

CounterPunch

THE GREAT AWAKENING BY JEFFREY ST. CLAIR

THE BIO-SOCIAL FACTS OF AMERICAN CAPITALISM BY DAVID PRICE

A SHORT HISTORY OF INDIAN CASINOS BY LOUIS PROYECT

IS ZERO-TOLERANCE POLICING WORTH CHOKEHOLD DEATHS? BY M. ROSENBERG AND R. WILBUR

HOW MODERN MONEY WORKS BY ALAN NASSER



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EDITOR-IN-CHIEF
Jeffrey St. Clair

MANAGING EDITOR
Joshua Frank

CONTRIBUTING EDITORS
Lee Ballinger, Melissa Beattie, Darwin Bond-Graham, Chloe Cockburn, Windy Cooler, Chris Floyd, Kevin Alexander Gray, Steve Horn, Lee Hall, Conn Hallinan, Barbara Rose Johnson, Binoy Kampmark, JoAnn Wypijewski, David Macaray, Chase Madar, Kim Nicolini, Brenda Norrell, Vijay Prashad, Louis Proyect, Martha Rosenberg, Christine Sheeler, Jan Tucker, Mike Whitney

POETRY EDITOR
Marc Beaudin

SOCIAL MEDIA EDITOR
Nathaniel St. Clair

BUSINESS MANAGER &
DESIGN PRODUCTION
Becky Grant

SUBSCRIPTIONS & ORDER FULFILLMENT
Deva Wheeler

DESIGN CONSULTATION
Tiffany Wardle

Contact Information

CounterPunch Business Office
PO Box 228, Petrolia, CA 95558
Toll Free 1 (800) 840-3683
1 (707) 629-3683

EDITORIAL:
counterpunch@counterpunch.org
BUSINESS: becky@counterpunch.org
SUSCRIPTIONS AND MERCHANDISE:
counterpunchdeva@gmail.com

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counterpunchdeva@gmail.com

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The 9th of August, 2014 (After Goya) by Nick Roney

In Memory of
Alexander Cockburn
1941-2012



TABLE OF CONTENTS

LETTERS TO THE EDITOR 4

ARTICLES

The Bio-Social Facts of American Capitalism
BY DAVID PRICE 9

Gaming the White Man's Money
BY LOUIS PROYECT 12

Is Zero-Tolerance Policing Worth Chokehold Deaths?
MARTHA ROSENBERG AND ROBERT WILBUR 15

How Modern Money Works
BY ALAN NASSER 17

Death by Incarceration
BY TROY T. THOMAS 23

CULTURE & REVIEWS

The Eyes of Texas Are Upon Us
BY LEE BALLINGER 25

Screen Savers
BY NATHANIEL ST. CLAIR 27

COLUMNS

Roaming Charges 5
The Great Awakening

BY JEFFREY ST. CLAIR
How the murder of Mike Brown got lost in the story.

Diamonds and Rust 6
Strike!

BY JOANN WYPIJEWSKI
Scenes from the classwar: from Martinsburg to Ferguson.

Empire Burlesque 7
DC's Insane Clown Posse

BY CHRIS FLOYD
A system of permanent war.

Grasping at Straws 8
Stock Market Disconnect

BY MIKE WHITNEY
When the Fed takes its foot off the gas, the market will fall.

LETTERS TO THE EDITOR

Count My Vote

Josh—just read “The Pariah State” from the Weekend Edition—if there is a nominating mechanism for notable articles, please count my vote (double, triple) for his article. Truly important. Both you and Jeffrey are striking gold with work of that caliber and significance. (I wrote thanking him for contributing to my education--esp. on the systematic destruction of Palestinian identity.)

Norm Pollack

Cambodia and Beyond

Dear Editor,
Thank you especially for the article on Cambodia in the August 1st weekend edition. The significance of the tale of the massive bombing and how selectively the tragedy of Cambodia is presented in the mass media and to the visitors to Cambodia tallies with incidental information gleaned by a researcher on the graves there I have spoken to. Congratulations on publishing the article - it contrasts well with Pilger's awful official U.S. propaganda about ‘the killing fields’. No wonder his stuff gets such a wide publicity in the mass media, including the film.

Michael Costello, U.K.

The Trouble with Bill Gates

I wanted to comment on the Inside American Prisons...Bill Gates invests heavily in privatized prisons. A good investment...he also does Oil stocks, and Birth Control. Hellbound

dude. Unless he repents.

Mortimer Zlich

The Gaza Massacre

Hello,

My name is Jacob Chomicz. I am an EMT in California who spent the last two weeks of the recent Israeli aggression on Gaza in Gaza. I worked at the European Gaza Hospital near Khan Yunis. I witnessed many atrocities and helped many victims of bombings there. I volunteered as a private citizen and with the help of UN, WHO and the Palestinian ministry of health was able to secure a permit to enter Gaza via Erez. I wanted to thank you for your important article “The Deir Yassin Massacre”. As you can imagine I made many great friends in Gaza. Palestinians who desperately want to understand why the world doesn't see the injustice being done to them. It is people like you who will hopefully help the world see just how much suffering has been and continues to be done to the people of Palestine. From all of them and from me I want to extend a warmest thank you to you. If you could extend my thanks to mr Martin I would appreciate it. I tried to contact him but as the original article was written over 10 years ago the email address attached did not work.

Jacob Chomicz

Literary Tastes

Hi Jeffrey!

I find my literary tastes intersect very closely with yours and Mr. Cockburn's. Which is why I was rather surprised

by the omission of two great Iberian writers from your top-100 list - Spain's Juan Goytisolo and Portugal's Antonio Lobos Antunes. Given the authors' political and cultural sensibilities, as well as their thematic focus and dexterity of literary form, I was certain they would find a place on such a list. Just as certain as I was that William T. Vollmann would appear on your other top-100 list of writers in English (which he didn't). While I would not lobby for the supplemental inclusion of any of the above authors, I would encourage you to take a look at Goytisolo's “trilogy of treason” novels, “Marks of Identity”, “Juan the Landless” and “Count Julian”, particularly during this time of rabid Islamophobia in the West. Similarly, Vollmann's “Europe Central” is a powerful antidote to contemporary Russia bashing and the US/NATO love affair with Ukrainian neo-Nazis (and a nice companion piece to Pynchon's “Gravity's Rainbow”).

Guy Rittger

What Came First?

Re: James Ridgeway's riveting piece on the Saudi role in the 9/11 attacks: I never could figure out if the Saudis were part of the Bush mafia or if the Bushes were part of the Saudi mafia.

Elizabeth Ferrari

War Without Hoops

Remember all the formalities and hoops the Bush administration had to go through in

their drive to war on Iraq? I recall Andrew Card's advice about selling the war: “From a marketing point of view, you don't introduce new products in August.” Hell, Obama started bombing in August.

Steve Rendall

They Wait, They Lurk

Liberals got overconfident with 20 consecutive years of Democratic Presidents, but 20 years is not long in historical time. Hofstadter believed that the New Deal / unionization etc were unassailable. But most of the people who hated FDR in 1933 were still alive in 1952 and a few are still alive today, and most of them kept on hating him (for what he stood for to them). In his best year FDR got 60% of the vote, so there were a lot of them, and they never gave up. The Koch brothers (b. ~1934) are the second generation. Bill Buckley was late first generation. The coal companies were always the worst, and when they got their chance they reverted to their old ways. Don Blankenship of Massey Coal was an old time robber baron who blatantly defied the law. Taking on the coal companies would have been a good chance for Obama to show that he wasn't completely sold out, but he didn't want to do even that.

John Emerson

Where's Gerry Ford?

All forward movement benefiting the working class economically and socially stopped at the end of the 1970s and has been regressing ever since. We were better off under poor old Gerald Ford than we are now.

Jay Sullivan



ROAMING CHARGES

The Great Awakening

BY JEFFREY ST. CLAIR

Mark the date. On August 13, America awoke to learn the horrid truth. Its police departments, from bucolic hamlets in the rural Midwest to seething metropolises, had become militarized. The prime time revelations came as a relief to white liberal commentators, who felt much more comfortable denouncing troopers in body armor than probing the racist nature of policing in America. Moreover, it gave MSNBC's hipster newsreader Chris Hayes the opportunity to play war correspondent, reporting nightly from the "combat zone."

The arc of the story peddled by the press was that the militarization of America's police was a largely post-911 phenomenon, another menacing legacy of the Bush years. Of course, this is a ludicrously warped reading of history. I still have vivid flashbacks of my own close encounter with soldier-cops on the streets of Seattle in the fall of 1999, ducking my head under fire from rubber-coated bullets, exploding tear gas canisters and concussion grenades. A few months later a similar scene of mayhem played out in Washington, DC, during the IMF/World Bank demonstrations, where, as JoAnn Wypijewski reported at the time, the police snipers were issued "shoot to kill" orders. Alexander Cockburn used to say that you can only take the ruling class off-guard once every decade or so before they rearm and escalate their techniques of political repression.

In truth, the police have always been militarized. In 1914, local cops, private security forces and the National Guard opened fire with machine guns on striking coal miners and their families in Ludlow, Colorado, killing 26 people, including two women and eleven children. The weapon of choice for

the paramilitaries at Ludlow was the Gatling Gun, which strafed the strikers and their families at a rate of 200 rounds a minute.

In 1921 General John T. Thompson invented the Thompson Submachine Gun, the most lethal firearm of its time, which was capable of firing 1,000 rounds per minute. The first sales of the so-called "Annihilator" weapons were to the U.S. Postal Inspectors Service. The gun was soon marketed to police forces across the country and by 1933 had become a standard weapon in the arsenal of Hoover's FBI. Today's FBI SWAT teams are armed with MP5/10 submachine guns, M4 carbine rifles, M1911A1 Springfield pistols, .40 Glocks, Remington 12 gauge shotguns, stun guns, tasers and grenades.

It should come as no surprise that these violent police tactics have been used most viciously against black radicals. Take the murders of Black Panthers Fred Hampton and Mark Clark in 1969. In the early morning hours of November 4, a 14-man Special Prosecutions Unit, composed of Chicago police and FBI agents, invaded Hampton's apartment, guns firing. Clark was shot and killed while sitting in a chair. Hampton was shot multiple times while asleep in his bed. Earlier in the evening, he had been slipped a large dose of secobarbital by an FBI informant named William O'Neill. The wounded Hampton was dragged into the hallway, where he was killed with two shots to the head. The only regret offered by the FBI agent on the scene, Gregg York, was that more Panthers weren't in the room at the time of the hit: "We expected about twenty Panthers to be in the apartment when the police raided the place. Only two of those black niggers were killed, Fred

Hampton and Mark Clark."

Cut to 1985 in West Philly. The black liberation group Move had established a commune and organic gardens in a neighborhood of row houses on Osage Avenue. After numerous clashes with neighbors and police, Philadelphia cops launched a raid on the Move building that culminated with a police helicopter dropping a water-gel bomb, supplied by the FBI, on the building, igniting a huge blaze that burned down the Move house and 60 other homes while killing 11 people. And so on and so on.

Meanwhile, back in Ferguson, what about the murder of Michael Brown? The repellant circumstances of his death were largely eclipsed by the orgiastic coverage of the police response to ten days of rather placid protests, where infamous FBI snitch Al Sharpton played his usual role as pacifier of public outrage. There did come news that Brown's killer had received more than \$250,000 in donations from Fox News watchers, many of whom likely wished they could have been riding in that cop car and pulled the trigger themselves.

Mike Brown wasn't shot by a SWAT team or a sniper or an AK-47. He was murdered in a more banal and insidious manner, the way most black men are killed by cops in America. Brown was gunned down in a neighborhood street, by an unremarkable patrol officer, performing his nightly duty to harass and intimidate black men, who are viewed, almost at the moment of their birth, as enemies of the state. This is the ghastly reality that the Pharisees of the press refuse to confront.

Am I alone in feeling unsettled by the image adopted by the protesters on Ferguson's streets, of citizens with their hands upraised, in a posture of submission and surrender to authority? I much prefer the video of Mike Brown in that convenience store, a burly, confident teenager, pulsing with the arrogance of youth. I imagine Brown when he was accosted turning toward that cop and saying with a gesture of defiance: "You don't have the right..." **CP**



DIAMONDS AND RUST Strike!

BY JOANN WYPIJEWSKI

We are jobless men, and this is our job now — getting justice. If that means violence, that's okay by me.

— Unidentified 27-year-old Chicago man making “poor man’s bombs” in Ferguson, Missouri, speaking to *The Washington Post*, August 18, 2014

The workingmen intend now to assert their rights, even if the result is shedding of blood.... They are ready to take up arms.

— Unidentified speaker at a meeting of the Workingmen’s Party in St. Louis, Missouri, late July 1877

Martinsburg, West Virginia

The man addressing his comrades 137 years ago was poised to engage in the final battle of a war which started in this small railroad town on July 16, 1877, and spread to Baltimore, Wheeling, Pittsburgh, Buffalo, Toledo, Chicago, Louisville, Galveston and points in between before culminating at St. Louis. It is known as the Great Upheaval, arguably the most sweeping general strike in U.S. history, and it was “put down by force,” as President Rutherford B. Hayes exulted in his diary: 3,000 federal troops and thousands of specially deputized police willing to kill for capital.

Paving stones at the base of Martin Street overlooking the rail yard where it all began wiggle underfoot. Some are loose enough to pick up. It is bracing to read history while the whiff of rebellion hangs in the air, even if the protests in Ferguson appear to have been ‘managed’.

While Molotov cocktails and police artillery flared, TV presenters spoke as if the destructive fury of the common man and the state’s military response were new phenomena. They are relieved now to be talking about victims and the

calming effect of liberal intervention. But the coals are still hot. They have been hot a long time.

“We are jobless men...”

The Great Upheaval began with jobbed-up men, but the jobless, women, even children, quickly joined. The story unfolds at the start of Jeremy Brecher’s *Strike!* — a vivid, muscular labor history, just updated and re-released by PM Press.

Railroad barons were the hedge fund lords of their day. They moved money literally and figuratively, controlling the economy, politics and the daily ways and means of the masses. By 1877, most of the 50,000 Chinese they’d imported to lay the Western track had been abandoned to their own wits and the resentments of poor whites fed on skin privilege and little else.

The same went for 40,000 black trackmen who’d made up the largest industrial labor force in the post-Civil War South, working and sometimes dying, like John Henry, alongside steam drills blasting through the Appalachians — hundreds of the dead, chain-gang laborers who couldn’t strike over brutal conditions (see another galvanic history, Scott Reynolds Nelson’s *Steel Drivin’ Man*).

In West Virginia, which had seceded from secessionist Virginia in 1861 and been torn up in the war, particularly rail towns like Martinsburg, the track lines had been rebuilt and the citizens pressed into wage slavery.

That July 16 the bosses of the Baltimore & Ohio Railroad cut wages by 10 percent. It was the second cut in eight months, an assault being perpetrated elsewhere against men who — as one described the situation — were already stuck in debt, surviving on beans and corn meal. By that first

evening every railroader struck, and townsfolk took their side. The police withdrew, as did the county militia the next day after one of their number was shot and a striker killed. Workers seized the trains, the yard, the roundhouses. Engines and freight cars sat idle, 670 of them. Passenger and mail cars, the strikers ran themselves. State militia recoiled, scared but also sympathetic to their class. The president of the B&O wired the White House, and Hayes — a man who bought the office in a bargain to pull federal troops from the South and reinstate white power — sent 300 US Army regulars to suppress “rioters” and protect out-of-town strikebreakers.

And so it went, through half the country: plain people halting commerce in factories, fields and ports; defending each other and their common highway; convincing militias with camaraderie or cudgels to abandon the field; enduring bayonets and bullets, and responding with stones, knives, rifles and fire. When the great strike was crushed in St. Louis, some 100 strikers were dead and more wounded.

This is our history, the history of the jobless men in Ferguson with nothing to lose, and of the men in tanks on the other side.

1877 ripped the mask of classlessness from the image the country’s masters had crafted. Afterward, they built armories in city centers. Ferguson is a race skirmish, but something else too. Racism may be irrational, but its material basis is not, not when race, class, police violence and prison are capitalism’s warp and woof. That is the class war called normalcy.

The class war called insurrection won’t be forestalled forever. In Galveston in 1877 black-led strikers won a standard wage of \$2 a day, \$45.25 in today’s money. That’s \$12.75 less than a worker makes after laboring eight hours at the federal minimum wage — a century-plus of pain for roughly the cost of a pack of cigarettes in New York. Descendants of those who grew up “sharp and fierce like wolves” are many, and born every day. **CP**



EMPIRE BURLESQUE

DC's Insane Clown Posse

BY CHRIS FLOYD

The Peace Prizey Prez has spoken, and the word he brings is — war! Not just war back in our old stomping grounds of Iraq, where the Imperial Winepress has been squeezing out the grapes of wrath for nigh on quarter of a century now. Nay, he bringeth us vast new fields to plow, in the ancient land of Assyria, therefore to make us fruitful with engorged blood.

Yes, it's Iraq War III, or perhaps Sykes-Picot Revisited, or maybe even the Eighth (or Ninth or Forty-Fifth) Crusade of the Christian West Against the Infidel Saracens. Call it what you will, we are once more firmly embarked on a fruitless (and, we are fervently assured, bootless) quest for loot and dominance in Mesopotamia and environs. As always, these raw and bestial impulses are being gussied up in noble tropes; over the centuries, the rhetorical shadings change, but the propaganda message is always the same: the forces of good are fighting to save civilization from evil, world-devouring savages.

The bumper-sticker bromides offered by Obama in his revival of the long-running George Bush classic, "Bullshit in Babylon," might have been simple, but the situation itself is as murky as the middle of the Hundred Years War. A gurgling stew of warring factions, shifting alliances, secret deals, base betrayals, panic reactions, cynical ploys and — above all — a pack of blundering, blithering idiots at the top, thrashing mindlessly and murderously back and forth. Tactical twits, yes, but united by a single, steady strategic goal: to maintain and expand the power and privileges of their respective ruling classes.

Obama's speech was the usual farrago of arrant, transparent lies — delivered with his characteristic affectlessness.

It may be that Obama's only redeeming feature as a leader is not only that he obviously knows what a sick joke the whole set-up is ... but also that he can't hide this grim awareness. His whole aspect radiates unbearable tedium at going through the motions required to satisfy the American public's insatiable craving for self-righteousness; hence the bromides, the pieties, the cartoon narratives and threadbare paeans to our holy "exceptionalism." All this boring katzenjammer to get through — just to get on with the ugly, bloody business of empire.

Then again, this "redeeming" feature of awareness is also doubly damning: for Obama clearly knows that the course he has embarked upon will lead — inevitably, inexorably, without fail — to the death of thousands of innocent people and unimaginable suffering for millions more, as the poisonous fruits of America's endless Terror War bear crop after crop in the years, the generations to come. He knows this is what he is doing, he knows what the results will be — but he is going forward anyway, like Macbeth stepped so far in blood that there is no point in turning back now.

To be sure, Obama sought to downplay the significance of this new American-made hellstorm of death. Taking pains to differentiate his military aggression in the region from his predecessor's military aggression in the region, Obama likened this new effort to his existing campaigns of bombing, drone terrorism and death squads in Somalia and Yemen. He apparently thinks this comparison somehow puts him on the moral high ground. ("Hey, I'm a retail state terrorist, an upscale boutique merchant of death, not some

vulgar wholesaler like that guy from Texas.")

Much can be said about the specifics of the new Age of Insanity being ushered in by Obama and the other pipsqueaks of the Western world. For instance, how America and its allies have created the present crisis through the Hitlerian rape of Iraq in 2003, the deliberate division of the occupied land into corrupt sectarian enclaves, and the arming of extremists to foment civil war in Syria. (Just taking the last few years into account, never mind the genocidal slaughter of hundreds of thousands of innocent Iraqis through sanctions, the millions killed in the region through America's double-dealing prolongation of the Iraq-Iran War, the American-Saudi founding of the global jihadi movement to hotfoot the Soviets in Afghanistan, and so on and on back through the decades.) Not to mention the instigation of a new Cold War through the backing of violent regime change in Ukraine and relentless, reckless push of NATO to Russia's borders, which will likely fuel a new arms race and another era of nuclear brinkmanship.

Unpacking the details of the festering, multifarious evils of this new imperial "surge" is important work, and we should support all those who are carrying it out. This is especially vital in regard to younger people. There are whole generations coming of age who have never known anything but the howling echo chamber of post-9/11 militarism.

But on another level, the situation embodied by Obama's speech defeats all rational commentary and analysis. There is no longer even a pretense of reason or consistency behind the official enunciations of American policy. The system — the whole system — is now given over entirely to permanent war: hot war in Muslim lands, cold war in Eastern Europe, class war against the 99 percent at home. That's their only consistency. That's their only *casus belli*. That's all they know. **CP**



GRASPING AT STRAWS

Stock Market Disconnect

BY MIKE WHITNEY

Has the stock market ever been this disconnected from the real economy?

I doubt it. The economy is weak, but stocks keep hitting new highs every day. It's unbelievable. Nobody's ever seen anything like it. If the news is good, stocks go up. If the news is bad, stocks go up. Volatility is low, yields have shriveled to nothing, and risk has vanished altogether. It's bull market nirvana, a stock trader's dream. But it's not supposed to work this way. Buying stocks isn't supposed to be a one-way bet. But it sure has been since the Fed started goosing the market with trillions in funny money.

Now stocks are more of a sure-thing than death or taxes. If you were one of the lucky ducks who dumped your retirement into blue chips a few years back, you probably doubled or tripled your dough by now. But, why? That's the question no can answer. It certainly has nothing to do with the economy. After all, consumer confidence is down, retail spending is off, wages are flat, incomes are sagging, demand is flagging, lending is in the doldrums, and GDP is wheezing along at a pathetic 1 percent or so. And that's enough to send equities skyrocketing?

Baloney.

There's a reason why, according to Gallup, that only 38% of Americans think the economy is getting better while 56% think it's getting worse. Just like there's a reason why 57 percent of Americans "think the recession never ended". It's because they're right, the recession never did end. The economy still stinks.

Did you know that the average American household is worth 35 percent less than it was 10 years ago? Or that less than half of all U.S. families

could come up with a lousy \$400 for an emergency "without borrowing it or selling something"? Or that one out of seven Americans depend on food banks to get by?

That's hardly proof of a booming economy, is it? And yet stocks are doing just groovy. Why is that? Economist Jack Rasmus figured it out and summed it up in one short paragraph in an article he wrote for CounterPunch. Here's what he said:

The consequences of the Fed's \$4 trillion QE program of the past five years are now abundantly clear: QE has done little to stimulate real investment in the USA economy, while contributing increasingly toward creating financial asset bubbles in the US stock, corporate junk bond, leveraged loans, and other global financial securities markets.

Bingo. Master illusionist Ben Bernanke simply hooked up a liquidity hose to Wall Street and pumped enough ether into financial assets that they all merged into one monstrous, hyper-inflated dirigible. Only Bernanke's scheme had one little glitch, that is, that none of that paper wealth that buoyed bankers balance sheets, ever dribbled down to the people below who go to the malls and the electronics shops to buy all those gizmos that boost profits that get recycled into more production, more hiring, and more inventory keeping the virtuous circle spinning at warp speed. That hasn't happened this time, because all the money got stuck in the financial system where it disappeared into off shore bank accounts, real estate deals on the French Riviera, and secret hideaways in the Cayman

Islands.

In short, QE never did a darn thing for the real economy which is why the economy's still on a ventilator 6 years after the Lehman crackup. So what happens now? What happens when the Fed loads up on trillions in U.S. Treasuries and then, suddenly, slams on the brakes? (QE is set to end in October) Fortunately, economist Eric Swartz has done a bit of research on the topic and reported his findings on his Market Anthropology website. Check out this excerpt from "Bubble, Bubble, Toil and Trouble" and see if you think his conclusions are convincing:

The only other period in which the Fed actively intervened and bought the Treasury market in support of the broader system was in the 1940's ... In an effort to keep interest rates low during and directly following WWII ... the Fed purchased all available short-term US Treasuries and virtually all long-term US Treasuries from the market starting in April of 1942...[This triggered an] equity market rally (150+%) from the April 1942 low through the cyclical high in 1946...

What happened in 1946 when the Fed and Treasury stepped away from their extraordinary support of the Treasury markets? Similar to the air pockets experienced with the Fed pauses in QE I and QE II, the equity markets swiftly revalued expectations. From our perspective a similar fate awaits the current equity market rally.

"The equity markets swiftly revalued expectations"? That sounds a lot like a stock market crash to me.

And it makes sense, too. When the Fed takes its foot off the gas in October, stocks will probably fall sharply and the stagnating real economy will come to a screeching halt. Just like it did last time. **CP**

The Bio-Social Facts of American Capitalism

When the FBI Dreamed of an Epidemic for College Professors

BY DAVID PRICE

During the early and mid-Twentieth Century, physical anthropologist E.A. Hooton found a comfortable, nurturing academic home at Harvard University. He helped keep forms of racialized “science” alive by writing for academic publications, popular magazines, and making public appearances in which he championed forms of eugenics or produced studies that helped justify America’s racialized and ethnically marked inequities. Hooton’s writings supported beliefs that race was an inherent biological state, and that intelligence and social worth were tied to genetic ancestry. Hooton’s significance in Twentieth Century anthropology derived from the significant number of physical anthropologists he trained at Harvard, though few of his students championed these eugenic and racialized theories. While Hooton’s notions were challenged by other contemporary anthropologists like Franz Boas at Columbia University, Hooton’s work articulately expressed racist American folk models about human variation and notions that there is a biological basis for stratified social phenomena.

In 1998, after I read Hooton’s 1943 proposal for the Allied forces treatment of post-war Japan (“exile, imprison and sterilize all members of the Royal family,” let China oversee a postwar occupation, “forbid purely Japanese marriages,” etc.), I filed FOIA requests seeking a copy of Hooton’s FBI file. The FBI eventually sent me records they had on Hooton, consisting of only two pages: a crude photo-static reproduction of a 1943 newspaper article summarizing a popular article by Professor Hooton, and a short memo by an FBI agent accompanying the article’s internal-FBI circulation.

Hooton’s FBI file contained a July 27, 1943 internal memo sent by FBI Special Agent L.B. Nichols to Clyde Tolson, drawing Mr. Tolson’s attention to a UP wire newspaper story appearing earlier that week in the *Washington Daily News* under the headline “Supervised Child Breeding Urged by Harvard Expert.” This article drew on quotes from a recent article in the popular *Woman’s Home Companion* magazine by Professor Hooton.

Nichols sent Tolson and others (indicated on the office routing stamp) within the FBI a copy of the *Washington Daily News* article along with an internal memo that was marked (and ignored, given that I was sent a copy from Hooton’s file), “INFORMATIVE MEMORANDUM – NOT BE SENT TO FILES,” which read:

“You will recall Dr. Hooton has always been a first-rate

fool. His latest, on scientific child breeding as set forth in the attached clipping is one for the books. It is too bad that some epidemic cannot strike a lot of our college professors.”

Respectfully, L.B. Nichols (FBI 62-73410-1, 7/27/43)

The *Washington Daily News* story (included in Hooton’s FBI file) reads as follows:

Supervised Child Breeding Urged by Harvard Expert By *United Press*

Dr. Ernest Hooton, a noted Harvard University anthropologist today proposed that the Government undertake the improvement of its citizens by a program of supervised breeding, sterilization of the unfit, and increased control over the development and education of its future parents.

‘If the Government has to take care of all the infirmed, aged, unemployable, and chronically antisocial, why should it not be allowed to take measures to prevent the multiplication of undesirables and to produce better human quality?’ he wrote in the current issue of the *Woman’s Home Companion*.

Stating that only medical men were qualified to undertake the job, but that only Government had enough authority and resources, Hooton proposed the setting up of a Department of Population headed by a Cabinet officer who was a doctor with four bureaus.

MARRIAGE BUREAU

The first would be the Bureau of Adult Rehabilitation. This would make adults below the age of 50 years insofar as the need rehabilitation. ‘The young and the middle-aged men and women are our breeding stock.’

he second would be a Bureau of Marriage and Genetics. This would fill our ‘supreme social need ...The scientific improvement of marriage, reproduction and the home.’ It would function in four ways, 1. Medical and genetic supervision of marriage to prevent matings ‘bound to produce inferior offspring thru heredity or environment.’ 2. Subsidization of parents proved capable of breeding superior children to remove the economic pressure on them to practice birth control. 3. Sterilization of the feeble minded, the insane, and the habitually anti-social. 4. ‘Intensive and extensive studies of human heredity to learn exactly what produces bad and good human individuals.’

The third bureau would be known as Growth and Nutrition. ‘It’s task would be to supervise the medical physiological, psychological and nutritional care of

the population from birth to maturity. A larger order,' Hooton said, 'but we cannot leave the development of children wholly to the efforts of parents of variable things man does, but rearing them properly is the hardest.'

The fourth bureau would deal with educational and vocational guidance and would be charged with 'fitting the individual with a curriculum based upon his ability, personality, and social adaptability.'

proclamation that connects with a more contemporary crackpot defender of racist science. It has similarities to Nicholas Wade's dismissive attack on the over 100 professors from population genetics, evolutionary biology, and other fields who recently denounced Wade's book, *A Troublesome Inheritance: Genes, Race and Human History* in which Wade adopted of Hooton-like tone, accusing the scientists who denounce his misuse of their work and the work of colleagues of ignoring science (which apparently only he, a nonscientist, can seem to see). Save yourself the anguish of reading Wade's now thoroughly discredited book, and read this devastating

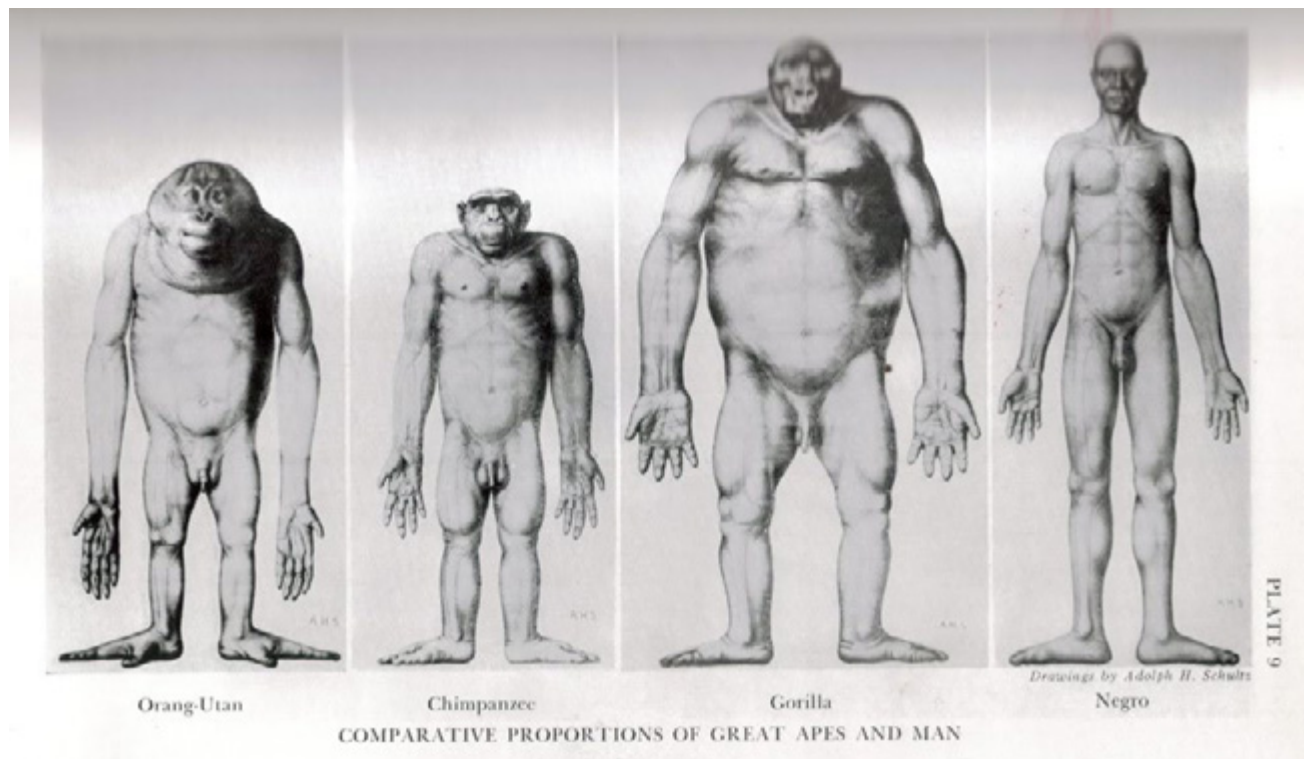


ILLUSTRATION PLATE FROM HOOTON'S RACIST TRACT "UP FROM THE APE".

Hooton said that those who opposed his program with cries of fascism and communism are those who are 'determined to retain power over the masses ... these are the real opponents of individual betterment. These are the veritable fascists.'

If the governmental human breeding bureau proposal itself didn't suggest Professor Hooton might be a bit off his rocker, his preemptive declaration that anyone who considered his proposed final solution to be fascistic or communist, were the true fascists, broadcast a tone of righteous instability. Yet his position at Harvard made this not just the smug declaration of a garden variety street corner kook shouting to the rooftops, but an authoritative declaration affirming a certain sort of mid-Century American elite power, with ideas that aligned well with the injustices of America's economic order.

There's also something in Hooton's proactive defensive

review by anthropologist Jonathan Marks "The Genes Made Us Do It: The New Pseudo Science of Racial Difference."

Professor Hooton's final defensive claim that he neither a communist nor fascist is worth considering. It would of course be wrong to call Professor Hooton a communist; his views do not align with communist philosophy. Professor Hooton was a capitalist, and his proposed solutions on how to deal with surplus laborers demonstrates his alignment with the spirit of American capitalism. On this count he was correct: he was no communist.

But Professor Hooton also raised (if only to dismiss) whether his proposed establishment of government run breeding boards overseeing the forced sterilization of the "feeble minded" was fascistic. In the original August 1943 *Woman's Companion* article, Hooton cavalierly stated that "only an extreme optimist could estimate more than one half

of our population to be physically and mentally fit.” Because fascism links governmental functions primarily with supporting the needs of corporate owners over the needs of workers, there are elements of Hooton’s dystopian vision, that align well with fascist philosophy insofar as Hooton’s views of surplus humanity aligned with capital’s formations of surplus labor. I don’t want to split hairs, but whatever philosophical links to fascism Hooton’s vision held, it was certainly totalitarian to the core.

The problem with Hooton’s modest proposal wasn’t that he contemplated governmental programs concerned with reproductive issues, the core problem was his complete anthropological failure to understand how a society’s demographic dynamics are linked to its economic formations. Hooton’s fallacy was that he understood “feeble mindedness” to be a simple independent variable that caused low economic productivity and other “drains” to the efficient society he aspired to create; he failed to understand how culture helped shape the conditions under which (he imagined) only half of the American population met his criteria for being allowed to reproduce. It is difficult to imagine a less anthropological perspective, but Hooton’s anthropology had thematic links to old Harvard racist scientific studies stretching back to Theodore Stoddard’s 1920 *The Rising Tide of Color Against White World-Supremacy*, which fostered notions of biological racial categories, and argued for Nordic Aryan superiority using flawed data and bigoted arguments conveniently portraying northern Europeans as those worthy of drinking dry martini’s on the veranda at the top of the evolutionary ladder, while darker imagined less-evolved races cluttered the vast landscape below. And while the rhetoric of these arguments has shifted, Professor Hooton’s inability to consider the social causes of differing participation in intellectual activities connects his project, Stoddard’s project and Nicholas Wade’s more contemporary work. Each of these works justifies social inequalities with misguided claims about biological natures not in evidence.

Given the FBI’s propensity to open files on virtually anyone who came to their attention for beliefs they found deviant, it is surprising that the FBI did not open an investigation on Hooton or his research. Perhaps the decision to not investigate Hooton was related to the other activities the FBI was engaged in during the war, but given some similarities between Hooton’s vision of responsible breeding with those of the Nazi administration, it is surprising that FBI records do not include standard records checks to see if Hooton held ties to Nazi organizations--which I don’t imagine he did, but the FBI usually made these checks under such circumstances. I suppose the jocular suggestion that an epidemic wipe out a swath of college professors simply shows the FBI interest in this news story as being on par with absurd news stories many of share with coworkers today by email. Even the FBI, with its own institutional racism and class-based enforcement

practices, could recognize the absurdity of Hooton’s proposal.

In the end, Hooton, Wade, and others who view human intelligence or social worth as an immutable biological property are inevitably finding answers ready-made for a technologically sophisticated out-sourced capitalist society that increasingly has uses for human beings. If unemployment can be blamed on laziness—not outsourcing; imprisonment on genetics—not surplus labor; academic failures on racial differences—not differences in opportunities; then the wisdom of the market remains unquestioned, and market forces can be left to take care of human needs.

At the end of *God Bless You, Mr. Rosewater*, Kurt Vonnegut has Kilgore Trout speechify on just this topic, as Trout ponders a world where capitalism and technological sophistication produces a social system despising the underemployed whose jobs have been taken by the machines they were promised would liberate them. Trout identifies this as,

...a problem whose queasy horrors will eventually be made world-wide by this sophistication of machines, The problem is this: How to love people who have no use?

In time, almost all men and women will become worthless as producers of goods, food, services, and more machines, as sources of practical ideas in the areas of economics, engineering, and probably medicine, too. So—if we can’t find reasons and methods for treasuring human beings because they are *human beings*, then we might as well, as has so often been suggested, rub them out.

Americans have long been taught to hate all people who will not or cannot work, to hate even themselves for that. We can thank the vanished frontier for that piece of common-sense cruelty. The time is coming, if it isn’t here now, when it will no longer be common sense. It will simply be cruel.

Vonnegut understood how the social facts of American capitalism blame those who are surplus labor for their plight.

This old Hooton article, and Wade’s recent *Troublesome Inheritance* show the strains on a system that no longer needs the meaningful labor of so many of its people, and exploits and criminalizes the poverty of would-be workers. In a world where cellphones broadcast the brutal consequences of policing the dispossessed, these brutalities need justifications of the sort supplied by the Hootons and Wades of the world to maintain the imbalances of a system that champions market forces over human needs. **CP**

DAVID PRICE is Professor of Anthropology in St. Martin’s University’s Department of Society and Social Justice in Lacey Washington, he is the author of *Weaponizing Anthropology* published by CounterPunch Books.

Gaming the White Man's Money

A Short History of Indian Casinos

BY LOUIS PROYECT

Episode 42 of *The Sopranos* opens with gangster boss Tony Soprano and his henchmen complaining about a protest threatened by American Indians at the upcoming Columbus Day parade in Newark. When Christopher (Michael Imperioli, who wrote the script) reminds them that native peoples were massacred, Silvio (Steven Van Zandt, Bruce Springsteen's one-time guitarist) replies "It's not like we didn't give them a bunch of shit to make up for that like land, reservations and casinos."

Tony decides to consult with Chief Doug Smith, who operates a casino in rural Connecticut owned by the "Mohonk" tribe (a fictionalized version of the Foxwoods resort owned by the Mashantucket Pequots). If the chief could make some phone calls to have the protest called off, Tony would use his mob ties to benefit the casino. Over dinner at the casino, when Tony tells the chief that he doesn't look like or act an Indian, he replies with a smirk on his face that despite his 1/16th blood quotient he had an "awakening" that led him to claim his indigenous roots and start the casino. You are left with the impression that there's not much difference between a Mafia don and a phony Indian.

It's all about the money.

In 1995, seven years before *The Sopranos* episode, *60 Minutes* aired an "exposé" of Foxwood that made the same point, namely that Indian casinos were a scam. The target of their investigation was Skip Hayward, the Pequot chairman who had been working as a pipefitter until he got the idea that running bingo games could improve his people's economic situation. The bingo games proved very successful and led to

the formation of Foxwoods with Malaysian seed money. The right of people with only a 1/16th blood quotient to benefit from casino profits outrages *60 Minutes*. Since a smallpox epidemic wiped out 90 percent of the tribe in 1633, it is remarkable that any have survived even on a 1/16th basis, especially when the colonists would wipe out even more Pequots a mere 4 years later with gun and sword.

The name Pequot might ring a bell since that is identical to the Pequod, Captain Ahab's boat. Did Melville intend to evoke the tribe that was a victim of genocide? I would like to think so, since he was a powerful advocate of indigenous rights in the South Pacific.



Seven Feathers Tribal Casino, Canyonville, Oregon. Photo: Jeffrey St. Clair

The question of Indian gaming casinos is close to me, having grown up in a tiny village in Sullivan County just 90 miles north of New York City. After many years of legislative wrangling, the county has received the green light from Governor Cuomo to open up a casino that will benefit an area hard-hit by

the collapse of the tourist industry. For local residents, casinos represent a life preserver thrown to a drowning man just as does fracking, another proposed solution to the county's economic misery. When I check my local news each morning, there's either an article on casinos or fracking. After following the Indian gaming casino discussion in Sullivan County newspapers for over 25 years, I am convinced that local opposition to the former probably has more to do with the message of the *Sopranos* episode than anything else. If there's anything that white racists hate more than a poor Indian, it is evidently a rich Indian.

Both the Pequots and another tribe, the Stockbridge-Munsees, put in bids for a casino in Sullivan County but withdrew after learning that Orange County, a good 30 miles closer to New York City, got the green light as well. It is a universal rule that casinos succeed when they are in proximity to large cities. If a casino is closer to New York, it will get the lion's share of the profits. This is one of the reasons that so few tribes start casinos. For example, there would be little reason

for the Lakota, the Blackfoot or any other remnant of the once-proud plains Indians to open one up since they are so many miles from major cities.

Like the Pequots, the Munsees are a tiny shard of a once populous tribe (despite the controversy around this term, it is simply a description of a pre-state social formation and not intended as a sign of backwardness. In fact, there is more “tribalism” among advanced capitalist societies, when defined as irrational belief in one’s racial superiority.)

Unlike the Pequots who built their casino on reservation land in Connecticut, the Munsees were based in Wisconsin. This would lead one to ask what their connection to New York was. Were they acting cynically like Chief Doug Smith? In 2011, the Department of the Interior rescinded a 2008 rule adopted by the Bush administration blocking the opening of a casino beyond commuting distance from a reservation. It was only natural that the Munsees would take advantage of their roots in New York State.

Like many other American cities, rivers and mountain ranges bequeathed with indigenous names, Muncie, Indiana owes its to the Munsees. Wikipedia states:

The area was first settled in the 1770s by the Lenape people, who had been transported from their tribal lands in the Mid-Atlantic region (all of New Jersey plus southeastern New York, eastern Pennsylvania, and northern Delaware) to Ohio and eastern Indiana.

You’ll notice the use of the passive voice “had been transported”, a tendency often found in prose anxious to shirk responsibility. The Lenapes, including the Munsee, were not exactly “transported”—they were expelled, mostly in the 19th century. White settlers bought the land from beneath their feet and drove them westward, first from New York and then from Ohio. As they moved toward Wisconsin and finally to Oklahoma, they left their traces along a trail of tears, including Muncie.

In addition to having their roots in New York, the Munsees have the added distinction of giving Manhattan its name. Likely the Lenape tribe that the settlers encountered was the Munsees, who called the island “Mannahattanink,” the word for “place of general intoxication” according to Mike Wallace—the Marxist co-author of *Gotham*, not the television personality of the Indian-baiting *60 Minutes*. In describing Manhattan as a “place of general intoxication”, the Munsees certainly demonstrated a grasp of the fine art of futurology.

New York State was anxious to cut a deal with the Munsees in 2004 that would grant them the right to build a casino in Sullivan County. In exchange, they agreed to forego their claims to 300,000 acres in Oneida and Madison Counties in central New York. As anybody with a familiarity with Lenape history would attest, the whites robbed them of their land in the 19th century. As might be expected, a judge ruled against their claim, giving them a sop in the form of the right to open

a casino in Sullivan County.

As opposed to the version presented by Silvio and *Sixty Minutes*, native peoples were never given the right to open casinos on a silver platter. They only came into existence through struggle. Furthermore, Indians have conducted one battle after another to defend their rights to keep them going.

As might be expected, someone like Donald Trump had a vested interest in keeping them out of New York State since they would be competition to his Atlantic City properties. In 1993 he told a Congressional Committee “it’s obvious that organized crime is rampant on the Indian reservations. This thing is going to blow sky high. It will be the biggest scandal since Al Capone, and it will destroy the gaming industry.” In an April 4, 2011 *Huffington Post* report on Trump’s testimony before Congress, Marcus Baram noted:

Trump neglected to mention that his initial partners on his first deal in Atlantic City reputedly had their own organized crime connections: Kenneth Shapiro was identified by state and federal prosecutors as the investment banker for late Philadelphia mob boss Nicky Scarfo according to reports issued by New Jersey state commissions examining the influence of organized crime, and Danny Sullivan, a former Teamsters Union official, is described in an FBI file as having mob acquaintances. Both controlled a company that leased parcels of land to Trump for the 39-story hotel-casino.

The best account of the origins of Indian gaming casinos can be found in Jessica R. Cattellino’s “Tribal Gaming and Indigenous Sovereignty, with Notes from Seminole Country” that appeared in the Fall-Winter 2005 *American Studies* journal. Although she is ethnically related to Tony Soprano and his goons, her real loyalties are with the Indians who have used their economic power to reduce poverty and increase their political clout.

In 1988 Congress passed the Indian Gaming Regulatory Act that allowed casinos not only to be built on reservations but also to be exempt from federal taxes and regulations. For many people, including the racist enemies of Indian sovereignty, this piece of legislation was an act of charity intended to make up for past sins as Silvio put it in *The Sopranos* episode. In reality, it was recognition of facts on the ground that had been established by various Indian tribes, including the Seminole.

In the 19th century the Seminole were driven from Florida into Oklahoma just like many of their Creek and Cherokee brethren were driven from states to their north. The Seminoles fought against the American army in three separate wars in the 19th century and put up a stiff resistance. The word Seminole is likely a corruption of the Spanish word *cimarrón*, which means “runaway” or “wild one”, an apt description for tribes that happily accepted runaway slaves into their arms. Unlike other Indians, they never signed a peace

treaty with the United States.

In 1979 the Seminole opened the first gaming casino without anybody's permission—just as you would expect from such a militant group. It was dedicated to bingo, the first type of gambling ever hosted by most tribes and one that paved the way for the slot machines and roulette tables at Foxwood.

The Seminole saw this initially as an experiment that would pay off economically. In the past they had tried light manufacturing, cattle ranching, land leasing, and tourism but these ventures either failed or produced very modest profits.

But their casino, named Hollywood Bingo (after the Florida city, not tinseltown), turned a profit almost immediately. By 2001 five Seminole casinos were generating \$300 million a year. The economic impact of this revenue has been remarkable. The proceeds fund health clinic, law enforcement (a serious concern on reservations where poverty has bred vicious crimes), the K-12 Ahfachkee School, and housing. It has also funded cultural enterprises such as the Ah-Tah-Thi-Ki Museum, craftwork, language classes, festivals and other programs.

And like any other capitalist, the tribe has diversified economically. Profits from the casinos have been plowed into sugarcane and citrus fruit plantations, cattle ranching, ecotourism at the Billie Swamp Safari, and even airplane manufacturing. None of this is a result of government handouts. Instead it is a Horatio Alger story that if not vindicating the usefulness of capitalism at least is a testimony to native grit.

This is not to say that gaming casinos are a bed of roses. As expected, when millions of dollars are involved, there are men more than happy to separate Indians from their wealth, and none more so with such satanic duplicity than Jack Abramoff.

While Abramoff's plot is far too complicated to review here in any detail, suffice it to say that he extracted millions of dollars from the Coushattas in Louisiana and the Tiguas in Texas by playing them against each other. In exchange for millions of dollars in fees, he promised them that he would lobby Congress to make sure that their casinos would go unmolested by the state and also protected from competition by each other. In an email message to his right-hand man Mike Scanlon, Abramoff wrote: "Fire up the jet baby, we're going to El Paso!!" (The Tigua reservation and casino were near El Paso.) Scanlon replied: "I want all their MONEY!!!" In other emails, Abramoff referred to his clients as "morons," "troglo-dytes" and "monkeys."

After serving his prison sentence, Abramoff has tried to restyle himself as a reformer, speaking at various Washington confabs at presumably exorbitant fees. This has not impressed Indians who suffered the most from his heinous acts, especially the Tiguas who were essentially left bankrupt. After watching him in action at the Press Club in Washington, DC, Rick Hill, a member of the Oneidas, told the Huffington Post:

"It's all bullshit... You look at Jack—though he took money

from my elders and our kids, and now he comes here, and he gets to prop himself up, and it's an acceptable part of D.C. culture. He wouldn't stand a minute on the reservation."

Market forces, the sine qua non for capitalist production including that taking place on the reservation, generated the rivalry between the Coushattas and the Tiguas. The access to riches has made the blood quotient all-important. There are constant conflicts over who is really a member of a tribe that enjoys casino wealth.

On December 3rd, 2004, the LA Times reported:

Before the Indian casino opened here, few people had any interest in joining the Chumash tribe.

But now that each member collects close to \$350,000 a year in gambling revenue, nearly everyone with a drop of Chumash blood wants in.

'A lot of people found out they were Indian,' joked George Armenta, chairman of the Chumash enrollment committee.

Infighting over lineage is tearing apart many tribes with gambling operations. Fueling the disputes is simple math: If tribal enrollment shrinks, each remaining member will collect more money.

Whenever a valuable resource becomes available to a historically oppressed people, whether it is oil or roulette chips, it will trigger such fights. That being said, it is foolish to expect Indians to renounce either oil or gaming. In the best of circumstances, such as is the case with the Seminole (or Bolivarian Venezuela), it can be used for the common good.

The vain hope that Indians can live as they did before Columbus persists among those who would prefer that time stand still. The most extreme version of that is Jerry Mander's 1992 *In the Absence of the Sacred: The Failure of Technology and the Survival of the Indian Nations*, a work that warns Indians about the hazards of computers and other new-fangled technologies. The only sort of Indians that Mander seems interested in are those who are completely untainted by the outside world. If an Indian lives in a city or makes a living as a miner on the reservation, Mander ignores him.

He only pays attention to the "pure" Indian who survives by hunting or fishing the way that he did a hundred or a thousand years ago. Hence, he devotes an entire chapter to the Dene Indians in Canada, who live in the Northwest Territories where the traditional economy revolves around caribou hunting and ice fishing. In the 1970s, they discovered oil on Dene land and pretty soon all the usual culprits descended upon them: oil corporations, lawyers and real-estate developers. What is Mander's biggest concern, however? It is that television, of all things, will disrupt the Dene's simple life. He worries that televised soap operas will replace traditional story telling.

After surviving hundreds of years of genocidal onslaught, American Indians have developed survival strategies geared

to a time and place. The right to make money from gaming casinos is part of that arsenal, whether or not some critics view it as contrary to the image of the “pure” Indian. That Indian was virtually destroyed in the 19th century, just as was the bison that the plains Indians relied on for food, shelter and clothing. It will be up to the Indians to define their own identity in the 21st century just as they have in the past. Our responsibility as supporters of indigenous rights is to offer our solidarity, just as we would when the FBI was besieging Wounded Knee. The battlefield has changed but the goal is as it ever was—to defend the rights of America’s native peoples.

CP

Louis Proyect BLOGS AT [HTTP://LOUISPROYECT.ORG](http://LOUISPROYECT.ORG) AND IS THE MODERATOR OF THE MARXISM MAILING LIST.

Is Zero-Tolerance Policing Worth Chokehold Deaths?

“Broken Windows”, Violated Liberties

BY MARTHA ROSENBERG AND ROBERT WILBUR

Many in the U.S. were horrified at the death of Eric Garner, a 300-plus pound, asthmatic, diabetic African-American man with sleep apnea and six children this summer. Garner was arrested for selling loose cigarettes on a Staten Island street and when he resisted being handcuffed, an arresting officer applied a chokehold. Though the maneuver is theoretically forbidden in the police manual of procedure, it brought Garner to the pavement, whereupon other police piled in, compressing his chest. A bystander filmed the whole episode on a cell phone and Garner can be heard crying I can’t breathe eleven times. He died shortly thereafter at Richmond University Medical Center.

The Chief Medical Examiner’s Office in New York City, in a signal act of courage because the office must deal with the police constantly, declared the death a homicide. Garner, 43, was killed by the compression of his chest and prone positioning during physical restraint by police, said medical examiner spokeswoman Julie Bolcer.

Mayor De Blasio postponed a vacation to conduct some damage control over the disturbing incident. Meanwhile, Patrick Lynch, the president of the Patrolman’s Benevolent Association, dismissed the medical examiner’s report as political and commented on the video that, sometimes force is necessary, but it’s never pretty to watch.

Heavy policing for minor crimes as selling cigarettes began in the late 1980s after the Central Park jogger case. While New Yorkers, like any city dwellers, always had a fear of crime, those fears reached a crucible in 1989 when a young woman stockbroker jogging in Central Park was assaulted, raped and left for dead. The woman, later identified as Trisha Meili, had been a vice president at the investment banking firm Salomon Brothers. Neurosurgeons at Metropolitan Hospital were able to restore her cognitive functions after the attack but her acuity with the financial markets and ability to be a stockbroker were forever lost.

At about the same time that Meili was attacked, some 30 teenage ruffians were tearing through the park on a night of wilding—beating joggers and bicyclists, smashing car windows along Central Park West, and in general wreaking havoc on anyone with the misfortune to cross their path. Wilding was a term to become a new part of the American lexicon.

Five of the wilders were seized by the police and, not surprisingly in light of the climate of fear, charged with the attack on Trisha Meili. Years later, after the five had served full prison terms as adults, it would turn out that they were framed by the police and the district attorney’s office and a \$41 million settlement is now underway.

Even with the wilders behind bars, fear of violent crime ate away at New Yorkers who demanded more Draconian policing measures. Such measures arrived in 1992 with New York’s new mayor David Dinkins, a gentle, soft-spoken African-American man and ex-Marine and his no-nonsense police commissioner, Raymond Kelly. Dinkins’ and Kelly’s solution: breed respect for the law by enforcing all the laws on the books, no matter how seemingly trivial, such as smoking marijuana in public, petty drug dealing or even jumping a subway turnstile. Squeegee men were even targeted.

Such letter-of-the-law police work is also called zero-tolerance policing and is based on the broken windows theory of crime which postulates that crime flourishes when apathy for enforcement of minor laws is perceived. For example, when an abandoned automobile with no license plates and its hood up was left in a Bronx neighborhood, its radiator and battery were taken in a short period of time and windows smashed and upholstery ripped, reported Philip Zimbardo, a Stanford psychologist, in 1969.

Dinkins and Kelly rarely get credit—or blame—for turning New York City into a laboratory for heavy-handed policing based on the broken windows theory because crime did not begin to decline before the duo was ousted by former United States Attorney Rudolph Giuliani and his own Top Cop, William Bratton. Within two years Giuliani and Bratton were competing for the title of New York City’s violent crime reducer, though the decline in crime likely began under the Dinkins administration. Mayor Giuliani won the title over Police Commissioner Bratton and went on to build a reputation as the man who cleaned up New York City. After his stint

as mayor, Giuliani was enlisted by Mexico City in 2003 to enact similar reductions in crime, especially in tourist zones. The venture was not successful. Meanwhile, the current mayor of New York City, Bill de Blasio, re-inducted William Bratton as police commissioner earlier this year.

Crime did decline under Giuliani and Bratton in the 1990s but was there really a cause-and-effect relationship between the decrement and zero-tolerance policing? To get some answers we spoke with David Harris, Professor of Law at

Though hailed as New York City's new liberal mayor, Bill de Blasio seems a fan of zero-tolerance policing, underscored by his bringing back the controversial William Bratton as police commissioner. Is the fate of Eric Garner the first success of their commitment to zero-tolerance?

We also spoke with Chauniqua Young, a staff attorney with the Center for Constitutional Rights. Ms. Young agreed that zero-tolerance leads to abuses like stop and frisk. Young was a member of the CCR legal team that won at least a



The choking of Eric Garner. Photo: Ramsey Orta.

the University of Pittsburgh, who has studied zero-tolerance policing in depth and is considered an expert.

Surprisingly, Professor Harris told us the progressive decline in violent crime, which continues to this day, is an inexplicable nationwide trend that is seen equally in cities that practice zero-tolerance and those that do not. Professor Harris deemed zero-tolerance policing harsh and unyielding and devoid of any deterrent effect. Indeed, Professor Harris finds it counterproductive because it breeds fear and hatred of the police, crowds jails, and deflects police manpower from pursuing serious crime. Professor Harris describes the apparent success of zero-tolerance as an artifact of the nationwide decline in all crimes. Zero-tolerance takes on a life of its own and leads to episodes like the Garner homicide or the ignominious epidemic of stop and frisk encounters, Professor Harris told us.

partial victory in Federal District Court, where Judge Shira Scheindlin set limits on stop and frisk by New York City police. Law enforcement officers may still stop someone and frisk him if they have a reasonable suspicion that the person is armed. When running for mayor, de Blasio made improper stop and frisk practices a pillar of his campaign and promised to drop an appeal of Scheindlin's ruling filed by the Bloomberg administration.

Chauniqua Young has harsh words for zero-tolerance and stop and frisk laws in which volumes of people, often people of color, are targeted and says it is a violation of the Fourteenth Amendment. She believes that police are not properly disciplined to use their authority with restraint and she emphasized the indignity and racist nature of such police actions, an issue highlighted by August's unrest in Ferguson, MO. Like Professor Harris, Young believes that zero-tolerance

policing alienates innocent people from the police.

Next we spoke with Terry Kupers, a forensic psychiatrist on the faculty of the Wright Institute in Berkeley who has spoken out against prison abuses including solitary confinement. Being busted by law enforcement officers can be a severe trauma with long-lasting consequences, Dr. Kupers told us. In addition to racial inequalities, zero-tolerance puts homeless people and people suffering from a mental illness in jeopardy of trauma when they are arrested and/or incarcerated, he said.

While an arrest is a negative reinforcement which is capable of changing behavior, most psychologists regard positive reinforcement reward as a better way to change behavior than punishment. And, says Dr. Kupers, the negative reinforcement of arrest and incarceration is dwarfed by the harmful social effect of putting more people in jail or prisons. On an individual basis, deleterious conditions in prison and jail such as crowding, lack of medical and mental health care and solitary detention simply increase the likelihood of offenders using drugs, committing more crimes and being re-arrested when they are released, warns Dr. Kupers.

Still, zero-tolerance measures are in wide use. In New York City alone, an astonishing 700,000 people were stopped and frisked in 2011. What kind of effect does such wide net policing have on lowering crime we asked Professor Harris. Marginal, he told us.

Clearly, if violent crime is dropping in the U.S. anyway and zero-tolerance policing causes civil liberty abuses like the death of Eric Garner, the harsh mode of law enforcement needs a closer look. **CP**

Emails and phone messages to former Mayor Dinkins, Commissioner Bratton and Mayor de Blasio for comments on this article were not acknowledged. However, an assistant to David Dinkins, who now a professor at Columbia University, told us in an email that the former mayor has made it a policy to refrain from criticizing other public figures past and present.

ROBERT WILBUR is a New York City-based writer who writes about forensic psychiatry, clinical psychopharmacology, animal rights and other topics.

MARTHA ROSENBERG is an investigative reporter. She is author of the Random House-distributed *Born with a Junk Food Deficiency* and a frequent contributor to *Counterpunch*.

How Modern Money Works

Dispelling Common Folktales of Government Spending, Taxation and Deficits

BY ALAN NASSER

President Obama made a remarkable claim at the December 3, 2009 “jobs summit” about government’s responsibility to citizens in times of severe economic crisis. He admonished those who push for a government jobs program “to face the fact that our resources are limited ... It’s not going to be possible for us to have a huge second stimulus, because frankly, we just don’t have the money.”

There it is, a major pillar of the austerity agenda: “we just don’t have the money.” The trouble started with the “welfare state,” which made us think government could “spend beyond its means.” Obama has told us countless times that a government is no different from a household; neither must spend more than it takes in, its income. Households better not spend beyond the wages and salaries they earn, and government must not spend more than its tax receipts. The ideal budget is a balanced budget. 1920s fiscal conservatism is back with a vengeance.

The claim was suspicious from the start, because for decades government and private elites had encouraged the vast accumulation of debt by private households. Private deficits were since the 1970s the economy’s salvation. But public debt is regarded as a cardinal sin, so grave and habitual as to require severe penance. But it is not too late to redeem ourselves. The wages of budgetary sin is fiscal austerity.

From this the neoliberal agenda follows. The sweeping scope of “we just don’t have the money” is breathtaking. Social Security and Medicare are threatened with bankruptcy unless we get our financial house in order. It gets worse. Our past government social spending has created a problem for our children, who will be saddled with the repayment of the public debts their parents have encouraged. We have bequeathed to our children a lower standard of living. Shame on us.

The terms of this common argument for austerity depend upon a certain conception of our monetary system and how it works. It appears that a great many Leftists share this conception. If the conception is erroneous, and it is, the entire discussion of the deficit and all the issues related to it -from the status of Social Security, Medicare and other social programs to large-scale public investment in jobs—will need to be rethought.

A constructive starting point is a misleading prescrip-

tion, an alternative to austerity, heard repeatedly from large segments of the Left. It has been argued that much of the deficit is accounted for by the revenues lost to government as a result of the historically low tax rates on the wealthy. And the largest single segment of the government budget is military spending. Were the rich to be taxed progressively at, say, Eisenhower's 92 percent, and the military budget substantially reduced, government would then "have the money" to fund much needed social spending on health care, Social Security, infrastructure, green energy research, etc.

Many on the Left are thus in accord with conservative and liberal economists that federal government spending needs to be financed from somewhere, namely tax revenues. The Left claims that spending tax money plus borrowed funds, i.e. deficit spending, is normally unproblematic; the Right would restrict federal spending to tax receipts. But both believe that federal spending is constrained or limited by tax receipts. This assumption is treated as self-evident and common-sense.

But what if the assumption is false? What if it rests on a fundamentally misconceived model of our monetary system and a basic misconstrual of the role of taxation in our system. This is the argument of Modern Monetary Theory (MMT), a position adhered to not only by distinguished economists like Michael Hudson and James K. Galbraith, but also by *every central banker*. That MMT has not become standard teaching among both Left and mainstream economists is testimony to economists' general ignorance of the workings of the monetary system, and the political power of those with an interest in limiting government social spending.

What Are the Functions of Modern Taxation?

We are supposed to think that taxation exists in order to finance government spending and to regulate the economy. In fact, it is only the second of these that describes an authentic function of taxation. Fiscal policy does attempt to regulate the economy by lowering taxes when growth is sluggish and raising taxes when inflation threatens. But taxation has nothing to do with "financing government expenditures."

The appeal of the notion that it does is based on its half-truth. State and local governments do indeed need to get the money they spend from somewhere, namely from tax revenues. Neither state and local governments, nor private firms, nor households have the power to issue or create money, so they have to acquire it from somewhere else. State and local governments get money by taxation and borrowing, firms get it from sales revenues and borrowing, and households get money by earning wages and salaries, and borrowing. But the federal government, because it is the issuer of the national currency, does not have to "get money" by taxation or any other means. As MMT puts it, *the federal government neither has nor does not have money*. There is no finite sum of monetary value which the federal government "gets" and "keeps" or has somewhere, e.g. in Al Gore's "lock box," in order to draw

upon when it spends. (See L. Randall Wray's *Modern Money Theory*)

Our monetary system does not specify how much money the federal government, through its central bank, can issue. The amount depends, if the central bank is doing its job as a genuine public bank, on what is required to serve the public interest. The federal government can create as much money as it needs to create in order to meet the needs of its citizenry. Contrary to widespread belief, tax revenues are no part of this story; they place no operational, required monetary-systemic limits on what government can spend. A government can indeed *stipulate* that it will spend no more than it receives in tax revenues, but this is a politically motivated choice, not a requirement of the monetary system. The political incentive in question is of course to fabricate an allegedly apolitical and objective limitation on government's ability to spend for social purposes.

The realities of federal budgeting are in this respect entirely different from those of household, firm and lower-government spending. This is best illustrated by examining the origins of the following three elements: the establishment of a national currency, i.e., government's power to issue currency, taxation, and federal government spending. Imagine a sovereign nation state coming into existence and establishing a national currency with its own value. A real-world example is found in the practices of European colonizers who established new currencies, gave those currencies value and compelled the colonized people to use those currencies to meet their needs. How were the colonizers able to do this? By levying taxes. (See: Pavlina Tcherneva's "Monopoly Money: the State as a Price Setter" in *Oeconomicus*, Winter 2002.)

The tasks facing colonizers were formidable. The colonized must be made into wage laborers, they must accept their wages in the colonizer's currency and they must acquire what they want by spending that currency. Prior to colonization, the indigenes produced and distributed what came to be called "goods and services" by all sorts of customary means which may have required little or no buying and selling, virtually never required wage labor and never involved the use of the colonizer's currency. European colonizers needed to replace native subsistence production and internal forms of exchange with modern money and the correlative capitalist practices and institutions. They accomplished this by imposing on the local population a tax obligation denominated in the colonizer's currency. The effects of this single strategy were economically transformative.

The function of taxation is in this case apparent. It has nothing to do with financing government spending. The levying of a tax obligation effects the transformation of traditional economies into modern money economies by *forcing colonized populations to need and use the colonizer's currency in order to meet their tax liabilities*. Taxation establishes the colonial government's currency as the standard unit of exchange

The on-going mythologies of money and taxes function to veil the true character of the State, and to enable government owned by elites to rationalize austerity as budgetary prudence.

for all goods and services, making it the basis of the country's monetary system. The same process created a growing population of wage laborers. The locals would get the newly required money by growing cash crops and/or by becoming wage laborers. That state currencies are tax-driven was understood by Adam Smith, John Stuart Mill and J.M. Keynes, among others.

Taxation also ensures that the State can acquire the goods and services it needs in order to operate from the private sector. The state and its central bank need equipment and workers. By levying a tax liability on the population, government also creates a demand for public spending for goods and services available from the private sector, namely structures, equipment and workers. How else will households obtain the money needed to pay taxes unless government provides that money by spending it in the private sector? Thus, federal government spending precedes, systemically speaking, tax collection and private production. In the beginning was public spending.

Unless the private sector agrees to sell to government, to exchange goods and services for government-issued money, households and firms will lack the means to pay their taxes. Put differently, government, unlike private business, is able to guarantee the demand for its "output" by requiring that taxes be paid in the national currency, which only government can provide through its spending. Once taxation is in place, government spending is necessary if tax obligations are to be met. Public spending is thus built into capitalism at its foundation. Government spending is the Let There Be Light of capitalist economic activity. (Investment is required to keep the light burning.) We shall see below that many self-styled Keynesians underestimate, as Keynes himself did not, the quantity of government spending necessary to avert economic depression. Historically, only *deficit* spending has averted economic crisis in the United States.

The economic transformation created by taxation naturally results in markets of all kinds, most of them not including government as a participant. The proliferation of secondary private-sector markets makes government money the standard means of payment, the established unit of account and the universal means of exchange. When government establishes that it will accept only the currency it issues in payment of taxes, government establishes itself as a monopoly creator of the national currency. This does not mean that private banks cannot create money, as the central bank does, out of thin air. It means that only the federal government, through

its central bank, can constitute the money all banks create as the one and only national currency.

It remains to be seen below how most of the money in circulation is created at the local level, by the ordinary banks with which we deal. It suffices to say at this point that government's sovereign power allows it to guarantee that its currency will be needed for all market exchanges and will therefore constitute the basic unit of the nation's monetary system. This is automatically accomplished by virtue of the sovereign's ability to issue currency, to impose tax liabilities and to specify how those obligations are to be satisfied. That no household, firm or lower government can do this entails that households, firms and lower governments are constrained in their spending by their need to get money from somewhere else, and that the federal government is under no such constraint in its spending. (See: Warren Mosler's *The 7 Deadly Innocent Frauds of Economic Policy*)

Dispelling Common Folktales of Government Spending

The modern banking system evolved in response to the virtual monopoly once held by private entities such as lords and kings over access to finance. Modern nation states and their central banks democratized finance by creating public oversight of financial institutions and by mobilizing finance for national development, which, for the central public bank, was aimed at promoting the general interest. There is no connection at all between the general welfare and the means to advance it, and whether the government's books exhibit a surplus or a deficit. In a fiat money system the government has just as much money at its disposal under a budget deficit as with a budget surplus.

Individuals, households and firms can indeed borrow their way into bankruptcy, but government cannot. This is because government borrows in the same currency that it issues. The federal government spends what it wants on what it values. Rosa Luxemburg remarked that the social values and political priorities of any government are evident in its budget. Suppose social spending is a declining proportion of a government's budget, and war spending and handouts to the wealthiest an increasing percentage. That's all you need to know about whom that government is governing for.

The on-going mythologies of money and taxes function to veil the true character of the State, and to enable government owned by elites to rationalize austerity as budgetary prudence. To see through this, we need only look at the

facts of government budgeting, at what government actually does when it spends, taxes, writes Social Security, Medicare and Medicaid checks, builds public housing, makes war and bails out banks. The federal government, unlike households and firms, does not retain a stock of cash on hand, nor does it have a credit balance “at the bank” or anywhere else to enable it to spend. As the issuer of the national currency, it does not need these things.

Begin by looking first at the central bank’s, the Fed’s, operations, not the Treasury’s. The Treasury’s activities take place in its accounts at the Fed. Every household, firm, corporation, sovereign government has an account at the Federal Reserve Bank. Every entity that deals with banks, and the banks themselves, have accounts at the Fed. The Fed’s bank book is the massive spread sheet located in its computer. How does it work?

When you pay your taxes, you are not purchasing government services, as you might purchase a widget from a private firm. Government’s ability to provide such services as it does bears no systemic or operational relation to tax receipts. When the government gets your tax payment, the Fed simply debits the balance sheet of your bank in the amount of the check you sent, and your bank correspondingly debits your checking balance in the same amount. That is what happens when the federal government accepts a payment. When the federal government makes a payment, say to Dell for computers used in government offices, it merely credits Dell’s bank account in the amount of the payment.

In the first example—paying your taxes—money is wiped out; in the second, government purchases from the private sector—money is created. Each happens by electronically reducing or increasing a private bank account. In one case the numbers in the column go down; in the other, the numbers go up. That’s it. This is the only sense in which the money in either case “goes anywhere.” The numbers in the Treasury’s reserve account, its account at the Fed, have no bearing whatever on the transactions just described. The money in question consists in nothing more than spread-sheet entries. (See: Warren Mosler’s *Soft Currency Economics II: The Origin of Modern Monetary Theory*)

To be sure, in the end Dell has more money, i.e. the numbers in its account have been moved up, and to that extent a financial constraint on a private firm has been lifted. But the government does not in the same sense have more money after you pay your taxes. Again, this is because the government can spend on what it chooses to spend on, and its deficit or surplus tax position imposes no systemic constraint on that spending. Our monetary system establishes no operational connection between federal spending and tax receipts.

The realities of federal accounts are difficult to grasp because we are told to think of government bookkeeping and taxation the same way we think of private account-keeping. We write a check to the grocer and that tangible piece

of paper goes to the vendor, who now has that much more to spend or save. It is as if something real, like an ounce of gold, were transferred to a seller in exchange for his wares. He now literally *has* something that he can use to accomplish his economic ends. Most importantly, what you once had and he now has is a material token of a finite kind. One can run out of gold. But the example is inappropriate to federal government spending; a modern government’s counterpart to gold, money, is not something it can run out of. It is nothing more than an entry in a book, or a number on an electronic spreadsheet.

Back when wealthy persons with surpluses to spare were the lenders, the lender had a real, tangible asset that went to the borrower. But because government is the creator of the national currency, and makes and receives payments electronically (before computers, by typing or inscribing a number into a book), it makes no sense to say that the federal government “gets” something real and then gives what it got to someone else, e.g. to pay Medicare benefits. Material tokens of money, such as bills and coins, are decreasingly significant in monetary transactions, and constitute only 3-4 percent of the money we deal with. The rest is intangible bank money created largely by local banks with the stroke of a computer key and originating, as we shall see below, in credit/debt. (There has been talk in the business press of the possibility of doing away entirely with all non-electronic means of payment.) There is no limit to the amount of money banks can create to help create the kind of society we want to live in.

A government that acknowledges the right to health care will contribute what it must, however much that may be, to maintain the population’s health. There would be a national health program, as there is now a national defense program. That government would spend on the elderly, the sick, the disabled, the way it now spends on military equipment and interventions. But it is unlikely that a State whose most important purposes include ruling the world will spend in the real interests of its citizens. This is not because war spending “crowds out” the tax receipts available for other purposes, but because a State commandeered by and for the wealthy is hardly likely to prioritize the needs of the unwealthy.

Nor is the federal government constrained in its ability to make Social Security payments by the amount in the Social Security “trust fund.” My Social Security payment is nothing more than a number that appears every month in the Deposit column in my checking account. The federal government has credited my account in that amount. It gives not a fig for Treasury’s tax receipts. The Social Security administration can pay in whatever amounts necessary to provide a just standard of living. The trust fund was concocted lest people form the habit of expecting that government is in the business of providing for their welfare. The 1935 debate over how FDR’s Social Security Act would be funded is revealing.

Roosevelt wanted to design Social Security in such a way, in

his words, as “to preserve the system of private enterprise for profit...[and] compete as little as possible with private enterprises.” Roosevelt insisted that a plan for social insurance must conform as closely as possible to the existing system of private insurance. Thus, government pretends that it must get its money from somewhere else, just as private insurance companies get their money from premium payments.

Many prominent New Dealers rejected this assumption, and regarded a “wage tax” (FICA) in the midst of a Depression to be unconscionable. But Roosevelt feared that were government to assume the entire responsibility for Social Security payments, recipients would be afforded “relief,” and FDR believed that relief -what is today called “handouts”- erodes moral character. These political considerations are no part of the monetary system. The more radical New Dealers, and there were plenty of them, understood that even in a Depression there was no limit to what government could spend to bring economic security to the entire working class.

It is economically impossible that Social Security or Medicare could “go broke.” Take Alan Greenspan’s word for that. At a 1997 conference at the St. Louis Fed the former chairman remarked:

A government cannot become insolvent with respect to obligations in its own currency. A fiat money system, like the one we have today, can produce such claims without limit.”

Or, as the economist James K. Galbraith puts it, “[A] U.S. bank will always cash a check issued by the U.S. government, whatever happens.

You are not supposed to know this. It is the responsibility of a democratic press to inform its readers of this elementary feature of government accounting and to expose the nonsensical portents of Social Security’s and Medicare’s future insolvency as propaganda designed to reduce public expectations of government’s responsibility to promote, to the fullest possible extent, the welfare of the citizenry. Instead, mainstream media serve to reinforce the pernicious notion that only the market, the private sector, can provide material security in these neoliberal times.

Bankers know the realities of government finance, but they must pretend they don’t know. Sometimes they slip up. The habit of disingenuous talk of government’s spending taxpayers’ money is so second nature to policymakers that they sometimes flat-out contradict themselves. In a March 15, 2009 interview on 60 Minutes Scott Pelley asked Ben Bernanke about the bailout: “Is that tax money that the Fed is spending?” Bernanke replied

“It’s not tax money. The banks have accounts with the Fed, much the same way that you have an account in a commercial bank. So, to lend to a bank, we simply use the computer to

mark up the size of the account that they have with the Fed.”

Yet moments earlier in the same interview, shedding crocodile tears over the “necessity”—lest the entire financial system collapse- of bailing out AIG, Bernanke said

“It’s—it’s just absolutely—I understand why the American people are angry. It’s absolutely unfair that taxpayer dollars are going to prop up a company that made these terrible bets.”

Oops. “taxpayer dollars”? But you just said “It’s not tax money.” Did Pelley call Bernanke on this inconsistency? Not a chance.

It’s worth mentioning that you’d live like a king if you had a nickel for every radical you’ve heard denounce the Fed’s bailout as having been carried out “at taxpayers’ expense.” There is only one sense in which this is true: the money that went to finance capital should have gone to rescue Americans from a catastrophe they had no part in bringing about. But the phrase is usually misunderstood to mean that tax funds were diverted to bankers’ pockets.

How Local Banks Create Money From Nothing

It is not just the Fed that creates fiat money. Local banks do the same. Most people believe the textbook story, still put forward by Paul Krugman and company. Banks are claimed to be intermediaries between savers and borrowers. When you borrow from a bank, the bank is said to lend you money previously deposited in someone else’s savings account. Every central banker knows this is false. Here is Graham Towers, Governor of the Bank of Canada (1935-1955):

“Banks create money. That is what they are for ...[Making] money consists of making an entry in a book [computer: AN]. That is all...Each and every time a bank makes a loan, new bank money is created—brand new money.”

The Governor of the Bank of England stated, in a 2012 speech in South Wales, “[M]oney is primarily created through the extension of bank credit... The commercial banks can create money themselves.”

More recently the Bank of England spelled this out in its first-quarterly Report for 2014, which contained a pdf titled “Money Creation in the Modern Economy,” which states

Whenever a bank makes a loan, it simultaneously creates a matching deposit in the borrower’s bank account, thereby creating new money.

The reality of how money is created today differs from the description found in some economics textbooks: Rather than banks receiving deposits when households save and then lending them out, bank lending creates deposits.

When you take out a loan at your bank, the bank electronically credits your checking account in the amount of the loan. Your new spending power didn't come from anywhere; new money was created from thin air. Money is originated at local banks by the extension of credit. Deposits, then, are created by loans. The money loaned was not in the bank when the borrower got the loan. Almost all bank deposits consist of repaid loans plus the interest extracted by the bank in return for its stroking a computer key to change the numbers upward in the debtor's checking account.

A salient feature of the going misconstrual of how banks work claims that banks are limited in the number of loans they may extend by reserve requirements imposed by the central bank. "Fractional reserve banking" means that banks must hold in reserve a certain fraction of their loans. But this is not how reserves function. Reserves never leave the banking system and bear no relation to the amount banks lend. They are held at the central bank and are available to commercial banks on demand without limit. The banks need these reserves on a daily basis, but not in order to make or cover loans.

Reserves are used by banks in their relations with other banks, e.g. to settle accounts. You borrow from your bank; the bank credits your checking account in the amount of the loan. As you spend what you borrowed, i.e. as you write checks against your checking account, that check may be deposited at an account at another bank. In order that the check be cleared, your bank must obtain reserves from the central bank. The nature of these transactions leaves all reserves within the banking system as a whole, and does not change the amount of reserves in circulation. As with the Fed, nothing in or out of the system, nothing that is not self-imposed for political reasons, limits the amount banks can lend.

I have described the financial system in its "natural" state, absent political or democratically mandated regulations. Such regulations need not limit the amount banks can loan. But they can prohibit, in the public interest, bubble-generating speculative loans unrelated to production or beneficial research. And the absence of regulation can, as we have seen in the course of the current crisis, limit both the amount banks are willing to lend to one another, and their willingness to lend to financially hobbled households and businesses. But these limits reflect banks' prudential responses to crisis conditions, created by the banks themselves, under which it becomes irrational for them to lend. The genuine socialization and democratization of the banking system as a public utility would prohibit speculative gambling and do away with any limitations on the financial system's ability to provide money for socially beneficial transactions.

The Bogey of Inflation

The going script says that large scale government spending is hazardous because it promotes runaway inflation. Inflation

resulting from imprudent lending is possible, but in deflationary circumstances such as those that prevail in almost all the developed capitalist countries, forewarnings of inflation are disingenuous. In fact, there are very few historical instances of inflation, under conditions similar to those of post-2008 capitalism, caused by promiscuous government spending.

Why, after all, does a rational government issue significant quantities of new money? Because there are too many idle machines, workplaces and workers. Think of the WPA under the New Deal and the present crisis. In each case the private sector is unwilling to provide work for legions of un- and underemployed. Government expenditures to train and employ workers directly addresses the core of such a crisis. This would of course add to the money supply but when the additional liquidity is used to provide employment and spending power to households and thereby induce the sale of excess inventories and bring idle capacity into production, the money is circulated through the system, bolstering employment and output. Nothing in this scenario threatens hyperinflation.

"The Deficit" As a Reactionary Conceit

Talk of deficit spending should, in the light of the realities of the monetary system, completely disappear. Two considerations are pertinent. First, as we have seen, there is no monetary-systemic operational connection between federal spending and tax receipts. Second, what has been called "federal deficits" have always, long before the Great Depression and Keynes, been essential in preventing severe economic downturns.

Consider the only periods -six of them- in American history when government attempted to balance the federal budget and reduce the national debt: 1817-21, 1823-36, 1852-57, 1867-73, 1880-93 and finally 1920-30. Each of these periods was followed by a major economic depression. From the end of the Second World War to the turn of the millennium there was no systematic debt reduction. This was also the longest period in U.S. history without a severe depression.

Government must always spend more than its tax revenues if the economy is not to collapse. Taxation reduces consumer demand and contributes to economic contraction. In order to offset this tendency to economic slowdown, government must not merely replace the lost spending power, it must create more effective demand than taxation has reduced. Thus, even if there were no taxation, government would have to spend in order to avert economic depression.

Note that this way of describing "deficit spending" does not imply that tax revenues are part of what government spends.

Now if "deficit spending" by government is a necessary condition for averting economic collapse, what is the point of the very idea of "deficit spending"? Why characterize federal spending at all by its relation to tax receipts? Let government spend whatever needs to be spent to meet the legitimate needs of the people. But let's not deceive ourselves into think-

ing that budgetary and accounting constraints place limits on what government may spend. Linking federal spending to tax receipts is entirely arbitrary and serves only the needs of that class whose needs should be foiled by all means.

Revolutionary Implications

The category of deficit spending has no place in rational economic discourse. A central bank owned by the public -and the Fed is not such a bank- will record the democratically determined social needs of the people and provide the monetary means of meeting those needs. It will properly disregard the surplus or deficit position of the Treasury, understanding these to have no bearing on the matter at hand. There will therefore be no talk of not being able to “afford” a public jobs program, public housing, Social Security, single-payer health care, et al. The money to do what needs to be done is always available. As Keynes put it, “Anything we can actually do we can afford. Once done it is there. Nothing can take it away from us.”

There is no reason for the federal tax burden. It should be eliminated. Government borrowing is equally otiose; it is an unnecessary public subsidy to private investors.

There is no rationale for private banks charging interest for loans. We have seen that there is no limit to the amount of credit that can be created by commercial banks. Since credit is not a scarce good, then, even by mainstream standards, credit is a free good. There need be no charge for borrowing money. As Keynes put it in the *Treatise On Money*:

“[I]f the banks can create credit, (why) should they refuse any reasonable request for it? And why should they charge a fee for what costs them little or nothing?”

The implications of a realistic understanding of modern money are, I think, far more radical than we have imagined. They are incompatible with capitalism and point to some form of democratic socialism. The Left has conceded too much to the prevailing monetary ideology. We should think twice the next time we hear the exhortation to raise taxes on the rich in order to lower “the deficit.” By all means expropriate the expropriators. But let’s not give the wrong reasons for doing so. **CP**

ALAN NASSER is professor emeritus of Political Economy and Philosophy at The Evergreen State College. His website is: <http://www.alannasser.org>. His book, *The New Normal: Persistent Austerity, Declining Democracy and the Privatization of the State* will be published by Pluto Press next year. If you would like to be notified when the book is released, please send a request to nassera@evergreen.edu

Death by Incarceration: The Cruelty of Life Without the Possibility of Parole

By TROY T. THOMAS

In the past twenty plus years, a new criminal sanction has found its way into statutes in at least forty states: a life sentence without the possibility of parole. (LWOP) Although life sentences have been common in all states, there had always been a mechanism for releasing prisoners when it was determined they had served long enough.

Some have argued that LWOP serves as an “alternative” to the death penalty and that the LWOP option has the effect of reducing the number of death sentences. Yet we have seen the populations on death row continue to skyrocket at the same time that more and more people are sentenced to LWOP. In other words, the death penalty often serves as a lightning rod for criminal justice reformers, who tend to see anything less than death as humane. However, life without the possibility of parole is used as a sanction not only for capital cases, but as a sanction for a wide variety of offenses. No Western European country has such a penalty, except Britain which has about twenty people serving life without parole, whereas California has five thousand plus prisoners with LWOP and nationwide we have more than fifty thousand. Forty states have laws enacting LWOP. This is costing the country hundreds of millions of dollars a year.

Life without the possibility of parole makes no allowance for changed behavior or for reconsideration of the gravity of an offense. It throws away the key without mercy. Like the death penalty, it is a clear signal that “our” criminal justice system has given up any goal or possibility of rehabilitation. Although prisoners have continued to appeal to courts for redress, the limitations have been placed on habeas corpus drastically limit legal appeals for wrongful imprisonment. In my many years of work with other prisoners, I have seen people change, and I have seen firsthand the extent to which peoples’ lives are wasted in prison-through enforced idleness, abuse, neglect and society attitudes of revenge. As a society we need to find a more productive way to deal with our outrage at violent crimes. By giving in to the appetite for revenge, our death penalty and life without the possibility of parole system encourages media, politicians, prosecutors, police, prison guards, victims’ rights groups, and others to appeal to what is arguably the most primitive strain in humanity. I have worked closely with prisoners’ families, whose lives are deeply and often irrevocably affected. Many human and civil rights organizations have documented the many ways the court and law enforcement systems are highly discriminatory and disproportionately punish poor people and people of color. What

How far should the state go to satisfy some peoples' craving for revenge? Is legal murder through the death penalty and "the other death penalty" – life without the possibility of parole the end point? Do we still really believe that revenge brings balance to our communities?

would Jesus do?

Present criminal justice policy demonstrates that we as a society do not believe that offenders can repent, show remorse, and work toward healing themselves and their relationships. When the weakest or most impoverished among us does not experience the support or sustaining balance of a healthy society, we are not a just society. Just as when survivors of serious crime are unheard, marginalized or exploited, when offenders suffer the unending isolation of our prisons we can hardly lay claim to justice. In fact, any ideology that demands the intentional increase in suffering rather than its diminution can hardly lay claim to justice.

We as a society have imprisoned more than two million of our brothers and sisters and put in place structures and institutions that continue to punish and torture them for the entirety of their lives. Our comfort with punishment, revenge and torture should alarm us and make us question ourselves about who we are as a people. We have legalized our desire for revenge in our criminal code. If this makes us uncomfortable, it should. How far should the state go to satisfy some peoples' craving for revenge? Is legal murder through the death penalty and "the other death penalty" – life without the possibility of parole the end point? Do we still really believe that revenge brings balance to our communities? What would Jesus do?

In conclusion, I recognize that there are people who are so dangerous they need to be separated from society, but they do not number in the millions. They may not even number in the thousands. Secure, humane institutions should be established where these relatively few individuals can live their lives separated from society, but always with the potential for repentance and possible reintegration. They should have every opportunity to develop themselves and contribute to society; they should be separated but not punished or tortured. Whatever you think about the death penalty, which also includes life without the possibility of parole; a system that will take life must first give justice. In other words you cannot do a wrong thing in a right way.

Our vengeance-soaked culture is in desperate need of being called to higher moral and spiritual ground. Survivors of murder victims need to be free to do their grieving in natural, human ways not skewed and distorted by sensationalist media, opportunistic politicians, and cynical prosecu-

tors. They do not need decades of being subjected to the shifting tides or the judicial system's appellate process in the futile search for "closure" via another premeditated killing, this time by the state. What would Jesus do?

I acknowledge the difficulty in moving beyond revenge, punishment and torture, as we currently live in a violence and revenge-ridden culture. But just as the first step toward healing comes with truth telling, the first step advocates of social change must take is to articulate a different reality.

In order for a true discussion of the forgiveness/restorative justice to take place, all of us, not just survivors of crime, must learn to see those who commit crime as human beings. It is easy not to forgive or restore when applying the assumption that the person who has caused harm is less than human, incapable of doing otherwise or of changing for the better. Only by re-humanizing those who commit crime if forgiveness/restorative justice (healing) possible. Life without the possibility of parole is a living death and cruel and most unusual to say the least.

What better prisoner to have in these slave factories than prisoners with life without the possibility of parole as there is not turnover rate to worry about! You can literally work prisoners to death.

I believe that every person has the potential to respond to God's initiative. As a society which claims to be largely "Christian" and/or religious, we must create conditions that foster and nurture such an understanding. Life without the possibility of parole is incompatible with this vision. It removes hope from the lives of prisoner and their families and assumes that peoples' lives are irredeemable. It also precludes the possibility of the society as a whole changing its punitive, revengeful stance toward offenders. What would Jesus do?

Life without the possibility of parole, the other death penalty, is the ultimate form of injustice carried out in the name of justice and is an offense to human decency and is in fact a blatant human rights violation.

A test of morality is what a society does to its prisoners. **CP TROY THOMAS** (aka Asar I. Amen) is currently incarcerated at the California State Prison in Lancaster, California. He can be contacted at Troy T. Thomas, H-010001, FAB 2- 209U, CSP-AC, PO Box 4430, Lancaster, California 93539.

CULTURE & REVIEWS

The Eyes of Texas are Upon Us

BY LEE BALLINGER

Phil Collins, the former drummer with Genesis who went on to be one of the biggest pop stars of the 1980s (“Something in the Air,” “Invisible Touch”) was in San Antonio on June 26 for a press conference at the Alamo. Collins announced that he was donating his vast collection of artifacts related to the 1836 Battle of the Alamo to the museum which sits on the Alamo grounds, just up the street from San Antonio’s famed Riverwalk.

Collins, who traces his Texas obsession to recreating the Battle of the Alamo with figurines as a kid in his English backyard, has been visiting the site periodically since 1973. He has written a book, *The Alamo and Beyond*, which is a coffee-table tome with photos and essays he’s penned about each of the two hundred items in the collection. Collins has also written a forward to a book on music about the Alamo.

Collins claims he may have actually been at the Battle of the Alamo 178 years ago. Perhaps it’s that psychic backstory which causes him to speak, *ad nauseum*, about only the details of the 1836 battle in which Mexican troops annihilated a force of two hundred men of the Republic of Texas army. Yet Collins says he supports a full interpretation of the Alamo’s entire history. So let’s go there.

The Mexican troops who attacked the Alamo are always described in the history books as the aggressors, so the first thing to clarify is that the Alamo was in Mexico. The so-called “Texians” who were in the fort representing

the Republic of Texas were part of an attempt by U.S. slave states to expand the scope of slavery westward.

The Republic of Texas was an outgrowth of the colony founded under the leadership of Stephen F. Austin which brought slavery onto Mexican soil in 1821 (today Austin has a university named after him). In 1825, twenty five per cent of the 1,800 people in Austin’s colony were slaves and by 1836 there were 5,000 slaves in Texas. James S. Mayfield, Secretary of State for the Republic of Texas, said that “the true policy and prosperity of this country [Texas] depends on the maintenance of slavery.”

Toward that end, during the siege of the Alamo, delegates met at a Republic of Texas constitutional convention in Washington-on-the-Brazos. The Alamo defenders fought and died for that constitution, which declared in Sections 6, 9 and 10:

All free white persons who emigrate to the republic...shall be entitled to all the privileges of citizenship.’

All persons of color who were slaves for life previous to their emigration to Texas, and who are now held in bondage, shall remain in the like state of servitude ... Congress (of Texas) shall pass no laws to prohibit emigrants from the United State of America from bringing their slaves into the Republic with them ... nor shall Congress have the power to emancipate slaves; nor shall any slaveholder be allowed to emancipate his or her slave or slaves...no free person of African descent either in whole or in part shall be permitted to reside permanently in the Republic without the consent of

Congress.

Yet Phil Collins was pleased as planter’s punch to be inducted as an honorary member of the Sons of the Republic of Texas in 2008. He said that he was inspired by “The idea of these men and women, your ancestors, having a choice and staying to fight for what they believed to be just and right.”

Collins’ words would have been more appropriate if they had been addressed to the descendants of the Mexican troops who were resisting the slavers at the Alamo. Early in the nineteenth century slavery was abolished in Mexico and fugitive slaves from Texas or any other place were welcomed.

One of Phil Collins’ Alamo heroes is Jim Bowie, famed for the development of a long-bladed knife which became known as the “Bowie knife.” Less well-known is that shortly after the War of 1812, Bowie went into business as a slave trader and was a partner in a Louisiana sugar plantation. Bowie later moved to Texas where he was a leader of one of the most extreme group of expansionists.

The fever dreams of the Texians didn’t die at the Alamo. On March 1, 1837 the United States formally recognized the Republic of Texas, which joined the U.S. as a slave state in 1845. This was just in time to be a key part of the Mexican-American War, which resulted in the annexation of one third of Mexico’s territory. In 1861, Texas was the seventh state to secede and join the Confederacy.

In Phil Collins’ native England, hundreds of warships and hundreds of thousands of guns were manufactured for the Confederate Army. According to writer David Keys, this lengthened the Civil War by two years at a cost of 400,000 American lives. Only 183 men died at the Alamo. Phil Collins never mentions the disparity. Instead he says “You know, I’ve never been to Gettysburg. But we know what happened there, and you go to pay respects.” In other words, there were no real issues in the Civil War. It was more

like a football game where some fans root for the South, some for the North.

The war between Mexico and Texas-based reactionaries continues today. Phil Collins' host at the San Antonio press conference was his friend Jerry Patterson, the outgoing pro-fracking Texas Land Commissioner who finished last in the 2014 Republican lieutenant governor primary despite the endorsement of Ron Paul. In that campaign, Patterson's immigration platform was: No amnesty, militarization of the

secure safe crossing for her brother. This is played for yucks, even though the reality of women on the border is an ongoing wave of rapes and murders. In the song's video, Collins and the rest of the band portray themselves as lazy, drunken Mexicans.

This ties in neatly with the way that those inseparable twins, the Alamo and the Confederacy, continue to get good press in America. For instance, a July press conference featuring South Carolina football coach Steve Spurrier

James Bonham was the older brother of Milledge Luke Bonham, a brigadier general in the Confederate Army who served as Governor of South Carolina from 1862 to 1864. Earlier, the elder Bonham served as an aide to Governor James Hamilton Jr. during the Nullification Crisis of 1832, a direct precursor to Southern secession. It's no surprise that James Bonham died fighting for slavery at the Alamo.

Conditioned by everyone from John Wayne to Phil Collins, by everything



Alamo Village, the abandoned film set for "The Alamo," Bracketville, Texas. Photo: Jeffrey St. Clair

border, and a guest worker program to provide business with cheap labor.

Decades worth of demeaning stereotypes of Mexicans have helped to convince a section of the public to support such measures. For example, the 1983 hit song "Illegal Alien" by Genesis, co-written by Phil Collins. The song's singer (Collins) describes how his sister is willing to grant sexual favors to border guards in order to

reflected the same politics as Phil Collins' press conference at the Alamo. South Carolina opens its 2014 season at home against Texas A&M, whom the Gamecocks have never played before. The winner will get a trophy named after South Carolina native and Alamo defender James Bonham.

"I'm sure Bonham did some good things," Spurrier said. What might those be?

from movies to children's books to the constant hype about the state of Texas, 2.5 million tourists visit the Alamo every year. They have no idea what it represents. Republican Governor Rick Perry knows, which in 2012 led him to endorse a petition drive calling for the secession of Texas from the Union, the result of which would be the end of any lingering protections for women, children, immigrants, and workers.

The petition generated much boastful talk about states rights and living as an island in North America. How long could people live on such an island? Texas already ranks last in health care services. Yet 125,000 Texans saw fit to sign the petition. Phil's friend Jerry Patterson opposed secession, saying it would be better instead to expel New York, California, Connecticut, and Massachusetts from the United States.

Such clown politics continue to defile the American body politic while providing useful cover for the Democrats, who have nothing better to offer in Texas or anywhere else. In the background, Phil Collins sits at his drum kit, counting off the beat and playing out of time. **CP**

LEE BALLINGER co-edits *Rock & Rap Confidential*. Free email subscriptions are available by writing rockrap@aol.com.

Screen Savers

BY NATHANIEL ST. CLAIR

Boyhood

Spanning just over a decade, director Richard Linklater would summon the same cast of actors for a few weeks out of each year to film *Boyhood*, a unique story of a totally conventional American childhood. Ellar Coltrane, the actor at the center of the film, was in or near the 1st grade when his performance as Mason Jr. began. In the final shot, he's a college freshman.

To sit with this movie and watch the concentrated passage of time is to see, in a true, moving way, your life unspool before your eyes, without fanfare or idealism or romance. The years go by with only a simple cut, as gradual and seamless as evolution itself.

The audacity of the format might seem at odds with the modest ambition of the story on display. But the form here is also the content. Linklater is almost philosophical about becoming

who you are. His filmmaking tends to veer in and out of shagginess. Strong images don't come naturally to him. He is, as they say, a people person. A man of places, too. Boyhood could've easily felt like a highlights reel, a photo album of Significant Milestones. Instead, Linklater shows us the moments between the milestones—and charts how the steady accumulation of experiences, good and bad, make us who we are.



Still from Richard Linklater's "*Boyhood*."

Expedition to the End of the World.

Daniel Dencik's unusual documentary "*Expedition to the End of the World*" sounds like an epic seafaring adventure, as voyages to untraversed Arctic territory tend to be, but its tone is much more philosophical. There's no question to any of the crew that something dramatic is happening to the planet—just gaining access to this region affirms that. So for the geologists, marine biologist, and artists on board, thoughts shift to where we are

on the earth's timeline, how we got to this point, and what lies beyond this melting horizon.

"Creepy." That's how one crewman describes the appearance of an enormous ice shelf in northeastern Greenland. For the passengers, reaching this towering mass of ice, extending to the heavens like a gateway to oblivion, feels like the closest anyone could come to falling off the end of a round planet.

Standing on the possible precipice

of human existence, the subjects of *Expedition To The End Of The World* aren't panicked, but sanguine, as if they've already passed through the stages of grief. "We're but a parentheses in the development of the earth," says The Captain, cheerfully picking at his banjo. "And a very small parentheses at that." **CP**

NATHANIEL ST. CLAIR is *CounterPunch's* social media editor.

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WOMEN AND CLASS

Towards a Socialist Feminism



Essays by Hal Draper

This book recounts the origins of the modern feminist movement in the revolutionary movements of the 19th century. Beginning with an account of the first organized women's movement, La Société des Citoyennes Républicaines et Revolutionnaires, on the left of the French Revolutionary movement, this book tells the story of women's movements in England, France and Germany. It is a story that has rarely been told in English.

THE HIDDEN HISTORY OF THE EQUAL RIGHTS AMENDMENT



Hal Draper & Stephen F. Diamond

In the early 1970s in California, at the height of the movement to pass an ERA, a split developed within the feminist movement. One of the consequences of the proposed legislation would be the elimination of existing legal protections for women workers. One solution was to extend protective laws to men. A solution that was rejected by most feminists. Draper and his co-author, Stephen F. Diamond, discovered that this split went all the way back to the 1920s.



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PO Box 626 Alameda CA 94501

www.socialisthistory.org

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