

Contents of #1
Two Reports on US Rich-Poor Gap
Three Articles in *Mother Jones* on Working People
Libertarian, Meritocratic, and Egalitarian Philosophies
GOP Versus Shared Sacrifice
Jobs-Consumption Connection
Shares of Income and Total Tax Burden
Secret Bailouts from Federal Reserve
Budget Cuts Human Needs
Medicare for All
Film
Books Examining US Capitalism
  Stiglitz, Koren, et al.
New Economics, Third Way
New Economics Institute, Schumacher Lectures

Contents of #2
William Greider
Dick on Steger, *Globalization*
Converting the Economy from War to Peace
Growth
Youth Film Festival
Rich Richer
Economic Slave Trade
World Poverty and Climate Change
Paul Krugman for Keynes
WILLIAM GREIDER

Surely no better summary exists of how “our system of checks and balances, of public safeguards against the might and will of organized wealth, was being bought off” than Bill Moyers’ interview of William Greider in Bill Moyers Journal (PBS, text published in Bill Moyers Journal: The Conversation Continues, New Press, 2011). In all his books Greider followed the money: Secrets of the Temple: How the Federal Reserve Runs the Country; Who Will Tell the People? The Betrayal of American Democracy; and The Soul of Capitalism: Opening Paths to a Moral Economy.

Rev. by Dick Bennett

In Contents Steger announces five main dimensions of globalization: economic (Ch. 3), political (Ch. 4), cultural (Ch. 5), ecological (Ch. 6), and ideological (Ch. 7). However, in his Preface (ii, my paging) he denotes six: these plus technology in the service of all. Steger also recognizes that the meaning of globalization is contested by “power interests,” which he examines particularly as ideology in Ch. 7.

Also in the Preface (iii), Steger openly declares his “critical approach” to be one of “skepticism” toward “market globalization.” It is not a “blanket rejection of either markets or globalization” but an objection to certain liabilities in globalization. What he seeks is the expansion of freedom, justice, equality, and compassion “for all people, especially those living in the global South” and “protection and preservation” for “our planet.” “...my critique is not directed at globalization per se, but at particular manifestations and tendencies that strike me as falling short of the noble vision of a more just and compassionate global order.”
Moving from a War Economy to a Peace Economy

by: Mary Beth Sullivan
Published in the January / February 2012 Humanist

Behind every question about how to get the United States back on track and improve the lives of average Americans (the so-called 99 percent) lies the necessity for economic conversion—that is, planning, designing, and implementing a transformation from a war economy to a peace economy. Historically, this is an effort that would include a changeover from military to civilian work in industrial facilities, in laboratories, and at U.S. military bases.

To that end, I am compelled to share what I’ve learned from reading Seymour Melman, the most prolific writer on the topic.

Melman was a professor emeritus of industrial engineering at Columbia University. He joined the Columbia faculty in 1949 and, by all reports, was a popular instructor for over five decades until he retired from teaching in 2003. (He died a year later.)

Melman was also an active member of the peace movement. He was the co-chair of the Committee for a Sane Nuclear Policy (SANE), and the creator and chair of the National Commission for Economic Conversion and Disarmament. It is reported that Melman was under surveillance by the FBI for much of his career because of his work criticizing the military-industrial complex—a sure sign that there must be something worth hearing in his work. What did he say that the power structure feared?

The economic conversion movement in past decades played a valuable role in bringing together the peace movement and union leadership to do the heady work of imaging how this country could sustain industrial jobs when, as it was envisioned, the United States would cease production of the weapons of the Cold War. It is a history that should not be forgotten.

Melman noted that U.S. industry had historically followed an established set of market rules: industry created products consumers needed or wanted, sold those products, made a profit, and then used those profits to improve production by upgrading the tools for more efficient production.

Military production for World War II began to change these rules of industry, which were later institutionalized in the 1960s when Robert McNamara was secretary of defense. McNamara, who came to the Pentagon after his tenure as an executive at Ford Motor Company, implemented some critical changes.
Within the Pentagon, civilian and uniformed officials were in conflict about the procedures for how to determine the costs of weapons to be contracted for manufacturing. On the one side, led by an industrial engineer, the idea was to base costs on the formulation of alternative designs and production methods—a competitive approach that promoted economic growth. The other side proposed generating costs based on what was previously spent. For the Pentagon, this meant following the “cost-plus” system used during World War II, also known as cost maximizing. As Melman put it in his 2001 book, After Capitalism, “contractors could take the previous cost of making a product for the Pentagon and simply add on an agreed-upon profit margin.”

McNamara opted for the second option. The result was that by 1980, the cost of producing major weapons systems had grown at an annual rate of 20 percent. Melman observed that by 1996, the cost of the B-2 bomber exceeded the value of its weight in gold.

McNamara went on to model the Pentagon after a corporate central office, defining policy, appointing chiefs of subordinate units, and maintaining accounting and management functions with huge discretion. Each military service participated in the process of acquiring material and weapons. This process resulted in tens of thousands of employees becoming hundreds of thousands, paid with U.S. tax dollars, to maximize the profits of weapons producers.


The operation of a permanent military economy makes the president the chief executive officer of the state management controlling the largest single block of capital resources...this combination of [economic, political, and military] powers in the same hands has been a feature of statist societies—communist, fascist, and others—where individual rights cannot constrain central rule.

…Nowhere in the constitution is top economic power conferred.

Among the many critical consequences of the state-controlled industry described by Melman in After Capitalism:

- Firms were no longer efficiency-oriented—rather, industry produced increasingly complicated goods.
- Production had nothing to do with meeting the needs of ordinary consumers. Melman pointed out that even though a nuclear-powered submarine is a technological masterpiece, consumers can’t eat it; can’t wear it; can’t ride in it; can’t live in it; and can’t make anything with it.
- Labor lost control of any decision-making it had over production. With the influx of capital came an influx of white-collar middle managers, and the alienation—or disempowering—of workers.
- Where the U.S. was once a
top producer and exporter of tools needed for production of consumer goods, the complexity of military production focused industry on specialized machinery and tools that have no utility in meeting consumer needs.

- The Pentagon consumed the talents of U.S. scientists and engineers whose skills were needed in other sectors of society.

In one of Melman's last articles, published in the political newsletter *Counterpunch* in March of 2003, his frustration was palpable. He noted that New York City put out a request for a proposal to spend between $3 and $4 billion to replace subway cars. Not a single U.S. company bid on the proposal—in part because the nation no longer had the tools it needed to build its subway trains. In the article, titled "In the Grip of a Permanent War Economy," Melman calculated that if this manufacturing work were done in the United States, it would have generated, directly and indirectly, about 32,000 jobs. "The production facilities and labor force that could deliver six new subway cars each week could produce 300 cars per year, and thereby provide new replacement cars for the New York subway system in a twenty-year cycle," Melman wrote, noting that such an endeavor would depend on well-trained engineers but that "it is almost twenty-five years since the last book was published in the United States on [urban public transportation]."

Percolating within the economic conversion movement that began some four decades ago was a vision to reduce the economic decision-making power of the wartime institutions. The plan was to set up a highly decentralized process, based on "alternative-use committees," to implement the changeover from military to civilian work in factories, laboratories, and military bases. Half of each alternative-use committee would be named by management; the other half by the working people. There would be support of incomes during a changeover.

Nationally, a commission chaired by the secretary of commerce would publish a manual on local alternative-use planning. It would also encourage federal, state, and local governments to make capital investment plans, creating new markets for the capital goods required for infrastructure repair.

Three principal functions would be served by economic conversion: First, the planning stage would offer assurance to the working people of the war economy that they could have an economic future in a society where war-making was a diminished institution. Second, reversing the process of economic decay in the U.S. economy, particularly in manufacturing, the national commission would be empowered to facilitate planning for capital investments in all aspects of infrastructure by governments of cities, counties, states, and the federal government, which would comprise a massive program of new jobs and new markets. (Melman frequently referred to the annual "report card" published by the American Society of Civil Engineers to highlight the declining U.S. infrastructure—deteriorating roads, bridges, schools, and so on—a situation that continues to worsen.) And third, the national network of alternative-use committees would constitute a gain in decision-making power by all the working people involved.

Melman worked with students, union leaders, the peace movement, and with Congress to create momentum around these ideas. There were some key events along the way.
In 1971, George McGovern included the idea of economic conversion when he announced his candidacy for the Democratic presidential nomination. His statement included this position:

Basing our defense budget on actual needs rather than imaginary fears would lead to savings. Needless war and military waste contribute to the economic crisis not only through inflation, but by the dissipation of labor and resources and in non-productive enterprise...

For too long the taxes of our citizens and revenues desperately needed by our cities and states have been drawn into Washington and wasted on senseless war and unnecessary military gadgets... A major test of the 1970s is the conversion of our economy from the excesses of war to the works of peace. I urgently call for conversion planning to utilize the talent and resources surplus to our military... for modernizing our industrial plants and meeting other peacetime needs.

In 1976, SANE held a conference in New York City titled “The Arms Race and the Economic Crisis.” Melman was a featured speaker. This conference was instrumental in winning an economic conversion plank in the Democratic Party platform that year. A decade later, in 1988 and '89, Melman had several meetings with then Speaker of the House, Rep. Jim Wright (D-TX). Wright convened a meeting of certain members of Congress who were committed to supporting the economic conversion bill proposed by Rep. Ted Weiss (D-NY). Speaker Wright told Melman that, in his opinion, the arms race had taken on dangerous but also economically damaging characteristics and that military spending “sapped the strength of the whole society.”

On the first day of the opening of the 101st Congress, Speaker Wright convened a meeting of members who had proposed economic conversion legislation, along with their aids. The purpose was to ensure that all proposals be joined into one, and that this legislation be given priority. To dramatize the importance of this bill, it would be given number H.R. 101.

Melman and SANE were elated. And then reality hit. As Melman reported: “Supporters of such an initiative did not reckon with the enormous power of those opposed to any such move toward economic conversion. In the weeks that followed, these vested interests waged a concerted and aggressive campaign in Congress and the national media to bring down Jim Wright over allegations of financial misconduct.”

The allegations had little substance, but Newt Gingrich, representing a headquarters district of Lockheed Martin, led the Republican attack. Sadly, they won. According to Melman, “Their media campaign drowned out any further discussion of economic conversion... A historic opportunity had been destroyed.”

Even so, economic conversion plans were being developed in California and beyond. A 1990 Los Angeles Times article reported that

Irvine, California Mayor Larry Agran planned to make his home town a national model for economic conversion by using what all presumed would be “under-worked” defense companies to build a major monorail project. He envisioned a major local mass-transportation industry. His proposed Irvine Institute for Entrepreneurial Development would also look for ways to push local rocket scientists toward
environmental cleanup, healthcare, and other such enterprises.

In Los Angeles, Councilwoman Ruth Galanter, with the support of the International Assn. of Machinists, convened a committee to study prospects for converting aerospace jobs to establishing an electric car-manufacturing industry. They argued that there were linkages in technologies and skills across industries.

On the state level, California Assemblyman Sam Farr promoted a package of bills that required the governor to 1) convene an “economic summit” on conversion, 2) appoint a council to study the issue, and 3) come up with a means of facilitating the transfer of military technology to the civilian sector.

At the federal level, Senator Weiss continued to push economic conversion legislation until his death in 1992. (To my knowledge, no other member of Congress has taken on this issue.) But George H.W. Bush’s attack on Iraq in the 1990 Persian Gulf War was a critical nail in the coffin of the national economic conversion movement.

That’s not to say there haven’t been some in the peace movement who have continued to keep the embers of economic conversion alive. In Groton, Connecticut, for example, the local peace community organized a “listening project” to engage the community about what economic conversion might look like for General Dynamics’ Electric Boat Company, builder of submarines for the U.S. Navy. For more than thirty years, the Peace Economy Project in St. Louis has been advocating for conversion from a military to a more stable peace-based local economy. The Woodstock, New York, peace community held a conference in 2009 focused on the conversion of Ametek/Rotron, a local manufacturer that makes parts used in F-16 fighter planes, Apache attack helicopters, tanks, and missile delivery systems. Certainly there are others out there engaging their home communities in envisioning alternatives to continued production for endless war.

My partner, Bruce Gagnon, is the coordinator of the Global Network Against Weapons and Nuclear Power in Space and has been organizing around conversion since the 1980s. His typical question to any audience is: “What is the United States’ number one industrial export?” Audiences across the country shout out “weapons.” He then asks them to consider that if weapons are the number one industrial export, what is the global marketing strategy? “Endless war” becomes the refrain.

In 2003 Bruce and I moved to Maine, in part to be near Bath Iron Works (BIW), the General Dynamics-owned production facility for naval destroyers that are deployed with Aegis weapons systems. These Aegis destroyers are part of the “Star Wars” or missile defense vision; they rely on space satellites when launched toward their targets. Bruce and I joined the vigils organized by peace groups in Bath, and Bruce organized some vigils for the Global Network. We would hold signs critical of the purpose of the Aegis destroyer (after all, it’s not about defense but destruction) and would offer an alternative vision for the factory (build wind turbines, not destroyers). Initially, people laughed, scoffed, scorned, and some spewed hateful things at us.

In 2007 we bought a big house in Bath with a friend, tore down a wall to create a community room, and began hosting conversations about the idea of economic conversion. We interviewed people who had lived in the community for some time. We interviewed workers at BIW, including Peter Woodruff, who joined our conversion study group early on. Broken-hearted by the role of the Aegis destroyers in the shock and
awe campaign on Iraq, he has been a brave and creative organizer inside the shipyard.

As BIW copes with episodic layoffs and a diminishing need for U.S. warships, fewer people scoff at our signs and message. Envisioning a future for BIW in a peace economy is an essential asset to the community.

Meanwhile, there is momentum in Maine to generate wind power options. A professor at the University of Maine is experimenting with composite materials to create a prototype for an offshore wind turbine, and a former governor has created a private company to position wind turbines throughout the state.

As a friend who was an employee at BIW many years ago points out, BIW did convert years ago—from making commercial ships to naval destroyers. Can it experience another conversion now, making wind turbines and other renewable energy products? What if BIW converted to making hospital ships?

The idea of transforming the U.S. military to a humanitarian relief organization is not unheard of; Maine author Kate Braestrup spoke at the state’s Veterans for Peace PTSD conference this year and told the story of her Marine son who has experienced a number of deployments focused on disaster relief. She asked him how he could do humanitarian relief using former instruments of war. He told her it took some creativity, but they were able to transform their equipment to rebuild infrastructure. Braestrup then asked this question: given that devastating extreme weather events will continue to occur, why don’t we build hospital ships at BIW to meet the need for disaster relief—and if we need to adapt the material to fight wars, then certainly we can figure out how to do that, right?

It behooves the peace movement to create a vision that the populace can get excited about—a vision that will capture people’s imagination. A vision that sees the skills and talents of our engineers and scientists creating the renewable energy infrastructure critical to surviving the twenty-first century; a vision that engages peace activists, environmentalists, labor, students, artists, and food security folks in creating plans for how we will warm, feed, and transport people in the year 2040. This is the true security need for the United States, and the world.

Economic conversion is an idea whose time has come. As evidence, I submit that we have an ally in none other than Deepak Chopra, the preeminent leader in the field of mind-body medicine. Few people know that, after the 2008 election, Dr. Chopra sent a public letter to Barack Obama that he called “Nine Steps to Peace for Obama in the New Year.” Asserting that it was an anti-war constituency that elected Obama, Dr. Chopra invoked the spirit of Dwight D. Eisenhower in insisting Obama move from an economy dependent on war-making to a peace-based economy. Dr. Chopra’s recommendations included writing into every defense contract a requirement for a peacetime project; subsidizing conversion of military companies to peaceful uses with tax incentives and direct funding; converting military bases to housing for the poor; phasing out all foreign military bases; and calling a moratorium on future weapons technologies.

The vision is clear, it is obvious, it is mainstream. An important next step for us is to determine what we can do in our home communities to empower local unions and workers, environmentalists, healthcare workers, social workers, secular and spiritual leaders alike, and the neighbors next door to engage—to look around, determine the needs, create the collaborations, and wrestle the funds away to start building a survivable
Mary Beth Sullivan lives in Bath, Maine, near the General Dynamics-owned Bath Iron Works, where naval destroyers, fitted with Aegis weapons systems, continue to be built. She is a social worker who attempts to serve the needs of a growing homeless population in a time of diminishing resources. She is also active with the Global Network Against Weapons and Nuclear Power in Space.

Rethinking the Growth Imperative
Kenneth Rogoff, Op-Ed, NationofChange, January 3, 2012: Modern macroeconomics often seems to treat rapid and stable economic growth as the be-all and end-all of policy. That message is echoed in political debates, central-bank boardrooms, and front-page headlines. But does it really make sense to take growth as the main social objective in perpetuity, as economics textbooks implicitly assume? But there might be a problem even deeper than statistical narrowness: the failure of modern growth theory to emphasize adequately that people are fundamentally social creatures.

READ | DISCUSS | SHARE  http://www.nationofchange.org/rethinking-growth-imperative-1325602509

YOUTH FILM FESTIVAL FOR ECONOMIC JUSTICE
Dear Dick,

View videos of last year’s winners!  http://www.afsc.org/video/winners-2010-if-i-had-trillion-dollars-youth-video-contest

We live in a world of stark contrasts.

Military spending has doubled over the last decade. Wealthy people and powerful corporations benefit from federal tax rates that are lower than they have been in 60 years. With less money coming into federal coffers and more going to the military, job creation and other community needs are increasingly underfunded. Recent census data show a rise in extreme poverty – more than 20 million people living on income that is half or less of the federal poverty line. Economic injustice is reaching further into mainstream America than at any time since the Great Depression.

This historic level of income inequality has prompted thousands across the US to create the Occupy Together movement. At the American Friends Service Committee, we are heartened by this movement’s potential to bring change through nonviolent actions. You can read about our support for Occupiers in many cities—providing offices as places for respite, helping with supplies, and giving trainings in nonviolent tactics—by visiting our web site.
As during past social movements, AFSC is proud to support those working for universal rights and justice, challenging a broken economic system that puts profit before human rights and dignity. We have a long history of supporting communities through crises. We know how critical it is to maintain the safety nets that carry good people through hard times.

AFSC is lifting up the voice of youth through the second If I Had a Trillion Dollars Youth Film Festival. http://www.afsc.org/newsletter/what-would-youth-do-1-trillion Along with our partners at the National Priorities Project, we invite young people to offer alternative visions to the distorted economic choices that come from spending nearly $1 trillion every year on the US military, more than $1 trillion on the wars in Iraq and Afghanistan, and giving more than $1 trillion in tax cuts to the wealthiest Americans. The deadline for submissions is January 15, 2012 and we urge you to share this opportunity with anyone who may be interested in this exciting project.

My colleagues and I are encouraged by your support and confidence in AFSC’s multi-faceted programs that build peace by working for social justice. Please continue to stand with us.

In peace, Shan Cretin, AFSC General Secretary

“Surprise! The Rich Are Still Getting Richer”
"According to a new Congressional Budget Office report released on Tuesday, since 1979 the average, after-tax income of the top one percent of American households has risen 275 percent. Meanwhile, for the poorest one-fifth of the country, it's gone up just 18 percent. And for the biggest slice of 'middle class' America - the three-fifths of homes between the top and bottom 20% - incomes have risen just 40%.


“Challenging the Republicans’ Five Myths on Inequality”
[ This is a fine article by David Morris of the New Rules Project (A Program Of The Institute For Local Self-Reliance). This article should be broadcast to as many people as possible. Carl 1-25-12

http://www.newrules.org/equity/article/challenging-republicans-five-myths-inequality

Michelle Goldberg “Today's Hidden Slave Trade” The Daily Beast
Summary: "Modern human slavery isn't just about sex trafficking - up to 27 million people are forced into labor in the global economy, from tomatoes to electronics to American military contracting in places like Iraq. Michelle Goldberg on our underreported slave trade." Read More:
Neil Watkins, ActionAid USA takeaction@actionaid.org to Dick

Subject: Fight Hunger and Climate Change with ActionAid this Fall

September 15, 2011

Dear Dick,

Please sign our petition and/or order postcards calling on President Obama to support a robust deal to fight climate change when world leaders meet in climate talks in Durban, South Africa in November.

Droughts and famine in the Horn of Africa have claimed tens of thousands of lives. Rising food prices have pushed 44 million more people in poor countries into extreme poverty. And climate disasters and severe weather events are worsening across the United States and around the world.

Global hunger and climate change keep getting worse, and the poorest people on the planet are getting hit the hardest.

ActionAid is confronting these challenges directly with our programming on the ground in more than 40 countries. We’re also advocating and campaigning for policy change in the United States to address the underlying causes of these injustices.

That's why we need your voice this fall – as we campaign to stop global hunger and climate change. Throughout the coming months, we'll be offering you concrete ways to take action and make a difference for the world’s poorest people.

As our first action, we invite you to sign our petition and/or order postcards calling on President Obama to support a just and ambitious deal to fight climate change when world leaders meet in climate talks in Durban, South Africa in November.

ActionAid USA and partner organizations are launching the Stand with Africa campaign to pressure the Obama Administration to take a just and ambitious position on climate change. When US policy makers meet on African soil at the Durban climate summit, they must stand with communities in Africa and elsewhere who are disproportionately impacted by climate change. Join the campaign and take action now!

This is just the first step. We will need your voice again in the coming weeks.

Then later this fall there are two big international decision-making forums where we will push our demands – the G20 leaders Summit in France in early November and the UN climate treaty negotiations in December, in South Africa.

Check out our Fall campaign to fight hunger and climate change for all the details. And thanks for your continued support!

Best, Neil Watkins Director of Policy and Campaign

PAUL KRUGMAN FOR KEYNESIAN ECONOMICS
OMNI ECONOMIC JUSTICE NEWSLETTER #1, June 28, 2011. RICH AND POOR UNDER US CAPITALISM. Compiled by Dick Bennett for a Culture of Peace.

Read other newsletters: http://www.omnicenter.org/newsletter-archive/

Contents of #1
Two Reports on US Rich-Poor Gap
Three Articles in Mother Jones on Working People
Libertarian, Meritocratic, and Egalitarian Philosophies
GOP Versus Shared Sacrifice
Jobs-Consumption Connection
Shares of Income and Total Tax Burden
Secret Bailouts from Federal Reserve
Budget Cuts Human Needs
Medicare for All
Bernie Sanders: “Mr. President, Stand With US”

Bernie Sanders: "This is a pivotal moment in the history of our country. Decisions are being made about the national budget that will impact the lives of virtually every American for decades to come. As we address the issue of deficit reduction we must not ignore the painful economic reality of today - which is that the wealthiest people in our country and the largest corporations are doing phenomenally well while the middle class is collapsing and poverty is increasing. In fact, the United States today has, by far, the most unequal distribution of wealth and income of any major country on earth."


“Income Gap Widens as Executives Prosper”
Peter Whoriskey, The Washington Post  June 20, 2011

Peter Whoriskey writes: "For years, statistics have depicted growing income disparity in the United States, and it has reached levels not seen since the Great Depression. In 2008, the last year for which data are available, for example, the top 0.1 percent of earners took in more than 10 percent of the personal income in the United States, including capital gains, and the top 1 percent took in more than 20 percent."


3 articles in July Aug MJ

Sen. Bernie Sanders, Reader Supported News  6-2-11

Excerpt: "Given the reality of record-breaking corporate profits and the growing gap between the very rich and everyone else, it should be a surprise to no one that every recently published poll suggests that the overwhelming majority of the American people want the deficit to be addressed through shared sacrifice. They do not believe that the deficit should be reduced solely on the backs of working families, the elderly, children, the sick and the poor - many of whom are already suffering as a result of the recession. Unfortunately, that is exactly what the Republicans have proposed."


Robert Reich, “How to Get Washington's Attention”

Robert Reich's Blog 6-2-11

Excerpt: "We're coming full circle: The stock market is dropping because corporate earnings are slowing. Corporate earnings are slowing because consumers are pulling back. Consumers are pulling back because they don’t have enough jobs or adequate wages."

READ MORE  http://www.readersupportednews.org/opinion2/279-82/6132-how-to-get-washingtons-attention

Jonathan Chait | “No, Half of All Workers Aren't Freeloaders”

*The New Republic*, April 22, 2011

Intro: "In the United States, the very rich earn a large share of the income, and are taxed at slightly higher rates than the general population. Here's the picture of shares of income and shares of the total tax burden ..."

READ MORE  http://readersupportednews.org/off-site-opinion-section/63-63/5724-no-half-of-all-workers-arent-freeloaders

Matt Taibbi | America's Shadow Budget

http://www.readersupportednews.org/off-site-opinion-section/72-72/5564-americas-shadow-budget

Matt Taibbi, Rolling Stone

Matt Taibbi writes: "Most Americans know about 'the budget'. What they don't know is that there is another budget of roughly equal heft, traditionally maintained in complete secrecy.
After the financial crash of 2008, it grew to monstrous dimensions, as the government attempted to unfreeze the credit markets by handing out trillions to banks and hedge funds. And thanks to a whole galaxy of obscure, acronym-laden bailout programs, it eventually rivaled the 'official' budget in size - a huge roaring river of cash flowing out of the Federal Reserve to destinations neither chosen by the president nor reviewed by Congress, but instead handed out by fiat by unelected Fed officials using a seemingly nonsensical and apparently unknowable methodology.

READ MORE

Budget Cuts Funds for Poor, Police, Environment and Health Care
Lisa Mascaro, Los Angeles Times
Lisa Mascaro reports: "Democrats and White House officials acceded to deep cuts in programs for the poor, law enforcement, the environment and civic projects to reach a budget deal that averted a federal government shutdown, according to new details of the $38-billion spending cut package."


Robert Reich | Medicare for All Is the Solution
Robert Reich, Robert Reich's Blog
Robert Reich writes: "Estimates of how much would be saved by extending Medicare to cover the entire population range from $58 billion to $400 billion a year. More Americans would get quality health care, and the long-term budget crisis would be sharply reduced. Let me say it again: Medicare isn't the problem. It's the solution."

READ MORE http://www.readersupportednews.org/opinion2/272-39/5605-medicare-for-all-is-the-solution

PRO-LOCALIZATION FILM
The Economics of Happiness, doc. 1 hr., on global movement for economic localization. International Society for Ecology and Culture, 510-548-4915; r.ovetz@isec.org.uk; www.theeconomicsofhappiness.org

BOOKS
--Korten, David. Agenda for a New Economy. And other books: See below.
bottom of ladder in pay, rights, and working conditions, and the
drive by owners and managers to make higher profits off the workers’
backs.
Equality Makes Societies Stronger.* Rev. by Jane Miller, *In these
Times* (June 2011): “makes a persuasive case for inequality being more
detrimental to societies than poverty.”

Appraisal of a Few of the Above BOOKS

--- *Freefall: America, Free Markets, and the Sinking of the World Economy.* Nobel Economist Joseph Stiglitz: Assault on Social Spending, Pro-Rich Tax Cuts Turning U.S. into Nation "Of the 1 Percent, by the 1 Percent, for the 1 Percent"

This week Republicans unveiled a budget proposal for 2012 that cuts more than $5.8 trillion in government spending over the next decade. The plan calls for sweeping changes to Medicaid and Medicare, while reducing the top corporate and individual tax rates to 25 percent. We speak to Nobel Prize-winning economist Joseph Stiglitz, who addresses the growing class divide taking place in the United States and inequality in a new *Vanity Fair* article titled "Of the 1, by the 1, for the 1%.” Stiglitz is a professor at Columbia University and author of numerous books, most recently *Freefall: America, Free Markets, and the Sinking of the World Economy.* "It’s not just that the people at the top are getting richer," Stiglitz says. "Actually, they’re gaining, and everybody else is decreasing... And right now, we are worse than old Europe."


US POOR INCREASING AND INCREASINGLY UNINSURED 9–24-10
*Democracy Now*

BOOKS
Rivlin, Gary. *Broke, USA: From Pawn Shops...: How the Working Poor Became Big Business.* How the many services to the poor now make millions of dollars
for the rich; e.g. Payday Loan.

NEW ECONOMICS


David Korten: The Missing Vision for a New Economy

THIRD WAY ECONOMICS-BOOK REVIEW: David C. Korten's Agenda for a New Economy by Gary Flomenhoft on Sat, 02/06/2010

Agenda for a New Economy's subtitle is "From Phantom Wealth to Real Wealth". This is the essence of the book, and a key phrase to remember. It summarizes the difference between Wall St. and Main St in a simple phrase. Phantom wealth is the creation of money from money "unrelated to the creation of anything of real value or utility": through accounting entries, inflation of asset bubbles, speculation, corporate asset stripping, predatory lending, risk shifting, leveraging, and creating debt pyramids. Real Wealth has intrinsic value such as healthy food, fertile land, pure air and water, caring relationships and loving parents, education, health care, fulfilling opportunities for service, and time for reflection. "Main St. is the world of local business and working people engaged in the production of real goods and services to provide a livelihood for themselves, their families, and communities". Korten traces all the failures of our economic system to the misperception of money as wealth, and the focus on creating the bogus phantom wealth of Wall St. instead of the real wealth of Main St.

Korten calls Wall St. buccaneers and privateers, corrupt beyond repair. and calls the bailout a "fool's errand", which won't work because it doesn't address the cause of the problem. Korten urges us to look upstream at causes and finds that it is the ability of Wall St. banks to create money from nothing, through fractional reserve banking and other leveraging scams that is at the heart of the problem. He lists a 12 point agenda for a new economy:
1. Redirect the focus of economic policy from growing phantom wealth
to growing real wealth.
2. Recover Wall Street's unearned profits, and assess fees and fines to make Wall St. theft and gambling unprofitable.
3. Implement full-cost market pricing
4. Reclaim the corporate charter
5. Restore national economic sovereignty
6. Rebuild communities with a goal of achieving local self-reliance in meeting basic needs
7. Implement policies that create a strong bias in favor of human-scale businesses owned by local stakeholders.
8. Facilitate and fund stakeholder buyouts to democratize ownership.
9. Use tax and income policies to favor the equitable distribution of wealth and income.
10. Revise intellectual property rules to facilitate the free sharing of information and technology.
11. Restructure financial services to serve Main St.
12. Transfer to the federal government the responsibility for issuing money.

He was on the right track until number 12. His diagnosis is right about the misplaced privilege of creating money handed to banks. There are many writers who are now talking about money creation like Tom Greco, Ellen Webb, Ricky Cook, Bernard Liatear, Adrian Kuszminsky, Jim Hogue, etc. who offer more decentralized approaches to public money creation. Readers of these pages will be skeptical that the federal government is the place to hand the money creating power, when the federal government is in the control of the very Wall St. forces that created the problem in the first place.

Korten also recognizes the inherent growth imperative of a system where money is created as debt with interest attached, and notes the insanity of promoting a system of infinite growth on a finite planet. He offers the solution that government should spend money into circulation instead of banks lending it at interest.

Korten's book is a clear, concise analysis of the economic problems that we face. His use of the terms phantom and real wealth provides an extremely useful way to frame the problem so it is easily understood. His embracing of government created money is right on target. The only flaw in this book is his focus on the federal government as the solution to the problem, when we all know it is at the heart of it.

OTHER BOOKS BY KORTEN

<em>THE POST-CORPORATE WORLD: LIFE AFTER CAPITALISM</em> | David C. Korten
In this important book, David Korten makes a compelling and well-documented case that capitalism is actually delivering a fatal blow not only to life but ...
NEW ECONOMICS INSTITUTE
SCHUMACHER LECTURES

--- On Thu, 11/25/10, New Economics Institute
<neweconomics@neweconomicsinstitute.org>
Subject: Lecture Videos Online/Gus Speth/Neva Goodwin/Stewart Wallis

Dear Patrice Gros

The 30th Annual E. F. Schumacher Lectures on November 20th brought together three strong voices calling for change in our economic system and outlining strategies for that change. It was a remarkable gathering.

With appreciation to Peter Montague, the talks by Gus Speth, Neva Goodwin, and Stewart Wallis may now be viewed online:

http://vimeo.com/channels/150944

In his introductory remarks Will Raap described the objectives of the convening organization:

"The purpose of the New Economics Institute is to develop, research, and help implement systemic solutions to a series of systemic problems that now face humanity. These include:

* The sustainability, climate, and dwindling resources crisis;
* The equality crisis, here and around the world, in income, assets, access, and democracy;

* The financial risk crisis of a system that is neither efficient nor resilient;

* The well-being crisis, in which rising income is not translating into rising happiness.

Many and various approaches to these crises are emerging, but they are often not systemic. Nor are they being pulled together into a compelling and coherent narrative. The task of the New Economics Institute is to provide this narrative as well as the missing intellectual support for major system change to collect and link together the solutions that are emerging and to research and develop solutions where they are not.

To achieve its goals the New Economics Institute works closely with the New Economics Foundation of London, employing nef's expertise, techniques, and experience and in the process challenging mainstream thinking on economic, environment, and social issues.

A new economics, one that values people and nature at least as much as production and consumption, is possible only through transformation of our values, politics, education, business, and culture. Leading in this process of transformation requires integrative thinking, combining what is and what might be, the pragmatic and the philosophical, the worst case and the hopeful.

Thomas Berry, priest, cultural historian and "Earth scholar" was such a leader. Berry said:

"This we know: The Earth does not belong to man, man belongs to the Earth."
All things are connected like the blood that unites us all. Man did not weave the web of life; he is merely a strand in it. Whatever he does to the web, he does to himself."

E. F. Schumacher, an internationally influential economist in Britain and author of the best selling Small Is Beautiful: Economics As If People Mattered" was also such a thinker. He said,

"Infinite growth of material consumption in a finite world is an impossibility."

Forty years ago Schumacher made the radical proposal that we should sacrifice economic growth to improve quality of life. He proposed a system of regional economies based on social and ecological principles. He also predicted the impending global fuel crisis.

Today's speakers provide integrative thinking in the lineage of Berry and Schumacher.

In their talks Gus Speth, Neva Goodwin, and Stewart Wallis, all board members of the New Economics Institute, outlined what is a collective agenda for the organization. It will take a new level of funding to implement that agenda. The Institute's board of directors needs your help to meet its budget objectives. . . .

http://www.neweconomicsinstitute.org/donations

or checks may be sent to 140 Jug End Road, Great Barrington, MA 01230.
Best wishes,
Susan Witt, Education Director

END OF ECONOMICS JUSTICE NEWSLETTER #1 June 28, 2011