

## Week-end Wrap - July 28, 2018

by Tony Wikrent

### Economics Action Group, North Carolina Democratic Party Progressive Caucus

"...we had come to the stage where for our people what was needed was a real democracy; and of all forms of tyranny the least attractive and the most vulgar is the tyranny of mere wealth, the tyranny of a plutocracy." - Theodore Roosevelt, *An Autobiography*, 1913

[Posted by someone on Facebook]

#### **The Missing Profits of Nations**

Posted on [July 23, 2018](#) by Thomas Tørsløv, PhD student, University of Copenhagen and Ministry of Taxation, Denmark, Ludvig Wier, PhD candidate, University of Copenhagen, and Gabriel Zucman, Gabriel Zucman.

[[Originally published at VoxEU](#), via Naked Capitalism]

Between 1985 and 2018, the global average statutory corporate tax rate fell by more than half. This column uses new macroeconomic data to argue that profit shifting is a key driver of this decline. Close to 40% of multinational profits were artificially shifted to tax havens in 2015, and this massive tax avoidance – and the failure to curb it – are in effect leading more and more countries to give up on taxing multinational companies.

Perhaps the most striking development in tax policy throughout the world over the last few decades has been the decline in corporate income tax rates. Between 1985 and 2018, the global average statutory corporate tax rate fell by more than half, from 49% to 24%.

Why are corporate tax rates falling? The standard explanation is that globalisation makes countries compete harder for productive capital...

But is it well founded empirically? Today's largest multinational companies don't seem to move much tangible capital to low-tax places – they don't even have much tangible capital to start with. Instead, they avoid taxes by shifting accounting profits. In 2016 for instance, Google Alphabet made \$19.2 billion in revenue in Bermuda, a small island in the Atlantic where it barely employs any worker nor owns any tangible assets, and where the corporate tax rate is zero percent.

...Overall, we find that close to 40% of multinational profits – defined as profits made by multinational companies outside of the country where their parent is located – are shifted to tax havens in 2015. Our work provides transparent, easy-to-compute metrics for policymakers to track how much profits tax havens attract, how much they gain in tax revenue, and how much other countries lose.... Our findings have implications for economic statistics. They show that headline economic indicators – including GDP, corporate profits, trade balances, and corporate labour and capital shares – are significantly distorted.

#### **How are you going to pay for it? Why Understanding Monetary Theory and Policy Is Critical For the Left**

by Tony Wikrent

Excerpts from the June 2018 symposium held by the Next System Project, an initiative of The Democracy Collaborative. The panel was moderated by Gar Alperovitz and included Stephanie

Kelton, the key economist on Bernie Sanders' presidential campaign, now professor of public policy and economics at Stony Brook University; Michael Hudson, professor of economics at University of Missouri, Kansas City; Pavlina Tcherneva, an associate professor and chair of the department of economics at Bard College and a research associate at the Levy Economics Institute; and Raúl Carrillo, staff attorney at the New Economy Project and a director of the Modern Money Network.

There is a YouTube video plus a full transcript at the NSP's website at [Money Matters! Why Monetary Theory and Policy Is a Critical Terrain For the Left](#). The video is also [on Michael Hudson's website](#).

...How do you pay for a progressive agenda if these are the constraints because this is the current narrative? This means that you have to fight two battles. You have to fight for the agenda that you're fighting for, and you have to sell policies on their own merits, and you simultaneously have to wage war on another front, which is you have to fight to raise the revenue. You have to get people to vote for the tax increase, for the closing of the loopholes of whatever it is that's giving you the additional revenue. You're waging two battles when you do this... It actually means that you are in a very real sense dependent upon the rich because you can't feed a hungry kid, you can't fix crumbling infrastructure, you can't provide health care for all, unless and until you can claw some cash away from the people who have it. You need their money. It makes you dependent upon the wealthy.

...I think progressives should ask themselves, "What is the purpose of tax?" If your instinct, if your impulse is to say to pay for the stuff we want, my suggestion is you're doing it wrong.

In the 1940s, the New York Federal Reserve Bank was headed by a guy named [Beardsley Ruml](#). He wrote this really important piece in 1946 called "[Taxation for Revenue is Obsolete](#)" What's he saying? I don't know that I need to read the whole thing, but he says basically the need for the government to raise taxes in order to remain solvent and run its affairs is completely yesterday. We don't do that anymore. Why? Because we have a central bank and because we went off the gold standard. The fact that we changed the monetary system in this fundamental way opens up space for us to do stuff we couldn't do before when we had to find the money.

You're trapped in a gold standard framework when you're operating in this frame of mind that money is this finite thing that exists somewhere, it's physical and you've got to find it, and you've got to go get it in order to spend it. Ruml says, no, no, no, that's not how it works in the modern era – by the way, modern in the 1940s, and we still haven't caught up with this reality.

### **[The GOP Tax Scam Ain't Workin'](#)**

July 24, 2018 [Down With Tyranny]

Yesterday Bloomberg pointed out in an editorial that it [hasn't done anything for workers](#), just for the very rich. Instead of rising, wages have actually dropped. Noah Smith, who teaches finance at

Stony Brook University: "Real average hourly compensation actually fell in the first quarter after the tax reform was passed... The tax-cut windfall being used to finance the capital expenditure that the economy needs still remains below the high set back in 2015.

**How Is This Shit Legal?: A reporter vents about vampire capitalism destroying a free press** [The Concourse, via Naked Capitalism 7-24-18]. See also [New York Daily News to slash 50% of its newsroom](#) CNN

This past spring, Michael Ferro resigned as chairman of publicly traded media-looting hell-company Tronc, Inc., just ahead of the publication of [sexual harassment allegations against him](#). As a parting gift, Tronc paid him \$15 million, voluntarily bundling up the total value of a three-year consulting contract into one lump payment expensed against the company's earnings and putting itself \$14.8 million in the red for the first quarter. Today, Tronc [gutted the New York Daily News](#), laying off at least half of its editorial staff to cut costs. In a society not crippled and driven completely insane by capitalism, motherfuckers would go to prison for this.

When people talk pejoratively about "class warfare," they almost never are referring to things like the above sequence of events. But what happened to the Daily News at the hands of Tronc is class fucking warfare, a massive redistribution of wealth from the paper's working people to a disgusting handsy shitbag multimillionaire, in a decision made far above those working people's heads by a small handful of executive- and investor-class vampires. The journalists who lost their livelihoods today in effect had their salaries and benefits re-routed to Michael Ferro's bank accounts. Against their wills, they were made to pay him for being a fucking pig.

Versions of this are happening all across the media industry: Ownership parasites writing checks to themselves and each other that must be cashed out of the livelihoods of real people with no say in the matter. Deadspin's parent company, Univision, recently bought out dozens of people across our network of sister sites—originally they'd intended layoffs, before negotiating with our union—not because we're doing unprofitable work, but simply as a means of [passing along the outrageous debt the company's owners took on when they purchased Gizmodo Media Group](#) in the first place....

It's legal to do this. It's legal, if you're rich enough, or carefully enough obscured behind the legal fiction of a hedge fund or corporation, to borrow vast sums of money, purchase a company with it, and then simply pass that debt along to the people who do the company's work and make its products, by stripping their jobs so you can redirect their salaries toward debt payment. It's legal to decide, freely, that you will pay a disgraced former executive tens of millions of dollars all at once rather than over a period of years—or rather than going to court to argue you shouldn't have to pay a guy \$15 million for not being able to keep his fucking hands to himself!—and then recover some or all of the cost by just straight-up taking people's livelihoods away from them. It's legal for the parasites who buy an ownership stake in your company to decide they will appropriate your livelihood for themselves; it's legal for them to say that your wages and health care must pay their debts for them. It's legal for them to trade your employment for their enrichment; it's legal to purchase a company for the sole purpose of liquidating it, laying off all its workers, and keeping

the money for yourself.

In absolutely any moral sense these things are pure theft, but they're all legal, because in America, despite all this society's supposed hatred of "class warfare," it's legal for the rich to prey upon the rest of us. In America, a common person might go to jail for writing a bad check, but a billionaire vampire can destroy people's careers and strip their healthcare from them and just straight-up hand that money over to one of his rich pals and nobody can even so much as write either of them a fucking ticket for it.

Rants such as this appeared in the 1980s and 1990s, but they were by steel workers, machinists, assembly line workers, and other working class people whose companies were being bought out and looted by corporate raiders such as Michael Milken, Nelson Peltz, T. Boone Pickens, and Kohlberg Kravis and Roberts. Philadelphia *Inquirer* reporters Donald L. Barlett and James B. Steele wrote an extensive series of articles detailing how corporate raiders and Wall Street were conniving to rip apart industrial and other companies that had been run profitably for decades, but which Wall Street now found too staid and plodding, with too much "value locked up." The *Inquirer* received so many requests for reprints of the Barlett and Steele series, that it was published as a book in 1991, *America: What Went Wrong?* The Table of Contents, extended excerpts, and many graphics, are [available online here](#).

Perhaps, if more editors and reporters had followed down the dark paths being explored by Barlett and Steele, instead of being enthralled to Wall Street MOUs ([masters of the universe](#))....

### **[The Middle Precariat: The Downwardly Mobile Middle Class](#)**

By Lynn Parramore, Senior Research Analyst at the Institute for New Economic Thinking. Originally published at the [Institute for New Economic Thinking website](#) [via Naked Capitalism 7-26-18].

A review of journalist Alissa Quart's new book "[Squeezed: Why Our Families Can't Afford America](#)."

Over and over, the people Quart interviews tend to blame themselves for their situation—if only they'd chosen a different career, lived in another city, maybe things wouldn't have turned out this way. Sometimes they point the finger at robots and automation, though they arguably have [much more to fear](#) from the wealthy humans who own the robots.

But some are waking up to the fact it is the wealthy and their purchased politicians who have systematically and deliberately stripped them of power. Deprivations like paltry employee rights, inadequate childcare, ridiculously expensive health care, and non-existent retirement security didn't just happen. Abstract words like deregulation and globalization become concrete: somebody actually did this to you by promoting policies that leave you high and dry.

### **[The 9.9 Percent Is the New American Aristocracy](#)**

by Matthew Stewart, June 2018 Issue [The Atlantic]

### **[Wall Street's Derivatives Nightmare: New York Times Does a Shallow Dive](#)**

By Pam Martens and Russ Martens: July 24, 2018 [Wall Street on Parade]

The New York Times [published a 1300-word shallow dive](#) into the byzantine, globally-

interconnected world of financial derivatives in its print edition yesterday.... What frightened the Times into this foray into the dark web of financial derivatives held by the biggest Wall Street banks was a frightening, [111-page deep dive](#) into the subject by Michael Greenberger, a law professor at the University of Maryland's Carey School of Law. Greenberger knows a thing or two about derivatives, having previously served from 1997 to 1999 as the Director of the Division of Trading and Markets at the Commodity Futures Trading Commission (CFTC) under its head Brooksley Born....

Greenberger previously gave a no-holds barred interview about his time at the CFTC to the PBS program Frontline that aired in 2009. (See his interview transcript [here](#) and the program video [here](#).) He explains all the warnings that Congress and the regulators had that over-the-counter derivatives were a danger to financial stability and needed to be regulated. He talks about Orange County, California going bankrupt in the early 90s after being "[taken to the cleaners](#)" by a Merrill Lynch derivatives salesman. He explains how Bankers Trust ripped off Procter & Gamble and Gibson Greeting Cards with complex derivatives. And he talks about the unprecedented collapse of the hedge fund, Long Term Capital Management (LTCM), after leveraging a \$4.4 billion portfolio of derivatives by a factor of 125. The LTCM collapse created so much panic on Wall Street that the big Wall Street banks had to effectively buy up LTCM's derivatives mess.

But none of this was enough to stop Congress from allowing the over-the-counter derivatives market to remain de-regulated until it blew up Wall Street in 2008. In the Dodd-Frank financial reform legislation of 2010, the CFTC was supposed to assume oversight of this market. But Wall Street has [carved out so many loopholes](#) since that time that the derivatives punch bowl is still flowing freely on Wall Street.

In his new report, Greenberger lucidly lays out the case that loose regulation and unchecked derivatives' concentration have the potential to create another "economic Armageddon." He concludes his report as follows:

*"By their own design, large U.S. bank holding company swaps [derivatives] dealers and their representatives have crafted their own massive loopholes from Dodd-Frank swaps regulations, which they can exercise at their own will. By arranging, negotiating and executing swaps in the U.S. with U.S. personnel and then 'assigning' them to their 'foreign' newly 'deguaranteed' subsidiaries, these swaps dealers have the best of both worlds: swaps execution in the U.S. under the parent bank holding companies' direct control, but the ability to move the swaps abroad out from under Dodd-Frank. As history has demonstrated all too well, unregulated swaps dealing almost always ultimately leads to extreme economic suffering and then too often to systemic breaks in the world economy, thereby putting U.S. taxpayers, who suffer all the economic distress that recessions bring, in the position of once again being the lender of last resort to these huge U.S. institutions...."*

### **[CEO of German industrial giant Siemens warns one third of world's jobs will be eliminated in coming decade](#)**

by Joe Kaeser [The Guardian, July 17, 2018 (John Claydon)]

### **[Billionaire Ray Dalio: A.I. is widening the wealth gap, 'national emergency should be declared'](#)**

by Catherine Clifford, July 6, 2018 [CNBC, (John Claydon)]

Billionaire hedge fund founder [Ray Dalio](#) says artificial intelligence and automation are improving productivity but also causing such a dramatic wealth gap that “a national emergency should be declared.” The co-chief investment officer and co-chairman of Bridgewater Associates shared his thoughts in a [Facebook](#) post on Thursday.

### **[Obama pushes for universal basic income](#)**

The Week, July 17, 2018 (John Claydon)

In his first major speech since leaving office, former President Barack Obama endorsed the idea of providing a universal basic income.

Speaking at the Nelson Mandela Annual Lecture in South Africa on Tuesday, Obama raised the notion of guaranteed income as a way to reduce what he called “yawning disparities” in wealth, education, and security across different socioeconomic groups.

### **[Amazon’s facial recognition matched 28 members of Congress to criminal mugshots](#)**

by Russell Brandom [The Verge, via Naked Capitalism, July 27, 2018]

John C was skeptical of the number, as was Kevin W: “Software still a failure as it only identified 28 members of Congress as being criminals which is a little over 5% – way too low a figure.”

### **[The World Economy Runs on GPS. It Needs a Backup Plan](#)**

by Paul Tullis [Bloomberg, via Naked Capitalism, July 27, 2018]

GPS isn’t just for maps. It’s also a kind of vast, spaceborne clock. Computers all over Earth use it to determine what time it is, down to billionths of a second. When there’s the slightest disagreement among those computers, things fall apart.

Microsemi’s timing receivers were frantically issuing error messages because of just such a discrepancy. “In normal operation, these things don’t generate alarms for years,” Buckner says. “So when one goes off a lot of times, people don’t know what to do.” Over the next 11 hours, cellphone towers lost their connections, U.S. police and fire stations reported communications errors, BBC radio signals were interrupted, and the telescope that tracks asteroids in Earth’s orbit went offline.

The root cause was a bug in the GPS network. When the U.S. Air Force, which operates the 31 satellites, decommissioned an older one and zeroed out its database values, it accidentally introduced tiny errors into the database, skewing the numbers. By the time Buckner’s inbox started blowing up, several satellites were transmitting bad timing data, running slow by 13.7 millionths of a second.

### **[U.S. “most dangerous” place to give birth in developed world](#)**

by Alison Young [USA Today, via Naked Capitalism, July 27, 2018]

### **[How European Workers Coordinated This Month’s Massive Amazon Strike—And What Comes Next](#)**

by Rebecca Burns [In These Times, via Naked Capitalism, July 28, 2018]

....Amazon’s expansion into Eastern Europe threatened to undercut the effectiveness of strikes being waged by German workers. So in 2015, rank-and-file activists Germany and Poland held the first of what became a series of cross-border meetings of Amazon workers....

## **Disneyland Resort workers approve contract that raises the minimum hourly wage to \$15 by next year**

by Hugo Martin [Los Angeles Times, via Naked Capitalism, July 28, 2018]

Unions representing nearly 10,000 workers at the Disneyland Resort ended a months-long labor dispute by voting overwhelmingly Thursday in favor of a three-year contract that raises hourly wages by as much as 20% immediately and an additional 13% in January. The employees — including candy makers, custodians, retail workers, attraction operators and others — voted nearly 75% in favor of an offer that raises the minimum hourly rate of \$11 to \$13.25 immediately and to \$15 starting in January, three years before California's minimum wage is scheduled to reach that level.

## **Can liberals please work out how to win back the working class?**

by Thomas Frank, [*The Guardian*, via Naked Capitalism, July 28, 2018]

What came to fascinate me was the paradox of the thing. [Republicans](#) had successfully inverted their historical brand-image as the party of the highborn, remaking themselves as plain-talking pals of the forgotten people who had so spurned them during the Great Depression.

Republicanism's payload, however, was the same as it had been in 1932. And just look at what conservatism proceeded to do to those average people once they welcomed it into their lives.

But understanding the perversity of rightwing populism only brought me to another mystery: the continuing failure of liberals to defeat this thing, even as its freakishness and destructiveness became apparent to everyone. My brain twirls to think that rightwing populism is still running strong in 2018 – that it's even worse now than it was in 1988 – that the invective and the journalism and the TV shows and all the mournful books about the decline of the middle class have amounted, basically, to nothing.

We had the perfect opportunity to reverse course in 2008, after a deregulatory catastrophe sent the billionaires shrieking for handouts and ruined middle America as collateral damage. That was the perfect moment for liberals to reclaim their Rooseveltian heritage by governing forcefully on behalf of ordinary people, by warring against over-powerful corporations, by demonstrating the power of the state to build a just and humane society. But they didn't do it.

## **2020 Democrats Band Together to Call for Puerto Rico Debt Cancellation**

[The Intercept , via Naked Capitalism 7-26-18]

## **Erasing Flint's Water Crisis: Or How to Lie With Statistics**

[Counterpunch , via Naked Capitalism 7-26-18]

## **Backlash Against "War on Cash" Reaches Washington and China**

[Wolf Street, via Naked Capitalism 7-23-18]

In Washington D.C., city councilors have introduced a new bill that would [make it illegal](#) for restaurants and retailers not to accept cash or charge a different price to

customers depending on the type of payment they use. The bill is in response to efforts by retailers in the city and around the country – like the salad chain Sweetgreen – to go 100% cashless.... as discriminatory against the roughly one-quarter of people in the U.S. who would have trouble using a card or some other electronic means of payment, not to mention those who would just prefer to use cash.... the People's Bank of China (PBOC), which last Friday [announced](#) that all businesses that are not e-commerce must resume accepting cash by mid August or risk being investigated.

### **[Did YOUR Congressman Join The New Medicare For All Caucus?](#)**

July 21, 2018 [Down With Tyranny]

There are no Congressmembers from North Carolina. This is just pathetic. David Price represents the Congressional District that includes Chapel Hill and Durham, which is one of the safest Democratic Districts in the country. He can take a much more progressive position on issues, if he wanted to.

### **“5 Questions: Sullenberger on applying lessons of airline safety to health-care practices”**

[[Stanford Medicine Center](#), via Naked Capitalism 7-23-18].

“As we know from the Institute of Medicine reports and others, medical errors and health-care-associated conditions lead to 200,000 preventable deaths per year in this country alone. That’s the equivalent of 20 large jet airliners crashing every week with no survivors. If that were to happen in aviation, there would be a nationwide ground stop, a presidential commission, congressional hearings. The National Transportation Safety Board would investigate, search out root causes. No one would fly until we’d solved the fundamental issues.”

### **“The Farm Group that’s Part of Rural America’s Crisis”**

[[Civil Eats](#), via Naked Capitalism 7-23-18].

“...what we eat is a political problem. A [recent landmark article](#) in the journal Lancet identified structural changes to the farm bill in the 1970s as the culprit of the obesity crisis. At that time, the [Secretary of Agriculture Earl Butz](#) replaced the New Deal agricultural policies that sought to manage supply and protect farmers from the big agribusiness companies with a system with one that forced farmers to get big or get out, and to plant commodity crops—corn, soy, wheat—from fencerow to fencerow. Butz’ mantra was simple: volume, volume, and more volume. Monopolies thrive under this system, at the expense of our health and environment. Grocery stores now teem with a cornucopia of different products, but a few firms with dominant market positions manufacture the vast majority of the supermarket items, as highlighted in a 2013 [report](#) from Food and Water Watch. This focus on volume—in farming as well as in food production—has led to a seemingly endless availability of cheap carbs and highly processed sugar- and salt-

laden convenience foods, at the expense of more nutritious options. The same companies that make these foods also [tend to own the weight-loss products](#) designed to solve the problems caused by those foods

### **[The mega-machines helping China link the world,](#)**

by Tom Calver, July 201, 2018 [BBC, via Naked Capitalism 7-23-18]

A very brief look at some of the massive construction equipment China has developed to build the railways, roads, and ports of the New Silk Road, For example, the SLJ900 "The Iron Monster", built by 6th Engineering Co. Ltd. of China, is 92 meters (300 feet) in length and has 64 wheels. It is designed to put in place entire pre-fabricated bridge sections by rolling forward over the bridge section it has just laid to place another section.

This is how China is working towards its goal of building 30,000 kilometers of high-speed rail by 2020. While USA conservatives and libertarians insist the government leave all such projects to the workings of the free market.

### **[North Carolina: Groundbreaking held for Charlotte Gateway Station](#)**

[Railway Age]

The planned work will include building 2,000 feet of rail track, signals, five new bridges and a rail platform. Phase 1, partially funded through a \$30 million Transportation Investment Generating Economic Recovery (TIGER) grant, and state and local monies. [Full Article](#)

### **[Japan heatwave declared natural disaster as death toll mounts](#)**

[BBC, via Naked Capitalism 7-24-18]

### **[Greece wildfires: At least 74 dead as blaze 'struck like flamethrower'](#)**

[BBC, via Naked Capitalism 7-25-18]

*BBC photo of people attempting to escape the wildfires near the Greek seaside village of Mati.*

### **Hidden Gem for Big Oil in Carbon Tax Plan: Ending Climate Liability Suits**

By Karen Savage, July 17, 2018 [Climate Liability News]

Oil and gas companies could be off the hook for climate change-related damages if a new carbon tax proposal makes its way through Congress.

The proposal is being spearheaded by Americans for Carbon Dividends, an industry-backed organization whose mission is to build support for the [Baker-Shultz Carbon Dividends Plan](#), which proposes taxing carbon emitters and returning the proceeds to the American public. It also includes a waiver of the right to sue fossil fuel companies for climate change impacts and suggests rolling back most Environmental Protection Agency regulations on greenhouse gases.

### **Trump Nominee Is Mastermind of Anti-Union Legal Campaign**

By Noam Scheiber, July 18, 2018 [New York Times]

A conservative lawyer chosen to head a federal agency has spent months bringing cases that could bankrupt public-employee unions in several states. Jonathan F. Mitchell was a Supreme Court clerk to Justice Antonin Scalia; worked at the Justice Department under President George W. Bush; taught at several law schools, including Stanford; and spent more than four years as the solicitor general of Texas.

After the 2016 election, he served as a volunteer attorney on the Trump transition team, where he helped review future executive orders. In September, the president nominated him to head the Administrative Conference of the United States, a small federal agency that advises the government on improving its inner workings. Mr. Mitchell appears to be a driving force behind the anti-union litigation, suggesting a well-coordinated effort.

### **The Anti-Union Game Plan**

July 02, 2018 / Labor Notes

Don't get the idea that Mark Janus, a child support specialist in Illinois, took his case all the way to the Supreme Court by himself. His lawyers are paid for by the National Right to Work Legal Defense Foundation and the Liberty Justice Center, the legal arm of a right-wing think tank.

These groups get their money from a whole slew of foundations dedicated to bankrolling anti-worker lawsuits and political candidates. One you might have heard of is the Walton Family Foundation (that's the Walmart family).

There's no doubt that the employer class has its act together. Since the Business Roundtable formed in 1972, the think tanks and lobbying groups advancing the employer agenda have proliferated.

Here's one name to learn: the State Policy Network (SPN). It's a web of 66 corporate-financed "free-market think tanks" spread over all 50 states, financed by corporations and billionaires. And it has a nationally coordinated plan to "defund and defang" the labor movement.

This anti-union plan includes four primary tactics, each designed to whittle away union support:

1. RIGHT TO WORK
2. OPT-OUT CAMPAIGNS
3. RECERTIFICATION CAMPAIGNS
4. ENDING EXCLUSIVE REPRESENTATION

### **How Corporations Plan To Use Janus To Turn Workers Against Their Own Unions**

by Chris Brooks, July 2, 2018 [In These Times, via Labor Notes]

### **Near unanimous vote to strike by Fiat Chrysler workers in Kokomo, Indiana**

By Marcus Day, 24 July 2018 [World Socialist Web Site, via Naked Capitalism 7-25-18]

Autoworkers at Fiat Chrysler's (FCA) transmission plants in the Kokomo, Indiana, area overwhelmingly approved strike action in votes Thursday and Friday last week. Workers are seeking to fight back against the deterioration of working conditions, in particular the atrocious treatment of temporary part-time (TPT) workers, which has been enabled by decades of betrayals by the United Auto Workers (UAW) union.

Note the details on FCA's plans to move some production to China, and on the increasingly bitter differences between workers seeking to halt FCA's unsafe practices, and [UAW leadership that has been caught accepting \\$1 million in bribes from FCA executives](#) to surrender to the company.

### **The Left Should Commandeer Red State Democratic Parties**

[Benjamin Studebaker, via Naked Capitalism 7-25-18].

....the urban left's desperation to win the votes of people of colour is understandable—Bernie Sanders struggled with the demographic in 2016. African-Americans were largely excluded from the immediate material benefits of the New Deal. They are less likely to have nostalgia for the post-war era, a time when they faced worse discrimination than they presently face. There is less confidence within African-American communities that the universal economic programs which dominate progressive and democratic socialist agendas will deliver the goods, and more fear that if they nominate candidates who are radical that Republican candidates will win and expose them to explicitly discriminatory policies. This fear and mistrust is perfectly understandable and stems from a long history of neglect and abuse. There are also many African-American politicians in cities who have become rich contributing to the Democratic machine and who will happily use their influence within African-American communities to damage left-wing factions which challenge their position.

### **A Tale of Two Very Different Meetings**

by Bernie Sanders [Reader Supported News, via Naked Capitalism 7-25-18]. On Friday, along with Alexandria Ocasio-Cortez, I went to Kansas and held rallies with two great progressive candidates who are running for Congress. In Wichita, according to local media reports, more than 4,000 people joined us at a rally with James Thompson.

Then in Kansas City, at our rally for Brent Welder, the convention center was so crowded the staff had to remove a wall in the middle while the event was going on to let more people in.

There was quite a different event in Columbus, Ohio. Two hundred and fifty wealthy invited Democratic donors and Wall Street insiders came together at a gathering hosted by a real estate billionaire. Why were they there? ....What are they concerned about? That our ideas, such as Medicare for all, tuition-free public colleges and universities, a \$15/hr minimum wage and progressive taxation are now mainstream positions.

Make no mistake about it. The gathering in Columbus was not simply a social event. The corporate Democrats are plotting how to defeat progressives the only way they know how — with big money. But you've shown that, together, we can overcome their brand of pay-to-play politics.

### **Inside the mission to blow up the 2020 Democratic field**

by Christopher Cadelago, July 23, 2018 [[Politico](#), via Naked Capitalism 7-23-18].

"America Rising PAC, which at the time of its founding five years ago focused exclusively on researching, tracking and deploying rapid-response against Hillary Clinton, is well into a beneath-the-radar effort to define — and ultimately derail — the Democrats preparing to take on President Donald Trump in 2020.... With a potentially colossal field of Democratic presidential contenders and no one close to being a front-runner, the mission figures to be an expensive endeavor. So donors across the country are quietly getting the hard sell as the group moves toward its goal of raising \$8 million for the 2020 cycle — roughly three times as much as it took in during the successful three-year quest to help defeat Clinton."

From [Wikipedia](#):

America Rising was founded in March 2013 by [Mitt Romney](#)'s 2012 presidential campaign manager, [Matt Rhoades](#).<sup>[2]</sup> Political strategist Tim Miller left the [Republican National Committee](#) (RNC) to join the clearinghouse. As of January 2014, between the PAC and the [LLC](#) run by fellow opposition research veteran [Joe Pounder](#), the organization employed 47 people, full or part-time. CNN reported that America Rising would be split into two entities: a super PAC that aimed to spread negative stories about congressional Democratic incumbents and candidates through digital channels and earned media, and an LLC that would house a video library to be shared with GOP candidates, the RNC and other right-leaning groups....

During the [Trump administration](#), America Rising, through its lawyer, sought e-mails of career employees of the [Environmental Protection Agency](#) who criticized President [Donald Trump](#) or EPA Administrator [Scott Pruitt](#). The e-mail requests provoked fears of political retribution and was described by critics as a [witch hunt](#)....

America Rising Squared, a non-profit division of America Rising oversaw the targeting of environmental advocates such as [Bill McKibben](#) and [Tom Steyer](#) by deploying "trackers" to videotape them. Brian Rogers, executive director of America Rising Squared, said that the firm had focused on McKibben and Steyer because they "aggressively target conservative thought leaders.

### **Majority of Democrats Want Candidates to Be More Like Bernie Sanders, Poll Finds**

[Newsweek, via Naked Capitalism 7-26-18]

### **Astronomy Photographer of the Year 2018 shortlist – in pictures**

[Guardian, via Naked Capitalism 7-25-18]

### **Chinese Researchers Achieve Stunning Quantum-Entanglement Record**

[Scientific American, via Naked Capitalism 7-25-18]

“Key finding appears to be ability to encode multiple qubits per particle – in this case, per photon.”

**Since the 2007-2008, there has been a number of articles** discussing why the modern macroeconomic thinking preferred by ruling elites is so divorced from reality, and prone to repeated errors of policy prescription. The two below are presented for those adventurous souls willing to wade into the mind-numbing fantasy land of the formal economics profession. Be warned: this is not the [economic thinking that has led to the creation of successful national economies](#).

Lars Jörgen Pålsson Syll is a Swedish economist who is a Professor of Social Studies and Associate professor of Economic History at Malmö University College. Author of [On the Use and Misuse of Theories and Models in Mainstream Economics](#) (2016)

### **[Where modern macroeconomics went wrong](#)**

Lars P. Syll, 23 July, 2018 [via naked Capitalism 7-24-18]

Almost a century and a half after Léon Walras founded general equilibrium theory, economists still have not been able to show that markets lead economies to

equilibria. We do know that — under very restrictive assumptions — equilibria do exist, are unique and are Pareto-efficient. But — what good does that do? As long as we cannot show that there are convincing reasons to suppose there are forces which lead economies to equilibria — the value of general equilibrium theory is nil. As long as we cannot really demonstrate that there are forces operating — under reasonable, relevant and at least mildly realistic conditions — at moving markets to equilibria, there cannot really be any sustainable reason for anyone to pay any interest or attention to this theory.

### **The state of 'New Keynesian' economics**

Lars P. Syll, 24 July, 2018 [via naked Capitalism 7-25-18]

Mainstream economic theory still today consists mainly of investigating economic models. It has since long given up on the real world and contents itself with proving things about thought up worlds. Empirical evidence still only plays a minor role in mainstream economic theory, where models largely function as substitutes for empirical evidence.

What is wrong with mainstream economics is not that it employs models per se, but that it employs poor models. They are poor because they do not bridge to the real world target system in which we live. Hopefully humbled by the manifest failure of its theoretical pretences, the one-sided, almost religious, insistence on mathematical deductivist modelling as the only scientific activity worthy of pursuing in economics will give way to methodological pluralism based on ontological considerations rather than "consequent advantages in terms of tractability."