

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

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Bernie Sanders: "Mr. President, Stand With US"

Sen. Bernie Sanders, Reader Supported News, June 26, 2011

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

READ MORE <http://readersupportednews.org/opinion2/277-75/6420-bernie-sanders-mr-president-stand-with-us>

“Income Gap Widens as Executives Prosper”

Peter Whoriskey, *The Washington Post* June 20, 2011

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

READ MORE <http://readersupportednews.org/news-section2/320-80/6332-income-gap-widens-as-executives-prosper>

3 articles in July Aug MJ

Namit Arora. “What Do We Deserve?” *The Humanist* (May-June 2011). Includes a review of the 3 major approaches to distributive economic justice: libertarian, meritocratic, and egalitarian. Cites Sandel. Michael Sandel. *Justice: What’s the Right Thing to Do?* 2009.

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

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

READ MORE <http://www.readersupportednews.org/opinion2/279-82/6133-republican-budget-extremist-and-cruel>

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

Robert Reich's Blog 6-2-11

Excerpt: "We're coming full circle: The stock market is dropping because corporate earnings

are slowing. Corporate earnings are slowing because consumers are pulling back. Consumers are pulling back because they don't have **enough jobs or adequate wages.**"

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

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

The New Republic, April 22, 2011

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

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

Matt Taibbi | America's Shadow Budget

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

Matt Taibbi, Rolling Stone

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

[READ MORE](#)

Budget Cuts Funds for Poor, Police, Environment and Health Care

Lisa Mascaro, Los Angeles Times

Lisa Mascaro reports: "Democrats and White House officials acceded to deep cuts in programs for the poor, law enforcement, the environment and civic projects to reach a budget deal that averted a federal government shutdown, according to new details of the \$38-billion spending cut package."

[READ MORE http://www.readersupportednews.org/news-section2/306-10/5604-budget-cuts-funds-for-poor-police-environment-and-health-care](http://www.readersupportednews.org/news-section2/306-10/5604-budget-cuts-funds-for-poor-police-environment-and-health-care)

Robert Reich | Medicare for All Is the Solution

Robert Reich, Robert Reich's Blog

Robert Reich writes: "Estimates of how much would be saved by extending Medicare to cover the entire population range from \$58 billion to \$400 billion a year. More Americans would get quality health care, and the long-term budget crisis would be sharply reduced. Let me say it

again: Medicare isn't the problem. It's the solution."

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

FILM

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

BOOKS

--Corning, Peter. *The Fair Society: The Science of Human Nature and the Pursuit of Social Justice*. U of Chicago P, 2011.

--Korten, David. *Agenda for a New Economy*. And other books: See below.

--Laursen, Eric. *Understanding the Crash*. Soft Skull, 2010.

Forthcoming: *The People's Pension: The War Against Social Security Since 1980*.

--Stiglitz, Joseph. *Freefall: America, Free Markets, and the Sinking of the World Economy*. See below.

--Thompson, Gabriel. *Working in the Shadows*. Nation Books, 2010. Rev. YES! Winter 2011. Investigative journalism studying workers at bottom of ladder in pay, rights, and working conditions, and the drive by owners and managers to make higher profits off the workers' backs.

--Wilkinson, Richard and Kate Pickett. *The Spirit Level. How Greater Equality Makes Societies Stronger*. Rev. by Jane Miller, *In these Times* (June 2011): "makes a persuasive case for inequality being more detrimental to societies than poverty."

Appraisal of a Few of the Above BOOKS

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

This week Republicans unveiled a budget proposal for 2012 that cuts more than \$5.8 trillion in government spending over the next decade. The plan calls for sweeping changes to Medicaid and Medicare, while reducing the top corporate and individual tax rates to 25 percent. We speak to Nobel Prize-winning economist Joseph Stiglitz, who addresses the growing class divide taking place in the United States and inequality in a new *Vanity Fair* article titled "Of the 1, by the 1, for the 1%." Stiglitz

is a professor at Columbia University and author of numerous books, most recently *Freefall: America, Free Markets, and the Sinking of the World Economy*. "It's not just that the people at the top are getting richer," Stiglitz says. "Actually, they're gaining, and everybody else is decreasing... And right now, we are worse than old Europe."

http://www.democracynow.org/2011/4/7/nobel_economist_joseph_stiglitz_assault_on

US POOR INCREASING AND INCREASINGLY UNINSURED 9-24-10

Democracy Now

Paul Mason, *Live Working or Die Fighting: How the Working Class Went Global*. Interv. DN 9-14. Mason economics ed. For BBC Newsnight. Discusses reduction of US middle-class, global workforce repeating struggles of workers of past, e.g. organizing for their welfare; US labor still unaware and unconnected to global labor struggle. Mason also author of *Meltdown*. See David Cay Johnston, *Free Lunch*. See OMNI's Democracy Forum.

BOOKS

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

NEW ECONOMICS

David Boyle and Andrew Simms. *The New Economics: A Bigger Picture*. Earthscan, 2009. Brief rev. *Fellowship* (Fall 2009). Wealth other than money.

David Korten: *The Missing Vision for a New Economy*

<http://act.commondreams.org/go/3879?akid=333.126591.LcxV3o&t=32>

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

Agenda for a New Economy's subtitle is "From Phantom Wealth to Real Wealth" This is the essence of the book, and a key phrase to

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

Korten calls Wall St. buccaneers and privateers, corrupt beyond repair. and calls the bailout a "fool's errand", which won't work because it doesn't address the cause of the problem. Korten urges us to look upstream at causes and finds that it is the ability of Wall St. banks to create money from nothing, through fractional reserve banking and other leveraging scams that is at the heart of the problem. He lists a **12 point agenda for a new economy:**

1. Redirect the focus of economic policy from growing phantom wealth to growing real wealth.
2. Recover Wall Street's unearned profits, and assess fees and fines to make WALL St. theft and gambling unprofitable.
3. Implement full-cost market pricing
4. Reclaim the corporate charter
5. Restore national economic sovereignty
6. Rebuild communities with a goal of achieving local self-reliance in meeting basic needs
7. Implement policies that create a strong bias in favor of human-scale businesses owned by local stakeholders.
8. Facilitate and fund stakeholder buyouts to democratize ownership.
9. Use tax and income policies to favor the equitable distribution of wealth and income.
10. Revise intellectual property rules to facilitate the free sharing of information and technology.
11. Restructure financial services to serve Main St.
12. Transfer to the federal government the responsibility for issuing money.

He was on the right track until number 12. His diagnosis is right about the misplaced privilege of creating money handed to banks. There are many writers who are now talking about money creation like Tom Greco, Ellen Webb, Ricky Cook, Bernard Liatear, Adrian Kuzminsky, Jim Hogue, etc. who offer more decentralized approaches to public money creation. Readers of these pages will be skeptical

that the federal government is the place to hand the money creating power, when the federal government is in the control of the very Wall St. forces that created the problem in the first place.

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

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

OTHER BOOKS BY KORTEN

THE POST-CORPORATE WORLD: LIFE AFTER CAPITALISM | David C. Korten
In this important book, David Korten makes a compelling and well-documented case that capitalism is actually delivering a fatal blow not only to life but ...
www.davidkorten.org/postcorp

COMMENTS ON WHEN CORPORATIONS RULE THE WORLD | David C. Korten
"David Korten's book is an important tool for social movement activists who ...
www.davidkorten.org/.../reader-comments-when-corporations-rule-world
- Cached

The Story Behind Agenda for a New Economy | David C. Korten
Here in brief is the somewhat unusual story of how this book came to be. ... COMMENTS | David C. Korten
"What a gift David Korten has given us with this prophetic book!
www.davidkorten.org/greatturning_comments -

Show more results from davidkorten.org[Amazon.com](http://amazon.com): When Corporations Rule the World (9781887208048 ... 76 reviews

NEW ECONOMICS INSTITUTE SCHUMACHER LECTURES

--- On Thu, 11/25/10, New Economics Institute

<neweconomics@neweconomicsinstitute.org>

Subject: Lecture Videos Online/Gus Speth/Neva Goodwin/Stewart Wallis

Dear Patrice Gros

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

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

<http://vimeo.com/channels/150944>

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

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

- * The sustainability, climate, and dwindling resources crisis;
- * The equality crisis, here and around the world, in income, assets, access, and democracy;
- * The financial risk crisis of a system that is neither efficient nor resilient;
- * The well-being crisis, in which rising income is not translating into rising happiness.

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

To achieve its goals the New Economics Institute works closely with

the New Economics Foundation of London, employing nef's expertise, techniques, and experience and in the process challenging mainstream thinking on economic, environment, and social issues.

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

Thomas Berry, priest, cultural historian and ³Earth scholar² was such a leader. Berry said:

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

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

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

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

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

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

<http://www.neweconomicsinstitute.org/donations>

or checks may be sent to 140 Jug End Road, Great Barrington, MA 01230.

Best wishes,
Susan Witt, Education Director....

END OF ECONOMICS JUSTICE NEWSLETTER #1 June 28, 2011