

**THE CENTER CANNOT HOLD**

**THE SECOND AMERICAN  
REVOLUTION**

**TO BUILD A BETTER WORLD**

**A Political Essay**

**by**

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## **To Noam Chomsky**

*The commitment to an infinite goal means very often to sustain defeats and setbacks - yet never go totally under.*

**Vaclav Havel**

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*Utopia today, flesh and blood tomorrow...*

*The utopia of today is the reality of tomorrow...*

**Victor Hugo**

# INTRODUCTION

*Men must have somewhere altered the course of nature;  
they for they were not born wolves, yet they have become  
wolves.*

**Voltaire**

*Candide*

Something is wrong, terribly wrong, in the United States and in the rest of the world. Not surprisingly, at first comes to mind Marcellus' famous remark at the beginning of *Hamlet*, Shakespeare's immortal play: *Something is rotten in the state of Denmark*. But that is not right, or only partly right, because Marcellus' remark has to do with the rottenness of the individuals: Hamlet's mother who is complicit in the murder of her husband, the king of Denmark, and who has married his assassin, Hamlet's uncle, who has replaced him as king. It is not a matter of the rulers incompetence and greed that cause the collapse of the kingdom. Therefore, Albany's unforgettable declaration in *King Lear*: *Humanity must perforce prey on itself / Like monsters of the deep* appears to me more relevant to the present situation in which not only Americans and the United States but also humanity as a whole and the planet itself are concerned and endangered. Shakespeare wrote these two magnificent tragedies more than four hundred years ago, they moreover took place perhaps more than a thousand years ago, in ancient times. So, I am asking myself: Is it possible that very little that is essential and significant has changed in a millennium, or more?

Yes and no seem to be the answer to this disturbing question: yes, because philosophical thought, artistic creativity, science and technology have all made tremendous progress, especially in the last two centuries or so, and, as a result, a lot of people, even if still a minority of the world's population, live better and longer lives; no, because, while human reason has made tremendous progress, human feelings and emotions appear to have lagged behind, as well as ethics and philosophy, and the majority of the world's population has not truly benefited from this tremendous progress. In addition and, more ominously, the global threats that confront humanity as a whole are much bigger presently than they were in the distant past. These extremely dangerous threats are (perhaps in the following order, but I am not sure): climate change or global warming, the proliferation of nuclear weapons, the persistence of extreme poverty, worsening inequality and international terrorism. They all point to an inevitable catastrophe approaching unless humanity is able to deal with them constructively and find acceptable solutions.

In a recent review in the *New York Review of Books* of a new edition of John Dos Passos' *The Big Money* (the last volume of his great *USA Trilogy*, first published in 1936, the other two being *42<sup>nd</sup> Parallel* and *1919*, published in 1930 and 1932), the following two passages drew my attention: *The book is an enormous chronicle of disillusionment with the American promise...* and *Nothing much appears to have changed in the intervening 80 or 90 years*. I think the reviewer is right in the first passage, but wrong in the second one because a lot has changed in the meantime, especially last thirty years or so, unfortunately in the wrong direction.

Samuel P. Huntington, in his *American Politics: the Promise of Disharmony*, published in 1981, explained that American history can be seen, and understood, as a movement back and forth between 'Creedal Passion Periods' and 'Interest Group Periods'. The former are idealistic and moralistic periods driven by forces seeking equality and social justice, he wrote, while the latter are realistic and pragmatic, and driven by selfishness and greed. Huntington used, to illustrate his theory, the metaphor of a pendulum oscillating between the negative and the positive poles of a spectrum: when the pendulum gets too close to one of the poles, he argued, a number of economic, political and social reactions occur which make it stop and start swinging in the opposite direction.

Assuming that Huntington's theory is true, we may ask ourselves the following hypothetical but crucial question: Is it possible that an 'Interest Group Period' in America, which started in 1981 with Ronald Reagan's accession to the Presidency is, in 2014-15, coming to an end, and that it will be replaced by a 'Creedal Passion Period'? Some optimistic *cognoscenti* – intellectuals, social scientists, journalists, writers, university professors, and so on – appear to think so. I am not, generally speaking, a pessimist, but I still believe that these optimists are wrong. Why? Because, clearly, the social reality is gridlocked, that is, to continue with Huntington's metaphor, the pendulum is stuck somewhere close to the negative pole. Another famous legendary metaphor that may illustrate this situation is that of the Gordian Knot which, in the ancient times, was considered impossible to unravel. Until, that is, Alexander the Great came along, after crossing the strait of the Dardanelles and arriving in Phrygia, in Western Asia Minor or Anatolia. Told of the belief that he who was able to unravel the Knot would conquer Asia, he unsheathed his sword and, in one well-aimed fell swoop, he 'unraveled' it by cutting it in its middle.

Metaphorically speaking, I am convinced that something similar to Alexander's feat has to happen in the United States to unlock the gridlocked social reality. That something similar to Alexander's feat, I believe, is nothing less than a fully-fledged Second American Revolution. I shall, in this long essay, try to show in some detail why I believe that to be the case. Basically it is because the structural or systemic change that is badly needed can only be realized by a Second American Revolution which is the precondition, indeed the *conditio sine qua non*, not only in the United States but also in the rest of the world. We need to understand that the fates of humanity as a whole and our planet hang in the balance. A Second American Revolution is indispensable to build a better and sustainable world.

How? What is precisely that has gone wrong in the U.S. and in the rest of the world? What can we do, *what can be done*, to 'repair, heal or restore the world'? (That is what *Tikkun Olam* means in Hebrew; it is an old Jewish concept that dates back to the early rabbinic period, and which was given new meaning in the medieval *Kabbalah*). Is it too late? Obviously, I don't have *all* the answers to these questions. Nobody does. For the simple reason that, many of these answers cannot be known in advance. They will emerge gradually, I believe, only *after* the conditions for their emergence have been created by the Second American Revolution.

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Most people know, but it bears repeating, that, on the 4<sup>th</sup> of January of the year of 1961, after eight years in power, in his farewell speech in the U.S. Congress, Dwight D. Eisenhower, a Republican president, warned the American people about the existence in the United States of a 'military-industrial complex' that presented a grave danger to the American democracy. More than half a century later, his remarks have kept their prophetic quality. But, today, it is clear that the situation has further deteriorated because the 'military-industrial complex' is no longer alone in this mortal threat to the American democracy. It has been, in the last thirty years or so, joined by a significant part of the financial economy which has abandoned, or betrayed, its original purpose, or role, which was to help,

or assist, the real economy to produce more and better goods and services, focusing on speculation whose primary goal is to create wealth for the rich and the very rich. As a result, today, the American people have to face or confront the destructive activities of a compound or ensemble made up by the 'military-industrial complex' *and* speculation in the financial economy. Let me also note that the considerable financial interests, and outrageous privileges, of those main beneficiaries of that compound or ensemble are maintained, defended and promoted by an incredibly powerful, efficient and effective propaganda machine.

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Amin Maalouf, in *Disordered World*, a book he published in 2011, wrote: *The Western world has become exhausted and debased... The West has betrayed its values, even as it pushes democracy abroad...* It is worth noting that he is the same writer who, in *Killing Identities*, a book he published thirteen years earlier, had written that, in the last four or five centuries, all that can be considered as progress in the world – science, technology, culture, art and ideas, etc. – has, almost exclusively, originated in the Western world. So, what happened? Why has the Western world become 'exhausted and debased'? Why has it betrayed so blatantly the democratic ideals and values that it professes to espouse?

Let us not fool ourselves. It is clear that today, in the United States, an economic and political system prevails which uses democratic forms, but whose substance is oligarchic. Socially and economically, that system has resulted in gross inequality and social injustice. The American middle class, the very heart of the American social reality, is rapidly disintegrating. Poverty is increasing. Public education and public health are in a bad state. Politically, the polarization between the conservatives and the liberals is deepening. The outcome of presidential elections is determined in a dozen or so 'battleground states'; the members of the House of Representatives, elected only for two years, spend much of their time trying to find the money that can get them reelected; the terrorist attack of '9/11' (September 11, 2001) has been used as a pretext to augment drastically the security and surveillance activities of the state via the CIA, FBI, NSA and the Department of Homeland Security.

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The Second American Revolution will have a cost. It is inevitable that the different forms of resistance – civil disobedience campaigns, strikes, demonstrations, protest movements, etc. – will engender some violence which, I believe will be limited. The United States is not Egypt or Syria and it is inconceivable that thousands of Americans may get killed by the police or paramilitary forces. The American Civil War – in which 620,000 men were killed – will not be repeated. In May 1970, four students were killed and nine wounded by the Ohio National Guard at Kent State University; a national strike followed in which 4 millions students participated, and it was the beginning of the end of the Vietnam War. Of course, the Pentagon Papers which, less than a year later, in February 1971, provided proof that the White House and the Defense Department were lying to the American public about the Vietnam war, also played a big role.

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Some final words of warning. The optimism I profess in the preceding paragraph assumes that in human affairs the Mind and the Heart triumph in the end. I must acknowledge that that may not always and necessarily be the case. It is entirely possible that there is a destructive streak in the human psyche, and that, as the pessimistic philosophers Heidegger and Schopenhauer have declared: 'The cosmic will is wicked' and 'The technological society will self-destruct'. Certainly, there is ample evidence – the terrible wars and genocides of the twentieth century, all the present conflicts in the Middle East and elsewhere, our inability to deal with climate change, the risks of nuclear power plants (exemplified by Chernobyl and Fukushima Daiichi), the dangers of nuclear weapons proliferation, rising inequality and the persistence of poverty, the unbelievably fast change in the information and communication technologies – whose negative consequences humanity does not appear to have anticipated or mastered – that these two German philosophers' predictions may turn out to have been nothing less than prophetic.

Immanuel Velikovsky, one of the two 'fathers' of the 'theory' known as 'catastrophism', in his bestselling book, *Mankind in Amnesia* – he also wrote *Worlds in Collision* and *Earth in Upheaval* – 'explained' that humanity and our planet were doomed owing to a 'death wish' in mankind's 'collective unconscious' caused by catastrophic cosmological events that happened some 3.500 years ago when our planet almost collided with Mars and Venus. One does not have to agree with Velikovsky's 'theories' to acknowledge that the very selfish, very irresponsible, and ultimately very stupid behavior of the world's economic and political elites could easily result, in a century or two, in the destruction of our planet and our (so-called) human civilization.

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Ultimately, or in final analysis, our immediate goal remains: 'Repairing, healing or restoring the world'. To enable us to do that a Second American Revolution is necessary. The two biggest dangers that humanity is faced with are: the catastrophic consequences of climate change and the breaking out of a Third World War pitting East – China, Russia and India – against West – the NATO Alliance of the U.S. and the E.U – in which nuclear weapons will be used. I see the probability of such a war growing in the predictable future owing to the rise of the East, the decline of the West, and the no-holds-barred competition for scarce mineral and energetic resources.

Let me conclude this Introduction on a hopeful note, however, by quoting Tolstoy who, in his famous Epilogue to his monumental novel *War and Peace*, wrote:

*Freewill apart from necessity, that is, apart from the laws of reason that define it, differs in no way from gravitation or heat or the force that makes things grow ... (S)o the essence of the force of freewill constitutes the subject matter of history. What is known to us we call the laws of necessity; what is unknown we call freewill... And so the conception of the action of a man subject only to the law of necessity, devoid of any particle of freedom, is just as impossible as the conception of a completely free human action...*

So, let us be aware of the 'laws of necessity', but also let us remind ourselves that the future of humanity and of our planet is not predetermined, and that we can use, if so we choose, our freewill to do what is necessary to build a better and sustainable world.

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PART ONE

THE RISE OF THE OLIGARCHS

*This is the worst trait of minds rendered arrogant by prosperity, they hate those they have injured.*

*De Ira (On Anger)*

Seneca

*You can have wealth concentrated in the hands of a few or democracy, but you cannot have both.*

Louis Brandeis

U.S. Supreme Court Judge

Bernie Sanders, the U.S. Senator from Vermont, in a recent speech in the Senate, declared:

*The American people are angry because the United States States is rapidly becoming an oligarchic system... The billionaires have spent five billion dollars in the last ten years to buy the American government... The top 1 percent of Americans own 40 per cent of the wealth, the bottom 60 per cent, less than 2 per cent... Just one American family*

*– the heirs of Sam Walton, the founder of Wal-Mart stores – owns \$ 89 billion, which is more than the total wealth of 120 million Americans at the bottom of the social pyramid...*

A year or so later (in November 2013) added:

*Today, in America, real unemployment is close to 14 per cent, youth unemployment is over 20 per cent and over 40 per cent of African American youth are unemployed. In recent years, 95 per cent of all new income went to the top 1 per cent and there has been a huge increase in the number of millionaires and billionaires. Meanwhile 46.5 million Americans live in poverty (and) tragically, we have the highest rate of childhood poverty of any major country – with one out of four kids living on food stamps.*

The September 2013 data of the IRS shows that America's most affluent 0.01 per cent grabbed 993 times more income in 2012 than taxpayers in America's bottom 90 per cent. In 1975, it was only 114 times – that does not include wealth harvested from secret tax havens.

Sanders is right: the United States is indeed rapidly becoming an oligarchic system, with the oligarchic elements in it more important than the democratic elements. However, that is only part of the story. The whole story is that the *world* is becoming an oligarchic system. And the heart of the matter is not the growing gap between the top 1 per cent and the remaining 99 per cent, but the domination of the system by the less than the top 0,001 per cent of the world population that David Rothkopf, in his book *Superclass: The Global Power Elites and the World They Are Making* published in 2008, has identified as the Superclass and the Global Power Elites. This is what he wrote about it:

*The Superclass is 6,000 individuals defined not only by their wealth but by the influence they exercise within the realms of business, finance, politics, military, culture, the arts and beyond... Their influence is exercised through institutional, ideological and individual connections... It is largely facilitated by the cross-membership that exists between boards of corporations, think tanks, foundations, educational institutions.*

Now, this explanation of how a modern oligarchic system truly works is enlightening because most critics' tendency to put the onus on the oligarchs alone is misleading. Obviously, the oligarchs alone would not be able to control the system without the active participation and contribution of those who occupy the highest levels of authority in the 'think tanks, foundations, educational institutions', and the mass media, including television, which shape the public opinion. Rothkopf's total number of 6,000 individuals for the whole world seems an underestimation. Intuitively, I would perhaps put it at double that number. But, be that as it may, and based on the American share of the billionaires in the world – a bit less than one-third, 442 out of 1,426, in 2013, according to Forbes magazine –, the American contingent of this Super Power Elite is probably about 2,000 individuals, the remaining 4,000 residing in the rest of the world, perhaps half of that number in Europe, and the other half in Russia, Japan, China, India, Brazil, Turkey, and so on. These are the 6,000 (or the 10,000-plus individuals who *really* matter who are active 'within the realms of business, finance, politics, military, culture, the arts and beyond' if we take into consideration James Henri's July 2012 report for the Tax Justice Network. He was a former chief economist at McKinsey, who compiled data from the BIS (Bank for International Settlements), the IMF and other sources, to estimate that between \$ 21 trillion

and \$ 32 trillion are hidden in tax havens around the world. To the extent that his estimation is correct, the number of billionaires in the U.S. and in the rest of the world must be significantly superior to 1,426, possible in excess of 2,000...

Roger Altman, a deputy secretary for finance in the Clinton Administration, in an article in the Financial Times described the financial markets as follows:

*(A) global supra-government which can oust entrenched regimes, force austerity, banking bail-outs and other major policy changes... Their influence dwarfs multilateral institutions such as the IMF. It is the most powerful on earth.*

What we need to understand is that a lot of this money was made at best unethically and at worst illegally in the financial economy in which speculation which does not produce anything of value, and makes large amounts of money for the oligarchs is the main activity. And it continues, despite the catastrophe of the sub-prime crisis of 2008-2011. Indeed, the Forbes List of Billionaires for 2013 shows that the number of hedge fund and private equity owners is rapidly growing.

When the Lehman Brothers went bankrupt five years ago, the domino effect could cause the collapse of several big banks and insurance companies. But that was not allowed to happen because, it was explained, they were 'too big to fail', meaning that that would have unacceptable consequences for the global American economy. And so the Treasury Department and the Federal Reserve moved in to bail them out, making loans worth many tens of billions of dollars. The banks and insurance companies were thus saved. Today, unlike millions of middle class Americans who are far from being out of the woods, they are back, and it is business as usual – better than usual, in fact – as the report, *When Lehman Crushed*, dated September 15, 2013, and prepared by the admirable NGO Public Citizen indicates.

Here is the stunning information contained in the report:

- a- The crash cost the U.S. economy \$ 22 trillion. This is close to \$ 70,000 per inhabitant in the U.S., including men, women and children.
- b- Four of the biggest banks in America – JP Morgan Chase, Bank of America, Citigroup and Wells Fargo - had, in 2008, assets of \$ 6.4 trillion; today, they have assets of 7.8 trillion.
- c- Of the 63 former Lehman Brothers employees identified by a bankruptcy examiner as being aware of an accounting scheme Lehman used to mask its true finances, the number who are employed in senior financial services positions today is 47.
- d- The number of registered financial industry lobbyists in 2012 is 2,429.
- e- The amount spent in 2012 by Wall Street and other finance industry behemoths on lobbying to roll back, water down and weasel out of the Dodd-Frank Wall Street Reform and Consumer Protection Act is \$487 million.
- f- The finance industry was first among all corporate election spending by sector in 2011 and 2012, with a total amount spent of \$ 664 million.

Meanwhile for those middle class and working class Americans who lost their homes and then their jobs, the consequences were terrible, including: many marriages that broke up, teen-age kids who dropped out of school and 'did' drugs, and the number of heart attacks, strokes, cancers and alcoholism that shot up...

Deregulation is what made the disaster of the sub-prime crisis possible. The Glass-Steagall Act was passed by Congress in... 1932, so that the mess of the Great Depression would not happen again. But, after sixty-seven years of good services, it was repealed in 1999, and replaced by the toothless Frank-Dodd Act.

Not all oligarchs are of course in the financial economy. Many are in the real economy. Several of the biggest multinationals in the world are in the oil business, others are in pharmaceutical industries, processed food industries, manufacturing industries, real estate and the retail industries (malls, chains); predictably, the share of the entertainment, sports and the luxury goods industries has increased tremendously in the last thirty years or so; enormous wealth has been made in the new digital, internet-related (software, hardware) and mobile-phone industries. The usefulness or utility of some of these goods and services produced by these industries in the real economy is debatable. It is very possible, even probable, that their true usefulness or utility is magnified by an extremely powerful and efficient PR and publicity campaigns. A great deal of these goods and services may turn out, one way or the other, to be downright bad for one's physical or mental health. That is one thing. Another, far more important, is that the real economy the way it operates today is responsible for climate change or global warming which threatens to destroy the planet and the (so-called) human civilization. So, we need to build a better and sustainable world. This essay, in large part, is about that. I begin with what is wrong in the financial economy which has been at least as instrumental in the rise of the oligarchs as the real economy.

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The financial economy. What is it? Who are the financiers? What do they do? Why are they largely to blame for the Rise of the Oligarchs? The main rule or principle in a healthy economy, is that the financial economy is at the service of the real economy, that is, the economy which produces the goods and services that are consumed by the people. There are three main sectors in the real economy: the primary or agricultural, the secondary or the industrial, and the tertiary or the services. In a developed economy, the tertiary sector is by far the most developed, including the government administration, education, health, entertainment, tourism, insurance, real estate, etc. In the U.S. 70 per cent of the people work in the services sector. The financial economy is constituted by the big investment banks, the hedge funds, the private equity funds (some of which are called vulture funds), and so on. The problem is that the financial economy has betrayed their mission in the global economy, not primarily doing what it is supposed to do: to serve the real economy. They are: the big investment banks JP Morgan Chase, Goldman Sachs, Bank of America, Citigroup, Bank of America, and so on; the major hedge funds, private equity firms and 'asset management companies' Bridgewater Associates, Och-Ziff Capital Management Group, Paulson & Co., BlackRock Advisors, Highbridge Capital Management, and Blackstone Group, Carlyle Group, Kohlberg Kravis Roberts, Apollo Global Management, TPG Group, and so on. These giant financial institutions, in the last thirty years or so, have operated with impunity, generating massive profits for their owners, and fat salaries and big bonuses for their managers. They were able to do that mainly thanks to deregulation, the culmination of which, as I mentioned above, the abolition of the Glass-Steagall Act in 1999 which, thirteen years later, in 2012, was replaced by the toothless Frank-Dodd Act.

Meanwhile hundreds of thousands good jobs, victims of the *outsourcing* of the manufacturing industry to China, were lost, often replaced by low-income and temporary jobs. All this was done in the name of *Creative Destruction*, a concept developed by Joseph Schumpeter, an important Austrian economist who emphasized the importance of the entrepreneur in economic development (he lived in the first half of the twentieth century). According to it, in a highly competitive economy, less efficient

companies must disappear, and be replaced by more efficient ones. That may be theoretically true. But, as it often happens in practice, it was used, manipulated by the owners and managers of the investment banks, private equity firms and hedge funds who grew richer at the expense of the working class and the middle class people.

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The workers of the firms outsourced to China were not the only victims. The owners and managers of the investment banks, private equity firms and hedge funds also took advantage of the European economic crisis to enrich themselves. They did that with the active collaboration of the three major rating agencies: Standard & Poor, Moody's and Fitch. The *modus operandi* used by the latter was to downgrade the debt of the European countries which had sizable budget deficits – such as Greece, Spain and Ireland –, thus causing the price of their government bonds to collapse. Having advance knowledge of this, the financial institutions mentioned above could sell these bonds before their price collapsed, and thus make enormous profits. Nor was this the only way they manipulated the markets: they bought these same bonds back at bargain-basement prices before the IMF and the European Central Bank, to save these countries from bankruptcy, provided big loans, and the prices of the bonds went back up again...

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The LIBOR (London Interbank Offered Rate) scandal is another example of the insatiable greed of these financial institutions. The LIBOR is fixed every morning based on information received from a cartel of sixteen major banks. Interest rates on financial transactions around the world worth some \$ 350 trillion, and on loans worth about \$ 10 trillion, depend on the LIBOR. Thus, interest rates on mortgages, credit card loans, car loans, and so on, depend on the LIBOR. So, when it was discovered that, for many years, some members of the cartel manipulated the LIBOR, making billions in profits – buying and selling derivatives, options, futures, and so on, at higher or lower rates than those justified by the LIBOR, and pocketing the difference, and millions of people around the world losing money as a result –, heavy fines were imposed of a total of 1.7 billion euros (\$ 2,3 billion) to eight banks – including Citygroup, The Royal Bank of Scotland, Barclay's and the Deutsche Bank; the UBS escaped a \$ 3 billion fine because they were the ones to alert the European authorities of the fraud, possibly because they realized that the EU was close to discover it anyway...

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Shadow banking is a term that describes the activities of 'non-bank financial intermediaries' such as hedge funds and private equity firms which are not subject to strict regulatory oversight. Investment banks, as opposed to commercial banks and the savings and loans institutions, are less strictly regulated. Shadow banking concerns primarily trade in derivatives which are financial instruments used by the speculators. During the sub-prime crisis, two of the most commonly used derivatives were the CDOs (Collateralized Debt Obligations) and the CDSs (Credit Default Swaps). Two main forms existed: 'asset-based' CDOs and 'naked' CDOs. The 'assets' in the former were the hundreds of thousands of fraudulent mortgages that were supposed to be worth billions of dollars, but which turned out to be worth nothing when the mortgage-takers were unable to make their monthly interest

payments; the latter were used to bet against the debt or the currencies of the vulnerable European countries experiencing budget deficits – such as Greece, Spain and Ireland... The CDSs (Credit Default Swaps) were supposed to insure against the risk of default. They were called 'Swaps' because the same firm could, simultaneously, sell and buy them. When the sub-prime crisis erupted, *all* the financial firms that issued CDSs – among them the giant AIG (American Insurance Group) – found themselves in the same black hole, losing hundreds of billions of dollars. So, when the bubble burst, both the CDOs and the CDSs became known as Toxic Assets. And, as mentioned earlier, arguing that these financial institutions were 'too big to fail', the Fed and the U.S. government stepped in and saved them from bankruptcy. But the Toxic Assets have not disappeared. They are still there, even though less toxic because the real estate industry has recovered. However, when the next financial crisis hits, they will make matters much worse.

High Frequency Trading (HFT) is another form of shadow banking which is heavily used by hedge funds, private equity firms, and investment banks. HFT relies on artificial intelligence systems that can execute hundreds of transactions in a single second. Understandably, things can and do sometimes go very wrong. When that happens, it causes havoc in the financial markets, and thousands of transactions must be canceled. HFT in its extreme forms appears to be on their way out...

Futures and options are the conventional and more 'reasonable' forms of speculation. Both are contracts that are commonly used in transactions involving commodities, foreign exchange, credit, interest rate and stock market indexes, and equity. The Chicago Mercantile Exchange is where futures of a large number of commodities – such as cotton, wool, wheat, tin, pork bellies, and so on – are bought or sold. One buys futures if one thinks that the price is low and sells them if one thinks the opposite. There is a time period during which one can do that: one month, three months, six months. An option is the *right* to buy or to sell a product at a predetermined price during a time period that is the same as for the futures. One buys a *call* option if one thinks the price is going to go up, a *put* option, if one thinks it is going to go down. One's options can be 'realized' anytime during its time period and one 'takes' one's profit. If one cannot do that and one's option runs out of time, one loses the money one has paid to buy it. One more thing: futures and options are contracts that are leveraged. That means only a fraction of the total amount of the transaction, say ten per cent, is paid when one makes it. However, if, during the time period of the contract, the price of the commodity in question goes in the opposite direction – in this hypothetical case, more than ten per cent – one must come up with more money. If one can't do that, he or she loses the contract.

George Soros who bought put options on the British pound, anticipating its devaluation, made a cool two billion dollars, some twelve years ago, when his guess turned out to be correct. The British pound was indeed overpriced and the British government was forced to devalue it. Soros is a successful speculator and those who invested early in his *Quantum Fund* made a lot of money.

To conclude, speculation is bad because it siphons off from the real economy trillions of dollars that could have, should have, been invested in the real economy. Philosophically or ethically speaking, speculation is bad because it is motivated by greed. Like addictions to tobacco, alcohol or drugs, greed is a hereditary sickness that the rich and the very rich transmit from one generation to the next. It always existed in the United States and, at the beginning of the 20<sup>th</sup> century, it produced the Wall Street Crash, followed by the Great Depression. It took FDR's New Deal and the Second World War to save American capitalism. The twenty five years or so between 1945 and 1970 were an American Golden Age. It was the apogee of the middle class and of the American Dream. The 1970s were a transitional period. And then Ronald Reagan came to power in 1981, and the American democracy began its rapid journey towards oligarchy...

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In recent years, important international economic and political organizations were created to promote policies that have culminated in the present neo-liberal globalization system. Among the most important are the Trilateral Commission, the Bilderberg Group and the World Economic Forum. The Trilateral Commission was founded in July 1973 by the banker David Rockefeller and Zbigniew Brzezinski, an academic of Polish origin who later became the National Security Adviser of Jimmy Carter. Created to foster closer collaboration among North America, Western Europe and Japan, it brought together about 400 businessmen, academics and bankers. No politicians were admitted. For Noam Chomsky they constituted the liberal wing of the international intellectual elite. Founded in 1954, the Bilderberg Group (Bilderberg was the name of the hotel where they met for the first time, in Netherlands) is composed of 120 or so members who meet annually. The politicians are welcome: Henri Kissinger, Paul Volcker, Bill Clinton, Tony Blair, Margaret Thatcher and Prince Charles were members. For a long time only Americans and Western Europeans were invited. That policy was changed fairly recently and top businessmen, politicians and intellectuals, especially from the BRICS countries, are now invited on a regular basis. Possibly because the meetings are closed to journalists, the participants were, in a recent newspaper article, described as 'the high priests of globalization'. A third such organization is the World Economic Forum that meets annually in January in the Swiss ski resort of Davos, in Switzerland. Top politicians, businessmen, bankers, journalists, and civil society leaders are invited. The WEF was founded in 1971 by Klaus Schwab, an economist and former economics professor at Geneva University who still is its executive chairman. Open to the media, the World Economic Forum tries to project a reformist image. The goal is to combine optimally the hard reality of neo-liberal globalization with a human rights and sustainable development approach. Of course, the idea is to work within the 'system', trying to improve things. Whether that is possible, or, rather, to what extent that is possible, in a world dominated by the oligarchs is a question that is not tackled by the WEF.

Free trade agreements is another important means to push the neo-liberal globalization agenda. The latest such big attempt which still is in the works (in December 2013) is the Trans-Pacific Partnership (TPP) which is trying to put together a new free trade agreement that would include as many countries as possible in the Pacific region. The TPP negotiations are carried out in secret. But some documents were leaked to Amnesty International which came up with a Report accusing the TPP of granting the multinational corporations that would invest in the United States and elsewhere some special rights which would undermine the protections of the people – for example, for air and water safety, and the possibility of making affordable generic medicines. Amnesty's conclusion is that the TPP is putting corporate profits before peoples' human rights and basic needs. It claims that the 600 or so so-called specialists working on the project are paid by large multinational Big Tobacco, Big Oil, Big Pharma corporations, and Walmart. Amnesty's demands that the TPP meetings should be, in the name of *transparency*, opened to the public have been so far ignored...

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What a difference there is between the America I tried to describe briefly in the preceding pages and the America that Walt Whitman 'sings' in his great poetry book, *Leaves of Grass*! Below are the first and the third stanzas of *One's-self I sing*, the very first poem of the collection:

*One's-self I sing,  
a simple separate person,  
Yet utter the word Democratic,*

*the word En-Masse.*

*Of life immense in passion,*

*pulse and power,*

*Cheerful, for freest action*

*form'd under the laws divine,*

*The Modern Man I sing.*

*Leaves of Grass* is about what made America great: the imagination, talent, and even genius of its scientists, engineers and inventors; and the hard work of those who toiled in its mines, factories, and of those who built its railways, roads, dams, and so on; and the resourcefulness of its entrepreneurs. Astor, Carnegie, Gould, Mellon, Morgan, Rockefeller and Vanderbilt may have been robber barons but they were also remarkable businessmen who were active in the *real* economy: Carnegie was active in steel, Rockefeller in oil, Harriman and Vanderbilt in railroads. It is true that Mellon, Morgan and Seligman were in banking but speculation was not a primary concern. Building America was. Derivatives had not yet been invented.

The oligarchs betrayed the American people. The middle class is in trouble, and yet a United States of America without a very large middle class is hardly conceivable. But that is what is happening. Many Americans take refuge in the illusion that the shrinking of the middle class is a temporary phenomenon and that things will turn around, and it will become again what it was in the 1950s and 1960s. It will not unless the oligarchs are defeated and democracy is brought back by a Second American Revolution. Unless that happens, neo-liberal globalization will result in an economic, political, and even social and cultural convergence between the existing and emerging great powers of the United States, Russia, China, India, and even, perhaps, Brazil. Amazingly, the only hope for an evolution in which human rights and moral values can be expected to exist is the European Union. The welfare societies of the Scandinavian countries are a good example to follow.

How did the betrayal of the American middle class happen? Alexis de Tocqueville's great book, *Democracy in America*, whose two volumes were published in Paris in 1835 and in 1840, is a good place to start. Tocqueville came to the United States in 1831 and stayed only about four months which he spent visiting the then thirteen states of the Union. His original intent was to study the American prison system... His path-breaking concept of 'the tyranny of the majority' helps us to understand some important negative and positive developments in American society. The negative developments are: 1. Making it easier, owing to the ignorance of the large majority of Americans, the emergence of despotism in the United States; 2. The danger that such a despotism would be much more pernicious because it would be disguised and not *look* like one; and 3. The selfishness and materialism of the 'expanding bourgeoisie could make them lose interest in the future of their descendants.' On the positive side, Tocqueville wrote that the 'antidote' to despotism in the United States was the existence of a 'vibrant civil society' that penetrated every aspect of life; and that, thus, the government, 'whose natural tendency is to ally itself with the bourgeoisie', would be forced to act in the public interest.

Tocqueville's remarks inspired by his concept of 'the tyranny of the majority' turned out to have been nothing less than prophetic. The three negative developments mentioned above have all occurred: 1. The ignorance of the large majority of Americans *has* facilitated the emergence of despotism – since oligarchy is a form of despotism; 2. The American oligarchy which operates within the forms and processes of a democracy is indeed more dangerous than an openly despotic regime because it doesn't look like one; and 3. The greedy and selfish behavior of the 'expanding bourgeoisie' can be interpreted

as having 'lost interest in the future of their descendants' for, if that was not the case, it would not have invested heavily in shale oil and gas in the United States that uses fracking, and in TransCanada's dirty sand oil, both of whose potential for catastrophic pollution is enormous. TransCanada and its American partners, the Koch brothers, planning to export enormous quantities of that oil to China, after having refined it in Texas, have built an extensive pipeline network that crosses large distances in Canada and the United States. The Keystone XL Pipeline is the part of that network, still waiting for President Obama's approval, that crosses several states in the mid-west and the south of the United States. A section of it belonging to ExxonMobil called the Pegasus Pipeline recently broke, spewing thousands of barrels of that oil into the Northwoods residential development in Mayflower, Arkansas...

Tocqueville's observation that the only 'antidote to despotism' is the existence of 'a vibrant civil society that penetrates every aspect of life' was indeed true in the United States until roughly thirty years ago. Today, that cannot be said to be the case anymore the 'vibrant civil society' of yore having been weakened significantly while, in contradistinction, the special-interest lobbies in Washington have strengthened enormously. As a result, an *incestuous relationship* has developed between money and politics in America. Increasingly, to go into big-time politics, an individual, either needs to be rich, or he or she must be able to secure the financial support of the rich. Obviously, in exchange of that support, he or she must, during his or her time in Congress or in the White House, or as a governor, must do his or her best to promote and protect the interests of those who supported him or her financially.

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Edward Fullbrook's book, *The Decline of the USA*, published in 2012, is based on a recent OECD report which measured 'social outcomes' in the 30 richest and most industrialized countries of the world. Astonishingly – and shockingly for Americans – the U.S., overall, is 29<sup>th</sup>. On public health, for example, it is 28<sup>th</sup>, just ahead of Turkey and Mexico. Here is why: obesity is widespread not only among adults but also among children and teenagers; a large number of Americans either do not have health insurance, or are inadequately insured, and avoid to go and see a doctor when they are sick; in teen-age pregnancies, paid maternity leave, public spending on family benefits, child poverty rates, percentage of children not living with both parents, divorce rates, and family time, the U.S. is dead last among the thirty countries measured. That all this is happening in the richest country on earth simply blows the imagination. How is it possible? I present below an attempt at an explanation. It may be a partial explanation, but there is at least an element of truth in it, of that I am persuaded

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In his book *Ethics*, Spinoza wrote: *Confused and inadequate ideas follow by the same necessity as adequate, or clear and distinct ideas*. What does that mean? I think it means that 'ideas' do not need to be 'adequate', that is, true, to be accepted. In other words, that they can be 'inadequate', that is false, and still be accepted. How is that possible? For an unpleasant but very convincing example of how that is very possible we need to look at what happened in Germany during the twelve years that the National Socialists were in power, between 1933 and 1945. Joseph Goebbels was the all-powerful Reich Minister of Propaganda during those twelve years. Goebbels knew that if an idea is repeated continuously from a position of authority, and with utmost conviction, it didn't matter if it were false, it would be accepted as true by the large majority of the people. And that was what really counted. Thanks in large part to his efforts, Hitler's approval rate among Germans reached more than 90 per

cent at the time of the *Anschluss*, the annexation of Austria in 1938. So propaganda is a very powerful tool of manipulation and indoctrination of the people, and Abe Lincoln's dictum that: *You can fool some of the people all the time. / You can fool all the people some of the time. / But you cannot fool all the people all the time.* does not really help because one doesn't *need* to fool all the people all the time. It is enough to fool a large number of people all the time because that is enough for a political party to win elections, and for a political leader to come to power. Or to make people to buy all sorts of consumer goods that they don't really need. So, the truth doesn't matter. Or does it? The truth matters. But it doesn't always become known. Many cognoscenti believe that President Kennedy was assassinated by those who hated him because he did not want to invade Cuba and, more importantly, he refused to attack Russia with nuclear weapons when the U.S. had a clear superiority in that field. We probably will never know for sure what happened really. Sometimes, the truth will come out but it will be too late. The big lie about the Weapons of Mass Destruction in Iraq, for example, *did* come out but it was too late: the devil was already out of the box. We now know that hundreds of thousands of people were killed and hundreds of billions of dollars were wasted because George W Bush, Dick Cheney, Donald Rumsfeld and Colin Powell have lied. These people are guilty of crimes against humanity. But they will never be prosecuted and punished because they are Americans and the United States is the only superpower in the world. On the other hand, the Serbs Milosevic, Mladic and Karadic were arrested, sent to the War Crimes Tribunal in The Hague, and were made to pay a very high price for their crimes.

Everywhere, in the rich and industrialized countries, as well as in the poor and less developed countries, oligarchic systems of government continue to exist thanks to modern forms of the old *Panem et circenses* principle invented by the Romans. In the rich countries, where the '*panem*' part is no longer a problem, the '*circuses*' part is getting worse all the time. Television, the main culprit, is invaded by an ever-increasing flow of stupid and vulgar reality shows, series, cheap entertainment programs, and sports events. Mindlessly violent video games and Hollywood movies complete this picture of manipulation and indoctrination.

Francis Fukuyama, in *The End of History and the Last Man*, his famous book published in 1992, argued that a liberal, market-based and democratic system represented the end of History because nothing better could be imagined. It was, in other words, the last stage of mankind's social, economic, political and cultural evolution. That was *it* and humanity would live happily ever after. Far-fetched perhaps and naive, but for a lot of people, intellectuals and laymen alike, it made sense. What a difference twenty years can make! In *Left Out*, an article he published in the Winter 2011 issue of the *American Interest*, Fukuyama begins by asking: *Is America a plutocracy?* He answers: *Yes it is, if that means that the rich have a disproportionate influence in American politics; no it isn't, if that means direct rule by the rich.* In that same article, he explains that the strategy the rich use to achieve their 'disproportionate influence in American politics' has four major rules: 1. Acting against the regulation of the financial economy; 2. Keeping the taxes of the rich and of corporations that they control and the as low as possible; 3. Making big financial contributions in political campaigns; and 4. Lobbying to allow lobbying to go on. He also affirms that the *Efficient Market Hypothesis* – one of the pillars of the liberal market system – is no longer valid because the enormous differences in income are no longer justified by the contributions that the various actors or players make to the national economy. Thus, for example, a top banker who makes three hundred times more money than a GM auto worker does *not* contribute three hundred times more to the national economy. The truth, of course, is that the *Efficient Market Hypothesis* never existed, except in the fertile imaginations of those who had an interest believing in it. In fact, during the sub-prime crisis of 2008-11, many top bankers, far from contributing to the national economy, they took a great deal away from it. And the American taxpayers had to fill the gap...

The oligarchs used 9/11 to reinforce their control of the system. Security was used as a pretext. 33,000 people now work in the National Security Agency which has the most powerful computers in

the world and no e-mail, SMS or telephone conversation is safe. Millions of surveillance cameras have been placed in every town square. Thousands of drones will soon be flying over metropolitan areas. Whistle blowers are hunted mercilessly: Assange sought refuge in the Ecuadorian embassy in London where he has been holed up for a year and a half; Snowden received a one year political asylum in Russia; Bradley (or Sheila) Manning, who exposed the horrors of the Iraq war, was sentenced to 35 years in prison; Hammond was sentenced to ten years for hacking the computers of a private firm that worked for the Department of Homeland Security. Obama was unable to close down Guantanamo. 'Suspects' continue to be held without trial and tortured in secret prisons overseas. Drones kill hundreds of innocent civilians in Afghanistan, the tribal areas of Pakistan, Yemen and several African countries.

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The U.S. has always been a land of extremes in which the best and the worst co-existed. Let us say that it is the American conundrum. But, until some thirty years ago, it could be argued quite convincingly that the best by far outweighed the worst. Today, that is no longer the case and it increasingly appears that the worst, making bigger strides than the best, is catching up with it. One even may wonder, has the worst already overtaken the best? Probably not. But there are many signs that it may be getting close. So, what to do to stop the worst from catching up with the worst? Or, is it too late already?

A question has been in the front burner for a long time: Is the U.S. empire declining? And – this question is almost always asked simultaneously, or concomitantly – is China rising in a parallel fashion? All empires of the past rose and fell. Will the U.S. be the exception that confirms the rule? It is possible, but unlikely. What makes the U.S. different is that, even though it is declining economically, it remains militarily and technologically by far the most powerful and the most advanced nation on earth. It is also true that China is rising, India is not so far behind, Russia, liberated from the constraints of a regressive and bureaucratic dictatorship, has the potential for a significant comeback, and the European Union, whose economy is the largest in the world, is slowly moving in the direction of a political integration. Moreover, Europe is the place to look about human and social outcomes.

China still has a very long way to go before it catches up with the U.S. in both *hard* and *soft* powers. Hard power has to do with the economy, science and technology, and, especially, the military. The U.S. economy is still about twice the size of China's, even though its population is four times smaller. Silicon Valley and the world's ten best universities, with one or two exceptions, are all in the U.S., and, the U.S. by far has the largest number of Nobel laureates in physics, chemistry and medicine. The U.S.'s military budget is more than half of the world's total. In 2011, it was \$ 711 billion – close to five and ten times respectively those of China, \$ 143 billion, and of Russia, \$ 71.9 billion. That same year, the U.S. had more than 800 military bases around the world, eleven Nimitz Class nuclear aircraft carriers, 130 Stealth fighter jets and 9.400 nuclear warheads. *And* a lot more very sophisticated stuff is in the pipeline. In soft power, China has even less to offer compared to Hollywood movies, American TV series and reality shows, pop music and jazz, and so on. *And* American English remains by far the planetary *lingua franca*. In so far as literature is concerned, while it is true that Mo Yan, the Chinese novelist, won the Nobel in 2012, and Confucius, Lao Tzu and a few other deep thinkers are respected and admired by academics and intellectuals, they do not carry in the rest of the world the same weight as Faulkner, Mark Twain, Steinbeck, Conrad, Hemingway, Saul Bellow, Malamud, and several others.

So, yes, in the foreseeable future, that is, at least for the next couple of decades, the United States

will remain top dog in the world. But, after that, what? Will it, at some point, perhaps in five to ten years' time, when persuaded that it is clearly losing its hegemony in the world, be tempted to use its awesome military superiority, which will remain long after its economic domination has vanished? Thus, will the United States, if and when China, Russia and India become serious rivals challenging its supremacy, risk of a third world war pitting East against West?

I am afraid that risk exists. And it is not negligible owing to the hubris, or arrogance, that is part of the American character. Tocqueville wrote that Americans are *trapped in a perpetual utterance of self-applause*... The National Defense Resources Preparedness Act and The National Defense Authorization Act recently signed into law by President Obama are preparations for future conflicts, not initiatives for peace.

Meanwhile, a relatively new development in the American conception and strategies of war has occurred that is not helpful for the peaceful resolution of conflicts, especially that of the war against terror, or terrorism. That new development can be described as follows: the economic cost of the American wars continues to rise but their *human cost* has decreased dramatically in the last decade or so: more than 58,000 American soldiers were killed in Vietnam and 54,000 in Korea, but only some 4,400 in Iraq – and most were killed during the occupation, and not during the war *per se* –, and, so far, less than 2,200 in Afghanistan. This development, known as *Zero-death policy*, has three major components: it's largely an air war now – drones, attack helicopters, fighter jets; the fighting on the ground is done by highly trained Special Forces; and mercenaries are used for several security tasks, such as manning roadblocks, as bodyguards, guarding buildings, and so on. As a result, far fewer Americans are getting killed, or are seriously wounded.

However, a high price is being paid for it. That price is primarily psychological. The main problem with the Zero-death policy is that if the ratio between killing and getting killed is absurdly unequal, then it is no longer a war, but a massacre masquerading as war. The Iraq war was not a war in the same sense as the Vietnam and the Korean wars were wars – not to mention, of course, the Second World War against Nazi Germany and Japan. In the Iraq war, the ratio between killing and getting killed was something like 200 to 1 – 4,400 as opposed to more than one million. But if one excludes the soldiers killed during the occupation, it was more than 2,000 to 1. When tens of thousands of the poor conscripts in Saddam's army were vaporized by the carpet-bombing of B-52s, or buried alive by bulldozers in their desert trenches, that, again, is not war but a massacre.

Now about the drones used in Afghanistan and the tribal areas of Pakistan, Yemen, and so on, have killed hundreds of innocent civilians. The killings are justified as inevitable 'collateral damage' in a 'war against terrorism', the rationale being that there is no other less violent way to fight fanatical enemies such as jihadis connected with Al-Qaeda and the Taliban. The families of the victims are compensated financially. But the fact remains that, even if these villagers accept the compensation, because they are very poor, that does not mean that the Americans are successful in 'winning their hearts and minds' which, anyway and admittedly, may be an impossible thing to do for an army of occupation.

But a zero-death policy is counterproductive for another very serious and dangerous reason: it increases the probability of war. The American public will no longer accept wars which have a high human cost, but the economic cost can be camouflaged. Neo-con politicians know this and so they tailor their message to the public accordingly. That message is the following: the U.S. is the only superpower in the world which must defend its various economic and other interests around the world. And to be able to do that it must project, and eventually be prepared to use, military power. Abraham Maslow, an American psychologist who is one of the fathers of 'humanistic psychology' who died in 1970 at age 62 once said: *To a man with a hammer everything looks like a nail*. Indeed: the U.S. will have for many more years by far the biggest hammer and its temptation to use it will always be there. The American public and policymakers would do well to always keep that in mind.

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In July 2012 appeared in the Rolling Stone magazine an article entitled *Global Warming's Terrifying New Math*. That article was written by Bill McKibben, the founder and leader of [www.350.org](http://www.350.org), an NGO that has been fighting Big Oil, with increasing success, for many years – 350 ppm (parts per million) is the maximum amount of CO<sub>2</sub> allowable in the atmosphere for a healthy planet to exist – we have already crossed the ceiling of 400 ppm... So, what is this 'terrifying new math'? It derives from the Carbon Tracker Initiative's – a team of London financial analysts and environmentalists – estimate that Big Oil owns *five times* the total fossil fuel reserves whose burning would raise the planet's temperature two degrees Celsius, which is the very upper limit of allowable temperature rise adopted at the Copenhagen Climate Conference of 2009. In other words, to keep the global temperature rise under 2°C, the world should not generate more than 565 Gigatons (one Gigaton is one billion tons) of CO<sub>2</sub> when it *could* generate 2,795 Gigatons if it burned all the fossil fuel reserves owned by Big Oil. This big, dramatic change in the estimates of fossil fuel reserves in the world is due to recent discoveries of massive tar and sand oil in Canada), and shale oil in the U.S., Venezuela, Europe, and elsewhere. Huge reserves were also discovered off the Brazilian coast, in the Pacific Ocean, and in the Mediterranean near Cyprus and Israel. What would happen if all these new fossil fuel reserves – which, at current prices, have an 'asset value' of \$ 27 trillion... – were burned 2,795 Gigatons of CO<sub>2</sub> were thrown into the atmosphere? It could mean a global temperature rise of perhaps 10°C and the destruction of the planet and human civilization. *Rising Seas*, an article on global warming published in the September 2013 issue of the National Geographic, begins like this: *As the planet warms, the sea rises. Coastlines flood... 136 Large coastal cities now at risk from sea-level rise. 40 million people at risk in those cities ... \$ 3 trillion, Value of assets at risk...*

In September 2013, the IPCC (Intergovernmental Panel on Climate Change), presented the first part of its Fifth Assessment Report (AR5). Some of its important findings are the following:

- The warming of the climate systems is unequivocal, and since the 1950s, many of the observed changes are unprecedented.
- The atmosphere and the ocean have warmed.
- The amounts of snow and ice have diminished, the sea level has risen, and the concentrations of greenhouse gases have increased.
- The atmospheric concentration of carbon dioxide (CO<sub>2</sub>), methane and nitrous oxide (N<sub>2</sub>O) have increased to levels unprecedented in at least the last 800,000 years.
- CO<sub>2</sub> concentrations have increased by 40 per cent since pre-industrial times, primarily from fossil fuel emission.
- It is *extremely likely* (95 per cent probability) that human influence has been the dominant cause of the observed warming since the mid-20<sup>th</sup> century.
- Continued emissions of greenhouse gases will cause further warming and changes in all the components of the climate system.
- Limiting climate change will require substantial and sustained reduction of greenhouse gas emissions.
- Global surface temperature change for the end of the 21<sup>st</sup> century relative to 1850 to 1900 will be 1.5°C to 2°C for the likeliest scenarios.

- Global mean sea level will continue to rise during the 21<sup>st</sup> century.
- Most aspects of climate change will persist for many centuries even if emissions of Co2 are stopped.

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The discovery in the continental U.S. of massive oil and gas reserves in shale formations that lie very deep underground – between one and three miles – goes back some twenty years. But the exploitation of these reserves have in the last few years accelerated tremendously and it is now believed that, by 2017, the U.S. will become a major oil-exporting country, and that, by 2020, it may even become the biggest oil producer in the world, overtaking Saudi Arabia. The nation is also expected to become a major producer of natural gas. But – and this is a big, very big 'but', a 'but' with a capital letter 'B' because the exploitation of these massive quantities of oil and gas in shale formations is made possible thanks to a technology call hydraulic fragmentation (fracking for short), and the evidence is accumulating that the long-term consequences of this technology could be catastrophic. Two well-researched articles in the December 2012 and March 2013 issues of the National Geographic, Marianne Ceval's *Fracking for Methane* and Edwin Dobb's, *The New Oil Landscape*, as well as Josh Fox's two *Gasland* documentaries presented at the Tribeca Film Festival in New York in November 2010 and in April 2013, indicate that clearly. Edwin Dobb begins his article by asking the question: *The Fracking Frenzy in North Dakota has boosted the U.S. fuel supply – but at what cost?* He does not answer that question directly, letting the contents of his article answer it for him. I will provide perhaps a more complete answer in the following four or five pages or so relying not only of Dobbs' but also on evidence presented by Ceval, Fox and other sources. Here it is that evidence:

More than 500,000 wells have been drilled in the continental U.S. in the last twenty years or so; it is expected, and it is a conservative estimate, that 500,000 more will be in the next twenty years or so. To have a more precise idea of what is happening, I think it is a good idea to concentrate on the exploitation of two major fields: the Marcellus Shale Deposit in Pennsylvania that produces gas, and the Bakken formation in South and North Dakota, Montana (and in Canada up north) that produce oil. The Pennsylvania Marcellus that produces gas is huge but still only a relatively small part, about one-fifth, of the whole field that covers the New York State, Ohio and West Virginia. More than 50,000 wells have been drilled in Pennsylvania; as for the Bakken in the Dakotas, more than 10,000 wells have been drilled with many more to come...

It is important to understand what fracking (hydraulic fragmentation) is, and what are the risks and dangers associated with it. Fracking combines one to two miles of vertical and one, two, or even three miles of horizontal drilling. Then, enormous quantities of highly pressurized fracking fuel containing sand and up to a hundred or so different chemicals are injected into the shale. This is necessary to reduce friction and viscosity, to fight corrosion, and to inhibit bacterial growth, and thus facilitate the flow of the oil and the gas. Unfortunately, some of these chemicals – such as strontium, barium, radium, uranium, toluene, arsenic, formaldehyde, hydrochloric acid, etc. – are toxic. Big Question Number One: What happens to the hundreds of billions of gallons of *wasted* or *spent* fracking fuel used in the wells? The 70 per cent of it that ends up underground is not biodegradable and can migrate; the 30 per cent that remains on the surface, is collected in *holding ponds* – that in states, such as Pennsylvania, for example, where holding ponds are permitted; in states in which they are prohibited, South Dakota for example, the wasted or spent fracking fluid is re-injected deep into the ground, dozens of wells are used for that purpose only. – In these holding ponds, which are getting bigger and bigger – some are 400 feet long, 300 feet wide and 15 feet deep, and can hold 15 million gallons of spent fluid the wasted fuel –, inevitably, the plastic lining covering the sides and the bottom can break, and, when that happens, the chemicals seep into the aquifers. Also, let us note that: part of the

chemicals are made to evaporate artificially from the holding ponds, damaging the environment; some of it, which is sent to Texas by pipeline, allegedly to be recycled there, is dumped into the Gulf untreated; and, in Ohio, landfills are becoming a dumping ground for radioactive fracking waste. Finally, and astonishingly, in February 2012, the Pennsylvania state legislature adopted a law allowing the holding ponds to be located within... 300 feet of residential areas! A year and a half later, people living close to the holding ponds have started to have serious health problems: they suffer from fatigue, skin rashes, nose bleeds, sore throat, difficulty of breathing, and so on. More seriously, the incidence of cancer, heart disease and strokes is on the rise.

Big Question Number Two: What happens when the oil and the fracking fuel leak from the pipes and pipelines? It is well-known that 6 per cent of the wells will leak annually, which means that at least 50 per cent will leak in ten years' time, and that practically all of them, 100 per cent, will leak in twenty years time. That is one thing. Another is that accidents happen on a regular basis. For example, in September 2013, more than 20,600 barrels (the equivalent of 865,200 gallons) of oil spilled from a pipeline in Tioga, North Dakota, in one of the biggest onshore oil spills in recent U.S. history – it was much bigger than the Pegasus pipeline spill in April 2013, in Mayflower, Arkansas, which spilled between 5,000 and 7,000 barrels of tar sand oil – affecting a land mass of more than seven acres. In addition, as a result of the spills and leakages, tap water in areas close to the wells and the holding ponds can be full of sand, oil and chemicals; it is brownish in color and it stinks. In Josh Fox's documentary on gas drilling in Colorado, Wyoming, Utah and Texas, the tap water in people's homes is flammable: it literally burns when a match is lighted next to an open water tap! People are forced to buy water which they store in tanks. Some are reimbursed by the companies that own the wells. But not those who have received money for mineral rights under their properties; they cannot complain because they have signed non-disclosure agreements. Finally, some statistics. 2 million gallons of water, 4 million pounds of sand and about 350 barrels of chemicals are used in the lifetime of a single well. As mentioned above, more than half a million wells have already been drilled in the U.S., and a total of more than a million are expected to be drilled in the next twenty years or so. So, to have an idea of the global environmental impact in the future, these numbers must be multiplied by one million. They are: 2 trillion gallons of water, 4 trillion pounds of sand and 350 million barrels (one barrel is about 120 liters or kilograms) of toxic chemicals...

To conclude, there is a significant risk that the exploitation of massive oil and gas reserves in shale formations that lie very deep underground can signify, in the long term, that a major catastrophe may be in the making in America because there is a good chance that the air Americans they breathe, the water they drink, the food that they eat will be contaminated. The health of a lot of people will be impaired. The environment will be destroyed. Beautiful regions of farms and small towns are disappearing. A whole way of life, bucolic and peaceful, is being lost. So the big losers are the American people. The big winners are of course the owners (shareholders) and the top executives of Big Oil and Big Gas that will pocket enormous profits. Moreover, they will have benefited, at the expense of the American people, from a multitude of exemptions and entitlements; for example, the law known as the 'Halliburton loophole' that was adopted by Congress in 2005, during the Bush-Cheney administration which exempted the fossil fuel industries from the requirements of The Safe Drinking Water Act, and several other similar acts. The necessary work was done by The Energy Task Force, The American Petroleum Institute and its affiliate, Energy-in-Depth, a PR and lobbying firm in Washington, especially created for that purpose.

However, the American people have, belatedly, begun to realize the gravity of the situation and started to seriously resist fracking and the Keystone XL Pipeline built to transport the dirty sand oil of the Athabasca region of the Alberta province in Canada to the Texas refineries on the Gulf Coast. In several states, in hundreds of towns, people are going to court to forbid or to stop fracking, and they are winning! For example, in Dryden, a dairy town of some 14,500 people in New York State, the municipality took the Anschutz corporation – owned by Philip Anschutz whose net worth according to

Forbes is \$ 7.5 billion... – to court and won! Earth Justice, a major national NGO, is helping many communities across the United States to confront the oil and gas companies. It is also thanks to Earth Justice that sued them that the oil and gas industry was forced to disclose the list of chemicals, many of which are toxic, that they use in the fracturing fluids. Finally, the New York State has declared a two-year moratorium on gas drilling that uses fracking. Among the 75,000 people who have signed the pledge to resist the Keystone XL Pipeline is the *Action Groups Coalition* in which are found, in addition to Earth Justice, The Sierra Club, Friends of the Earth, Greenpeace, and the Rainforest Action Network. McKibben's 350.org divestment campaign in universities and municipalities is picking up momentum. In November 2013, the campaign was taken to Europe...

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The U.S. is the largest debtor nation in the world. Its total Debt in 2012 was \$ 58 trillion – the equivalent of four years of the American GDP – divided into Private and Public Debts. The former, owed by the people, was \$ 31 trillion, 55 per cent of the total; it is commonly divided into four categories: Personal Debt, \$ 16 trillion; Mortgage Debt, \$ 13 trillion; Student Loan Debt, \$ 1,2 trillion, and Credit Card Debt, \$ 845 billion. The latter, the Public Debt, \$ 17 trillion, close to 30 per cent of the total, was owed by the government; \$ 11 trillion to domestic creditors, and \$ 6 trillion to foreign creditors. The remaining \$ 10 trillion, close to 15 per cent of the total, was owed by U.S. business to various lenders.

There are obviously serious consequences and implications, both internally and externally, of the fact, or to the reality that the U.S. is the largest debtor nation in the world. What are they? Internally, the most important consequence or implication is that Americans are *addicted* to living beyond their means. Compared to a single person or individual it would mean that letter constantly spends more than he or she earns. That he does not save anything for a rainy day. In fact, not only do that person or individual does not save, but he or she continuously piles up debt. That is the opposite of the situation that obtains in Japan, China, Germany and many other European countries that are creditor nations in which people save a significant part of their income. Externally, the most important consequence or implication is that the U.S.'s financial position is deteriorating. Presently, the U.S. dollar is the main international reserve currency in the world with some 60 per cent of the total in 2013. But it used to be 80 per cent not long ago. And this trend is accelerating: many countries are diversifying their reserve holdings, selling dollars and buying euros, yens and Swiss francs; the BRICS, in their last meeting held in Durban in March 2013, decided to use the yuan among themselves for their trade and investment activities, and to create a new development bank, with an initial capital of the equivalent of \$ 100 billion, moving thus away from the world order dominated by the IMG and the World Bank. On the other hand, the share of the U.S. economy in the world's economy keeps shrinking: it was half in the aftermath of the Second World War, is presently only a quarter. It is therefore clear that the share of the U.S. dollar as an international reserve currency will continue to shrink. How fast? Or how slow? is the moot question which will depend on various factors the most important of which is: How long will the U.S. be able to maintain its status as the indisputable superpower of the world? Secondly, there is the 'factor' of the exploitation of massive fossil fuel reserves in the U.S. True, resistance against fracking is growing, but if the past is an indication of the future, the die is cast (*Alea jacta est*) for the better or for the worse, and there will not be any going back. As a result of this 'development', the U.S. trade deficit will shrink significantly. Finally, of course, and for obvious reasons, Saudi Arabia and the Gulf Emirates will never abandon the dollar...

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*Ô Liberté! Ô Liberté! Que de crimes sont commis en ton nom!* (O Liberty! O Liberty! What crimes are committed in thy name!) cried Madame Roland as she was taken, on an open tumbril, and in the company of seven or eight other persons, men and women, condemned to death, to the *Place de la Révolution* where the guillotine stood. She uttered the words as the famous *charrette* was passing in front of one of those Marianne statues, the new symbol of Liberty in France, that had been erected in all the squares in Paris. She and her husband were among the few aristocrats who supported the French Revolution. But when *La Terreur* came and the Revolution started to devour its children, they too were attacked. Her husband managed to escape, but she chose to stay. She was arrested and after a brief simulacrum of trial, found guilty of treason sentenced to death and guillotined...

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Sometimes I dream of someone like Louis Brandeis on the Supreme Court. During the twenty-three years of his tenure, from 1916 to 1939, he tried to curb the power of the big banks and monopolies, fought against public corruption and mass consumerism and wrote *Other People's Money and How the Bankers Use It*, a book very critical of the banks... 'A Robin Hood of the law' is how *The Economist* of London described him...

End of Part One

## PART TWO

### THE CENTER CANNOT HOLD THE SECOND AMERICAN REVOLUTION TO BUILD A BETTER WORLD

*Those who make peaceful revolution impossible will make  
violent revolution inevitable.*

John F. Kennedy

*Because revolution is evolution at its boiling point you cannot  
'make' a revolution any more than you can hasten the boiling  
of a tea kettle. It is the fire underneath that makes it boil:  
how quickly it will come to the boiling point will depend on  
how strong the fire is.*

Rabbi Alexander (Sasha) Berkman

*The Idea is the Thing*

*It is the way of heaven to take from what has in excess in order  
to make good what is deficient.*

*Tao Te Ching, Chapter LXXVII*

Lao Tzu

Let us build a better world. Let us repair and heal the world. It is indeed our shared responsibility. Aristotle taught us that, in the ethical development of the human soul or spirit, four distinct stages can be observed: experience, consciousness, conscience and responsibility. The first two stages are universal: being human is indeed experiencing and becoming conscious of the ecological, cultural, social, economic and political reality that surrounds us. But not the other two: not everyone develops a conscience without which it is not possible to feel responsibility. Responsibility for what? For improving things, for making things better in the world; for participating in, or contributing to, the building of a better and sustainable world. Sometimes it is possible to do that within the system by working and pushing for reforms; sometimes, like in the present time, and for reasons that I have tried to explain in the first part of this essay, that is not possible, and one must be part of efforts to change the system; that is the revolutionary approach. For the latter to succeed, the participation of a 'critical mass' of people is necessary. Dennis Trainor, Jr, the host of Acronym T.V., in a 'letter' published in NationofChange on December 3, 2013, affirms that no resistance movement has failed when 3.5 per cent of the population have become active participants. It is important to underline that active participants are not merely sympathizers, or even supporters. They are people who are directly involved in revolutionary activities through membership of NGOs and other groups which organize events – strikes, demonstrations, occupations, etc. –, people who are prepared to take risks, and

eventually to get beaten up, and go to jail. Three point five per cent of the population. That in the U.S. would be close to eleven million people. That is a lot of people. If that is the 'critical mass' that is needed, we must ask ourselves how long it would take for it to emerge in the U.S. One hopes not too long because let us keep it in mind that unless the current cultural, ecological, economic and political paradigm controlled by the oligarchs is overthrown and replaced by one that serves the public good, there will be, sooner or later, a terrible price to pay: the partial or total destruction of our planet, and our (so-called) human civilization. So, to repeat: because our current cultural, ecological, economic and political paradigm controlled by the oligarchs is gridlocked (the Gordian Knot is a good image) in the United States, and because what happens in that country has a tremendous influence on the rest of the world, a Second American Revolution is a necessity.

What does a revolution do? Why do they happen? As a concept, is it still valid. These are some of the questions that come to mind when one thinks about revolutions. Let us briefly try to answer these questions, and make a few comments on some of the revolutions of the past of which there have been a large number. To begin with, they did not happen just like that, in a vacuum, and at random. They happened because there was a need for them. The second important point is that all revolutions have their pluses and minuses. I think that some – like Cromwell's Revolution, the Glorious Revolution of 1688, the Italian *Risorgimento*, the American and the French Revolutions – had more pluses than minuses. Others, like the Russian and the Chinese revolutions, may have had more minuses than pluses. The Russian Revolution started well, but later betrayed the hopes that so many people had put in it. Stalin's crimes against humanity shocked the world. But, still, it too had some important pluses. Women became more free sexually, and many professions which earlier had been off-limits to them, became accessible; thus many women in the Soviet Union became doctors, engineers, architects, and so on. Culture was popularized. Anyone could afford to go to a Bolshoi performance, a Chekhov play, or a Moscow Philharmonic concert. Truck drivers read Tolstoy... In China, The Great Leap Forward and The Cultural Revolution were unmitigated disasters. But Mao's historic achievements cannot be denied. Before the Revolution ousted them, regional and ethnic warlords ruled China. Mao defeated them and unified the country. He got rid of the feudal landlords. Large estates were seized and the land was divided among the peasants' communities. And China regained the respect of the international community. The humiliation of a great nation came to an end. Finally, because of all the above, it can be realistically argued that Mao made it possible for Deng Xiaoping to emerge. And Deng's sweeping economic reforms made China what it has become: an economic powerhouse that soon will be a great political and military power as well. The French Revolution may have been very bloody and cruel, but it too had some very important pluses. Influenced by Rousseau's path-breaking book *Le Contrat Social* published in 1762, it spread all over Europe the idea that people were citizens with rights, and not subjects ruled by kings with God-given powers. *Le Contrat Social* opens with an incredibly powerful sentence: *Man is born free, and everywhere he is in chains*. Rousseau believed that the 'natural man' was good, but that he was corrupted by society. However, he also believed that his corruption was not definitive, and that it was possible for the 'social man' to become good again if he went back and recovered the values that linked him to Nature. Education was the key. Amazingly, Rousseau published *Emile*, his big book on education, the same year as the *Social Contract*. In it, he explained that the education of a good man must include, in addition to the traditional 3Rs, Reading, Writing and aRithmetic: a manual skill, such as carpentry and farming; music – reading a score, playing an instrument; botany – knowledge about trees and plants; and what he named *Education Sentimentale*, that is, education about feelings, including sexuality. As for the American Revolution, it is a special *sui generis* case perhaps for two major reasons: one, it is inextricably linked with the struggle for independence; and two, the American Founding Fathers were mostly an aristocratic group of land- and slave owners. Let us not forget that, the abolition of slavery had to wait for another almost hundred years, and that, even after its abolition, racism, segregation and discrimination continued for the black people for more than a century, ending, finally, in the early 1960s thanks to the civil rights movement

led by Martin Luther King. Today, in the United States, the political and economic elites dominated by the oligarchs may no longer be aristocrats, but they are certainly large property owners. I can't help repeating Louis Brandeis's statement that: *You can have wealth concentrated in the hands of a few or democracy, but you cannot have both.*

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The brutal suppression of socialism in the United States at the end of the 19<sup>th</sup> and the beginning of the 20<sup>th</sup> centuries goes a long way, I think, the flawed nature of the American democracy which ended up becoming a quasi-oligarchy in which being a 'winner' is the be all and the end all of everything in social life, and 'losers' are the object of contempt and pity. Most Americans believe that the 'losers' themselves are to be blamed because they have not worked hard enough, and they have not educated themselves, to take advantage of the manifold possibilities for success that exist in the 'land of opportunity' that is the United States. There is little realization in America that the line between success and failure is very thin, and that both should be treated as impostors. That is the exact opposite of the thinking that prevails in the 'welfare states' of the Scandinavian countries in which the basic human needs of all the people are covered – from the cradle to the grave, as the saying goes -, even if very high income taxes must be paid for that. It is, ultimately, a matter of solidarity: *I am my brother's keeper...*

This absence of a socialist consciousness in the United States – socialism is a dirty word outside academic circles – makes one forget the struggle for it in America that lasted some fifty years, between the 1880s and the 1930s. Socialism and anarchism were important social movements in the United States until they were brutally crushed, beginning in the 1930s. Let me give a few examples. In Chicago, the Haymarket Bombing in May 1886, in which seven policemen and an unknown number of workers lost their lives, started a witch hunt and the first 'red scare' in America. Eight leading socialists and anarchists were arrested and tried, four were found guilty and hanged. In Seattle, in 1919, 65,000 workers participated in a general strike. Many were dock workers who refused to load a shipment of arms destined to the anti-Bolshevik White Army. The whole thing petered out in a week, there was no violence. In Massachusetts, Sacco and Vanzetti, two anarchists active in the labor movement, were accused of murdering two men during an armed robbery. They were, in 1927, after two trials that lasted six years, convicted and executed in the electric chair. Many years later, new evidence indicated that Sacco was probably guilty, but not Vanzetti. It is today widely acknowledged that the judges disgraced their profession, and that the jury was prejudiced against the two agitators of Italian origin. Then, in the 1930s and 1940s, J. Edgar Hoover took over. And, finally, in the 1950s, Joseph McCarthy, and the victory of the capitalist elite was completed.

There were two terrible consequences of this complete or total victory: one, syndicalism, or the trade union movement, was penetrated by the criminal mafia, and thus lost its legitimacy and idealism – a typical example is Jimmy Hoffa's Teamsters Union; Hoffa disappeared in 1975, he was probably assassinated, but his body was never found; and two, American workers never made the big gains that their European counterparts made. In France, for example, when Léon Blum's *Front Populaire* came to power in the mid-1930s, the workers won many rights, including their sacrosanct one-month annual paid vacation. More than eighty years later, most American workers still have only two weeks, and some, reported, even refuse to take it, fearing to be seen as slackers ...

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To emphasize the point that women will have to play a much bigger role in the better and sustainable world that we need to build, it is not, I believe, entirely redundant to briefly mention some of the salient aspects of the matriarchal societies which certainly were/are freer, far more egalitarian and peaceful than the patriarchal ones that dominate the planet today. We can see that clearly in the few matriarchal societies that continue to exist in the contemporary world. For example, the Moso and the Na who live in the pre-Himalayas, in the south-west of China, which have been the object of lively scholarly interest in the last ten to fifteen years, or so. Among the several books that have been published during that time are: on the Moso, Francesca Freeman's *Benvenuti Nel Paese Delle Donne* (Welcome to the Country of the Ladies); and, on the Na, Chuan-kang Shih's *Quest of Harmony*, and Lai Hua's and Asti Hustvedt's *A Society without Fathers and Husbands*. Two basic rules or principles characterize these matriarchal societies: one, there is no private property, everything (except personal belongings) – houses, fields, crops, shops, goods, equipment, and so on – belongs to the extended family (all the brothers and sisters of the older generation, their wives and husbands, and their children, married or not); and two, the institution of marriage does not exist. Instead, they have what Shih in her book describes as the *tisese*, which she defines as: *a non-contractual, non-obligatory and non-exclusive sexual and reproductive relationship*. This is how the *tisese* works: when a young man and a young woman embark upon a long-term intimate relationship, they continue to live in their separate households. The man can spend the night with the woman in her room, but he must leave before daybreak. The children are raised collectively by the women of the household. The children do not always learn who their biological parents are because the women are free to have more than one sexual partner simultaneously – even though that is not common. Young bachelors and couples are free to leave the community, and many do, lured by the many temptations of the new consumer society in China.

Does that mean that the matriarchal societies of the Moso and the Na could become extinct in the future? That is not likely. But, probably, they will continue to shrink. Can they, or will they, stage a big comeback in the future, and that not only in China, but in the rest of the world as well? That too is unlikely. But, on the other hand, women are progressively becoming more powerful and influential in the patriarchal societies, and that does represent a return to matriarchal values. The key element will be what happens to private property in the future. Today it is sacrosanct, but the extreme accumulation of wealth in oligarchic societies may well provoke a reaction that weakens it in the future. If and when that happens, Jean-Jacques Rousseau, who believed that private property is at the origin of all evil in the world, will be vindicated. And given the prophetic quality of much of his writing, that, I think, will not be all that surprising.

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The Second American Revolution, I am convinced, needs, *inter alia*, to introduce and achieve, Five Big Changes:

1. Doing away with the oligarchs;
2. Abolishing speculation;
3. Introducing Ethics as an essential value;
4. Developing a people-oriented Commons economy;
5. Happiness Index replacing the GDP and the per cap Income indexes.

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Big Change One. Doing away with the oligarchs. This goal may appear to many as wishful thinking, quixotic, and even impossible to realize. It is not. Of course, the fact or reality that the oligarchs have practically all the political and economic power in the present system does not mean that it has to be that way. There is no divine or natural authority that has decreed that it has to be so. Obviously, in a democratic system, power belongs to the people. The oligarchs stole that power from them. They can and will keep it as long as the people will allow them to do so. But nothing prevents the people to take it back. And this is what the Second American Revolution will do: take back the power that was stolen by the oligarchs.

Sam Pizzigati, a researcher with the Institute of Policy Studies in Washington, has just published *The Rich Don't Always Win. The Forgotten Triumph Over Plutocracy that Created the American Middle Class, 1900-1970*. He reminds Americans something that most of them forgot: that there have been, in the past, successful attempts to limit wealth in America. For example, Felix Adler, a late-19<sup>th</sup> century American philosopher, argued that it was the exploitation of the workers that enabled the bourgeoisie to accumulate enormous fortunes, which they then used 'to gain a corrupting influence' in American politics. Adler proposed a stiffly progressive income tax to deal with the problem. Perhaps partly owing to his influence, that idea was put into practice by the Woodrow Wilson's Administration, at the time of World War One: incomes above \$1 million were taxed 77 per cent. Franklin D. Roosevelt's administration, during the New Deal that followed the Great Depression, incomes above \$200,000 were taxed 94 per cent. Admittedly, the rich took advantage of tax shelters and tax dodges – such as buying cattle, land, real estate... – and, in reality, paid much less than 94 per cent tax, but they still paid a lot more than today's oligarchs who hide billions of dollars in tax havens around the world, and who benefit from tax avoidance schemes by the multinational corporations that they own, concocted by specialists, such as transfer pricing, shell companies, and so on.

Howard Zinn, in Amy Goodman's *Democracy Now* talk show, a few months before he died in 2010, at age 87, said:

*But remember, this power of the people on top depends on the obedience of the people below. When people stop obeying, they have no power. When workers go on strike, huge corporations lose their power. When consumers boycott, huge business establishments have to give in. When soldiers refuse to fight... war cannot go on. So, yes, people have the power...*

Zinn added that most Americans do not know their own history because many historical events, or beliefs, ideas and statements by important personalities, are not taught in the schools, not mentioned on the radio or TV, nor written about in the newspapers – not even in the serious and liberal newspapers like *The New York Times* or *The Washington Post*, except, rarely, in op-ed pieces read by an intellectual elite. Why? Because the oligarchs own the mainstream media and the journalists know how far they can go, and where the line is they should not cross if, at some point, they do not want to lose their jobs. It is called self-censorship which, in the quasi-oligarchic societies of the West, is far more important than open censorship. The official American history that the children learn in schools, Zinn went on, has been cleansed of elements that don't fit with the interests of the ruling elites. For example, very few people know that Mark Twain was a socialist and vice-president of the Anti-imperialist League, and that Teddy Roosevelt publicly congratulated a general who had carried out a massacre of civilians in the Philippines...

The interests of the ruling elites is what explains that whistle-blowers like Julian Assange, Sheila (Bradley) Manning, Jeremy Hammond and Edward Snowden must be silenced at all costs. That is not

new: it is the continuation of the same battle that started when Daniel Ellsberg who, deeply upset by what he had learned, decided to deliver a bunch of classified documents, which became known as *The Pentagon Papers*, on the Vietnam War, to Neil Sheehan, a New York Times reporter. After much soul-searching, Arthur Ochs Sulzberger and Katharine Graham, the publishers of the New York Times and the Washington Post, and James L. Greenfield and Ben Bradlee, their editors-in-chief, decided to publish some parts of the *Papers* which clearly showed that the U.S. government had lied to the American people about the Vietnam War, bombing Cambodia and to Laos illegally and secretly to avoid a humiliating defeat. The Nixon administration had the bad idea, as it turned out, to take the Post and the Times to court, and the case went all the way up to the U.S. Supreme Court which found the publishers and editors of these two newspapers 'of record' not guilty because they had served the public interest. Good. But, perhaps it is not the whole story, and it is also of interest to note that the Supreme Court had a 5 to 4 liberal majority at the time (even though it was a 6 to 3 decision, Potter Stewart, a conservative, having joined his five liberal colleagues in that ruling.). The five liberals on the Court were: Thurgood Marshall, the first black justice, nominated in 1961 by JFK, Hugo Black, William Brennan, Byron White and William Douglas. All appointed by democratic presidents. What would have happened if the Supreme Court had a solid conservative majority? Is it possible that Ellsberg, and the publishers and editors of the Times and the Post would have been found guilty? I think it is possible, and even probable, that they would have been convicted. Would they have spent time in jail? No, that I don't think so. They belonged after all to an intellectual and... plutocratic elite...

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*Atlas Shrugged*, a big book written by Ayn Rand published in 1957, greatly influenced conservative ideology in the United States. During the last presidential election of 2012, there was a lot of talk about both the book and its author. Paul Ryan, Mitt Romney's choice for vice-president, and Alan Greenspan, the former chairman of the Fed – who is at least partly responsible for the sub-prime debacle for at least two reasons: he kept interest rates too low for too long and he 'staunchly' (term used by a reporter who covered his 2008 Congressional Hearings) opposed tougher regulation on the derivatives – are known to be a big fans. *Atlas Shrugged*, which takes place in 2016, tells the story of a United States that has become a dystopian society. Dystopia, which is the opposite of utopia, is a society that is characterized by a totalitarian government and environmental disaster. It is also a dehumanized society in which people are depressed and demoralized, desperate because they have lost all hope. In such an environment, the last humiliation is that people can no longer use their cars to travel because the price at the pump of a gallon of gas has reached \$ 37. The only solution is to travel by train. But the railways are in a very rundown condition and must be rebuilt. John Galt, a charismatic businessman, undertakes to realize that task but his efforts are hampered by corrupt trade union officials and incompetent government bureaucrats. When things go from bad to worse, Galt and his associates, who represent the nation's creative people – industrialists, scientists, professionals, artists, and so on – decide to go on strike. It is a special kind of strike: one after the other they disappear from their natural and habitual environments, leave their homes and workplaces, to meet in a hideaway where they have long discussions about what they can do to save America...

*The Fountainhead*, the other big book that Ayn Rand wrote, published in 1943, is the story of an idealistic architect who blows up a very special building that he has designed because his partner dared to make some minor changes to it. The 1949 movie based on it was a box-office success owing largely to Gary Cooper who played the title role. That success could not be repeated with *Atlas Shrugged* more than sixty years later. The first two parts of a movie trilogy based on the opus that hit the screens in 2011 and 2012 were flops – perhaps owing to the fact that Gary Cooper was no longer available to play the title role...

Ayn Rand once described her 'philosophy' as the following: *In essence, the concept of man as a heroic being, with his own happiness as the moral purpose of his life... Adding: A world in which the individual is not free to create is doomed.* It made me think of Nietzsche's warning: *The noble man wants to create new things and a new virtue. But the danger is, he may become an impudent one, a derider, a destroyer...* The problem with Ayn Rand, I believe, is that her whole life was defined by her bitter hatred of Communism. When she was a child, her father owned a pharmacy in Saint Petersburg that was expropriated by the Bolsheviks. The family ran away to Crimea then controlled by the White Army. But, after the latter's defeat by the Red Army, they had to return to Saint Petersburg. They were given a single room in their own big apartment. Ayn Rand (whose real name is Alisa Zinov'yevna Rosenbaum), managing to obtain a visitor's visa, could miraculously escape to the United States...

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In Dante's *Divine Comedy*, Avarice (whose meaning is similar to Greed) is described as 'a sin of excess' and one of 'The Seven Deadly Sins' – the other six being Wrath, Sloth, Pride, Lust, Envy and Gluttony. Admittedly, not all of them are present in the outrageously luxurious lives of the oligarchs. In addition to Avarice or Greed, Pride, Lust, Envy and Gluttony may be present, but not Wrath and Sloth. Below I give an extreme example of what may combine the five I mentioned above. Wrik Sen, in an article entitled *The Most Expensive Luxury Yachts in the World*, has reported that, in the spring of 2012, a yacht believed to be commissioned by a prince of the Saudi Royal Family that was being built under the name of *Project Azzam*, by Lürssen Yard, a German shipbuilding company located in Bremen-Vegesack, was the most expensive yacht in the world: 590 feet long, boasting a master suite of 5,000 square feet, it had a price tag of \$ 622 million. *Eclipse*, owned by Roman Abramovich, the Russian oligarch who also owns the Chelsea football club in the U.K., is worth \$ 485 million. *Octopus*, built in 2003 for Paul Allen, the co-founder of Microsoft, was, at that time, the biggest and most luxurious yacht in the world. In 2010, Larry Ellison, the co-founder of Oracle software company, sold *Rising Sun*, a yacht it cost \$ 200 million to build, to David Geffen – co-owner with Steven Spielberg and Jeffrey Katzenberg of SKG Dreamworks Studios... Let us also note that yachts, of course, are but one of the especially expensive items in the lives of these billionaires who also own private jets, palatial residences, luxurious chalets, stupendous villas in the Caribbean islands, jewelry, paintings, antiques, real estate, big ranches, *and*, for some of them, billions of dollars in cash stashed away in tax havens...

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It took a big meteor to hit the world some 65 million years ago for the dinosaurs to disappear. It will take a similar earth-shaking event for the billionaires and the oligarchs to disappear, a Second American Revolution which: one, will abolish all the tax havens in the world; and two, will fix upper limits of wealth and income. Nothing less will do. In addition, a minimum income should be guaranteed for everyone, regardless of whether one works or not, for the simple reason that the satisfaction of the basic human needs – food, shelter, health, education, leisure, and even peace – of everyone should be a matter of human dignity and human solidarity, which should take precedence of all the other considerations. Of course, able-bodied people should work, as the Turkish sage says towards the end of Voltaire's *Candide* because *Work banishes those three great evils, boredom, vice, and poverty*. And, as well-known, *Candide* himself concludes: *We must cultivate our garden...* So, yes, able-bodied people should work. But what kind of work should they do? Certainly not the kind that

exists in the sweatshops of Bangladesh, the mines of South Africa, and building sites in the Persian Gulf countries...

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More than forty years have passed since the first publication of E.F. Schumacher's: *Small is Beautiful* in 1973. The book is subtitled: *A Study of Economics as if People Mattered*. The book was not forgotten: several editions were published during these four decades that have since elapsed. The relevance of Schumacher's book, if anything, has increased over the years. Why? James Thurber's aphorism hits the nail on its head:

*Man is moving too fast for a world that is round. Soon he will catch up with himself in a great rear-end collision, and he will never know that what hit him from behind was man.*

So, yes, bigness is the culprit. Bigness that is destroying the planet and everything that, good and bad, humanity has built. Big cities, big factories, big armies, big nuclear power plants and big... egos are destroying the world.

Athens, 2,500 years ago, during the Golden Age of Pericles, was a small city-state. Its entire population was no more than 150,000. In his Funeral Oration to eulogize the dead of the first war against Sparta, Pericles (according to Thucydides) had this to say about Athens' achievements as a democratic state:

*The laws of Athens afford equal justice to all. If a man is able to serve the state, he is not hindered by the obscurity of his condition... In foreign policy, we throw open our city to the world... Yet Athens' values of openness and equality do not hinder Athens' greatness. Indeed, they enhance it ... We believe in equal justice under the law...*

In Athens, the citizens were paid fees for public service, so that office-holding would be accessible to the poor. And they drew lots to fill many offices.

Gary Wills, the historian of the American Civil War, believes that Pericles' speech inspired Abe Lincoln's *Gettysburg Address*.

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Dostoyevsky must be turning in his grave. The Justice Department (JD) and the Internal Revenue Service (IRS) are allowing top bankers and top managers of large multinational corporations who broke the law to escape punishment by negotiating, and then paying, big fines, as if that was an ethically acceptable arrangement. It is not. Let me give a few examples to illustrate that 'situation'. First the 'deals' that the JD made with America's biggest bank, JP Morgan Chase, and with one of the biggest pharmaceutical companies, GlaxoSmithKline. Jamie Dimon, JP Morgan's top executive – having admitted that the bank's behavior was problematic during the sub-prime crisis in connection with the mortgages included in the derivatives (CDOs, or Collateralized Debt Obligations) sold

directly, or indirectly (by including them in investment funds, for example) to unsuspecting clients – agreed to pay a mind-blowing \$ 13 billion to 'settle' the case: \$ 9 billion in the form of a fine, and \$ 4 billion to provide relief to 'struggling homeowners'. He added that, having anticipated that type of problems, the bank had, since 2010, set aside \$ 28 billion for litigation expenses. \$ 28 billion for litigation expenses? *Sans commentaire*, as the French would say. But I cannot resist to make one: that simply means that the bank is aware that its *modus operandi* is not beyond reproach with respect of the letter of the law – to say nothing about the spirit of the law – and is anticipating trouble while, at the same time, it is confident that it can 'deal' with these troubles by throwing money on them. A top banker who can say that with a straight face, as if that was perfectly normal, is the incontrovertible proof that the system, or the society, in which such a thing can happen is 'rotten' (as Hamlet would put it). Second deal. The JD made a similar 'deal' with GlaxoSmithKline, the Big Pharma company, which agreed to pay a \$3 billion fine to 'settle' what the JD in a report described as: *helping to publish falsified data in a medical journal, failing to report the dangers of a drug, and using favors to doctors to prescribe drugs that didn't have FDA approval*.

So, what is going on here? Why did the Justice Department choose to 'settle' out of court, preferring a large payment instead of prosecuting? One explanation is that they believe that making the banks and the large MNCs to pay huge fines is a more effective way of punishing them than trying to send them to jail. That because the big banks and the large MNCs have the means to hire the best lawyers in the country who are very good at finding obscure legal rules and all sorts of loopholes in the law that would force the judges to throw the cases out. Yes, but: one, does it really hurt these banks and MNCs to pay billions of dollars in fines? Probably not because it is the shareholders who are paying the fines, and not the top executives and managers – except perhaps, to the extent that they collect smaller bonuses. The shareholders may 'suffer' for a year or two because the value of the shares will go down, and dividends will not be paid. After that, it will again be 'business as usual'. Two: By choosing that 'solution', what kind of 'message' is the JD sending to the American people, and especially to young Americans? Not a very good one, to be sure, because the 'message' is, as mentioned above, ethics is not a consideration, making some hard cash is. Finally, some commentators believe, these huge fines, will do little to prevent the big banks and the large MNCs to break the law in the future because they have already 'internalized' them as the Cost of Doing Business (CDB). \$ 13 billion and \$ 3 billion may look huge to ordinary people, but they represent only a small percentage of the profits realized by these giants.

Now, let us turn our attention to the shenanigans of the Internal Revenue Service which paid a \$104 million 'reward' to Bradley Birkenfeld, the UBS executive who spilled the beans, telling the IRS how the UBS actively 'canvassed' thousands of wealthy Americans, in places where the latter congregate: yachting clubs, golfing clubs, ski resorts, etc., 'instructing' them on ways and means to avoid to pay taxes, and thus defraud the IRS. Paradoxically, Birkenfeld, before he was paid his jackpot, was indicted, found guilty, and sent to prison for two and a half years... Why \$ 104 million? Isn't that amount excessive? Well, the IRS rule in that respect is that informers receive 2 per cent of the amount in taxes and fines that the IRS recovers thanks to the information received, and in Birkenfeld's case that amount was \$5,2 billion. So, two per cent of \$ 5,2 billion, that is \$ 104 million. But, what about that amount being turns out to be outlandish, grotesque, indecent? Well, again, ethics is not a consideration. Pragmatism is the name of the game. What matters is to recover as much money as possible, and they have decided that 2 per cent was an appropriate percentage, period. Americans are not alone in 'rewarding' the informers. Germans and the French have done the same when they bought CDs containing lists of their compatriots who have secret bank accounts in Switzerland, and in Luxembourg, but the amounts they paid are much smaller.

I must conclude, in view of all the above, that the only way to introduce ethics into the system is to have the top executives of big banks and large MNCs responsible for white collar crimes indicted, sentenced to stiff prison terms and actually sent to jail. But that is not going to happen in the quasi-

oligarchic system that prevails in America. And that is why, once more, a Second American Revolution is a necessity.

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At the opposite ethical pole, so to speak, we find people like Tim Berners Lee who invented the World Wide Web when he was working for the European Center for Nuclear Research (CERN) in Geneva. Berners Lee refused to patent his invention, declaring that everyone should be able to benefit from it freely. He, then, in 2009, was one of the founders of the World Wide Web Foundation whose purpose, he said, was: *To empower humanity and to promote positive change*. That people like Berners Lee exist is like a breath of fresh air in an atmosphere polluted by the economic, political, and even cultural 'mafia' that runs things in our corrupt quasi-oligarchic systems. The problem, of course, is that they are very few to influence the way the system works...

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It is a paradox, and an ironical one at that, that the secret numbered bank accounts were 'invented' by the Swiss in the late-1930s to keep the Nazi investigators from discovering the Jewish assets hidden in Switzerland. But, at some point after the Second World War, the Swiss bankers quickly realized that they were sitting on a gold mine. Secret numbered bank accounts turned out to be one of the most profitable ideas of all time. Not only have the Swiss banks made enormous profits in the following half century or so, but the Swiss people too benefited considerably. This is the chain reaction of how: the banks paid taxes which subsequently were used in public works and social programs; facilitators like lawyers, accountants and fiduciary companies also made a lot of money; many of the account holders from all over the world traveled to Geneva and Zurich, on average once a year, to check on their accounts, *and* to spend some of the money they had made in the previous year; they stayed in four- or five-star hotels, ate in expensive restaurants, replenished their wardrobes, bought watches and jewelry, patronized the posh winter sports resorts, bought real estate, etc. etc. And, it still goes on, except for the U.S., German and French accounts. Clearly, the only way to stop it would be to abolish *all* the tax havens in the world. Another 'item' that a successful Second American Revolution would have to tackle...

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Recently, Warren Buffett and Bill Gates have initiated the Giving Pledge project. The idea is that the American billionaires should give back to society half of their billions. According to a report in the Huffington Post, as of July 2013, 113 billionaire individuals and couples, and one family group, have committed themselves to do just that. The question is: does that change anything? Will the U.S. become a better place because some of its billionaires will part with half their billions? Perhaps marginally, but not significantly, for at least the following reasons: 1. 113 is close to 27 per cent of the 426 American billionaires (that is the number in the Forbes list, which does not include the trillions of dollars hidden in Delaware and other overseas tax havens, so the real number of American billionaires must be much higher); even admitting that many more billionaires will join the Pledge, at least half of them will not join; it is difficult to imagine the Koch brothers and Sheldon Adelson joining the project, for example. 2. But, even if they did, by some miracle, it would not *really* change the 'heart of the

matter' since the remaining half of their billions would be sufficient to continue to dominate and control the global corporate capitalist system. And, as long as the system persists, they will continue to make additional billions. 3. That will not keep them from enjoying their outrageous lifestyles and privileges; what is after all, in that respect, the difference between having ten billion dollars, instead of twenty, five billion instead of ten, or even one billion instead of two? 4. In the United States, much wealth has for a long time ended up in the seven thousand or so philanthropic foundations which spend billions of dollars every year to support projects that are supposed to serve the public interest. That is only partly true because not all the projects supported by these foundations serve the public good. Some serve the interests of the wealthy. When a billionaire makes a multimillion donation to Harvard, Yale or MIT, does that serve the public interest? Yes and no, or only partly. Because who benefits from the top-quality education provided by these universities? Perhaps a small number of students belong to the less privileged classes, but a larger number are the offspring of the rich. So, these donations will do little to correct the inequality that exists.

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Big Change Two. Abolishing speculation. It can hardly be denied that big-time speculation, serving largely the goal of increasing the oligarchs' wealth, is unethical, not say immoral. That would be enough reason to wish for his suppression. But there is more: trillions of dollars, that could, should, have been invested creatively and productively to promote a Green Economy are wasted by it. Thirdly, big-time speculation widens the gap between the rich and the very rich, and the very poor and the poor.

As mentioned in Part One of this essay, various types of derivatives – the imagination and talent of MBA graduates from the best universities in America appears in that respect bottomless! – are the favorite financial instruments used by big-time speculators. During the sub-prime crisis, the Collateralized Debt Obligations (CDOs) and the Credit Default Swaps (CDSs) were their favorites. A big – and persisting and unresolved problem – is that these derivatives can easily become 'toxic assets'. That happened when their value collapsed in the aftermath of the crisis. *And* these 'toxic assets' have not disappeared simply because the economy is doing better, and the real estate market has improved. They may have become less toxic, but they are still around, and when the next big financial crisis hits, their level of 'toxicity' may rise again...

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In *Snows of Kilimanjaro*, Hemingway's novella that was made into a successful movie - Gregory Peck, Ava Gardner and Susan Hayward shared the title roles -, Gregory Peck's superficial wound, sustained after he scratches his leg with a poisonous plant, gets infected and gangrene sets in. Vultures high up in the sky can smell it and start circling, waiting for him to die, so that they can feed on his carcass. One can hardly blame these big and ugly birds for being what they are, they were made by Nature that way.

It is an entirely different matter with the financial 'vultures' of our world. They *are* to blame for what they are because it is not Nature but Culture that has made them what they are. A Culture that is sick because it allows that to happen, as if that was acceptable, normal. Well, it is the new 'normal', as some embittered skeptics have observed. Dozens of these financial 'vultures' operate with impunity, protected and relying on the law, many in the United States. They are even admired in some circles – which, undoubtedly, shows how sick that society is.

Paul Singer, the owner of Elliott Capital Management based in the tax haven of the Cayman Islands, is a very successful financial 'vulture'. It is, I believe, worth telling the story of his long-running – like one of these endless television series! – confrontation with the government of Argentina in some detail because it is very instructive. The story began in 2002 when Argentina, hit by a major economic crisis, was offered a large IMF loan to deal with it. The loan, as usual, came with an 'austerity package' to reduce the budget deficit, and so on. Based on its knowledge of the failure of such loans in the past, the Argentinian government, unilaterally, decided to reject the IMF loan while, at the same, stimulating its economy, and 'restructuring' its external debt, which included a significant reduction, as well as an extension of the payment schedule. Eventually, more than 90 per cent of Argentina's creditors – international banks, foreign governments, hedge funds... – agreed. Argentina's efforts to stimulate its economy were successful: unemployment went down, exports went up, minimum wage was increased, and so on. Meanwhile, as a result of the restructuring, Argentina's government bonds lost much of their value, and could be bought at a fraction of their face value. Enter Paul Singer who bought a lot of these bonds and demanded that they should be paid in full, at their face value, actively pursuing the Argentinian government in various law courts around the world to force it to comply. That is how, in Ghana, the Argentinian government's frigate *Libertad* was seized after a local judge ruled in favor of Singer. But, three months later, the ship had to be released because warships cannot be held as collateral for financial debt. Far worse for Argentina was still to come, however: in December 2012, a district court of New York, basing its decision on an obscure *pari passu* clause that requires equal treatment for all creditors, ruled that the Argentinian government must pay Singer \$1,33 billion – the full face value of the bonds, plus accumulated interest. Moreover, the judge's ruling contained an injunction that prohibits third parties from 'aiding and abetting' any violation of his order, thereby preventing Argentina from continuing to make payments to its creditors that accepted the restructuring. In August 2013, the New York District Court's judgment was upheld in Appeal. Now, the only institution that could reverse the latter is the U.S. Supreme Court.

The knowledgeable observers are divided in their educated guesses on how the U.S. Supreme Court may decide. There are those who think that, regardless of the fact that the U.S. Supreme Court has a conservative majority, which should work in favor in Singer's favor, there is still hope that it may decide for Argentina because it would not want to contradict US bankruptcy laws which force minority creditors to conform to deals accepted by 70 per cent of the creditors. Also, finding for Singer would create a non-tenable situation in the global bond markets because it would call into question all debt restructuring arrangements that are sometimes necessary to preserve a degree of pragmatism in international finance. Other cognoscenti, however, believe that there may be a need to punish Argentina for showing other countries in comparable situations that there can be life after the rejection of an IMF loan and its 'conditionality' which includes unpopular requirements such as the privatization of public enterprises, increasing the price of water and electricity, the termination of subsidies, and so on. The Argentinian government's measures of nationalizing the aviation and the petroleum industries, increasing the pensions and the minimum wage may have frightened the financial markets which could now fear that other countries may follow Argentina's example. Hence, the wish to punish Argentina. Finally, there are also those who say that the IMF needs to modify its *modus operandi*, adapting to changes that have occurred in the world's zeitgeist in the last few years. Thus, the decision of the U.S. Supreme Court is awaited with some trepidation, to say the least.

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Big-time speculation also includes 'instruments' such as High Frequency Trading (HFT), Futures and Options, and highly leveraged financial operations. All these need to be very strictly regulated. HFT has to go. Doing hundreds, if not thousands, of operations in a minute, or, for that matter, in an

hour, or even in a day, should be stopped. For-Ex trades should be limited to a maximum of two a day: one in the morning, the other in the afternoon; and they should be taxed at a much higher rate than 0,1 per cent per trade as recently decided by the European Central Bank. A way must be found to ensure that trading in Futures and Options is used to cover risk, as it is theoretically supposed to do, and not to speculate. Thus, trading in cotton, wool, pork bellies, and so on, must be real, with the commodities changing hands at the end of the contract. Leveraged trading, including in the buying and selling of businesses and real estate, should be abolished. As should the derivatives. All this will mean that hedge funds and money market firms would lose much of their *raison d'être* and become minor players in the financial economy.

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Share - the World Resources - an important London-based NGO, in Financing the Global Sharing Economy, a recent Report, declared:

*Humanity is facing a global emergency. Extreme poverty and climate-related disasters are taking the lives of over 40,000 people every single day... At the same time, dramatic cutbacks in public spending on social welfare and essential services are making it increasingly difficult for many families to meet their basic needs, even in the richest nations. (The Report makes) policy recommendations... (that) could enable (the world) to redistribute more than \$ 2.8 trillion within a short number of years.*

\$ 2.8 trillion, that is a very significant sum indeed. But probably ten times as much money is hidden in tax havens around the world. So, if the goal is systemic change, as I have already mentioned above, the two *conditio sine qua non* are: doing away with the oligarchs and the abolition of *all* tax havens. The trillions of dollars thus liberated should be invested in the new Green Economy, the eradication of extreme poverty, quality public education, and so on. Thus, not only would the planet be saved, but a better and sustainable world would be built.

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Big Change Three. Ethics should be introduced into the system as *a sine qua non*. For, a world in which Liberty, Equality and Justice combine optimally cannot exist if it is not based on Ethics. What is Ethics? I think, ultimately, it means Love of Humanity. And let us be clear about that: nothing can be achieved in the world without it. This is what some of the greatest thinkers and writers of the past have been telling us throughout the ages. I give a few examples below:

Tolstoy: *Love is life. Anything at all that I understand, I understand only because I love. Everything is – everything exists – only because I love.*

Virgil: *Amor vincit omnia. (Love triumphs of everything)*

Gandhi : *Love is the strongest force the world possesses.*

Krishnamurti: *Without love there is no right action.*

Levinas: *This world, in which reason is more and more at home, is not habitable. It is a world that is hard and cold.*

Thomas Mann: *Only love, not reason, gives sweet thoughts.*

*And from love and sweetness alone can come:*

*form and civilization, friendly, enlightened, beautiful human intercourse.*

Robert Musil: *The only way to resolve the problem of civilization is a revolution that would give priority to the heart.*

Rumi: *Your task is not to seek love, but to seek and find all the barriers within yourself that you have built against it. These barriers are: selfishness, indifference, ignorance.*

(He also wrote that *Love of God and Love of Man are one and the same thing because God created Man. And: If you love Man, you love God for the same reason.*

He believed in the Unity of all the great religions.

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And now about the present. Isabelle Stengers, who teaches at the Free University of Brussels, in her book entitled *Hope: New Philosophies for Change* believes that in our contemporary societies the crucial question we need to ask ourselves and try to answer is: How can we move from a system of *Things as they are* to one of *Things as they can be*. The former, she believes is ruled by the principle of *Reality*; the latter, by that of *Hope*. *Reality*, she explains, is more predictable: there are few surprises in a society governed by it, one can anticipate what is going to happen; as a result, there is less *Risk*. For example, a person who has a good job and a high income, will rent a nice apartment, buy expensive clothes, go to a concert or to the opera, have dinner in a good restaurant, and so on. *Hope*, on the other hand, is less predictable; and, as a result, there is more *Risk* in such a society. For example, a dissident, a social activist who lives in it cannot anticipate what can happen to him; in addition to making little money, living in a small room, wearing cheap clothes, he may end up in jail some day. In view of all this, it is important to be able to make the right decisions. How to live? How to participate in the effort to move from *Things as they are* to *Things as they can be*. *Thinking* alone is not enough; *Feeling* is also needed. To be able to combine the two creatively, we need *Time*. In developed societies, that is a very scarce commodity. Life is too *fast*, in other words, and it is *accelerating* all the time. That makes people stressed, a condition that is not conducive to combine thinking and feeling creatively. So, Stengers concludes, life must be *slowed down*. To do that requires *new living habits*. We must learn to live less stressful lives. How? This whole essay is about that.

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The term Liberation Theology was coined in 1971 by the Peruvian (Dominican) priest Gustavo Gutiérrez who wrote a book entitled *A Theology of Liberation*. A few years later, Enrique Dussel, an Argentinian philosopher, wrote two very influential books on the *Ethics of Liberation in Latin America*. Impressed, some Latin American bishops decided that it was a good idea to organize in Medellin, Colombia, a conference on that subject. The Conference generated a lot of enthusiasm, going so far as defining a poor person as someone who is 'oppressed, socially marginalized, dispossessed and exploited'; it also concluded that: 'Peace, social justice and the struggle against poverty are legitimate aims of the Catholic Church.' Paulo Freire, a Brazilian priest, published *The Pedagogy of the Oppressed*, a book that taught poor farmers how to read and write using simple texts which explained their exploitation by the wealthy landowners. The book became very popular and was widely used.

The powers that be of the Vatican who did not realize what was going on, 'woke up' with alarm. Cardinal Ratzinger, Director of the Congregation of the Faith (the future Pope Benedict XVI) rejected its conclusions. Possibly encouraged by the Vatican's negative reaction, and in cahoots with the ruling elites in their countries, the military organized successful coups d'Etat in Argentina, Chile, Uruguay, Peru and Bolivia. Activists of the movement were hunted down mercilessly and had to go underground for about twenty years, resurfacing in the early-1990s after the generals were overthrown. Today, Liberation Theology is back, strengthened by the political empowerment of the indigenous peoples of Latin America – the Aymara, the Quechua, the Garani, the Maya, and so on; in Bolivia, Evo Morales, an Aymara, became President...

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Big Change Four. Developing a people-oriented Commons economy. The latter, as opposed to a profit-oriented market economy, has always existed. But, not as a serious alternative to it. This is what has changed in the last thirty years or so: the Commons economy has developed enormously thanks to a great deal of work done by scholars such as Elinor Ostrom, Peter Barnes, Peter Linebaugh, James Quilligan and Silke Helfrich. Elinor Ostrom, who passed away in 2012, was even awarded the Nobel Prize for Economics in 2009 (the first time a woman won the Prize) for her work on the subject. Her book *Governing the Commons*, published in 1990, became a classic. An important contribution was the concept of Common Pool Resources (CPRs) that she developed in it. CPRs belong to the communities that live in the areas where they exist. In her book, she gives many examples of successful CPRs – such as: the lobster fisheries in Maine, the Mongolian grasslands management system, and the Acequia irrigation systems in New Mexico.

James Quilligan, in a series of twelve seminars entitled *Political Economy and the Inclusive Commons* that he gave, in the spring of 2012, in London, describes in the following passage an idealized version of a people-oriented Commons economy:

*The Commons are not just the resources and the work, but the set of relationships they create; Commoners become the producers of their own resources, allowing the traditional model of property ownership, based on utility, self-interest and profit, to be replaced by a new framework of trusteeship, based on trust, quality of life and well-being.*

Replacing 'the traditional model of property ownership based on utility, self-interest and profit ... by a new framework of trusteeship, based on trust, quality of life and well-being' is, of course, an extremely ambitious and idealistic 'agenda'. Can it really be done? J.-J. Rousseau, who has tried it in

his famous novel, *Julie, ou la Nouvelle Héloïse*, admits that he is, in the novel, describing a utopian society. However, the efforts made to introduce in nursery schools *new values* are realistic, in the sense that they can help, sometime in the future, to build a better society.

Let us now turn our attention to the new ideas and concepts developed by the Commons economy. To begin with, the latter makes a fundamental distinction between Resources and Gifts. The former include land used in agriculture, minerals and fossil fuels, forests, rivers, lakes, aquifers, grazing lands, fisheries, and so on, that can be owned privately or publicly, or shared by the communities who live in the area. The latter are: the air, the water, the languages, the genetic code, the music, the national parks, the Internet, and so on, which are owned by the society as a whole. Three important rules apply to the Gifts: 1. They cannot be 'commodified', that is, bought or sold; 2. They are 'inclusive', as opposed to 'exclusive', that is, they belong to everyone, and not to an individual or a corporation; and 3. They must be protected and passed on to the future generations intact, that is, undamaged by overuse or over-exploitation.

In November 2010, Silke Helfrich co-organized an International Commons Conference funded by the Heinrich Böll Foundation. There were 170 participants who came from 34 different countries. Two subjects were given special attention: the Digital Revolution and Climate change. The Conference was a success and the participants decided to organize a World Commons Forum, perhaps at the end of 2013. Meanwhile, Silke is involved in a large number of Commons projects, including: *The People to People (P2P) Corporation*, *The Transition Town Movement* and *The Free Software Movement*; she is also the editor of a new book entitled, *Who Owns the World? The Rediscovery of the Commons*.

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John Ralston Saul, in *A Fair Country*, underlines the very important contributions that the Canadian indigenous peoples have made to the larger Canadian culture. So much so, he tells us, that they are now referred to as 'First Nations' (and no longer as Aborigines...), and that the term of 'Métis culture' was coined to describe the larger Canadian culture that incorporates both the indigenous and the Western cultures. Among the contributions that the 'First Nations' made to the larger Canadian culture, Saul mentions: the ideas of harmony, balanced relationships, diversity and inclusion; the rejection of utilitarianism as the core value of society; the belief that spirituality is the link between individuals, family, politics and society; and the concept of *minimal impairment*, which means that big industrial and infrastructural projects must make sure that they do as little damage as possible to the environment and the communities living in the area...

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The distance that separates the ideas mentioned above from those that justify the terrible occurrence in India a few years ago, in which between 120,000 and 180.000 small farmers lost their lives, committing suicide by drinking Monsanto's *Round Up* herbicide, is enormous. These small farmers, wishing to increase their yields, and impressed by Monsanto's propaganda, felt that they had no choice, that they had to borrow the money which they did not have to buy GMO seed. They were forced to borrow from Indian moneylenders who charge extremely high interest rates (usurers is perhaps a better term) because the banks would not lend them, considering their small plots of land and their huts insufficient collateral. The Indian smallholders also knew that if they did not go along with the 'option' of planting GMO seed, they would, subsequently, find it difficult to purchase chemicals, pesticides and machinery from Monsanto, or the other big agro-business multinationals. So,

they went along with it: took the loans, bought and planted GMO seed, only to discover that they could not reimburse their loans when their crops failed owing to a long-lasting drought. Ruined, desperate, humiliated, these small farmers did not see any other way out, except putting an end to their miserable existence. And that is what they did.

The main rationale for planting GMO seed is: the world's population will continue to grow, and the only way to feed it, say, in 2050, when it reaches 9 billion people, is to plant GMO seed. The opposing point of view holds that it is not clear whether or not the world's population will continue to grow, but even if it did, the agricultural land available would be sufficient to feed it, IF the enormous tracts of land in Africa and in Latin America (Brazil) were not bought by multinational corporations to produce bio-fuel on them because they see that as a very profitable enterprise. There are also those who claim that, in addition to profit, another reason for developing GMO seed is controlling the production of food because he who controls food and water will in the future control the world, and he who controls fossil fuels of which colossal reserves were discovered lately all over the world.

I tend to think that Vandana Shiva, whose Global Alliance for Seed Freedom has 70,000 members, and the Commons movement, who have joined hands to establish GMO seed-free regions and local seed banks in India and in many other countries elsewhere in the world, are right. And Monsanto, which is facing increasing opposition in the U.S. and elsewhere in the world, is wrong. The moot question now is: Can the struggle against Monsanto and the GMO be won? I think it is unlikely unless a Second American Revolution becomes a reality. I do hope that all those Indian farmers have not died in vain.

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According to a Cherokee legend, their ancestors invented the wheel but decided not to use it because their holy men believed it would have spoiled their culture. It is beginning to look, in view of what is happening in the world, that they may have been right. Without the wheel, our industrial civilization could not exist. What would a human civilization look like, without hundreds of millions of motor vehicles on the roads polluting the air we breathe, hundreds of thousands factories poisoning the water we drink, tens of thousands of commercial jetliners upsetting the delicate ecological balance of the atmosphere?

Well, the most important characteristic of a civilization without the wheel would have been: one, that mankind would *not* have severed the ties with Nature, and tens of millions of people would not be living miserable lives in dreadful slums – like that of Kibera in Kenya, for example – or in the streets of Calcutta, but in villages and little towns; and two, people, living in small communities, in which the gap between the rich and the poor would not be so great, they would be friends, and care for one another. As for Culture, presented as needing big cities to develop, increasingly, we can see that, perverted and distorted by commercial considerations, it is rapidly losing its human dimension, relevance and significance. So, once more, people are discovering that E.F. Schumacher was right: *Small Is (indeed) Beautiful* and an urban exodus has started which will probably continue, emptying many big cities of their populations.

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Helena Norberg-Hodge, the founder and president of the International Society for Ecology and Culture (ISEC), is the author of *The Economics of Happiness*, a video in which she argues that

*localizing* the economy is *the* precondition for a healthy and sustainable development. She gives several examples of the wasteful absurdities of a globalized economy. An extreme but instructive case is that of the Californian apples exported to South Africa to be washed, waxed and polished, and then imported back to California to be sold in the supermarkets there. It makes *economic* sense to do that, the businessmen involved in this activity taking advantage of the sad and unjust reality that labor is very cheap in South Africa. But does it make sense *ecologically* to do that when one adds the cost of the burning of thousands of tons of fossil fuel which pollute the oceans and the atmosphere? Certainly not. We live in a world in which economic behavior is based on seeing the trees (profit) but not the forest (sustainable development). Seeing the forest means including the ecological cost. To be able to do that, we need to expand the people-oriented Commons economy, and shrink the profit-based market economy. We need to understand that bigger and faster is no longer an option, and that, as mentioned above, we need to slow down, and develop new values. That includes privileging quality, as opposed to quantity, and investing in renewable energies and public transportation, and prioritizing public health and public education.

In the tenth anniversary edition of her book, *Nickel and Dimed: On (Not) Getting By in America? Hardships in America. The Real Stories of Working Families?* Barbara Ehrenreich observed: *Things were bad in 2001, but they got much worse in 2011...*

The confession of a junior executive who worked in a big food multinational:

*Many junior executives feel trapped. They don't like what's going on, but are afraid of losing their jobs. They have to make a living. So they obey the rules... The bonuses depend on the level of the profits, of course. The bigger the profits, the bigger the bonuses... I have been invited to lunch at the homes of top executives a few times. They never served processed food...*

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Big Change Five. Gross Happiness Index (GHI) replacing the Gross Domestic Product (GDP) and per cap Income indexes.

Sophocles in *Antigone* wrote:

*Of happiness the crown*

*And chiefest part*

*Is Wisdom, and to hold*

*The Gods in awe.*

So Happiness and Wisdom are closely related. In other words, to achieve Happiness one needs Wisdom, the two go together. Aristotle's *Sophia* (Wisdom in Greek) is the comprehensive intellectual virtue that encompasses the other four intellectual virtues: *Techne* (Technical Knowledge), *Episteme* (Scientific Knowledge), *Nous* (Intuitive Knowledge), and *Phronesis* (Prudence). So, Happiness is what matters, not success, or the accumulation of material wealth. The Gross Happiness Index is dismissed

by liberal economists as a qualitative concept impossible to measure. That appears not to be true as demonstrated by The World Happiness Report authored by Jeffrey Sachs' Earth Institute in Columbia University, and Bhutan's Gross National Happiness Index Commission.

To begin with, the concept of Happiness is similar to many others that are commonly used around the world: Welfare, Well-being, *Bemvivil and Bienvivir* (to Live Well in Portuguese and in Spanish), *Bienestar* and *Benessere* (to Be Well in Spanish and in Italian).

The World Happiness Report measured 156 countries. It found that the ten Happiest countries in the world were, in that order: Denmark, Finland, Norway, Netherlands, Canada, Switzerland, Sweden, New Zealand, Australia and Ireland. The U.S. is 11<sup>th</sup>, Israel 14<sup>th</sup>, the U.K. 18<sup>th</sup>, France 23<sup>rd</sup>, Brazil 25<sup>th</sup>, Italy 28<sup>th</sup>, Germany 30<sup>th</sup>, and Japan 45<sup>th</sup>. The United Arab Emirates is 18<sup>th</sup>, Saudi Arabia 26<sup>th</sup>, Kuwait 29<sup>th</sup>, Qatar 31<sup>st</sup>. Tunisia is 91<sup>st</sup>; Iraq 100<sup>th</sup>, Egypt, 103<sup>th</sup>, The Occupied Palestinian Territories 122<sup>nd</sup>. Russia is 77<sup>th</sup>, Turkey 78<sup>th</sup>, South Africa is 90<sup>th</sup>, India 94<sup>th</sup>, and China, 112<sup>th</sup>.

The Report concludes that the Happiest countries are those that combine high income with equality, good governance, social trust and cohesion. It recognizes the importance of economic growth, but warns that it should not be pursued to the point where: economic stability is imperiled, community cohesion is destroyed, the weak and the vulnerable lose their dignity or place in the economy, ethical standards are sacrificed, and the environment is put at risk.

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Increasing the Happiness of the people has been in Bhutan – a small Himalayan country north of India and west of Nepal with a population of 700,000, a GDP of \$1.4 billion, and a per cap income of \$ 2,000 – government policy for more than forty years. It was started, some forty years ago, by the former King who believed that the GDP and the per cap income indexes were meaningless because they did not tell him anything about the level of Happiness of his people. So, he ordered a research project to be launched to learn what made his people Happy. And, based on its results, the government developed policies to increase the Happiness of the people. In 2006, the King abdicated. He was replaced by his Oxford-educated son who followed in his father's footsteps. A Gross National Happiness Index Commission was created which was put under the direct authority of the Prime Minister. Two years later, Bhutan became a constitutional monarchy. That same year, the government launched a massive survey which found that 41 per cent of the people were *Happy*, 59 per cent, *Not Yet Happy*. The astonishingly high percentage of the people who declared they were *Not Yet Happy* is explained by the Buddhist culture to which the Bhutanese people belong. It does not mean that they are *Unhappy*, but that they still have a long way to go to be fully *Happy*.

The Survey determined that in Bhutan Happiness depends more on 'internal causes' – which include spirituality, mental and physical health, family experience, educational level, and gender and age –, than on 'external causes' – which depend on income levels, quality of work, community relations, and good governance. Not surprisingly, the Buddhist values of meditation, prayer, non-violence and respect for others are very important. The government has policies that 'reward' *Positive Emotions* – compassion, generosity, forgiveness, etc. –, and 'punish' *Negative Emotions* – selfishness, jealousy, anger, etc. The Survey also discovered that men were happier than women, and that older people were happier than younger people. And that the health of the people was good.

Bhutan has a *National Institute of Traditional Medicine* perched at 4,700 meters which produces powders, salts and syrups based on local plants that have good healing qualities that are very popular. Predictably, the country has excellent air and water quality, the cleanest lakes and rivers in the world, and immaculate forests. All of it protected by the law. Extreme poverty is unknown, and the gap

between the rich and the poor is small. Serious crime is rare. So is divorce. They are a debt-free people. They don't spend money that they don't have. They are proud of their traditional culture and want to keep it alive. They are suspicious of modernity.

In November 2011, an international conference was held in Timphu, the capital, entitled *Economic Development and Happiness*. It was jointly hosted by the Jigme Y Thinley, the Prime Minister, and Jeffrey Sachs. It was very successful.

However, the parliamentary elections that were held in the summer of 2013 were won by the opposition People's Democratic Party (PDP), and its leader Tshering Tobgay became Prime Minister. In a recent interview, drawing attention to the country's problems of ballooning public debt, rupee shortage, youth unemployment and corruption, he declared that the country would be opened up to foreign investment and tourism.

It would of course be a pity if Bhutan abandoned its remarkable GHI policy. But perhaps an optimal combination can be found between the latter and the demands of modernization and economic development.

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Joseph Stiglitz and Amartya Sen, in their Report on the Measurement of Economic Performance and Social Progress, which appeared not long ago, argued that GDP and per cap income indexes are not good ways to measure the Quality of Life. The two authors drew attention to the fact that these two indexes are inappropriate in our time and age because they do not measure and exclude, or subtract, all those aspects or elements that affect negatively the Quality of Life – the shortcomings in the 'social outcomes' presented in Edward Fullbrook's book, *The Decline of the USA*, based on the OECD Report that measured them.

Stiglitz and Sen write at length about the huge and unresolved problem of nuclear waste disposal. Until fairly recently the stuff was taken, after, one can imagine, bribing the right persons, to sub-Saharan Africa and dumped there. But, owing to watchdog organizations, that is no longer possible. So now, they put it in reinforced steel containers and either bury it in some faraway desert, or sink it in the deepest holes in the Indian or Pacific oceans. But the truth is nobody *really* knows what will happen to them in a century or two. Chernobyl and Fukushima do not inspire confidence. In Chernobyl, twenty-five years after the catastrophe, there is still an exclusion zone of 500 square kilometers; in Fukushima, they are, after three years, far from having solved the problem of the leaking reactor, and the contaminated water keeps being dumped into the Sea of Japan...

## CONCLUSION

Rousseau would have said that the *Social Contract* that bound the American elites to the American people is broken. A minority of oligarchs use the system which they control to maintain and promote their outrageous privileges. The American middle class has become an endangered species. Democracy exists in form but not in substance. Self-censorship is the rule in the mass media. Owing to an extremely potent propaganda, the levels of stupidity and ignorance are mind-boggling. America and the world need a Green Economy which cannot be launched. The current system, gridlocked, cannot be reformed from within. Poverty cannot be eradicated. War and violence are everywhere. Peace remains a distant dream. Greed, corruption and inequality are deepening. The civil rights of the people are hijacked.

The world cannot be repaired without a Second American Revolution. And so, Walt Whitman's people, Howard Zinn's people, the workers in the factories, the students in the colleges, the teachers and the environmentalists, the unemployed and the poor, the minorities and the immigrants, and many of those who used to belong to the middle class, must rise and march. There is no alternative.

Unless Velikovsky was right and humanity *does* suffer from a Death Wish deeply buried in its Collective Unconscious, and W. B. Yeats' prophecy in his poem, *The Second Coming*, one hundred years after he wrote it, will become reality:

*Things fall apart; the center cannot hold;  
Mere anarchy is loosed upon the world, ...  
The blood-dimmed tide is loosed, and everywhere  
The ceremony of innocence is drowned;  
The best lack all conviction; while the worst  
Are full of passionate intensity.*

I hope not. Think not. I believe that the Occupation of the Zuccotti Park near by Wall Street in New York in October 2011 will in the future be seen as the beginning of the Second American Revolution. The Occupation movement has spawned hundreds of small communities all around the United States in which people are slowing down their lives, to think and feel properly, and to develop new values. They have started urban farming projects, community centers, workers cooperatives, free schools, and so on, exchanging food, art, music, knowledge, politics, healthcare, skills and ideas. The Occupation movement is also organizing People's Assemblies first at local level, then at regional, and, ultimately, at the national level. The list of the participants to all these activities is impressive: labor unions, teachers' unions, Green Party activists, civil society organizations, peace movements, immigrants' organizations, human rights organizations, and so on. They are sowing the seeds of an egalitarian and just society, and of a green economy. Peaceful resistance – non-compliance, strikes, civil disobedience campaigns – is picking up momentum, especially against fracking by Big Gas and Big Oil and the Keystone XL Pipeline. So, the Second American Revolution is coming, it is on the road, and you can almost hear it coming.

Omar Khayyam wrote: *The moving finger writes; and, having writ, moves on: nor all thy piety nor wit shall lure it back half a line, nor all thy tears wash out a word of it...*