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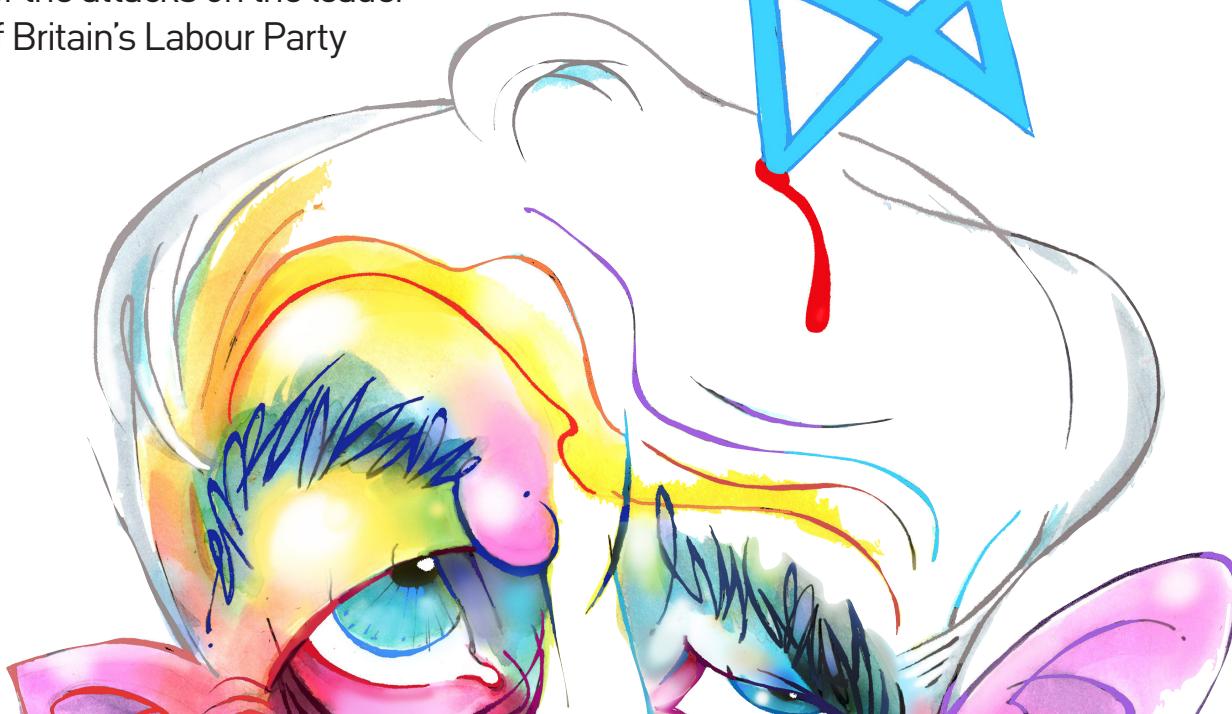
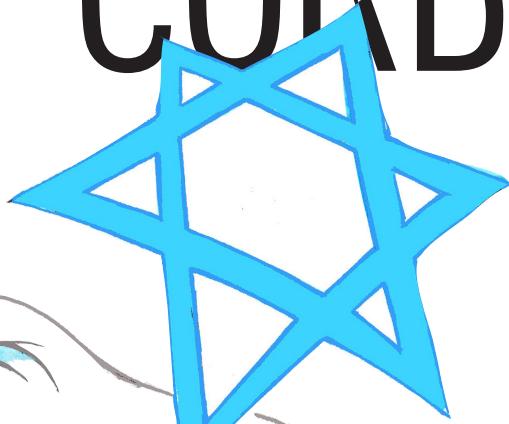
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ISSUE 166

MID-AUGUST 2018

ISRAEL'S WAR ON JEREMY CORBYN

David Cromwell, Asa Winstanley
and **Jonathan Cook** show how
antisemitism is not the real reason
for the attacks on the leader
of Britain's Labour Party



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DAVID CROMWELL

Israel's war on Jeremy Corbyn

Hysterical propaganda attack exposes deep-seated Zionist fear of intense pressure if the Labour Party takes control of UK politics

COVER
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ELITE power cannot abide a serious challenge to its established position. And that is what Labour under Jeremy Corbyn represents to the Tory government, the corporate, financial and banking sectors, and the mainstream media. The manufactured “antisemitism crisis” is the last throw of the dice for those desperate to prevent a progressive politician taking power in the UK: someone who supports Palestinians and genuine peace in the Middle East, a strong National Health Service and a secure Welfare State, a properly-funded education system, and an economy in which people matter; someone who rejects endless war and complicity with oppressive, war criminal allies, such as the United States, Saudi Arabia and Israel.

In a thoroughly-researched article at ZedNet – zcomm.org/znetarticle/hijacking-victimhood-and-demonizing-dissent – writer and academic Gavin Lewis has mapped a deliberate pro-Israel campaign to create a “moral panic” around the issue of antisemitism. The strategy can be traced all the way back to the horrendous Israeli bombardment of Gaza in the summer of 2014. A UN report estimated that 2,252 Palestinians were killed, around 65 per cent of them civilians. The death toll included

551 children. There was global public revulsion at Israel’s war crimes and empathy with their Palestinian victims.

Support rose for the Boycott, Divestment, Sanctions movement (BDS) which campaigns “to end international support for Israel’s oppression of Palestinians and pressure Israel to comply with international law”.

As Lewis observes, BDS came to be regarded more and more as a “strategic threat” by Israel, and a campaign was initiated in which Israel and its supporters would be presented as the world’s real victims. In the UK, the Campaign Against Antisemitism was established during the final month of Israel’s 2014 bombardment of Gaza. Pro-Israel pressure groups began to bombard media organisations with supposed statistics about an “antisemitism crisis”, with few news organisations scrutinising the claims.

In particular, as Medialens co-editor David Edwards and I noted – *ColdType 158, Mid-April 2018 (pages 14-18)* – antisemitism has been “weaponised” to attack Corbyn and any prospect of a progressive UK government critical of Israel. Around this time in Gaza, there were weekly Great March of Return protests, with people demanding the right to reclaim ances-

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tral homes in Israel. Many were mown down by Israeli snipers on the border firing into Gaza, with several victims shot in the back as they tried to flee. According to the Palestinian Ministry of Health, a total of 155 Palestinians were killed in the protests, including 23 children and three women. This is part of the brutal ongoing reality for Palestinians.

Recently, much media attention has focused laser-like on the International Holocaust Remembrance Alliance (IHRA) definition of antisemitism, including 11 associated examples. Labour adopted 7 of these examples, but dropped four because of their implication that criticism of Israel was antisemitic.

As George Wilmers noted in a piece for Jewish Voice for Labour, Kenneth Stern, the US Attorney who drafted the IHRA wording, has spoken out about the misuse of the definition. It had “originally been designed as a ‘working definition’ for the purpose of trying to standardise data collection about the incidence of antisemitic hate crime in different countries. It had never been intended that it be used as legal or regula-

tory device to curb academic or political free speech. Yet that is how it has now come to be used”.

Examples of the curbing of free speech cited by Stern in written testimony to the US Congress include Manchester and Bristol universities.

In an interview on Sky News earlier this month, one pro-Israeli commentator stated openly that the aim is to push Corbyn out of public life. As The Canary web site observed, Jonathan Sacerdoti, a former spokesperson for the Campaign Against Antisemitism (mentioned above) was “clear that his motivation for wanting Corbyn gone is, in part, opposition to



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his position on Israel".

Lindsey German, national convenor of the Stop the War Coalition, reminds us of something crucial that the corporate media has been happy to downplay or bury: "We should not forget either that the Israeli embassy was implicated in interfering in British politics last year when one of its diplomats was recorded as saying that he wanted to 'bring down' pro-Palestine Tory MP, Alan Duncan. While he was sent back to Israel in disgrace, the matter went no further – disgracefully given that this was blatant interference in the British political system".

In 2017, an Al Jazeera undercover sting operation on key members of the Israel lobby in Britain had revealed a £1-million plot by the Israeli government to undermine Corbyn.

German continued: "Are we seriously supposed to imagine that this was a maverick operation, or that there is no other attempt to influence British politics, especially when both Labour and Conservative Friends of Israel organisations have strong links with the embassy? The present ambassador is Mark Regev, the man who was press spokesman in 2009 when he defended the killing of Palestinians through Operation Cast Lead, and who has defended the recent killings of Gazan Palestinians by Israeli forces".

For shared elite interests in Israel and the UK, there is much at stake. Historian and foreign policy analyst Mark Curtis highlights "the raw truth" rarely touched by the corporate news media: "The UK's relationship with Israel is special in at least nine areas, including arms sales, air force, nuclear deployment, navy, intelligence and trade".

Indeed, arms exports and trade are increasingly profitable to British corporations doing business with Israel. Moreover, senior government ministers have emphasised that the UK-Israel relationship is the "cornerstone of so much of what we do in the Middle East", and

that "Israel is an important strategic partner for the UK". As Curtis notes: "The Palestinians are the expendable unpeople in this deepening special relationship".

A shameful outburst

Unsurprisingly, then, the Israeli lobby have been trawling through Corbyn's life, trying to find past incidents they can highlight as "support" for the ludicrous and cynical claim that he is "soft" on antisemitism or even himself antisemitic. Hence the manufactured controversy of Corbyn hosting an event in 2010 during which Auschwitz survivor Hajo Meyer compared Israel's behaviour to that of Nazi Germany.

An *Independent* editorial, titled "Corbyn has been found wanting on antisemitism – now he must act", asserted that he was "a fool to lend his name to this stunt". It was: "such an egregious error of judgement that Jeremy Corbyn, an extraordinarily stubborn man, has had to apologise for it".

Under a photograph of Corbyn sitting at the 2010 meeting with Meyer, *Times* political correspondent Henry Zeffman said that: "Corbyn has led Labour into a nightmare of his own making. The veteran left-winger will

never recant the views on Israel that he formed over decades in the political wilderness".

In the *Daily Mail*, the caption to the same 2010 photograph of Corbyn sitting with Meyer led with the word, "Offensive". And on and on it went in the 'mainstream' media.

Adri Nieuwhof, a Netherlands-based human rights advocate and former anti-apartheid activist, was a friend of Meyer, who died in 2014. In an article for *Electronic Intifada*, she wrote: "The 2010 Holocaust Memorial Day event took place the year after an Israeli assault on Gaza [Operation Cast Lead] that killed more than 1,400 Palestinians and injured thousands more.

"Meyer was very upset by the assault be-

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cause Palestinians were trapped in Gaza due to the blockade on the territory that Israel imposed starting in 2007.

"He could not help but compare the situation of Palestinians trapped under Israeli occupation and bombardment with Jews caged by the Nazis in ghettos like the Warsaw Ghetto".

She added: "Those attacking Corbyn today have no restraint and no shame. They will even call a man who survived Auschwitz and lost his parents in the Holocaust an anti-Semite if they believe that is what it takes to shield Israel from consequences for its crimes".

Nasty abuse flung at the Labour leader has even come from supposed colleagues. Last month, rightwing Labour MP Margaret Hodge called Jeremy Corbyn "a fucking anti-Semite and a racist". The corporate media gleefully lapped up her outburst – the *Guardian* moved swiftly to grant her space to declare Labour "a hostile environment for Jews" – and stoked the "Labour antisemitism row" for weeks afterwards, with over 500 articles to date according to our ProQuest newspaper database search.

Two days ago, Jewish Voice for Labour delivered a letter of complaint to the BBC, condemning a "lack of impartiality and inaccuracies" in its reporting of Hodge's allegations against Corbyn. Her accusations were "repeated numerous times without denial or opposing views" by BBC News. Moreover, Hodge's assertion that she represents the entire "Jewish community" has been allowed to pass unchallenged.

Trashing a dedicated anti-racist

Last month, the UK's leading Jewish papers – *Jewish News*, *Jewish Chronicle* and *Jewish Telegraph* – all carried the same front page on "the community's anger over Labour's anti-Semitism

row". They had taken this unprecedented step because of: "the existential threat to Jewish life in this country that would be posed by a Jeremy Corbyn-led government. We do so because the party that was, until recently, the natural home for our community has seen its values and integrity eroded by Corbynite contempt for Jews and Israel".

These outrageous claims were rejected by Stephen Oryszczuk, foreign editor of *Jewish News*. He told the *Canary*: "It's repulsive. This is a dedicated anti-racist we're trashing. I just don't buy into it at all";

He made three vital points:

1) Jeremy Corbyn is not an antisemite, and the Labour Party does not represent an 'existential threat' to Jewish people

2) The International Holocaust Remembrance Alliance's (IHRA) definition of antisemitism threatens free speech, and Labour was right to make amendments

3) The mainstream Jewish media is failing to represent the diversity of Jewish opinion

The corporate news media itself is undoubtedly "failing to represent the diversity of Jewish opinion". Worse, it has, in fact, been a willing accomplice in promoting and amplifying the pro-Israel narrative of a "Labour antisemitism crisis". Consider a recent powerful piece by Manchester Jewish Action for Palestine, published in *Mondoweiss*: "As Jewish people in Manchester, England, we resent the despicable racism shown towards the Palestinians by *Guardian* stalwarts such as Jonathan Freedland, Polly Toynbee, Jessica Elgott, Eddie Izzard, Nick Cohen, Marina Hyde and Gaby Hinsliff among others, all saturating comment sections on mainstream news websites with attacks designed to bring down the UK Labour Party leader Jeremy Corbyn, and to protect Israel from accountability".

They added: "UK commentators take the mor-



UNCHALLENGED REMARKS:
Labour MP Margaret Hodge.

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ally defunct option of backing right wing mainstream Zionist organisations' outrageous cries of "antisemitism" the moment Corbyn's Labour get ahead in the polls, or the moment there is a risk of serious public condemnation of Israel's horrific crimes against the Palestinians".

The article continued: "Why were Palestinians not consulted on the whole debate about Israel and antisemitism, when they are the people being slowly squeezed out of existence by Israel? Where are the Palestinian voices in the *Guardian*"?

Where indeed?

"We, as Jews, will not mindlessly pretend that protecting the Jewish people and protecting Israel are the same thing, on the hopeless say-so of a crew of establishment hacks at the *Guardian*".

The Manchester-based Jewish group singled out one prominent *Guardian* columnist, and former comment editor, for particularly heavy criticism: "Jonathan Freedland, one of the UK's most effective propagandists for Israel, while giving Palestinians occasional lip service so he and the other liberal elitists can make doubtful claims to "impartiality", has been the most relentless in his attacks on Corbyn. Freedland routinely uses his opinion editorial position in the *Guardian* to do more than most to "strong-arm" the Labour Party into backing the whole IHRA definition, flawed examples and all. It is unsurprising that he would push for the guideline, "claiming that the existence of a State of Israel is a racist endeavour" to be included as antisemitic trope, given he is on record excusing the crime against humanity that was Israel's foundational act – the ethnic cleansing of the Palestinian population in 1947/1948".

One of Freedland's *Guardian* articles that the group must have had in mind was published last month under the title, 'Yes, Jews are angry – because Labour hasn't listened or shown any

empathy'. Leon Rosselson, a children's author and singer-songwriter, whose Jewish parents were refugees from Tsarist Russia, argued that the article "is a devious, dissembling, dishonest piece of special pleading that shames both Freedland and the *Guardian*".

Earlier this month, Corbyn himself had a piece in the *Guardian* in which he wrote: "I do acknowledge there is a real problem [of antisemitism] that Labour is working to overcome. ... We were too slow in processing disciplinary cases of antisemitic abuse, mostly online, by party members. And we haven't done enough to foster deeper understanding of antisemitism among members".

A *Telegraph* editorial typified the corporate media's reaction to Corbyn's article: "he respond[ed] with Sovietesque institutional lethargy ... just the latest in a long line of obfuscations that betray a central fact: Labour's leader is unhealthily obsessed with Israel, and tainted by association with fanatics".

Corbyn cannot do anything right in the eyes of the corporate media. As Rosselson said: "Corbyn concedes and Corbyn apologises, and the more he concedes and the more he apologises the weaker his position

becomes, and still the pressure grows and the attacks continue because this is not really about antisemitism and definitions but about getting rid of Corbyn or undermining him to the point where he is powerless".

Sadly, the Labour leader has failed to properly address this relentless and vicious campaign, focusing instead on trying to fend off accusations of antisemitism. By sticking within this narrative framework set up by the powerful Israeli lobby, a twisted framework that can only be maintained with corporate media connivance, he and his colleagues have made a serious mistake. Asa Winstanley put it bluntly back in March: "Jeremy Corbyn must stop pandering to



RELENTLESS ATTACKS: The *Guardian's* Jonathan Freedland.

DAVID CROMWELL

Labour's Israel lobby".

Winstanley pointed out that the campaign has been going on for years, and he expanded: "Too many on the left seem to think: if we throw them a bone by sacrificing a few token 'extremists'. the anti-Semitism story will die down and we can move on to the real business of electing a Labour government.

"But years later, Labour is still being beaten with the same stick.

"Any close observer of Israel and its lobby groups knows this: they cannot be appeased".

Other commentators have made the same point. An *OffGuardian* article in April, titled "Corbyn should learn his lesson: compromise with the devil is not an option", observed: "Corbyn seems to think a few little compromises will get him accepted in the mainstream media. It pains me to say it, but this is fundamentally untrue. You can't compromise with someone who wants nothing but your total destruction. Hopefully Corbyn has learned this lesson by now".

Sadly not, it appears. A *Morning Star* editorial correctly observes that Corbyn and his advisers: "fail to appreciate the ruthlessness of his opponents or the unrelenting nature of their goals".

Early in August, Winstanley published an article – see *Pages 10 & 11 of this issue* – revealing yet another element of Israel's intense campaign against Corbyn: the use of an app to promote propaganda messages via social media accusing Corbyn of antisemitism. The app is a product of Israel's strategic affairs ministry which "directs Israel's covert efforts to sabotage the Palestine solidarity movement around the world".

As Jonathan Cook cogently explains – see *Pages 12 to 17* – "Labour is not suffering from an 'anti-semitism crisis'; it is mired in an 'Israel crisis'."

To those who bemoan that Corbyn and his

team are not sufficiently "media-savvy", that he has not done enough to present himself as "PM material" via the press and television, David Traynier has written a strong rebuttal at https://davidtraynier.wordpress.com/2018/08/07/i-see-no-ships/amp/?__twitter_impression=true. Two essential facts need to be understood, he says: first, the corporate media filter and distort the news as described by Edward Herman and Noam Chomsky in their "propaganda model" of the media, introduced in *Manufacturing Consent*. Second, journalists and editors are themselves subjected to a filtering process as they rise up the career ladder. They are selected for positions of ever-increasing responsibility only if they have demonstrated to corporate media owners, managers and senior editors that they can be trusted to say and do the "right" things; even think the "right thoughts".

As Chomsky famously said to Andrew Marr, then the young political editor of the Independent and now with the BBC: "I'm sure you believe everything you're saying. But what I'm saying is that if you believed something different, you wouldn't be sitting where you're sitting".

In short, says Traynier: "The idea that a socialist party simply needs to manage the press better

is a nonsense. The corporate media is not there to be won over, it can't be 'managed' into giving Corbyn a fair hearing. In fact, once one understands how the media works, the burden of proof would rest with anyone those who claimed that it wouldn't be biased against Corbyn."

Despite the intense campaign against Corbyn – and perhaps, in part, because of its obviously cynical and manipulative nature – many people are perceptive enough to see what is going on. Israel is the real problem. CT

David Cromwell is the co-editor of Medialens, the UK media watchdog. This essay was first published at www.medialens.org

The lobby that tries to divide Labour

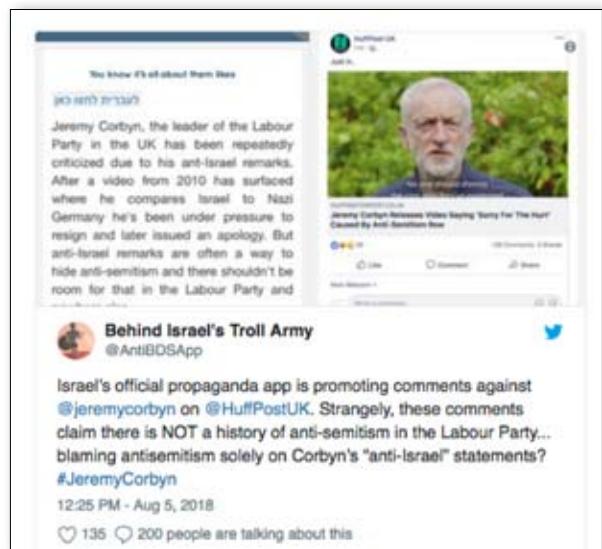
The Jewish Labour Movement, an anti-Palestinian group deeply linked to the Israeli government, has been at the forefront of efforts to 'take down' Corbyn

**COVER
STORY**

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An app operated as part of an Israeli government propaganda campaign issued a “mission” for social media users to make comments against Labour Party leader Jeremy Corbyn, accusing him of antisemitism.

This is the latest evidence of an Israeli campaign of psychological warfare against the UK’s main opposition party. On Sunday, August 5, the Act.IL app falsely accused Corbyn of comparing Israel to Nazi Germany in a 2010 meeting which had been resurfaced by the *Times* the previous week. The “mission” was documented in this Tweet (*below*) by Michael Bueckert, a Canadian researcher who has been monitoring the app since last year.



The reality is very different from the app’s claims. As my colleague Adri Nieuwhof explained, Corbyn hosted a meeting titled *Never Again – For Anyone*, with Hajo Meyer, a survivor of the Auschwitz concentration camp and an anti-Zionist who spoke out strongly for Palestinian rights. Meyer died in 2014.

The Act.IL app asks users to comment on Facebook in response to a *Huffington Post UK* story about Corbyn’s alleged “anti-Israel remarks,” which it claims are “often a way to hide antisemitism.” The “mission” directs users to click “like” on a comment by Facebook user “Nancy Saada,” and write their own comments echoing her criticisms of Labour. “Nancy” has posted elsewhere on her Facebook profile a photo of herself in an Israeli army uniform posing on an armoured vehicle draped with an Israeli flag.

Israeli sabotage

As the *Electronic Intifada* reported earlier this year, the Act.IL app is a product of Israel’s strategic affairs ministry. That ministry directs Israel’s covert efforts to sabotage the Palestine solidarity movement around the world. Its top civil servant is a former army intelligence officer and the ministry is staffed by veterans of various spy agencies whose names are classified.

The Act.IL “mission” is another piece of evidence of the Israeli campaign of psychological warfare against Labour. It is part of a long-running influence operation by Israel and its lobby

ASA WINSTANLEY

groups to smear Corbyn, a veteran Palestine solidarity activist, and to label the party he leads “institutionally antisemitic”.

The operation also aims to push Labour, where there is strong support for Palestinian rights among the grassroots, in a more pro-Israel direction. A covert element of the effort revealed last year by the undercover *Al Jazeera* documentary The lobby involved attempts by the Israeli embassy to set up a grassroots pro-Israel organisation for Labour youth.

The campaign has found support among the declining Labour right, including many of the party’s lawmakers, some of them involved with pro-Israel groups. The Jewish Labour Movement, an anti-Palestinian group deeply linked to the Israeli government, has been at the forefront of the effort. The group is run by Ella Rose, a former Israeli embassy officer. Rose has privately admitted that as JLM director, she maintained close links to Shai Masot, the Israeli embassy spy forced to leave the country last year after the *Al Jazeera* investigation exposed him plotting to “take down” a senior UK government minister.

Masot was also spearheading the effort to manufacture a grassroots pro-Israel organisation within the party, a tactic known as astroturfing.

JLM demands

Adam Langleben, the Jewish Labour Movement’s campaigns officer, recently issued his group’s latest demands on Corbyn. These included that Labour adopt “unamended” the controversial IHRA definition of antisemitism, which would define it as antisemitic to accurately describe the Israeli state as a “racist endeavour”. The Israel lobby group is also demanding that Labour drop Chris Williamson – a leading leftist – as a lawmaker.

Instead of shutting down these claims as the bad faith attacks that they clearly are, Corbyn has continued a strategy of concession after concession that has only fuelled the attacks. He has rolled back his position on important matters of principle, like BDS – the boycott, divestment and sanctions movement for Palestinian rights.

In a *Guardian* opinion piece on August 3, Corbyn offered “dialogue with community organisations, including the Jewish Labour Movement” to discuss their demand that the IHRA document be adopted in full, even as he acknowledged that some of its provisions have “been used by those wanting to restrict criticism of Israel that is not antisemitic”.

It is unclear what Corbyn hopes to achieve in “dialogue” with a group that has close ties to a hostile foreign power committed to manipulating his party from within. Not surprisingly, the JLM immediately dismissed Corbyn’s opinion piece as “another article bemoaning a situation”. In his list of demands, the JLM’s Langleben admits that any concession Corbyn makes will not be enough. “These measures would have been welcomed, and maybe even celebrated, two years ago”, he writes of his demands.

But now Langleben claims that matters have “reached the point of no return”. “Decisive and significant actions, not words, are the only thing that can bring us back from the brink”, Langleben states. He doesn’t say who must take this action, or what the action is. This is certainly open to the interpretation that the Jewish Labour Movement expects the party to take the action of ousting its leader.

As for that “brink”, I warned in a widely-shared Twitter thread last month that the Labour right and the Israel lobby may be planning a damaging split from the party. Since I made that prediction, there are more signs that this could be coming to pass. The most common response to my prediction on social media was to welcome their departure. But be warned: Mainstream media which have fuelled sensational and often baseless smears will falsely portray any combined exit of right-wing lawmakers and anti-Palestinian activists as an “exodus of Jews” from the Labour Party. And yes, columnists supporting them will probably even use the same hackneyed biblical allusion. **CT**

Asa Winstanley is an investigative journalist and associate editor with the *Electronic Intifada*. He lives in London. This article was first published at www.electronicintifada.net

A campaign to silence dissenting voices

Margaret Hodge and Jonathan Freedland behave as though they are 'decent' Jews, the only ones who have the right to a voice and to sensitivities. They're wrong

COVER STORY

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If there is indeed an antisemitism problem in the UK's Labour party, it is not in the places where the British corporate media have been directing our attention. What can be said with even more certainty is that there is rampant hatred expressed towards Jews in the same British media that is currently decrying the supposed antisemitism of Labour leader Jeremy Corbyn.

Here is what, I hope, is a little wisdom, earned the hard way as a reporter in Israel over nearly two decades. I offer it in case it helps to resolve the confusion felt by some still pondering the endless reports of Labour's supposed antisemitism "crisis".

Racism towards Palestinians

In the first year after my arrival in Israel in late 2001, during the most violent phase of Israel's suppression of the Palestinians' second intifada, I desperately tried to make sense of the events raging around me. Like most new reporters, I searched for experts – at that time, mostly leftwing Israeli analysts and academics. But the more I listened, the less I understood. I felt like a ball in a pinball machine, bounced from one hair-trigger to the next.

My problem was exacerbated by the fact that, unlike my colleagues, I had chosen to locate myself in Nazareth, the largest Palestinian city in Israel, rather than in a Jewish area or in the occupied territories. The conflict between Israelis

and Palestinians seemed much more complex when viewed through the prism of Palestinian "citizens" living inside a self-declared Jewish state.

The Israeli experts I contacted deplored the brutality of the occupation unequivocally and in ways it was difficult not to admire, given the morass of anti-Palestinian sentiment and self-righteousness into which the rest of Israeli society was rapidly sinking. But each time I latched on to such an Israeli in the hope of deepening my own understanding, something they said would knock me sideways.

As readily as they condemned the occupation, they would laud the self-evidently bogus liberal democratic credentials of a Jewish state, one that I could see from my location in Nazareth was structurally organised to deny equal rights to its Palestinian citizens. Or the experts would echo the Israeli government's inciteful claims that this largely quiescent Palestinian minority in Israel – a fifth of the population – was at best a demographic threat to the Jewish majority, and at worst a Trojan horse secretly working to destroy the Jewish state from within.

Appearances can be deceptive

The very racism towards Palestinians in the occupied territories these experts eschewed, they readily flaunted when discussing Palestinians inside Israel. Were they really leftists or covert ethnic chauvinists?

JONATHAN COOK



THE PEOPLE'S CHAMP: Street art by in London by Loretto.

Photo: Duncan C / Flickr.com

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It was many months before I could make sense of this puzzle. An answer was only possible when I factored in the Israeli state's official ideology: Zionism.

Israeli leftists who were also avowed Zionists – the vast majority of them – saw the conflict exclusively through the colonial prism of their own ethnic privilege. They didn't much care for Palestinians or their rights. Their opposition to the occupation was barely related to the tangible harm it did to the Palestinian population.

Rather, they wanted an end to the occupation because they believed it brutalised and corrupted Israeli Jewish society, seeping into its pores like a toxin. Or they

wanted the occupation to end because the combined populations of Palestinians in "Greater Israel" – in the occupied territories and inside Israel – would soon outnumber Jews, leading, they feared, to comparisons with apartheid South Africa. They wanted Israel out of all or most of the occupied territories, cutting off these areas like a gangrenous limb threatening the rest of the body's health.

Only later, when I started to meet antiZionist Jews, did I find an opposition to the occupation rooted in a respect for the rights and dignity of the Palestinians in the territories. And because their position was an ethical, rights-based one, rather than motivated by opportunism and self-interest,

Only later did I find an opposition to the occupation rooted in a respect for the rights and dignity of the Palestinians in the territories

JONATHAN COOK



KICKED OUT: Marc Wadsworth was expelled from the Labour Party after accusing Jewish MP Ruth Smeeth (right) of colluding with right wing newspapers to undermine Jeremy Corbyn.

Photos: YouTube screengrab

these antiZionist Jews also cared about ending discrimination against the one in five Israeli citizens who were Palestinian. Unlike my experts, they were morally consistent.

I raise this, because the lesson I eventually learned was this: you should never assume that, because someone has adopted a moral position you share, their view is based on the moral principles that led you to adopt that position. The motives of those you stand alongside can be very different from your own. People can express a morally sound view for morally dubious, or even outright immoral, reasons. If you ally yourself with such people, you will invariably be disappointed or betrayed.

There was another, more particular lesson. Ostensible support for Palestinians may, in fact, be cover for other ways of oppressing them.

And so it has been with most of those warning of an antisemitism “crisis” in Labour. Anti-semitism, like all racisms, is to be denounced. But not all denunciations of it are what they seem. And not all professions of support for Palestinians should be taken at face value.

The vilification of Corbyn

Most reasonable observers, especially if they are not Jewish, instinctively recoil from criticising a Jew who is highlighting antisemitism. It is that

insulation from criticism, that protective shield, that encouraged Labour MP Margaret Hodge recently to publicly launch a verbal assault on Corbyn, vilifying him, against all evidence, as an “anti-semitic and racist”.

It was that same protective shield that led to Labour officials dropping an investigation of Hodge, even though it is surely beyond doubt that her actions brought the party “into disrepute” – in this case, in a flagrant manner hard to imagine being equalled. This is the same party, remember, that recently expelled Marc Wadsworth, a prominent black anti-racism activist, on precisely those grounds after he accused Jewish Labour MP Ruth Smeeth of colluding with rightwing newspapers to undermine Corbyn.

The Labour party is so hamstrung by fears about antisemitism, it seems, that it decided that an activist (Wadsworth) denigrating a Labour MP (Smeeth) was more damaging to the party’s reputation than a Labour MP (Hodge) vilifying the party’s leader (Corbyn). In this twisted set of priorities, a suspicion of possible racism towards a Jewish MP served to justify actual racism against a black party activist.

But the perversion of Labour party values goes much further. Recent events have proved that party officials have decisively prioritised the rights of diehard supporters of Israel among British Jewry to defend Israel at all costs over

JONATHAN COOK

the right of others, including Jews, to speak out about the continuing brutalisation of Palestinians by Israel's occupation regime.

Hodge and the other Labour MPs trumpeting antisemitism might be entitled to the benefit of the doubt – that they truly fear antisemitism is on the rise in the Labour party – had they not repeatedly indulged in the kind of antisemitism they themselves have deplored.

What do I mean?

When they speak of an antisemitism “crisis” in the party, these Labour MPs – and the fervently pro-Israel lobby groups behind them like the Jewish Labour Movement – intentionally gloss over the fact that many of the prominent activists who have been investigated, suspended or expelled for antisemitism in recent months – fuelling the claim of a “crisis” – are, in fact, Jewish.

Why are the “Jewish” sensitivities of Margaret Hodge, Ruth Smeeth or Louise Ellman more important than those of Moshe Machover, Tony Greenstein, Cyril Chilson, Jackie Walker or Glyn Secker – all Labour activists who have found their sensitivities, as Jews opposing the abuse of Palestinians, count for little or nothing among Labour officials? Why must we tiptoe around Hodge because she is Jewish, ignoring her bully-girl tactics to promote her political agenda in defence of Israel, but crack down on Greenstein and Chilson, even though they are Jewish, to silence their voices in defence of the rights of Palestinians?

‘Wrong kind of Jews’

The problem runs deeper still. Labour MPs like Hodge, Smeeth, Ellman and John Mann have stoked the antisemitic predilections of the British media, which has been only too ready to indict “bad Jews” while extolling “good Jews”.

That was only too evident earlier this year when Corbyn tried to put out the fire that such

Labour MPs had intentionally fuelled. He joined Jewdas, a satirical leftwing Jewish group that is critical of Israel, for a Passover meal. He was roundly condemned for the move.

Jewdas were declared by rightwing Jewish establishment organisations like the Board of Deputies and by the British corporate media as the “wrong kind of Jews”, or even as not “real” Jews. In the view of the Board and the media, Corbyn was tainted by his association with them.

How are Jewdas the “wrong kind of Jews”? Because they do not reflexively kneel before Israel. Ignore Corbyn for a moment. Did Labour MPs Hodge, Ellman or Smeeth speak out in the defence of fellow Jews under attack over their Jewishness? No, they did not.

If Greenstein and Chilson are being excommunicated as (Jewish) “antisemites” for their full-throated condemnations of Israel’s institutional racism, why are Hodge and Ellman not equally antisemites for their collusion in the vilification of supposedly “bad” or “phoney” Jews like Jewdas, Greenstein and Chilson.

It should be clear that this antisemitism “crisis” is not chiefly about respecting Jewish sensitivities or even about Jewish identity. It is about protecting the sensitivities of some Jews on Israel, a state oppressing and dispossessing the Palestinian people.

Policing debates on Israel

When the *Guardian*’s senior columnist Jonathan Freedland insists that his Jewish identity is intimately tied to Israel, and that to attack Israel is to attack him personally, he is demanding the exclusive right to police the parameters of discussions about Israel. He is asserting his right, over the rights of other Jews – and, of course, Palestinians – to determine what the boundaries of political discourse on Israel are, and where the red lines denoting anti-semitism are drawn.

This is why Labour MPs like Hodge and jour-

JONATHAN COOK

nalists like Freedland are at the centre of another concocted antisemitism row in the Labour party: over the International Holocaust Remembrance Alliance's definition of antisemitism and an associated set of examples. They want all the IHRA's examples adopted by Labour, not just most of them.

There are very clear, existing definitions of antisemitism. They are variations of the simple formulation: "Antisemitism is the hatred of Jews for being Jews." But the IHRA takes this clear definition and muddies it to the point that all sorts of political debates can be viewed as potentially antisemitic, as leading jurists have warned.

That is only underscored by the fact that a majority of the IHRA's examples of antisemitism relate to Israel – a nuclear-armed state now constitutionally designed to privilege Jews over non-Jews inside its recognised borders and engaged in a half-century of brutal military occupation of the Palestinian people outside its borders.

To be fair to the drafters of the IHRA guidelines, these examples were supposed only to be treated as *potentially* antisemitic, depending on the context. That is the express view of the definition's drafter, Kenneth Stern, a Jewish lawyer, who has warned that the guidelines are being perverted to silence criticism of Israel and stifle free speech.

And who are leading precisely the moves that Stern has warned against? People like Jonathan Freedland and Margaret Hodge, cheered on by large swaths of Labour MPs, who have strongly implied that Corbyn and his allies in the party are antisemitic for sharing Stern's concerns.

Hodge and Freedland are desperate to strong-arm the Labour party into setting the IHRA guidelines in stone, as the unchallengeable, definitive new definition of antisemitism. That will relieve them of the arduous task of policing those discourse boundaries on the basis of evidence

and of context. They will have a ready-made, one-size-fits-all definition to foreclose almost all serious debate about Israel.

Want to suggest that Israel's new Nation-State Law, giving Jewish citizens constitutionally guaranteed rights denied to non-Jewish citizens, is proof of the institutional racism on which political Zionism is premised and that was enshrined in the founding principles of the state of Israel? Well, you just violated one of the IHRA guidelines by arguing that Israel is a "racist endeavour". If Freedland and Hodge get their way, you would be certain to be declared an antisemite and expelled from the Labour party.

Grovelling apology

Hodge and Freedland are desperate to strong-arm the Labour party into setting the IHRA guidelines in stone, as the unchallengeable new definition of antisemitism

Revealing how cynical this manœuvring by Hodge, Freedland and others is, one only has to inspect the faux-outrage over the latest "anti-semitism crisis" involving Corbyn. He has been forced to make a grovelling apology – one that deeply discredits him – for hosting an anti-racism conference in 2010 at which a speaker made a comparison between Israel's treatment of Palestinians and the Nazis' treatment of Jews. That violated another of the IHRA examples.

But again, what none of these antisemitism warriors has wanted to highlight is that the speaker given a platform at the conference was the late Hajo Meyer, a Jewish Holocaust survivor who dedicated his later years to supporting Palestinian rights. Who, if not Meyer, deserved the right to make such a comparison? And to imply that he was an antisemite because he prioritised Palestinian rights over the preservation of Israel's privileges for Jews is truly contemptible.

In fact, it is more than that. It is far closer to antisemitism than the behaviour of Jewish critics of Israel like Greenstein and Chilson, who have been expelled from the Labour party. To intentionally exploit and vilify a Holocaust survi-

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vor for cheap, short-term political advantage – in an attempt to damage Corbyn – is malevolence of the worst kind.

Having stoked fears of an anti-semitism crisis, Hodge, Freedland and others have actively sought to obscure the wider context in which it must be judged – as, in large part, a painful debate raging inside the Jewish community. It is a debate between fervently pro-Israel Jewish establishment groups and a growing body of marginalised antiZionist Jewish activists who wish to show solidarity with the Palestinians. Labour is not suffering from an “antisemitism crisis”; it is mired in an “Israel crisis”.

'Repulsive' campaign

In their silence about the abuses of Meyer, Jewdas, Greenstein, Chilson and many others, Freedland and Hodge have shown they do not really care about the safety or sensitivities of Jews. What they chiefly care about is protecting their chosen cause of Israel, and crippling the chances of a committed supporter of Palestinian rights from ever reaching power. They are prepared to sacrifice other Jews, even victims of the Holocaust, as well as the Labour party itself, for that kind of political gain.

Hodge and Freedland are behaving as though they are decent Jews, the only ones who have the right to a voice and to sensitivities. They are wrong. They are like the experts I first met in Israel who concealed their racism towards Palestinians by flaunting their self-serving anti-occupation credentials. Under the cover of concerns about antisemitism, Freedland and Hodge have helped stoke hatred – either explicitly or through their silence – towards the “wrong kind of Jews”, towards Jews whose critical views of Israel they fear.

It does not have to be this way. Rather than foreclose it, they could allow a debate to flourish within Britain’s Jewish community and within the Labour party. They could admit that not only

is there no evidence that Corbyn is racist, but that he has clearly been committed to fighting racism all his life.

Don’t want to take my word for it? You don’t have to. Listen instead to Stephen Oryszczuk, foreign editor of the Corbyn-hating *Jewish News*. His newspaper was one of three Jewish weeklies that recently published the same front-page editorial claiming that Corbyn was an “existential threat” to British Jews.

Oryszczuk, even if no friend to the Labour leader, deplored the behaviour of his own newspaper. In an interview, he observed of this campaign to vilify Corbyn: “It’s repulsive. This is a dedicated antiracist we’re trashing. I just don’t

buy into it at all.” He added of Corbyn: “I don’t believe he’s antisemitic, nor do most reasonable people. He’s anti-Israel and that’s not the same.”

Oryszczuk conceded that some people were weaponising antisemitism and that these individuals were “certainly out to get him [Corbyn]”. Unlike Freedland and Hodge, he was also prepared to admit that some voices in the Jewish community were being actively silenced: “It’s partly our fault, in the mainstream Jewish media. We could – and arguably should – have done a better job at giving a voice to Jews who think

differently, for which I personally feel a little ashamed. ... On Israel today, what you hear publicly tends to be very uniform.”

And that is exactly how Hodge and Freedland would like to keep it – in the Labour party, in the Jewish community, and in wider British society.

CT

Jonathan Cook won the Martha Gellhorn Special Prize for Journalism. His books include *Israel and the Clash of Civilisations: Iraq, Iran and the Plan to Remake the Middle East* (Pluto Press) and *Disappearing Palestine: Israel's Experiments in Human Despair* (Zed Books). His website is www.jonathan-cook.net

DAVID GOLDBLATT

'Manic control and profound immorality'

70-year retrospective of acclaimed photographer's work highlights the tragedy of apartheid in South Africa

STRUCTURES OF DOMINION AND DEMOCRACY

By David Goldblatt

18

Edited by Karolina Ziebinska-Lewandowska

Text by David Goldblatt and Ivor Powell

Published by Steidl / www.steidl.de \$65

DAVID GOLDBLATT, the celebrated South African photographer who died at 87 on June 25, is the subject of a huge new book covering his work over more than 70 years. Published to accompany a major exhibition in Paris, *Structures of Dominion and Democracy* highlights the groundbreaking work of Goldblatt during the most fractious time in South African history.

During the apartheid years, Goldblatt's editorial work was mainly limited to "establishment" publications such as *Optima*, a magazine for shareholders of Harry Oppenheimer's Anglo American Corporation, and *Leadership*, an elite journal for company directors. Although his work seldom found its way



Photo from Structures of Dominion and Democracy, by David Goldblatt. Published by Steidl / <http://www.steidl.de/>



A plot-holder, his wife and their eldest son at lunch. Wheatlands, near Randfontein, Transvaal (Gauteng), September 1962.

DAVID GOLDBLATT



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Farmer's son with his nursemaid on the farm Heimweeberg, near Nietverdiend in the Marico Bushveld, North-West Province, 1964.

into magazines pressing for freedom from the violence of the Afrikaner regime, he gained international recognition for his photo books, which were marked by their stark portrayal of the strained relationships resulting from the massive power imbalance between the races.

Structures of Dominion and Democracy draws on photographs from those books, including *On The Mines, Some Afrikaners photographed*, *In Boksburg*, Joburg, and other less-known publications. Each chapter is prefaced with a brief statement from Goldblatt and ends with pages showing samples from the original books, together with spreads from the international publications in which they featured.

There's a tranquil, yet uneasy, edge to the photographs in the 300-plus oversized pages of this book, work that stands in stark contrast to the blood, guts and



Young men with dompas, the identity document that every African over the age of 16 had to carry, White City, Jabavu, Soweto, November 1972.

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Margaret Mcingana at home on Sunday afternoon; as "Margaret Singana" she became a famous singer, Zola, Soweto, October 1970.

DAVID GOLDBLATT



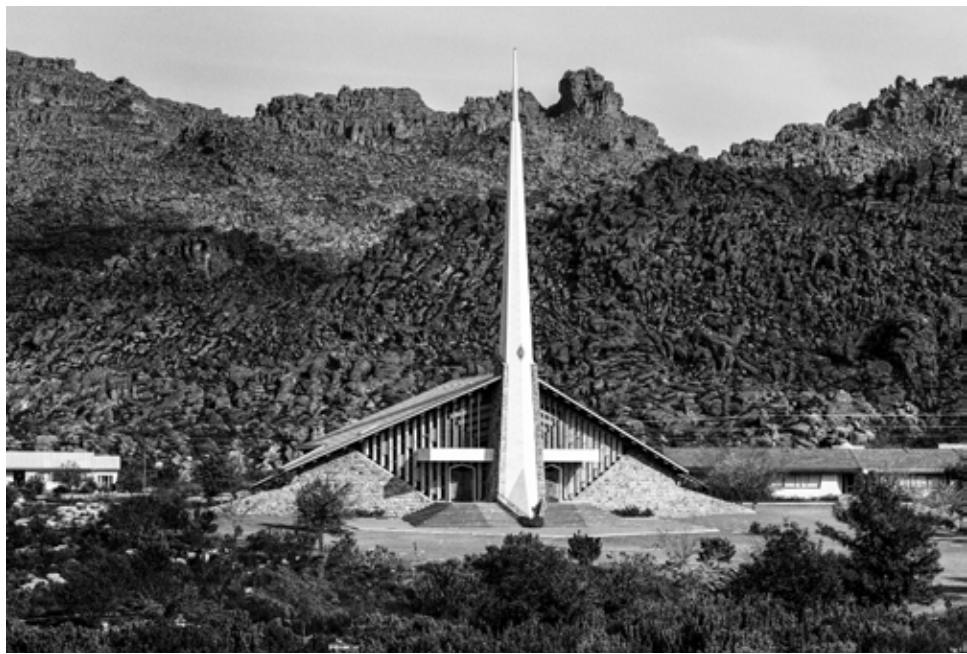
22

Making a coffin for the body of a neighbour's servant whose family could not afford one. Bootha Plots, Randfontein, Gauteng, 1962.

violence displayed in the volumes of “combat” photography that marked the savagery of South Africa’s apartheid regime. However, the tranquility of Goldblatt’s photographs carry a hefty punch: facial expressions and body language quietly express the traumatic unreality of the country’s racial divide.

“White and black”, he writes, “Locked into a system of manic control and profound immorality. To draw breath there was to be complicit.”

– Tony Sutton



Dutch Reformed Church, inaugurated on 31 July 1966, Op-die-Berg, Koue Bokkeveld, 23 May 1987.



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Boss Boy: he had attained the highest rank possible for a black man in the mining hierarchy, Battery Reef, Randfontein Estates, 1966.

Manipulated by the elite

The world is better off being controlled by the collective will of the people rather than that of a few sociopathic oligarchs

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ONE of the weirdest things about the post-Iraq invasion world is how the mass media has actually gotten less accountable instead of more accountable for its reporting since that time.

Right now in the UK there's an amazingly viral smear campaign against Jeremy Corbyn running across all mainstream outlets, which, from what I can tell, consists entirely of narrative spin and no actual evidence. The powerful elites who control British mass media have an obvious vested interest in keeping the UK government from moving to the left, so they advance the absolutely insane narrative that Corbyn is a secret Nazi. They just keep saying it and saying it like it's true until people start believing it without feeling any pressure at all to substantiate their narrative with facts. It's been jaw-dropping to watch.

More and more we are seeing narratives about cyber-threats being used to advance reports of "attacks" and "acts of war" being perpetrated which, as far as the public is concerned, consist of nothing other than the authoritative assertions of confident-sounding media pundits. There was a recent NBC exclusive which was co-authored by Ken Dilanian, who is an actual, literal CIA asset, about the threat of hackers working for the Iranian government.

The alleged Russian interference in the 2016 US elections is now routinely compared to Pearl Harbor and 9/11, despite no hard, verifiable evidence that that interference even took place ever

being presented to the public.

After the mass media's complicity in selling the Iraq invasion to the western world, we should have seen scores of people fired and changes put in place to prevent such unforgivable complicity from ever occurring again.

Instead, no changes whatsoever were made to ensure that news media outlets never facilitate another disaster at the hands of secretive government agencies, and now these same outlets are allowed to promote world-shaping narratives on no evidentiary basis beyond "It's true because we said so."

There's a consensus, agreed-upon narrative about what's going on in the world that is advanced by all mass media outlets regardless of what political sector those outlets market themselves to. Exactly what should be done about individual events and situations might vary a bit from pundit to pundit and outlet to outlet, but the overall "how it is" narrative about what's happening is the same across the board. This is the official narrative, and the plutocrat-owned media/political class has full control over it.

We all know the official narratives, right? The US and its allies are good, the latest Official Bad Guy is bad. You live in a democracy where your vote counts and your government is accountable to you and your countrymen, just like they taught you in school. The two political parties are totally different and their opposition is

CAITLIN JOHNSTONE

totally real. The news man on TV never reports any falsehoods because if he did he'd lose his job, which means that the Russian hacking thing, the Syria thing, the 9/11 thing, all happened exactly as the government told us they happened. Iraq was maybe kinda sorta a mistake, but nothing like that could ever happen again because mumble mumble cough hey look what Kanye West is doing.

Let's consider a hypothetical scenario, though. Let's imagine a world where there were no official narratives. About anything. At all.

What if there was no dominating elite class telling the

public how they were meant to interpret events and situations? What if there was only the raw, publicly available information about what's going on in the world, and people individually interpreted that information for themselves? And what if they came to differing conclusions, and that was allowed to be okay? What if there was no elite class telling everyone that whoever doesn't believe X, Y and Z is a paranoid conspiracy theorist, a raving lunatic, and/or a Kremlin propagandist who needs to be shunned and silenced? What if all that were solely determined by the collective, without the control or oversight of any powerful, dominating class?

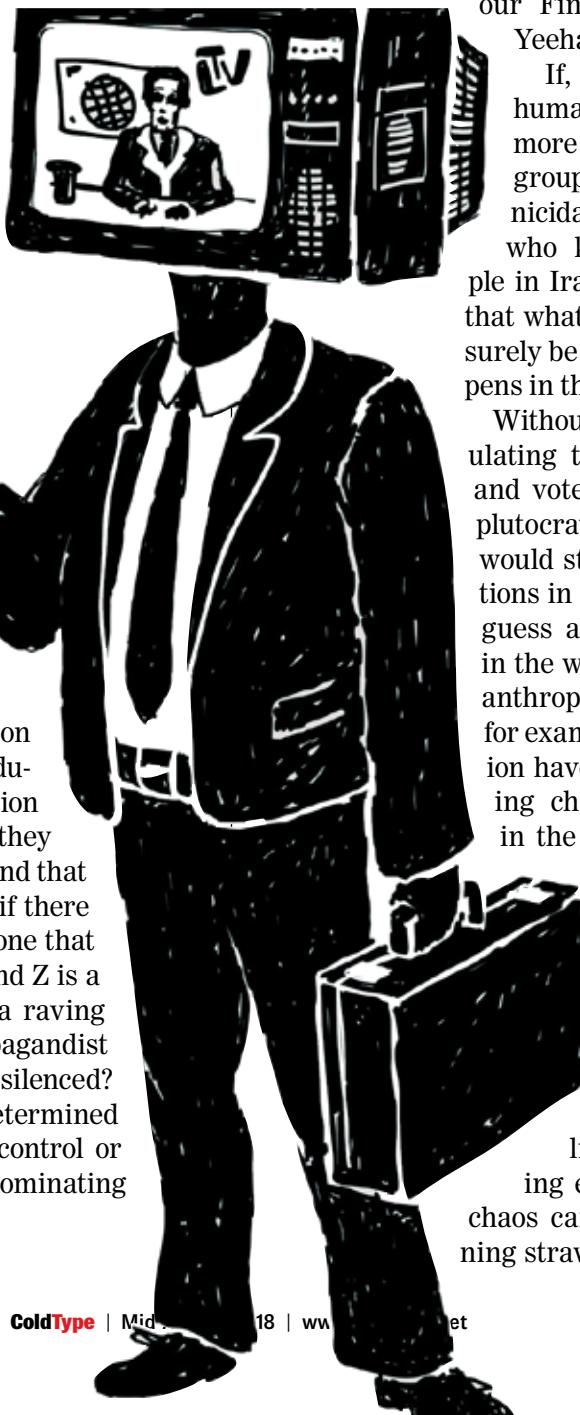
What would that be like?

You may find that your results in this thought experiment depend largely on where you place your trust. If you trust the dominating class more than you trust people as a collective, you probably find this idea terrifying. What if everyone starts thinking wrong thoughts and believing wrong beliefs? What if everyone decides that humans can fly when they leap from rooftops and running with scissors is safe? What if everyone decides the Holocaust never happened and says "Hell, that means we get a freebie! Let's get our Final Solution on y'all! Yeehaw!"

If, however, you trust humanity as a collective more than you trust a small group of sociopathic, omnididal, ecocidal oligarchs who killed a million people in Iraq, you might suspect that whatever happened would surely be better than what happens in the current paradigm.

Without an elite class manipulating the way people think and vote into alignment with plutocratic interests, people would still be able to take actions in response to their best guess about what's going on in the world. The narrative of anthropogenic climate change for example would in my opinion have a much better fighting chance of winning out in the marketplace of ideas

if it were permitted to stand on the merit of the raw supporting data, rather than the manipulations of big oil on one hand and an elite faux liberal class convincing everyone that climate chaos can be averted by banning straws and buying a Prius



CAITLIN JOHNSTONE

on the other, and the collective would be able to democratically mobilize to avert catastrophe far more effectively than it can now.

Now let's consider another hypothetical scenario: what if one day, everyone gets tired of official narratives? What if something happens and everyone gets fed up with being told how they have to think about the world by a thoroughly discredited media and political class? What if, to borrow from a popular Marxist meme, the public decides to seize the means of narrative production?

This might look like the increasingly distrusted propaganda machine of a failing empire pushing an increasingly oppressed populace too far and too hard at some point, maybe in the direction of war, mass censorship or austerity, and losing control of the narrative in a nonviolent populist information rebellion. Instead of the elites being lined up for guillotines, the mass media outlets and talking heads on TV are simply seen for the discredited voices that they are, and people begin creating their own narratives about situations and events. The most popular narratives rise to the top and determine the direction that society takes itself, rather than the narratives forcefully

promulgated by media-owning plutocrats. This would be made far easier without the imperialist divide-and-conquer tactics of the establishment manipulators who keep us all pitted against each other in insulated political factions.

Whoever controls the narrative controls the world. The world is better off being controlled by the collective will of the people rather than the will of a few sociopathic oligarchs, and we absolutely have the ability to take that control by force whenever we want to. All we have to do is shift value and credibility from plutocrat-generated narratives to popular collective narratives, and cultivate an aggressive disgust for all attempts by the powerful to manipulate the public dialogue.

Once the way people think, act and vote is no longer manipulated by an elite class which does not represent the interests of humanity, our species will have a fighting chance at moving society out of its patterns of exploitation, war and ecocide and into a direction of health, harmony and thriving. I'm just going to keep pointing out that this is always an option, hoping for a spark to catch someday.

CT

Caitlin Johnstone is an Australian-based blogger. Follow her at www.caitlinjohnstone.com



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Comic contracts

How contracts drawn up as comic strips are being put to use in South Africa

CONTRACTS are an important part of our lives. We need to sign them if we want to have a job, a place to live, medical services, insurance, a bank account, a loan, or to send our children to school. But they always seem to be documents “written by lawyers for lawyers”. They are dense, complex and hard to read even if you’re very literate; and are largely impenetrable if you have low literacy skills. In addition, contracts in South Africa are usually available only in English or Afrikaans, which are spoken as a first language by only a minority of South Africans.

How can the party supplying a contract convey the necessary information to a recipient with low literacy skills or in cross-cultural settings? This was the question which led to the idea of Comic Contracts, visually dominant contracts “written” in pictures. Parties are represented by illustrated characters, the terms of the agreement are captured as comics and the parties sign the comic as their contract.

Well designed pictures are engaging, easy to understand and easy to remember. When pictures and text are strategically used together, such as in speech balloons or captions, the text becomes less intimidating and comprehension is both invited and enhanced.

Comic contracts were developed by attorney Robert de Rooy in South Africa, with the world’s



first comic contract being his employment contract for fruit pickers on farms in the Western Cape province in 2016.

Other examples include non-disclosure agreements that have been developed for a major multi-national company that needed to contract with a diversified supplier base in various countries.

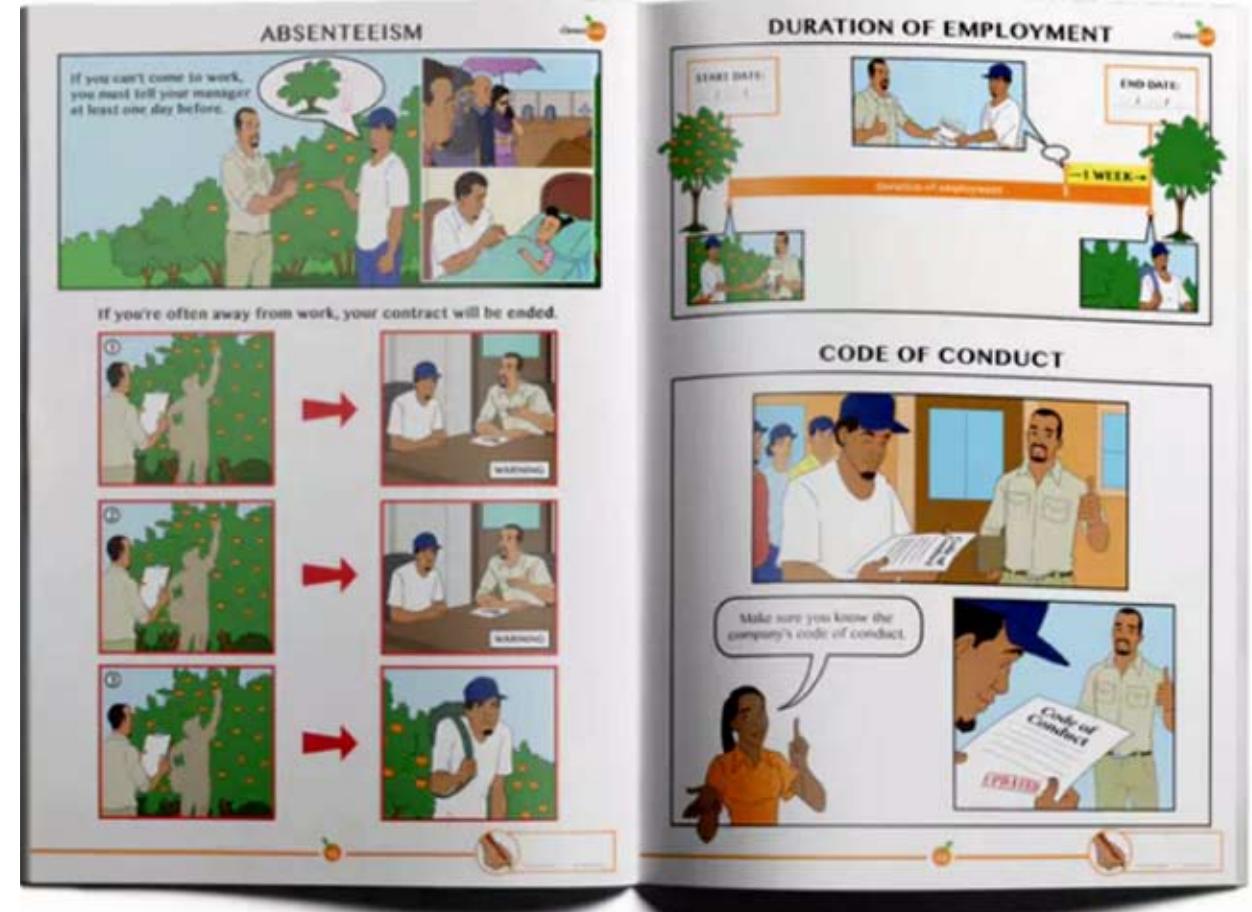
Earlier this year, the first comic contract in Australia was created for a multi-national consulting engineering firm by Professor Camilla Andersen and her team at the University of Western Australia.

Comic contracts are also being developed for agreements between parents and schools, specifically for schools in economically depressed areas, where the parents’ informed involvement in their children’s education is critical. But there’s huge potential still for other use, for example as contracts supplied by banks, insurers, and other businesses to their consumer clients.

Under South African law, a contract is formed when parties agree on terms they intend to be legally binding. But there are a few other requirements, too. Parties must have the capacity to contract and the object of the contract must be legal and possible.

In addition, any necessary formalities – such as that the contract must be in writing or signed by one or both parties – must be observed. Lastly, for the contract to be certain, a court must be

ANDREW HUTCHISON



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Comic Contracts can help bridge language and literacy barriers. Creative Comics tract2

able to interpret it.

Comic contracts can meet all these requirements. The requirements of capacity, legality, and possibility will be the same as for any other contract. And there's no reason why a court should not be able to derive a clear meaning from a contract in the form of a comic: interpreting pictures is very much a part of everyday life.

But what do we make of (for example) the statutory requirement that an employer supply an employee with a minimum of written particulars? To ensure compliance, ordinary written text (in simplified plain language, strategically placed in speech balloons or captions) could be included as part of a comic employment contract.

There is no case law on comic contracts anywhere in the world that we're aware of. An Australian High Court judge is on record as saying (in his personal capacity) that he thinks provid-

ed they are clear and understandable, comic contracts are valid and binding.

The more cautious party wishing to use a comic contract could always ensure that where contracts are regulated, the textual components of the comic contract contain the minimum essential text as part of its design.

We believe that comic contracts fill an important gap in communication between contracting parties, particularly businesses and consumers. Indeed, comics may be the future of consumer contracting.

GT

Andrew Hutchison is Associate Professor of Commercial Law, University of Cape Town. Attorney Robert de Rooy contributed to this article, which was first published at www.theconversation.com

TONY SUTTON

Revolution in the Red States

Charlie LeDuff shows how it was the failure of globalisation – not Russian meddling – that propelled Donald Trump to the US presidency

If you're one of those sophisticated urbanites who still believe Donald Trump was elected to the US presidency by sheeplike flocks of Red State "deplorables" brainwashed by an army of Russian trolls spreading lies on social media and hacking Saint Hillary's email, you'd better take a peak through the pages of Charlie LeDuff's new book, *Sh*tshow! The Country's Collapsing ... and the Ratings Are Great*,

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LeDuff spent three years travelling the US with a two-man film crew, chronicling the desperation of workers, frustrated by the insincerities of sharp-suited, slack-mouthed career politicians, who were too occupied with nosing their way through the troughs of corporate America to offer hope to their weary constituents.

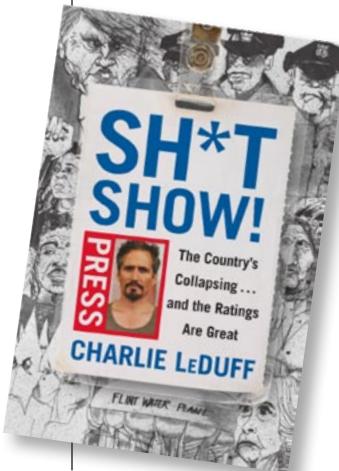
Is it any wonder, then, that anyone – even a tie-flapping Orange Oaf – who entered the political arena spraying words of support to the workers who were shafted by corporate America, would gain their support. That simple phrase *Make America Great Again* has a remarkable resonance to a family

struggling to make ends meet on half the income it enjoyed 10 years ago.

Taking up the cudgels on behalf of those who suffered under globalisation and, particularly, the North American Free Trade Agreement (NAFTA), LeDuff recalls then-US President Bill Clinton declaring that it "... means jobs. American jobs. If I didn't believe that, I wouldn't support this agreement," when he introduced NAFTA in 1994. Fine words, but what followed? Workers in the US heartland found themselves waving goodbye to the well-paying unionised jobs that had lifted their families into middle class comfort as their cynical employers upped sticks and joined the south-bound trek towards corporate nirvana. Yes, Mexican workers benefitted, sort of – the Yankee insurgents gave them jobs on barely-regulated assembly plants in *maquiladoras* close to the border, at hourly rates that would barely lift them out of their own poverty.

That corporate asset-stripping, writes LeDuff, is what led to the massive election upset of 2016 that saw the drowning of a complacent political status quo beneath a tsunami of Red State rage. And it was that pent-up anger – not slick-fingered Russian spies – that propelled Donald Trump to the presidency.

S*h*tshow!* was conceived when LeDuff, a reporter at a Detroit local TV station, met Fox News boss Roger Ailes, at the company's New York HQ to push for a national TV news segment called



SH*TSHOW!
*The Country's Collapsing
and the Ratings Are Great!*
Charlie LeDuff
Published by Penguin Press
www.penguin.com
\$27

TONY SUTTON



UNION GO HOME!: Billboard placed near the Chattanooga Volkswagen assembly plant before a crucial vote for accreditation.

The Americans. He wanted to showcase ordinary people who were “trying to get by as the country and their way of life was disintegrating around them.” Ailes agreed, but warned that, “he didn’t want stories that would cost him money or advertisers or instigate phone calls from the country club or The Boss [Rupert Murdoch].”

“In the end”, writes LeDuff, “news isn’t really about keeping the public informed or holding the powerful to account. It’s about cash money. The First Amendment is a fine thing, but the Founding Fathers didn’t think to leave the media a revenue stream. That’s why the industry pushes as many stories as it does about doped-up starlets, foil-hat crackpots, and cats, so many cats. ... Money made the 24-hour news cycle spin round. That’s what I’d learned in my years as a newspaperman.”

What follows in *Sh*tshow!* is a chronology of working class misery and disaster as LeDuff and his crew traversing a country that is “bankrupt and on high boil”, finding tales that show how globalisation has generated a deep distrust of a government that has abandoned and cheated its long-suffering citizens. These travels take us from LeDuff’s hometown of Detroit, to Nevada, where he records the unwinding of cattle rancher Cliven Bundy’s doomed quest to wrest control of federal grazing land; to Southern “right-to-work” states, where foreign auto beh-

moths feast on cheap non-union labour; and to icy North Dakota, a magnet for unemployed men in search of black gold at squalid fracking sites, seeking “good-paying jobs where a man could pull down a hundred grand in a year”. Jobs that don’t exist . . .

Along the way, he calls into more blighted communities, including Baltimore and Ferguson, Missouri, where white cops took the lives of unarmed black youths, their ill-considered decisions leading to massive social unrest.

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Detroit, the subject of LeDuff’s previous book, *Detroit: An American Autopsy*, is now undergoing a much-vaunted downtown renaissance after decades of corporate betrayal, political cronyism, and the worst urban destruction ever seen in modern-day US. However, LeDuff takes a broad sweep of the city, taking in the still-forgotten suburbs, whose residents – mainly black – struggle in slums ignored by snake-oil selling urban developers and elected officials. Theirs is a blighted world of shattered homes, poor policing and lack of basic services: in one instance an area’s water has been shut off by local government, forcing residents to trek to an abandoned building where the authorities forgot to cut the supply.

Then, up river in Flint, LeDuff finds the decay-

TONY SUTTON

ing birthplace of General Motors, an industrial carcass that was left to rot by the motor industry and its suppliers as they fled to Mexico. LeDuff surmises that there must have been a run on Kool-Aid in the city, “because everyone residing at the Kirkwood mobile home park [is] wearing teeth stained red.” When he asks, “What’s with the Kool-Aid”? he’s told the tap water looks and tastes like crap, since the city switched from its Detroit source and started to take drinking water from the toxic Flint River. “Officials assured the people it was okay, but you still couldn’t drink the water without sugar in it. It made you gag.” It turned out that not only did the water taste like crap, it was also poisoning the residents, lead leaching from the old pipes.

Behind the trailer park was “one square mile of post-industrial nothingness”, the former site of Delphi, the largest auto-parts manufacturer in the world, before it hightailed it to Mexico, leaving 50,000 workers in the lurch. That same company now employs more than 50,000 Mexican workers, “in hellholes like Reynosa”.

Throughout his journey, LeDuff finds a disenfranchised and disillusioned workforce, its anger stoked by technological change, globalisation and plain, old fashioned corporate greed.

The wanton destruction of the auto industry in Detroit and Michigan and the offshoring of jobs still rankle, but the task of the remaining union officials is overwhelming, LeDuff finds, as he travels to the cynically named “right-to-work” states of Alabama, Georgia, Tennessee, South Carolina and Mississippi. There, autoworkers at shining new plants are not required to join the union or contribute to their funds in order to take advantage of union-negotiated benefits, thereby depriving the organisations of the bulk of their funding.

“This region – the Sun Belt, they called it – was considered the new Detroit for foreign automakers”, he writes, explaining why the Union of Auto Workers (UAW) found it hard to organise and try to restore the income of underpaid workers.. “Despite the UAW spending \$5-million on a campaign to organise workers at the Volkswagen assembly plant, the rank and file voted to reject the union, sending the carpetbaggers back to north.

It was a huge defeat. Chattanooga was supposed to be the first domino. Then Mercedes, the crown jewel, would fall. It was supposed to be easy.... And still the union lost, leaving Tennessee only one of four non-union VW plants in the world, the others being in Russia and China.”

Union bosses, he adds, blamed their organising defeat on outside agitators bankrolled by the billionaire Koch brothers, “whose billboards had propped up showing a decimated Packard automobile factory with the caption, ‘Detroit. Brought to you by the UAW’.” But that’s not all they faced: “The Chamber of Commerce, US senators, and even Tennessee’s governor fought tooth and nail to keep the UAW out, threatening to pull the company’s tax subsidies, spreading rumours around town that any future work ... would go to Mexico”.

Against those odds, it’s easy to understand why job-scared workers decided not to join the union – a job in the hand is better than one that might soon fly away to Mexico.

Welcome to Globalistan, USA.

In the summer of 2014, LeDuff travelled to Ferguson, Missouri, where 18-year-old Michael Brown, a black man, had been shot by a white policeman. There, he found a nation at war with itself – black against white, all against the government, and all against the media. Except, that is, for the guys who saved the lives of LeDuff and his camera-wielding colleague Matt when they were attacked while filming a night-time mob looting and burning stores on Ferguson’s West Florrisant Avenue, “a mayhem of Molotov cocktails and masked marauders swiping meat and hair extensions, liquor and premium-brand cigarettes”.

Undeterred, the crew returned to Ferguson later in the year to hear the grand jury decision not to charge the cop who’d killed Michael Brown. The shit, as expected, hit the fan again. Once more, LeDuff and his two-man crew were in the midst of the action, while the network media stars had long gone, their carefully-prepared temporary sets having been trampled and torn and torched.

Later, returning to his hotel, LeDuff turned on

TONY SUTTON

the TV and listened to the platitudes tumbling from the co-presenters' lips: "Their set was blue. Their makeup thick. Their clothing immaculate. There was no telling where in the world they were broadcasting from, but it surely wasn't Ferguson. Still, that did not prevent them from commenting on the evening's mayhem as if they had been here ... What the world heard from them was that this was simply another case of a white cop killing a young, unarmed black man and the looters and arsonists were simply voicing their historical discontentment and here was another case of the abject failure of the American experience.

"I watched them and wept."

In the midst of this chaos and confusion came the presidential election campaign, where a bizarre procession of slick candidates, whose sole skill seemed to be spewing bullshit from all orifices simultaneously without soiling their \$1,000 suits, mingled with the freshly-coiffed "stars" of the network media to decide which of the Republican candidates would lose the race against the soon-to-be-anointed first lady president, Hillary C. Not for a moment did the pundits or the election fixers think the rank outsider – an orange-haired hotel-mogul-cum-minor-TV-star – would capture the hearts and votes of that long-ignored Red State mass of voters, who sat eyes glued to Fox News, quaffing Bud Lites, praying for a saviour.

"Watching the unspooling of America from the street corners and the corner bars, listening to the people's desire for something new, I was not surprised by the rise of President Donald Trump", writes LeDuff. "He and the travelling circus seals of media dovetailed spectacularly into our shitshow and we used them as side props for all they were worth."

He gleefully recounts the Republican Convention in Cleveland in July 2016, where he mingled with 15,000 media, who seemed "blissfully una-

ware of the depths of the discord in American life bubbling outside the protective envelope. Inside the perimeter, they wandered aimlessly in their expensive suits. Brown shoes seem to be the style of the moment for the male political media.

"A couple of agents from the Secret Service and I stood at the bottom of the escalator of the media centre, admiring the footwear. The colours ranged from saddle tan to walnut, khaki, camel, cappuccino, cognac, caramel, burnished brown, dark burgundy brown, tobacco, tan, cafe, and beach sand

"I guess they must get paid pretty well in TV," one agent surmised.

"They're not getting paid for originality," said the other."

*"Watching the
unspooling of
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street corners and
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Donald Trump"*

Then, in another telling vignette, LeDuff recalls Kentucky Senator Rand Paul's words on a radio talk show after the Baltimore riots over the death of Freddie Gray in the back of a police paddy wagon. "Our fainthearted senator confessed: 'I came through Baltimore on the train last night. I'm glad the train didn't stop'. ... Not only did Paul not get off the train, but he apparently didn't even look out the window long enough to realise the train had pulled into Baltimore Penn Station. And somewhere in that lay the problem.

"The train that the clueless senator rode makes its regular run between the twin towers of power: Wall Street and Washington. On the way, it logs short stops in crumbling cities of the Ghetto Belt – Newark, New Jersey, Philadelphia, Wilmington; Delaware. And, yes, Baltimore. But nobody with power ever seems to visit these places".

There you have it. Clueless senators. Clueless media. Shattered communities. Fearful voters. All the ingredients for an electoral Revolution of the Red States. Who needs Russian meddling to sway the result?

CT

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Mystery of the underpaid workers

Economists 'can't understand' why workers don't get paid more in a 'booming' economy

ECONOMISTS say they are stumped by a mystery: Since the US economy is doing so well, and unemployment is down to below four percent, which many argue is close to "full employment" in historic US terms, why is it that wages are not growing, and in fact, are lower in real dollars than they were in 1974, almost half a century ago.

Reading articles like these in news reports ranging from National Public Radio to the *New York Times* to the *Economist* magazine in the UK, is a good source for some laughs.

These poor financial journalists and the economists they quote as their sources are all struggling because their models, and everything they learned in school about market theory, says that if labour markets are "tight", meaning that there are few jobs available to unemployed workers, it should drive up wages of those who have jobs, because employers would have a hard time replacing workers who ask for more money.

Perhaps in some magic world where workers and bosses were operating basically as equals in some mystical "free marketplace", that might be true, but it ignores things like power relations and labour law, the pernicious role of the new digital age where a worker's employment record is immediately available for inspection by any potential new employer, and of course the existence of an asymmetric "global" economy which allows for the virtually free flow across borders of goods and especially investment capital, but that tightly restricts the flow of labour (that is, work-

ers cannot just up and move to another country where pay and working conditions are better).

Add to that the reality that statistics upon which economists base their views are developed and reported by a government that is almost totally in the pocket of the bosses. So when, for example, the Bureau of Labor Statistics says that unemployment is down to just 3.9 percent, that agency is using a definition of unemployment which has been changed multiple times over the years, always in a direction of reducing that number from what would it have been under an earlier definition.

Basically the BLS defines the unemployment rate as the number of people who want a job and cannot find one (that's the numerator), divided by the number of people who are "in the labour force" (the denominator). But the BLS today restricts its definition of "in the labour force" to mean just those who either have a job, or who may not have a job but looked for one at least once during the prior four weeks. Being employed meanwhile, is currently defined broadly as anyone who has worked as little as one hour during the week prior to the survey! One hour!

No wonder unemployment in the US is reported as being so low these days. The guy who came wandering down the road looking for work, saw you pulling weeds out of your yard along the edge of the street and who asked if he could be hired to help, and to whom you then

DAVE LINDORFF



Protesters march outside Trump Towers in New York City in a 2015 rally to raise the minimum wage in the USA.
Photo: Wikimedia

paid \$10 to assist you with an hour's worth of weeding assistance, would be classified as part of the labour force under this definition. But the struggling mother who, unable to find a job to support her two kids, enrolled in a community college half-time to qualify for childcare and foodstamp benefits, would not be classified as "in the labour force." Neither would a convicted felon who had done his jail time on conviction for stealing a car to sell to a crooked "chop shop" for parts, who can no longer be hired now because of his criminal record, be considered as "in the labour force."

Meanwhile, the adjunct professor with a master's degree in English literature who struggles to get by teaching two freshman English classes a semester at the local community college for \$2,000 per class is considered employed.

No wonder America is at "full employment"! We've got tens of millions of people classified as "working" who are actually under-employed and would like a full-time job but cannot find one – many of whom had such a job before 2008 and lost it to discover it would never come back – and millions more who have spent months or years trying to land a job and because they couldn't move to a better job-hunting area for one reason or other (family needs, a court probation order, lack of experience living anywhere except where they were born and raised, a house they can't sell, kids finishing high school, a joint-custody agreement for children following a divorce, etc.), but because they've just given up trying to find work

after discovering there is none, are not counted as being part of the labour force at all.

Then there's another thing that economists don't really consider, and that is how incredibly much weaker workers have become in their bargaining position with employers. As unions have been systematically weakened over the past few decades by both political parties – primarily Republicans, who have been on a jihad to destroy unions, but also Democrats who have ranged from lacklustre to treacherous in their lack of support for labour unions and worker organising rights, workers, both unionised and not unionised, have been losing ground economically.

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Consider our last Democratic president, Barack Obama, and the Democratic Congress he had during the first two years of his first term. Obama ran on a campaign in 2008 in which he promised organised labour that one of his first acts on taking office would be to end all the totally legal delays employers have been able to avail themselves of to stall, for years, a workplace vote by their employees on joining a union, and then if the workers win, to refuse to bargain in good faith for a first contract. He vowed to win passage for a new "card check" rule where once union organisers had received signed cards calling for a union representation vote from a majority of workers on a job location, a secret-ballot election supervised by the Labor Relations Board would have to be held there. The law would also

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have imposed a contract if an employer failed over some specified length of time to reach a negotiated contract agreement.

Once Obama won the election, he dropped that promise, saying he had “more pressing” things to do before he could take that up. Eight years in office and he never tried. And the Democrats, who had a majority during his first term, never put that bill up for a vote, either. Meanwhile, the percentage of workers in unions during his eight years in office fell from 12.4 percent to 10.6 percent. That’s a decline of almost 15 percent in union members over that time under a man who campaigned as a friend of labour who would be walking the picket line with striking workers (something he never did while in office).

Now, ironically, we’re hearing complaints that the wage divide in America is a matter of “pressing” concern. But, for eight years, Democrats ignored the pressing cause for that growing divide as employers took all the benefits of a restored economy for themselves – as they continue to do now in the wake of the Trump/Republican tax “reform” that was supposed to lead to higher wages as profits grew.

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Economists typically ignore the role of unions in empowering workers, even in the specific area where American unions are most focused, which is improving pay and benefits. Yet it hardly needs research to understand that if organised unions working under negotiated contracts have – as is the norm – meant higher pay and better benefits for their members, it compels employers who don’t want to have a union to offer competing pay and benefits to keep their employees from turning to a union for help. When unions, as today, are as weak as they are now, that threat no longer exists. And with that loss of a threat, all workers are at the mercy of tight-fisted employers.

Meanwhile, job mobility – supposedly the individual worker’s best way to win higher pay – is largely a joke in the US, because first of all, employers, who universally oppose a government health insurance programme, are the main ones providing workers with health insurance, which workers lose if they are fired or leave the job (or

go on strike), making it a powerful tool for serf-like domination. And the digital age means that a worker’s record, including any history of union activism, aggressive efforts to win higher pay or benefits, or taking legal action to defend what few rights an employee actually has, is all included on her or his file, making it hard for such outspoken workers to land a new job elsewhere.

Employment law is stacked against workers, with courts holding that employers can make it illegal for workers to discuss their pay with each other, and even saying that workers have no real right to their job. Absent a union contract, employment is “at will” on the part of the boss, who can fire anyone without cause, and the fired worker has no recourse. Prospective employers also can demand to know what prior employers paid an applicant, but an applicant for a job has know right to know what other workers on a job she or he is applying for get paid.

No wonder pay doesn’t go up when the labor market is tight. Employers are holding all the cards.

Economists don’t know this because power relations don’t fit into economic models, they really don’t care, and for the most part were never really workers. Most went to college and then into jobs at think tanks, Wall Street banks or universities where they earn decent livings, may have tenure (an unheard concept for ordinary workers), and earn salaries, not hourly pay. They simply don’t “get it” about being a working stiff.

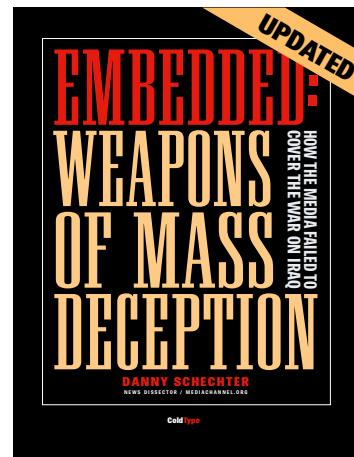
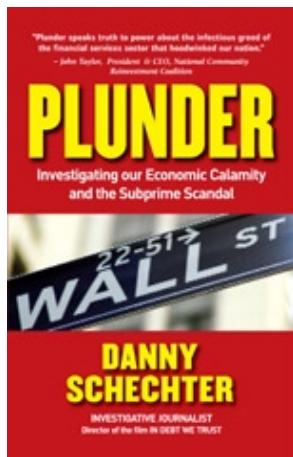
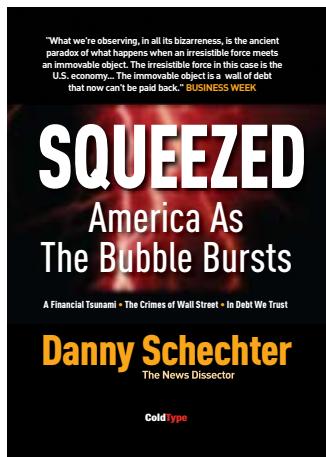
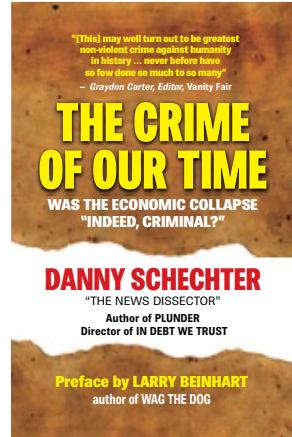
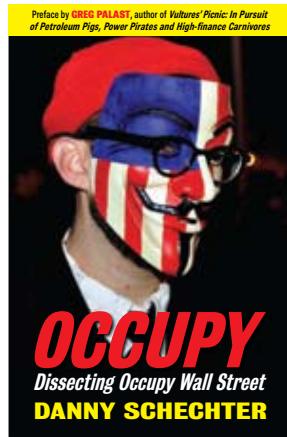
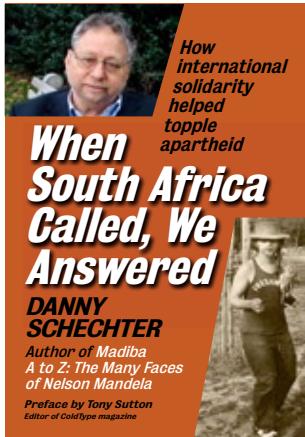
If economists sincerely wanted to know the answer to the “mystery” of why wages aren’t rising as companies earn record profits, they would talk to some workers, and they should look at the history of repression of the trade union movement, which began with Richard Nixon’s assumption of the presidency in 1968, accelerated under the two terms of Ronald Reagan, and continued under the Clinton, Bush Sr, Bush Jr and Obama presidencies, and now the Trump presidency.

The only real mystery is why the economics profession in the US, and the financial journalism field, are so blind to the answer. **CT**

Dave Lindorff runs the *This Can’t be Happening* blog at www.thiscantbehappening.net

REMEMBERING DANNY SCHECHTER

1942 - 2015



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Danny Schechter, the NewsDissector, was acclaimed as one of the most politically astute journalists in recent memory. As a tribute to him and an appreciation of his work with ColdType, we are giving away free downloads of these seven books, all published in association with ColdType.net. Download them at:

<http://coldtype.net/SchechterBooks.html>

Wait! You're sanctioning us?

International community takes aim at US
as Trump's trade wars on allies begin to backfire

IT'S embarrassing enough to have Donald Trump as president. But now American citizens have to endure the additional pain of sanctions that other countries are imposing on the United States. Doesn't the world realise that we're suffering enough as it is? That seems so grossly unfair.

Oh, but wait: that's how sanctions work.

Iraqis who hated Saddam Hussein (as well as those who thought he was a demi-god) suffered nearly 13 years of a financial and trade embargo imposed by the United Nations in 1990. Iranians who dislike their government (as well as those who believe fervently in the Islamic Republic) have weathered nearly 40 years of sanctions. And Cubans who disagree with the Castros (as well as those who consider the brothers to be the saviours of the island nation) have endured a nearly 60-year embargo imposed by the United States.

It's time for Americans to get a taste of their own medicine. Love Trump or despise him, sanctions are not smart enough to figure out your political preferences. Whether you're a metrosexual or a heartland voter, sanctions from Russia, China, the EU, Mexico, and others in the form of tariffs on US exports are going to take a bite out of your bank account. Such are the pleasures of being a pariah state.

The trade war with China is escalating. Beijing announced last month that it would impose tariffs on \$60-billion worth of American goods. That's on top of the \$34-billion of goods it sanc-

tioned in the first round. The tariffs will affect 56 percent of all US exports to the country.

It's not as if the Trump administration doesn't understand the costs of its trade conflict with Beijing. It announced a \$12-billion government relief plan for American farmers caught in the crossfire. Also hurting will be American consumers of Chinese goods in WalMart and elsewhere that are suddenly more expensive to buy.

It's not just China. Russia is going after Boeing and Microsoft. India is readying tariffs on American almonds, walnuts, and apples. Iran has targeted US businesses that "support terrorism, repression, and Israel's occupation of Palestine".

Closer to home, both Canada and Mexico have announced tariffs on certain American goods in retaliation for Trump's strategy of punishing US neighbours. The EU, too, slapped tariffs on US motorcycles, blue jeans, and other products, and those remain in place even after Trump and the EU's Jean-Claude Juncker agreed to a fragile truce in the conflict.

The sanctions on US goods mean lost jobs and a stronger push to relocate what remains of US manufacturing overseas to take advantage of cheaper labour. That's what Harley Davidson already announced at the end of June. "If they move, watch, it will be the beginning of the end", Trump tweeted in response. He was talking about the Harley brand, but he might as well

JOHN FEFFER

have been talking about his own political future.

The costs to the United States of these sanctions are hard to calculate. The Commerce Department estimated that the aluminium and steel tariffs Trump imposed earlier this year on the EU, Mexico, and Canada would cost the United States 146,000 jobs – and that doesn't take into account the jobs lost as a result of the retaliatory tariffs. The beverage industry, for example, will take a \$348-million hit because of the higher cost of inputs.

There are also indirect costs. While the Trump administration applies sanctions to allies and adversaries alike, other countries are making their own trade deals without the United States, both regionally (the Trans Pacific Partnership) and bilaterally (a recent Japan-EU deal).

There's no greater insult to a global hegemon than to be ignored.

When it comes to the Iran nuclear deal, the Trump administration has taken geopolitics to an Orwellian level. It was, after all, the United States that reneged on its commitments under the Joint Comprehensive Plan of Action. Iran, according to the UN monitoring agency, has complied by the conditions.

So, then, why is it the United States that is now applying sanctions on Iran? In this case, the sanctions are far more aggressive than tariffs. In the first round of new sanctions, in addition to banning various commercial activities, the United States is prohibiting Iran from using dollars in its international transactions. Worse, Washington is pressuring all other countries to stop doing business with Iran – or face secondary sanctions. Europe, quite sensibly, has pledged to protect any of its businesses that continue to interact with Iran from the wrath of Washington. But several European businesses – Daimler, Peugeot – are closing up shop anyway.

No one said the world was fair. But doesn't it have to make sense at some basic level? Well, the world has a chance to start making sense again. And I'm not talking about more retaliatory tariffs, however justified those might be given Trump's sanction-anything-that-moves policy.

The better way to go is for the international community to treat the Trump administration

like a criminal syndicate.

Former Canadian diplomat Scott Gilmore gets it right: "I propose that instead of taxing the import of American serviettes, we tax Trump. In the spirit of the Magnitsky Act, Canada and the western allies come together to collectively pressure the only pain point that matters to this President: his family and their assets. This could take the form of special taxation on their current operations, freezing of assets, or even sanctions against senior staff. Canada could add a tax to Trump properties equal to any tariff unilaterally imposed by Washington. The European Union could revoke any travel visas for senior staff in the Trump organisation. And the United Kingdom could temporarily close his golf course".

Some countries are experimenting with this approach. Turkey, for instance, is retaliating against a US freeze on the country's interior and justice ministers by applying the same penalty to their US counterparts. There's ample room for this kind of retaliation. The Trump administration, after all, put nearly 1,000 people and businesses on the US blacklist last year – a 30 percent increase over Barack Obama's last year in office. It's just a matter of time before more widespread retaliatory blacklisting begins.

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So, why wait for the Mueller investigation to prove that Trump was engaged in criminal malfeasance? Why hope for the mid-term elections to give Democrats control of the House and/or Senate and thus the power to launch additional investigations into the Trump administration's scandalous behaviour?

The international community can act now to isolate Trump, his businesses, and everyone who collaborates with his terrifying nonsense by serving in his administration. The anti-apartheid movement in South Africa embraced an international strategy of isolating the government. It's time for the #notmypresident movement to do the same.

CT

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Five financial problems of 2018 (so far)

Each arbitrary bit of presidential pique, each tweet and insult, is a predecessor to economic upheavals and displacements, ever messier and harder to clean up

HERE we are in the middle of the second year of Donald Trump's presidency and if there's one thing we know by now, it's that the leader of the free world can create an instant reality-TV show on geopolitical steroids at will. True, he's not polished in his demeanour, but he has an unerring way of instilling the most uncertainty in any situation in the least amount of time.

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Whether through executive orders, tweets, cable-news interviews, or rallies, he regularly leaves diplomacy in the dust, while allegedly delivering for a faithful base of supporters who voted for him as the ultimate anti-diplomat. And while he's at it, he continues to take a wrecking ball to the countless political institutions that litter the Acela Corridor. Amid all the tweeted sound and fury, however, the rest of us are going to have to face the consequences of Donald Trump getting his hands on the economy.

According to the *Merriam-Webster* dictionary, entropy is "a process of degradation or running down or a trend to disorder". With that in mind, perhaps the best way to predict President Trump's next action is just to focus on the path of greatest entropy and take it from there.

Let me do just that, while exploring five key economic sallies of the Trump White House since he took office and the bleakness and chaos that may lie ahead as the damage to the economy and our financial future comes into greater focus.

1. Continuous banking deregulation

When Trump ran for the presidency, he tapped into a phenomenon that was widely felt but generally misunderstood: a widespread anger at Wall Street and corporate cronyism. Upon taking office, he promptly redirected that anger exclusively at the country's borders and its global economic allies and adversaries.

His 2016 election campaign had promised not to "let Wall Street get away with murder", and to return the banking environment to one involving less financial risk to the country. His goal and that of the Republicans as a party, at least theoretically, was to separate bank commercial operations (deposits and lending) from their investment operations (securities creation, trading, and brokerage) by bringing back a modernized version of the Glass-Steagall Act of 1933.

Fast forward to May 18, 2017 when Trump's deregulatory-minded treasury secretary, "foreclosure king" Steven Mnuchin, faced a congressional panel and took a 180 on the subject. He insisted that separating people's everyday deposits from the financial-speculation operations of the big banks, something that had even made its way into the Republican platform, was a total nonstarter.

Instead, congressional Republicans, with White House backing, promptly took aim at the watered-down version of the Glass-Steagall Act passed in the Obama years, the Dodd-Frank Act of 2010. In it, the Democrats had already essentially capitulated to Wall Street by riddling the

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Phongphan / 123RF Stock Photo.com

act with a series of bank-friendly loopholes. They had, however, at least ensured that banks would set aside more of their own money in the event of another Great Recession-like crisis and provide a strategy or “living will” in advance for that possibility, while creating a potent consumer-protection apparatus, the Consumer Financial Protection Bureau (CFPB). Say goodbye to all of that in the Trump era.

Dubbed “the Choice Act” – officially the Economic Growth, Regulatory Relief, and Consumer Protection Act – the new Republican bill removed the “living will” requirement for mid-sized banks, thereby allowing the big banks a gateway to do the same. When Trump signed the bill, he said that it was “the next step in America’s unprecedented economic comeback. There’s never been a comeback like we’ve made. And one day, the fake news is going to report it”.

In fact, thanks to the Trump (and Republican) flip-flop, banks don’t need to defend themselves anymore. The president went on to extol the untold virtues of his pick to run the CFPB, meant to keep consumers from being duped (or worse) by their own banks. Before Trump got involved,

it had won \$12-billion in settlements from errant banks for the citizens it championed.

However, Kathy Kraninger, a former Homeland Security official tapped by Trump to run the entity, has no experience in banking or consumer protection. His selection follows perfectly in the path of current interim head Mick Mulvaney (also the head of the Office of Management and Budget). All you need to know about him is that he once derided the organisation as a “sick, sad” joke. As its director, he’s tried to choke the life out of it by defunding it.

In this fashion, such still-evolving deregulatory actions reflect the way Trump’s anti-establishment election campaign has turned into a full-scale programme aimed at increasing the wealth and power of the financial elites, while decreasing their responsibility to us. Don’t expect a financial future along such lines to look pretty. Think entropy.

2. Tensions rise in the auto wars

Key to Trump’s economic vision is giving his base a sense of camaraderie by offering them rallying cries from a bygone era of nationalism

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and isolationism. In the same spirit, the president has launched a supposedly base-supporting policy of imposing increasingly random and anxiety-provoking trade tariffs.

Take, for instance, the automotive sector, which such tariffs are guaranteed to negatively impact. It is ground zero for many of his working-class voters and a key focus of the president's entropic economic policies. When he was campaigning, he promised many benefits to auto workers (and former auto workers) and they proved instrumental in carrying him to victory in previously "blue" rust-belt states. In the Oval Office, he then went on to tout what he deemed personal victories in getting Ford to move a plant back to the US from Mexico while pressuring Japanese companies to make more cars in Michigan.

He also began disrupting the industry with a series of on-again-off-again, imposed or sometimes merely threatened tariffs, including on steel, that went against the wishes of the entire auto sector. Recently, Jennifer Thomas of the industry's main lobbying group, the Alliance of Automobile Manufacturers, assured a Commerce Department hearing that "the opposition is widespread and deep because the consequences are alarming".

Indeed, the Center for Automotive Research has reported that a 25 percent tariff on autos and auto parts (something the president has threatened but not yet followed through against the European Union, Canada, and Mexico) could reduce the number of domestic vehicle sales by up to two-million units and might wipe out more than 714,000 jobs. Declining demand for cars, whose prices could rise between \$455 and \$6,875, depending on the type of tariff, in the face of a Trump vehicle tax, would hurt American and foreign manufacturers operating in the US who employ significant numbers of American workers.

Though President Trump's threat to slap high tariffs on imported autos and auto parts from the European Union is now in limbo due to a recent announcement of ongoing negotiations, he retains the right if he gets annoyed by ... well, anything ... to do so. The German auto industry alone employs more than 118,000 people in the US and, if

invoked, such taxes would increase its car prices and put domestic jobs instantly at risk.

3. The populist tyranny of the Trump tax cuts

President Trump has been particularly happy about his marquee corporate tax "reform" bill, assuring his base that it will provide jobs and growth to American workers, while putting lots of money in their pockets. What it's actually done, however, is cut the corporate tax rate from 35 percent to 21 percent, providing corporations with tons of extra cash. Their predictable reaction has not been to create jobs and raise wages, but to divert that bonanza to their own coffers via share buybacks in which they purchase their own stock. That provides shareholders with bigger, more valuable pieces of a company, while boosting earnings and CEO bonuses.

Awash in tax-cut cash, American companies have announced a record \$436.6-billion worth of such buybacks so far in 2018, close to double the record \$242.1-billion spent in that way in all of 2017. Among other things, this ensures less tax revenue to the US Treasury, which in turn means less money for social programmes or simply for providing veterans with proper care.

As it is, large American companies only pay an average effective tax rate of 18 percent (a figure that will undoubtedly soon drop further). Last year, they only contributed nine percent of the tax receipts of the government and that's likely to drop further to a record low this year, sending the deficit soaring. In other words, in true Trumpian spirit, corporations will be dumping the fabulous tax breaks they got directly onto the backs of other Americans, including the president's base.

Meanwhile, some of the crew who authored such tax-policies, creating a \$1.5-trillion corporate tax give-away, have already moved on to bigger and better things, landing lobbying positions at the very corporations they lent such a hand to and which can now pay them even more handsomely. For the average American worker, on the other hand, wages have not increased. Indeed, between the first and second quarters of 2018 real wages dropped by 1.8 percent after the tax cuts were made into law. Trump hasn't touted

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that or what it implies about our entropic future.

4. Trade wars, currency wars, conflicts to come

If everyone takes their toys to another playground, the school bully has fewer kids to rough up. And that's exactly the process Trump's incipient trade wars seem to be accelerating – the hunt for new playgrounds and alliances by a range of major countries that no longer trust the US government to behave in a consistent manner.

So far, the US has already slapped \$34-billion worth of tariffs on Chinese imports. China has retaliated in kind. Playing a dangerous global poker game, Trump promptly threatened to raise that figure to at least \$200-billion. China officially ignored that threat, only inciting the president's ire further. In response, he recently announced that he was "willing to slap tariffs on every Chinese good imported to the US should the need arise". Speaking to CNBC's Squawk Box host Joe Kernen on July 20th, he boasted, "I'm ready to go to 500 [billion dollars]".

That's the equivalent of nearly every import the Chinese sent into the US last year. In contrast, the US exports only \$129.9-billion in products to China, which means the Chinese can't respond in kind, but they can target new markets, heighten the increasingly tense relations between the world's two economic superpowers, and even devalue their currency to leverage their products more effectively on global markets.

Global trade alliances were already moving away from a full-scale reliance on the US even before Donald Trump began his game of tariffs. That trend has only gained traction in the wake of his economic actions, including his tariffs on a swath of Mexican, Canadian, and European imports. Recently, two major American allies turned a slow dance toward economic cooperation into a full-scale embrace. On July 1, the European Union and Japan agreed on a mega-trade agreement that will cover one-third of the products made by the world economy.

Meanwhile, China has launched more than 100 new business projects in Brazil alone, usurping what was once a US market, investing a record \$54-billion in that country. It is also preparing to increase its commitments not just to Brazil, but to Russia, India, China, and South Africa (known collectively as the BRICS countries), investing \$14.7-billion in South Africa ahead of an upcoming BRICS summit there. In other words, Donald Trump is lending a disruptively useful hand to the creation of an economic world in which the US will no longer be as central an entity.

Ultimately, tariffs and the protectionist policies that accompany them will hurt consumers and workers alike, increasing prices and reducing demand. They could force companies to cut

back on hiring, innovation, and expansion, while also hurting allies and potentially impeding economic growth globally. In other words, they represent an American version of an economic winding down, both domestically and internationally.

5. Fighting the Fed

President Trump's belligerence has centred around his belief that the wealthiest, most powerful nation on the planet has been victimised by the rest of the world. Now, that

feeling has been extended to the Federal Reserve where he recently lashed out against its chairman (and his own appointee) Jerome Powell.

The Fed had been providing trillions of dollars of stimulus to the banking system and financial markets through a bond-buying programme wonkily called "quantitative easing" or "QE". Its claim: that this Wall Street subsidy is really a stimulus for Main Street.

Unlikely as that story may prove to be, presidents have normally refrained from publicly commenting on the Federal Reserve's policies, allowing it to maintain at least a veneer of independence, as mandated by the Federal Reserve Act of 1913. (In reality, the Fed has remained significantly dependent on the whims and desires of the White House, a story revealed in my new

NOMI PRINS

book *Collusion*.) However, this White House is run by a president who couldn't possibly keep his opinions to himself.

So far, the Fed has raised (or “tightened”) interest rates seven times since December 2015. Under Powell, it has done so twice, with two more hikes forecast by year’s end. These moves were made without Trump’s blessing and he views them as contrary to his economic objectives. In an interview with CNBC, he proclaimed that he was “not thrilled” with the rate hikes, a clear attempt to directly influence Fed policy. Sticking with tradition, the Fed offered no reaction, while the White House quickly issued a statement emphasising that the president “did not mean to influence the Fed’s decision-making process.”

Ignoring that official White House position, the president promptly took to Twitter to express his frustrations with the Fed. (“[T]he United States should not be penalised because we are doing so well. Tightening now hurts all that we have done. The US should be allowed to recapture what was lost due to illegal currency manipulation and BAD Trade Deals. Debt coming due & we are raising rates – Really?”)

Fed Chairman Powell may want to highlight his independence from the White House, but as a Trump appointee, any decisions made in the framework of the president’s reactions could reflect political influence in the making. The bigger problem is that such friction could incite greater economic uncertainty, which could prove detrimental to the economic strength Trump says he wants to maintain.

Trump’s method works like a well-oiled machine. It keeps everyone – his cabinet, the media, global leaders, and politicians and experts of every sort – off guard. It ensures that his actions will have instant impact, no matter how negative.

Economically, the repercussions of this strategy are both highly global and extremely local. As Senator Ben Sasse (R-NE) noted recently, “This trade war is cutting the legs out from un-

der farmers and [the] White House’s ‘plan’ is to spend \$12-billion on gold crutches. … This administration’s tariffs and bailouts aren’t going to make America great again, they’re just going to make it 1929 again.”

He was referring to the White House’s latest plan to put up to \$12-billion taxpayer dollars into those sectors of American agriculture hit hardest by Trump’s tariff wars. Let that sink in for a moment and think: entropy. In order to fix the problems the president has created, allegedly to help America become great again, a deficit-ridden government will have to shell out extra taxpayer dollars.

Subsidising farmers isn’t in itself necessarily a bad thing. It is, in fact, very New Deal-ish and Franklin Delano Rooseveltish. But doing so to fix an unnecessary problem? Under such circumstances, where will it stop? When those \$200-billion or \$500-billion in tariffs on China (or other countries) inflame the situation further, who gets aid next? Auto workers? Steel workers?

What we are witnessing is the start of the entropy wars, which will, in turn, hasten the unwinding of the American global experiment.

Each arbitrary bit of presidential pique, each tweet and insult, is a predecessor to yet more possible economic upheavals and displacements, ever messier and harder to clean up. Trump’s America could easily morph into a worldwide catch-22. The more trust is destabilised, the greater the economic distress. The weaker the economy, the more disruptable it becomes by the Great Disrupter himself. And so the Trump spiral spins onward, circling down an economic drain of his own making.

GT

Nomi Prins’ latest book is *Collusion: How Central Bankers Rigged the World* (Nation Books). She is a former Wall Street executive. Special thanks to researcher Craig Wilson for his work on this piece. This essay first appeared at www.tomdispatch.com

ColdType Insights

● PETER LEHMAN
● DIVINA LEVRINI
● KATIE PARKER
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Roy Orbison's hologram performs with an orchestra.

Photo: BASE Holograms

Roy Orbison's ghost goes on tour

Dead artist's hologram tour creates an uproar, but Peter Lehman doesn't see what the fuss is all about

In January, the production company Base Hologram announced its forthcoming Roy Orbison hologram tour, *In Dreams*, with the US leg of the tour set to kick off on October 1 in Oakland. For the uninitiated: A computer-generated hologram of Orbison will be performing alongside an orchestra and band.

Shortly after the announcement, a handful of critics reacted with such horror that you would

have thought the very future of music and morality were under siege. Some saw it as an inauthentic, soulless attempt to mimic his live shows. Others accused the organisers of exploiting a dead artist without his consent and even erasing the line between life and death.

I saw Roy Orbison perform on a number of occasions from 1964 to 1988. I am also the author of *Roy Orbison: The Invention of*

an Alternative Rock Masculinity. So you might assume that I would echo these critics and view the Roy Orbison hologram tour with suspicion. However I had a chance to see the Orbison hologram concert in London in April. If anything, it was a fitting tribute to Orbison's legacy and a logical step in the evolution of live performances.

When Roy Orbison attained international fame in the 1960s, rock 'n' roll hadn't seen or heard anyone like him. He'd got his start in west Texas in the mid-1950s with his band, The Teen Kings. He then moved to Sun Records in Memphis, where he joined rockers such as Elvis Presley and Jerry Lee Lewis.

During this early period, much of Orbison's music – and The Teen Kings' energetic onstage performances – mimicked the era's flashy, macho style.

By 1964, however, Orbison had become a different sort of performer. He started dressing in black and wearing sunglasses. During shows, he stood still and seldom spoke between songs, many of which were ballads. In hits like *Running Scared* and *Crying*, he doesn't boast about his sexual prowess; instead, he croons about male fear and emotional paralysis.

He was largely self-taught and eschewed the common "verse-chorus-bridge" structure of the

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era, penning complex compositions that often built towards melodramatic climaxes of pain, loss and anxiety. When recording, he augmented guitars and drums with violins and orchestral string instruments, and he sang in a four-octave range.

For this reason, some see Orbison as more like a classical musician than a rock star. During a 2007 speech honouring Orbison at the Rock and Roll Hall of Fame, Elvis Costello compared Orbison's song *Crawling Back* to classical composer Robert Schumann's songs.

In this way, he also challenged conventional gender roles of the times. As Bono exclaimed in a video played during the hologram concert: "He sings like a girl!"

46 Musicians such as Chris Isaak, Bernie Taupin and Bruce Springsteen have also spoken of their admiration for Orbison. They described his presence – and body – in unusual terms: He was "godlike," "frail" and "angelic," "unique to the species" or "from another planet."

As Bruce Springsteen remarked, he looked like someone you could put your hand through – much like a hologram.

Hologram shows aren't new. Celine Dion performed a duet with an Elvis Presley hologram in 2007, and a hologram of Tupac Shakur joined Snoop Dogg and Dr. Dre on stage in 2012. In 2014, the spectre of Michael Jackson entertained his adoring fans.

But you would think, based on some of the responses to Orbison's tour, that its organisers

were committing sacrilege. Even a mostly positive review noted that the show "feels like a ghoulish cash-in, trading on gimmickry and shock value", that there was "something very ethically unsettling about the whole endeavour."

Yet for all the flak hologram concerts have received, music shows have long been anything but "live." Where's the outrage over giant video projection screens, which eliminate the unmediated presence of the performer? Unless you've been able to score choice tickets, you'll spend most arena shows staring at a Jumbotron.

Then there's the music itself. Many shows today feature prerecorded instrumentals and verses. Some hip-hop artists perform with just their laptops, while remixes and sampling are common in recordings. Duets with deceased artists have become common, too: Raul Malo "covered" Simon and Garfunkle's *Bridge Over Troubled Water* with none other than Roy Orbison – dead for over a decade.

In this sense, holograms don't upend musical tradition. Instead, they're just another evolutionary step. In fact, computer-generated artists like Lil Miquela represent an even more extreme pole. Hologram concerts use digitally recreated images of artists who were once alive. But there's no real person or body behind these digitally-created, fictional ones.

There's something particularly fitting about a hologram tour featuring Roy Orbison. His public persona was so mysterious that

his fans didn't know much about the man behind the shades.

In the early 1960s he had no publicist and did few interviews. Music and entertainment magazines rarely covered him, and he seldom appeared on television. His greatest hits albums didn't even have cover photos of him.

He seemed to be defined by an absence, which then materialised as a dark, quiet persona who always kept his eyes covered in public, inviting people to project their thoughts, fears and melancholy onto him.

At the London show, the concert emphasised, from the very beginning, the unreality of Orbison's body: The hologram emerged from the floor of the stage – defying physics – and later disappeared into the floor before intermission. The hologram tour also mimicked Orbison's approach to his live shows. The spectre of Orbison performed standing in one place and didn't speak between songs; likewise, the audience sat quietly during the set, soaking in his words and music.

But Roy Orbison was an unusual rock star, and such antics were never common at his concerts. Perhaps this makes Orbison – the man who was never really there – an ideal avatar for this new form of music. **CT**

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'This is how Israel treated us in prison'

Divina Levrini tells of the inhumane treatment of Freedom Flotilla activists after Gaza mission was attacked by Israel

SWEDISH solidarity activist, Divina Levrini, was one of the many international activists, who were attacked and detained by Israeli naval forces aboard the Freedom Flotilla ship at the end of July, spoke to the Ma'an News Agency about the Israeli treatment of international activists inside the Israeli Givon (al-Ramla) prisons.

The international activists were deported to their national countries after two days of detention.

Levrini said that when the ship was 42 nautical miles from Gaza, still in international waters, it was boarded by the Israeli navy, after "they had talked to our radio operator, who repeatedly told them that we were in international waters and had no intention of crossing the Israel border. That it is a right according to international law to travel in international waters.

"They tasered many of the peace activists. Some were tasered in both head and neck, which could be deadly," Levrini said.

"Our captain received a death threat and I witnessed him get brutally beaten by an Israeli soldier. Many, including myself, got beaten. Some were thrown down



Swedish activist Divina Levrini.

Photo: Ma'an News Agency

a ramp and could have broken their necks. One got injured on his foot and there was a lot of blood. He was also punched in his stomach and chest."

Following their detention, the activists were taken to the Ashdod military camp, where they were interrogated on the pretext of trying to illegally enter Israel.

Levrini said that the activists refused to say anything before speaking to their lawyers.

"We were strip searched several times and all of our belongings were stolen," Levrini told

Ma'an.

"After a while, they pushed me outside and I found all of our clothes, bags and stuff on the ground. Clothes were torn out from the bags and everything was mixed up. I was pushed by a soldier while others stood by and laughed as I was yelled at to collect my belongings; and I had 20 seconds to take what was mine. I found two empty bags and my guitar, some tee-shirt or other clothing – I don't remember because I am still traumatised about it all."

Levrini added that activists were "tortured" in various ways while at the Givon prison. "We were six women in one dirty cell with a hole in the ground."

The Swedish activist said that Israeli prison guards "would come in and yell every one to two hours" and bang on the walls with batons.

"The mind games were really awful. They would give me cigarettes but no lighter. They said that I can use the payphones outside whenever I want but would not give me my money to use them."

Levrini said activists were separated from each other, after they protested when one of the activists, identified as Larry, asked for a doctor as he was injured in the foot.

"One thing was sure, and that was that when they said something, nine times of 10 they were lying."

Levrini said that Israeli forces hit a 75-year-old female activist who had a hip replacement surgery four months ago.

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"They did not really beat us any time before or after that in jail so we thought that they are so used to beating Palestinians that they forgot our embassies were ready to act if something like that would happen."

The activists requested a doctor to check on the woman, but the Israelis tried to impose "certain conditions", which the activists refused. Then they were then told that they could not see the doctor if they did not agree to the conditions.

She added that they were able to see the doctor several hours later, but were put in a "small outdoor cell in the scorching heat and hard-benched where she couldn't sit."

Levrini said that after waiting for hours before finally seeing the doctor, the doctor told them "in perfect English" that he did not understand English. The 75-year-old female activist "had to explain in Hebrew, but she got no help."

Levrini was deprived of prescribed medications for 36 hours. She then received half a dose of her only one "important" medicine after the Swedish embassy intervened. "The embassy yelled at a guard to give me my medicines and he said that I would get an appointment with the doctor, but he told me in perfect English that he doesn't understand English and I have to speak in Arabic," she said.

Israeli forces confiscated the activists' driving licenses, medicine, phones, money and credit cards. "Most of our luggage is gone. I came home with only a small bag with random clothes I

found. I was at sea for two-and-a-half months, so I had much more with me", she said.

Levrini, along with several other activists who were detained by Israeli naval forces, started a hunger strike inside the Israeli prison until they received information that other activists, who were deported earlier than them, had safely arrived to their countries.

Levrini said that most of the peace activists did not know that they were being deported until minutes before they were freed.

She said that the activists' message to the world was that their mission was never about us or the treatment received by the Israeli government – "What the Palestinians go through is much worse."

She pointed out that Israeli forces confiscated the flotilla's cargo of medical supplies and the four ships they were aboard,

which were meant to be a gift for Gazans. "Of course, there are two-million souls living in Gaza and we only had four ships, but the symbolic act is important because fishermen are shot in their own waters and much needed medical supplies never reaches Gaza.

"There is a genocide going on by an apartheid regime and the world must act, even if it happens in small acts like these", she added.

Levrini concluded that "it was and has always been about raising awareness, making politicians act and making sure that the Palestinians know that we will never forget them. The ships will continue to sail until Gaza is free". **CT**

Divina Levrini is a Swedish political activist. This article was first published by Ma'an News Agency at www.maannews.com

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Why this is Amazon's worst bargain yet

The retail behemoth wants your local government's business, but there's a hidden cost to low prices, writes **Katie Parker**

THE billions in tax breaks that cities are offering Amazon to host its "HQ2", the company's bare-knuckled push to squash a business tax in Seattle, and recent strikes for better working conditions in Amazon facilities have all fuelled a growing

conversation about the retail behemoth's toll on communities.

But one element of Amazon's business strategy has fallen under the radar, and this one could really bite where you live: its bid to dominate local government purchasing.

In January 2017, Amazon won

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a contract with US Communities, a purchasing cooperative made up of government agencies, school districts, and other public or nonprofit agencies. The cooperative wields the heft of its more than 55,000 members to negotiate better prices. With this contract, they can now opt to buy their goods through Amazon Business, which advertises greater product selection, free shipping, and pricing discounts.

While the contract is a big boon for Amazon – a potential for \$5.5-billion in sales over 11 years – recent analysis from the Institute for Local Self Reliance (ILSR) seriously questions how good a deal the public is getting out of this.

For one thing, the Amazon contract lacks the pricing protections that are usually standard in public procurement.

Rather than relying on a catalogue of fixed prices, governments are at the whim of Amazon's dynamic pricing model, much like the "surge pricing" of ride-sharing services.

The Amazon contract also makes it harder for agencies to buy from local vendors. ILSR notes that while local businesses can join Amazon's Marketplace to compete for US Communities contracting opportunities, Amazon takes a 15 percent cut. That's enough, given the already thin margins of public procurement, to push many local businesses out of the running.

For the 1,500 members that have signed onto this contract so far, that means a significant missed opportunity to help their local economies thrive. The good news is that a growing number of governments and non-profits are realising that getting the lowest bid isn't the same as getting the best deal.

Local governments spend money every day. They can use that spending to build up local businesses, create jobs for residents, and grow their tax base, something impossible to do with Amazon's virtual footprint. This



purchasing strategy is more efficient, too: Dollars spent at independent local businesses recirculate at a greater rate than money spent at national chains, creating a multiplier effect.

By shifting their everyday spending, city governments from Phoenix to New Orleans are joining hospitals, universities, and other anchor institutions to spark inclusive economic growth.

Cleveland, Ohio is a great example. There, local anchor institutions like the Cleveland

Clinic and University Hospitals helped launch Evergreen Cooperatives, a network of worker-owned businesses established to provide some of the goods and services these institutions routinely need, such as laundry services and food.

The businesses have an explicit goal of hiring local residents facing barriers to employment, and the cooperative structure gives these workers opportunities to participate in decision-making and build wealth through profit-sharing. Evergreen Cooperatives employs more 220 residents and is growing.

Local governments considering whether to sign on to Amazon's marketplace should consider this growing movement around inclusive, local procurement. Instead of being lured by Amazon's come-on

of lowest-price promises, stewards of local tax dollars should ask what would bring the best value for their communities. Instead of going into Amazon CEO Jeff Bezos' deepening pockets, the money they spend on goods and services should help everyday residents build wealth. **CT**

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Exposing the lies that rich people tell us

Yves Engler tells how the myths of free market capitalism hide the reality of massive government wealth creation

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OUR captains of industry are fond of promoting the notion that capitalists, but never government, generate wealth. So what to make of two recent stories in Canada's *Globe and Mail Report on Business* about government support for venture capitalists?

At the end of June the federal government announced the five venture-capital firms that will receive \$350-million it previously allocated to fund start-up firms. As part of the accord, the government is offering a dollar for every two-and-a-half dollars private investors put in. Ottawa's money is supposed to be an investment, but the public only begins to be repaid after the purported "risk takers" see the return of their capital and seven percent on top of that.

The recent initiative extends an even more generous five-year old subsidy program for "venture capitalists", who are widely hailed by supporters of capitalism as dynamic wealth creators. But, after a downturn some years ago "the country's venture capitalists pressed Ottawa for help after Canadian institutional investors largely abandoned the asset class after years of

poor returns", noted the *Globe*. Alongside support from Ontario, then-PM Stephen Harper ramped up social assistance to these "wealth creators".

The Business Development Bank of Canada (BDC) anchors the venture capital programme. Formed by Parliament in 1944 to stimulate investment in Canadian businesses, BDC (previously the Industrial Development Bank) is the "largest single venture capital investor in Canada." BDC analyst Peter Misek told the *Globe* "BDC invested when no one else did and shouldered the burden when no one else would. There would be no capi-

tal in the Canadian VC [venture capital] ecosystem were it not for BDC over the last 10 years".

While the image of so-called dynamic, risk taking, venture capitalists pleading for social assistance is particularly difficult to square with capitalism's official ideology, a superficial look at the economy demonstrates they aren't the only corporate welfare bums.

Recently, the federal government nationalised the Trans Mountain Pipeline when Kinder Morgan said it was not financially viable. Canada's leading aerospace and rail firm has long benefited from massive direct social assistance. According to one estimate, Bombardier has received \$3.7-billion worth of subsidies in recent years. For decades Bombardier (and other major corporations) sold unwanted products internationally through Canada's aid agency.

Aerospace counterpart Pratt & Whitney Canada has garnered \$3.3-billion from Industry Canada since 1970. Additionally,



CAR rolls off the FCA assembly line at Brampton, Ontario.

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Pratt & Whitney, Bombardier, General Motors Canada, etc. have benefited greatly from military contracts over the years. One aim of defence procurement has been to stabilise the economy, spread regional industrial benefits and subsidize advanced technology sectors.

In *The Computer Revolution in Canada: Building National Technological Competence*, John Vardalas details the military's important role in stimulating technology development and expertise. After World War II, for instance, the Defence Research Board sponsored the "University of Toronto Electronic Computer", the first working computer in Canada.

Since its creation before World War I an important objective of the Navy has been to support Canadian shipbuilding, which has many industrial spinoffs. When the Conservative government launched a \$33-billion (now \$60+ billion) 30-year National Shipbuilding Procurement Strategy in 2012, a CBC.ca headline noted: "Shipbuilding deals will stabilize industry, [Prime Minister] Harper says". An assistant deputy minister at Public Works and

Government Services Canada, Tom Ring wrote, "Canada's shipbuilding industry is now on the cusp of resurgence thanks to the federal government's National Shipbuilding Procurement Strategy."

The automotive sector is another pillar of Canadian capitalism that receives social assistance. To save the sector's leading lights, Ontario and Ottawa ploughed over \$10-billion into Chrysler and GM (after the share sell-off taxpayers lost about \$3.5-billion). But, the 2009 bailout is the tip of the auto industry subsidy iceberg. Over the past few decades almost every new factory or major factory upgrade has received a significant welfare cheque. But, the industry's reliance on public care goes beyond direct assistance. From traffic lights to licensing drivers, car-centric zoning regulations to endless billions spent on roads, the industry has required massive government intervention.

Then there is the financial sector, where contrary to popular perception, Canada's banks received a massive infusion of social assistance when some of their international counterparts ran into trouble in 2008. "Canada's biggest banks accepted tens of billions in government funds

during the recession", noted a CBC story about a 2012 CCPA investigation. In the biggest move the Crown Corporation Canada Mortgage and Housing Corporation withdrew \$69-billion worth of mortgages the big banks didn't want on their balance sheets.

Despite abundant evidence that nothing approaching the fantasy of free market capitalism exists, the myth persists. The reason is that it serves to legitimate the private appropriation of socially created wealth. As an example, Justin Trudeau responded to questions about Bombardier paying its executives huge sums after receiving a major welfare payment by saying, "we respect the free market and the choices that companies will make."

The fairy tale about "capitalism" is a way to justify rich people running the country and to dupe us out of our money to subsidise them doing it.

Rich Lies. **CT**

Yves Engler is a Montreal-based activist and author. He has published eight books, the most recent being *Canada in Africa – 300 Years of Aid and Exploitation*. His web site is www.yvesengler.com

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