 19 032 320 acres of land while an estimated 752, 000 Africans occupied a total of 21 390 080 acres of land, (R. Palmer: *Land and Racial Domination in Rhodesia*, Heinemann 1977).

The end of the First World War saw the BSAC embarking on Land Settlement Policy through the launch of an elaborate and extensive campaign of wooing immigrants to Southern Rhodesia, (British South Africa Company Leaflet of 1st January 1919). The British Government under pressure to accommodate veterans of war as well as mitigate the demands on it arising for the post war economic depression, lent support to the campaign. An increase in the settler population necessarily had to be matched with the

availability of additional land for the new immigrants.
(Embassy of Zimbabwe in Stockholm, accessed 16th Dec.
2012, [Background to Land Reform in Zimbabwe](#))

How wonderfully adept Western people are at contriving and manipulating law to justify naked aggression and land acquisition! And they really do believe the fantasy they create through weaving a web of self-serving legislation to justify their predations. And, yes, they're still doing it!

¹³ See Jim Zanotti, [Israel: Background and U.S. Relations](#) (Congressional Research Service RL33476, November 7, 2012) for a brief description of United States and British involvement in Israel's legitimation, security and expansion since the Second World War.