The Plebs News

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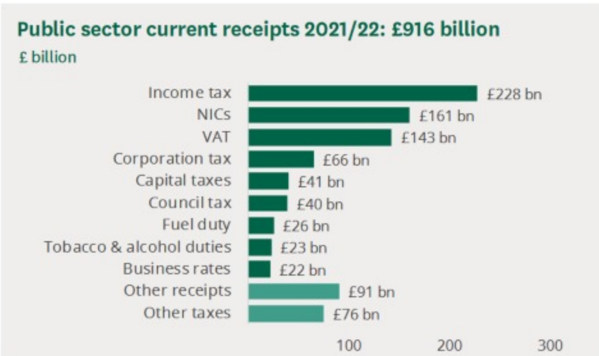
daveberrygmb@yahoo.co.uk November 2022

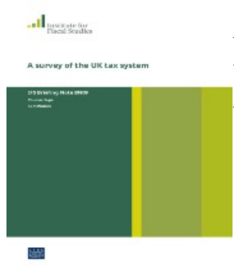


Rishi Sunak and Jeremy Hunt plan tax increases and spending cuts to fill '£50billion black hole'- "Tough decisions are needed on tax rises, as well as on spending"

The demise of the Truss regime and the arrival of the Sunak/Hunt "sensible" team has seen the felling of the "magic money tree" and a return to the age of austerity with warnings of tax rises and public spending cuts in the delayed Budget now fixed for November 17th. A reported £50 billion black hole in Government revenues will be filled by a 50/50 split of cuts and tax rises. But who will bear the brunt of the tax rises and spending cuts. We know from experience that the cuts will hit public services most used by working people in departments such as education, health and local government but who will the tax rises affect the most. Hunt claims that those with the "broadest shoulders" will carry the greatest burden . That would be fine if we started from the position of a fair progressive tax system but just as wages has seen a 15% reduction in GDP over the last thirty years so the tax system has shifted to a lower direct taxation load and to a higher indirect taxation load. This proportionally benefits higher earners and along with lower Capital Gains Tax and Corporation Tax leads to the a growth in the already high wealth disparity. Changes in the starting point of Income Tax (£12500) and Capital Gains Tax (£12370) means that the the previous advantage on CGT has been lost but the failure to levy National Insurance on CGT means that speculation is favoured over work.. The growth in "flat" indirect taxation, such as VAT, fuel duty and excise duty loads taxation onto working households , therefore diminishing the progressive element of taxation. The most regressive of all taxes is the Council Tax which replaced the old Rates system and capped the value of property again benefiting those in larger properties. Council tax is not linked to income either , with the poorest tenth of the population paying 8% of their income on council tax, while the next 50% pay 4-5% and the richest 40% paying 2-3%. .

There may be some "rabbit out of the hat" tricks from Sunak and Hunt claiming to benefit the least well off but until there is wholesale reform of our tax system and, more importantly, higher wages then the UK will benefit the wealthy over the working and speculation over work.

Indirect taxes made income inequality rise by 3.8 percentage points; the poorest fifth of people paid 22.9% on indirect taxes such as Value Added Tax (VAT) compared with 9.1% for the richest fifth of people in FYE 2021.-
www.ons.gov.uk



A survey of the UK tax system- www.Ifs.org.uk

Britain's Poorest Households Pay More Of Their Income in Tax Than The Richest

Britain's poorest households pay a greater proportion of their income in taxes than the richest, according to new data from the Office for National Statistics (ONS). Analysis of the ONS' Effects of Taxes and Benefits publication, released today, found:

The poorest 10% of households paid on average 42% of their income in tax in 2015/16.

The richest 10% of households however paid on average just 34.3% of their income in tax

Council tax and VAT hit the poorest particularly hard, with the poorest 10% of households paying 7% of their gross income in council tax, compared to just 1.5% for the richest, and 12.5% of gross income paid in VAT (5% for rich)

Despite paying far less of their income in tax, the richest 10% have on average a gross income of £110,632, 10 times that of the poorest (£10,992)

Post tax (including direct and indirect taxes and cash benefits) the poorest 10% have on average £6,370 and the richest 10% have £72,746

Dr. Wanda Wyporska, Executive Director of The Equality Trust, said:

"When the super-rich are paying less in taxes than their cleaners, you know something has gone disastrously wrong with our broken, regressive tax system.

"Time after time we see sensible reforms attacked and rejected in favour of tax cuts for billionaires. These do nothing for ordinary people struggling to keep a roof over their head.

"If political parties are serious about representing working people, they need to shift the burden of tax to those with the broadest shoulders. Only then will we see a fairer and more equal society."

All figures above are obtained from ONS Effects of taxes and benefits on UK household income: financial year ending 2016 https://www.ons.gov.uk/peoplepopulationandcommunity/personalandhousehold... Average incomes, taxes and benefits of ALL households by decile group, 2015/16

The Thatcher Myth on low taxation.

Selling the family silver. While tax revenue had, by 2000–01, returned roughly to the levels seen in the early 1980s, this was not the case for total government revenue. This is because the large-scale privatisations of state-owned industry that occurred over the course of the 1980s, while boosting revenues at the time, significantly reduced the subsequent profits government received from publicly owned corporations, from an average of 4.0% of GDP a year during the 1970s to under 1% in the 1990s. This equates to approx £60bn -£70bn lse.ac.uk

How much tax do the rich really pay? | Research for the World | LSE Research

The unprecedented public spending required to tackle COVID-19 will inevitably be followed by a debate about how to rebuild public finances. At the same time, politicians are already facing far-reaching questions about the widening cracks in the social fabric that this pandemic has exposed, as prior inequalities become amplified and public services are stretched to their limits. Sooner or later, tax rises seem likely, but the question will be: who should pay?

In one respect, the UK tax system already looks top heavy. The top one per cent pay 30 per cent of all income tax revenues: a higher share than at any time in past twenty years. In other words, three in every ten pounds that the government receives in income tax is paid by just over 300,000 individuals. Not surprisingly, this statistic is often quoted by those who argue that the rich cannot be asked to pay more. But it doesn't tell the whole story.

Does everyone pay the same, and if not, why not?

Our recent research shows there's a lot of variation in the taxes paid by the rich. Most of the revenue from the top one per cent comes from a cohort of high-earning employees, who pay the often-quoted top rate of 45 per cent income tax plus two per cent national insurance contributions, with minimal deductions or reliefs. But a substantial minority pay much lower rates, especially taking into account capital gains, which offer an alternative way of taking rewards, mainly for the richest.

Where you get your money from (or at least how you package it) matters, because investment income and capital gains are taxed at lower rates than income from work.

Using anonymised data from personal tax returns, we show that in 2015-16 the average rate of tax paid by people who received one million pounds in taxable income and gains was just 35 per cent: the same as someone earning £100,000. But one in four of these paid 45 per cent – close to the top rate – whilst another quarter paid less than 30 per cent overall. One in ten paid just 11 per cent—the same as someone earning £15,000. The rich, it seems, are not all in it together.

These low rates are not driven by complex tax avoidance schemes; they're part of how our system is designed. Where you get your money from (or at least how you package it) matters, because investment income and capital gains are taxed at lower rates than income from work. What's more, as the National Audit Office recently highlighted, the government offers tax reliefs claimed to incentivise activities like entrepreneurship, without actually checking whether they achieve these aims.

Listen: **Hear Andy Summers in the LSE iQ podcast, "Can we afford the super-rich?"**

How to level the tax playing field

One option for a government looking to raise tax revenues would be to implement a new "alternative minimum tax". This would put a floor on the lowest tax rates. If set at 35 per cent on taxable income and gains for all those with over £100,000 per year, our research indicates that this tax could raise £11 billion per year. That's equivalent to raising both the higher and additional rates of income tax by five pence, but instead of everyone on high incomes paying more, it would be targeted at those currently paying the lowest shares.

Still, some people report relatively little income and gains, even though they have a lot of wealth. For example, business owners who retain profits within their company, or people whose wealth is held in assets that don't produce an income stream, like land with long-term development potential, luxury items such as yachts, and people's main (and additional) homes. An alternative minimum tax based on taxable income and gains would not raise more from them.

These low rates are not driven by complex tax avoidance schemes; they're part of how our system is designed.

Should we tax the most wealthy?

A wealth tax – based on a person's total assets, minus any debts – is often suggested as the solution to this problem. The UK does not and never has had a wealth tax, although several other countries do – including Switzerland, Spain and Norway – with varying degrees of success.

Before a wealth tax could seriously be considered for the UK, let alone made operational, a number of important questions would need to be answered: Who would pay it, and on what wealth? How would it affect incentives, for example to save and invest? How would we value assets? What mechanisms would be available for those who have low incomes relative to their wealth? How much revenue could it raise? How would it impact wealth inequality and the creation of wealth? Is there any need for a wealth tax in addition to existing taxes? And would the public support it?

At this crucial juncture for UK policymaking, there remains a lack of evidence on these issues. The last time that a UK government considered a wealth tax was in the mid-1970s. This was also the last time that academics and policymakers in the UK thought seriously about how such a tax could be implemented. Over the past half century, much has changed in the mobility of people, the structure of our tax system, the availability of data, and the scope for digital solutions and coordination between tax authorities. Old plans therefore cannot be pulled "off the shelf".

That's why, with the support of LSE's COVID-19 rapid response fund, we initiated a new project to investigate whether or not the UK should have a wealth tax, and if so, how to design it. The Wealth Tax Commission brought together a network of world-leading tax experts – academics, practitioners and policymakers – to look at the evidence, international experiences and practical issues.

We published the final Wealth Tax Commission report in December 2020, with the recommendation that, if the government chooses to raise taxes as part of its response to the COVID-19 crisis, it should implement a one-off wealth tax in preference to increasing taxes on work or spending. A one-off wealth tax on millionaire couples paid at one per cent a year for five years, we found, would raise £260 billion.

Andy Summers

Dr Andy Summers is Associate Professor of Law at LSE. He is an Associate Member of the International Inequalities Institute at LSE, and a Research Associate at the Institute for Fiscal Studies, and currently serves on the advisory boards for the Office of Tax Simplification Capital Gains Tax Review, the Resolution Foundation "Wealth in the UK" project, and for Tax Justice UK.

Arun Advani

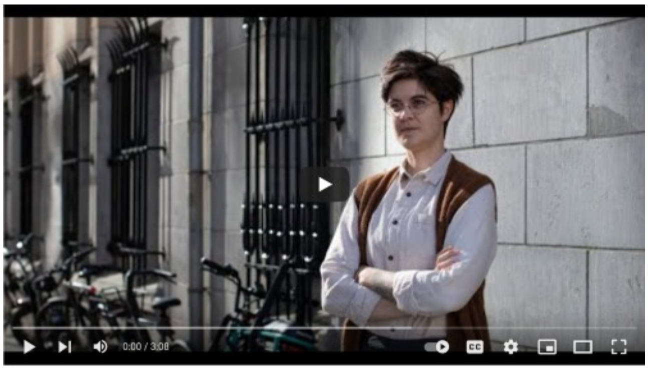
Dr Arun Advani is a Visiting Fellow at the International Inequalities Institute at LSE. He is also Assistant Professor in Economics at the University of Warwick, Impact Director of the Centre for Competitive Advantage in the Global Economy and a Research Fellow at the Institute for Fiscal Studies.

The UK's tax system is regressive, rewards the wealthy and is in urgent need of reform-It penalises workers, pensioners and their families. It rewards speculators and rentiers. It favours financial speculation over the hard graft of work'

LEFT FOOT FORWARD

Prem Sikka is an Emeritus Professor of Accounting at the University of Essex and the University of Sheffield, a Labour member of the House of Lords, and Contributing Editor at Left

She's Inheriting Millions She Wants Her Wealth Taxed Away



"Redistribution of wealth, land and power. We need redistribution of wealth, land and power and we need this to be a transparent and democratic process – to me, this means: wealth taxes!"

Marlene Engelhorn, 30, heir to a fortune, isn't interested in philanthropy, believing it only perpetuates existing power dynamics. She's calling for structural change to how the ultrarich are taxed. As a subscriber, you have 10 gift articles to give each month. Anyone can read what you share. AMSTERDAM — By the time her extraordinarily wealthy grandmother died last month, Marlene Engelhorn already knew who she wanted to be the ultimate beneficiary of the enormous inheritance coming her way: the tax man."The dream scenario is I get taxed," said Ms. Engelhorn, the co-founder of a group called Tax Me Now.

Ms. Engelhorn, a 30-year-old who grew up in Vienna, is part of a growing movement of young, leftist millionaires who say they want governments to take a much larger share of their inherited wealth, arguing that these unearned fortunes should be democratically allocated by the state. For more than a year, Ms. Engelhorn has been campaigning for tax policies that would redistribute her eight-figure windfall — and anyone else's."I am the product of an unequal society," Ms. Engelhorn said in a speech at a Millionaires for Humanity event in late August in Amsterdam, where activists were calling for wealth taxation. "Because otherwise, I couldn't be born into multimillions. Just born. Nothing else."Her family is no stranger to giving away huge sums. Her grandparents poured a chunk of their fortune into supporting young scientists. Her great-uncle gave millions to an archaeology center. His cousin pledged nearly $140 million to classical music. But in Ms. Engelhorn's view, it shouldn't be the wealthy who get to decide which personal interests and passions deserve their inherited millions."There's no need for another foundation," she said as she sat by a canal in Amsterdam and ate a loaf of bread she had brought in her backpack. "What's really needed is structural change."Philanthropy to her only replicates the same power dynamics that have created the systemic inequalities she wants to see dismantled, with new tax policies for the super rich an essential aspect of that vision. The Engelhorn family's multibillion-dollar fortune originated with Friedrich Engelhorn, who about 150 years ago in Germany founded BASF, one of the world's largest chemical companies. Another family company, Boehringer Mannheim, which produced pharmaceuticals and medical diagnostic equipment, was sold to Roche for $11 billion in 1997. As a partial heir to that fortune, Ms. Engelhorn grew up in a mansion in a chic part of Vienna. She attended French-language schools, describing herself as the sort of student who was "correcting grammar mistakes when I heard them." She played soccer with boys and read voraciously. She said she lacked any awareness of class privilege. When she saw friends living in small apartments, she wondered why they did not choose to live in a big house with a garden, which is "much nicer.

Inside the BBC reckoning over its economic coverage

Anoosh Chakelian- New Statesman

Photo by Daniel Leal/AFP via Getty Images

It started with a letter.

On 28 November 2020 24 economists wrote to the BBC about a metaphor used for the UK economy. In a discussion of borrowing forecasts, Laura Kuenssberg, the BBC's political editor at the time, had said: "This is the credit card, the national mortgage, everything absolutely maxed out." While the letter writers acknowledged that Kuenssberg and fellow BBC journalists had also mentioned other views of the economy, they feared "household budget" analogies greatly influenced "the public's understanding of economics, even though they do not represent economic reality".

Sources tell me this letter led the BBC to look into how its journalists report on the economy, and in the week beginning 28 February 2022 the BBC board commissioned a review of its coverage of taxation and public spending.

For eight months evidence has been gathered by the review's chairmen, Andrew Dilnot, the former director of the Institute for Fiscal Studies, and Michael Blastland, a former BBC journalist (the two created Radio 4's numbers programme More or Less in 2001). The review, which had originally been due to report in the summer, will publish its recommendations within the next two months, according to a source close to the process. When asked to confirm, a BBC spokesperson said it would come out "later this year".

Sources involved suggest it may recommend more clarity on guests' political leanings (for example describing the neutral-sounding Institute of Economic Affairs, which was behind Liz Truss's radical free-market ideas, as a "right-wing libertarian think tank"). Other evidence relates to the balance of economic commentary, for example a more careful use of City economists who naturally have a business-first view of the economy. Concerns have also been raised about treating economic stories as "politics-first", when economic correspondents may be better-placed to report them.

Analysis: The Beeb, the bias and the bashing

James Hakner

This article is from 2018 but still relevant today.

Richard Sharp is the current Chairman of the BBC. Formerly a banker with JP Morgan and Goldman Sachs. He was an advisor to Boris Johnson, as Mayor of London and Rishi Sunak as Chancellor.

By Professor Ivor Gaber, Professor of Journalism at the University of Sussex

My entry for the prize for the most unsurprising allegation of 2015 was the uncannily similar complaints that emanated from a number of Conservative MPs who claimed that the BBC's reporting of the general election had been overtly pro-Labour (fat lot of good it did them, one might opine).

Let me state at the outset that I believe that political journalists need not, indeed should not, be political eunuchs. If you are interested in politics – and one would have thought that that was a basic requirement of working in the area – one is going to have political views. Hence, the fact that some BBC journalists have, or had, left or right-wing leanings should not be a cause of surprise, nor of concern.

In fact, I would argue that if your own political opinions are on the record then it is that much easier for colleagues and, more importantly, the audience to judge whether you are allowing those opinions to influence your output.

Indeed, I worry about those political journalists I know who proudly state they have no political views. I worry because everyone has political views and, if you are not conscious of your own, then how are you going to take them into account when you are reflecting on the fairness, or otherwise, of your own reporting?

The most shining example of someone who has a "political past" but has developed into one of the most highly regarded political journalists of our time is the BBC's (now former) political editor Nick Robinson – who will be the next Today programme presenter. Many aeons ago Nick Robinson was chairman of the Young Conservatives, a fact that much exercised Alastair Campbell when he was Labour's director of communications.

But, as a former colleague and now as an academic researcher and a viewer, I would argue that his political analysis and commentary has been, indeed are, usually fair and perceptive.

So is Robinson an exception, that is a former (or could be current for all I know) Conservative working for the BBC in a leading political role, but doing a decent job of work; or is he more of a norm than people might think?

Fellow travellers

To begin with there's the BBC political journalist who gets the more political air-time than any other - Andrew Neil: he presents or co-presents five hours of television programmes a week including This Week, the Daily Politics and Sunday Politics. Neil is a penetrating interviewer, who exposes weaknesses in the arguments advanced by politicians of the left, right and centre. He's also a former Murdoch editor, was a researcher for the Conservative Party and is chairman of the Conservative-supporting Spectator magazine. He stoutly argued his free market views at the Hayek lecture at the right-wing Institute of Economic Affairs in November 2005.

But the real power, the critics might argue, is behind the scenes, where the left dominates. Or does it? Nick Robinson's former senior producer, Thea Rogers, left the BBC in 2012 to become special advisor to the chancellor of the exchequer, George Osborne. Then there's Robbie Gibb, the editor of BBC TV's live political programmes; he was a deputy chair of the extreme right-wing Federation of Conservative Students and went on to become chief of staff to the senior Conservative MP Francis Maude before joining the BBC.

Nor should we overlook the fact that David Cameron replaced his previous press secretary, Andy Coulson, with the then-editor of BBC News, Craig Oliver and around the same time London's Tory Mayor, Boris Johnson, recruited BBC political correspondent Guto Harri, to head his media team (and when Harri moved on to the Murdoch Empire he was replaced by Will Walden, a BBC news editor at Westminster).

But in the context of Tory-aligned personnel in influential positions within the BBC, perhaps most importantly of all, one thinks of the recently retired the chair of the BBC Trust was Lord Patten, a former Conservative cabinet minister. Hands up those who can remember the last time a former Labour minister chaired the BBC? The correct answer is never. Patten was, by my reckoning, the tenth BBC chair to sit in either the Commons or Lords on the Tory benches; the equivalent Labour total is two – Phillip Inman (created Baron Inman) – who was chairman of the governors in 1947, for less than a year, and he was succeeded by Ernest Simon, 1st Baron Simon of Wythenshawe.

As for the BBC's other Labour links – the last chairman with any Labour connections was Gavyn Davies who was, as will be recalled, forced to resign by a Labour government. A former Labour minister, James Purnell is currently working as a senior BBC executive, specifically on charter renewal and presenter Andrew Marr had a well-publicised flirtation with Trotskyist grouplets in his youth.

The only other current or recent Labour connections I am aware of are political correspondent, Lance Price, who left the corporation to become Labour's director of communications. Broadcaster Melvyn Bragg who, when he became a Labour peer was immediately banned from appearing on any programmes that might have any political content.

Eye of the beholder

So why, despite the demonstrable connections between the BBC and Conservatives and the paucity of connections on the other side, as well as the plethora of academic research that demonstrates that if there is a bias in the BBC's reporting of politics it is to the right rather than the left, do Conservative newspapers, politicians, and presumably voters, think the opposite?

First, on a very basic level of political instincts, those on the right are not sympathetic to public bodies per se. There is an innate belief that in virtually all areas of life the private sector does things better. Hence, the BBC is seen as almost one of the last vestiges of the nationalised industries created by the post-war Labour government, even though the corporation came into being two decades earlier under a Conservative government.

Then, there is the nature of journalism itself. It attracts curious, slightly obstreperous, people who like to ask awkward questions, usually of the establishment. This can be seen as an essentially left-wing activity and way of thinking – but the very same description applies to journalists of the right.

The final reason is, in my view, that the right tends to make more noise about these matters. This is because those on the left of the political spectrum feel highly conflicted about the BBC, so their case goes by default. This is partly because they tend to have a broadly positive view of the BBC – they regard the concept of public service broadcasting as a societal good – and as a result are extremely reluctant to join the right in their campaign of Beeb-bashing.

Follow the money

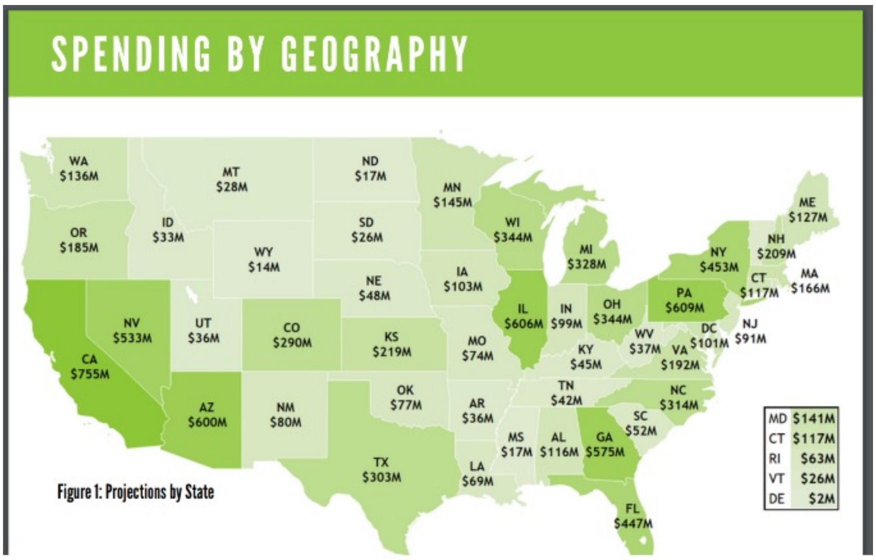
All the above suggests we are dealing with genuinely-held beliefs about media bias, one way or another. However, it would be foolish to ignore the fact that what drives the Conservative-supporting newspapers to attack and seek to undermine the BBC has as much to do with profits as it does with politics.

All newspapers see the BBC as a formidable competitor, not just for audiences but for income as well. Conservative-supporting newspapers are outraged by what they see as “public money” – in fact, income from the licence fee – being used to fund a direct competitor. Indeed, the BBC News Online site, according to the most recent research from the Reuters Foundation dwarfs the sites of the Mail Online (and the Guardian for that matter) in terms of both readership and trust.

An additional motivation for the Murdoch-controlled papers seeking to undermine the BBC is that its BskyB network competes with the BBC head-for-head, for audiences and hence it would almost be foolish of them not to attack the BBC.

These ongoing political attacks on the BBC as a bastion of left-wing thinking would be an irritation, a severe irritation, at any time. But with a Conservative majority government in office, an upcoming renewal of the BBC’s charter and licence fee settlement pending and a secretary of state not seen as one of the BBC’s most passionate supporters, these attacks could have very serious consequences, not just for the BBC but for the country as a whole, just how serious the consequences might be will become clear in the next few months.

Political Advertising hits $9.7 Billion for US Mid Term Elections



Federal and state spending on 2022 elections set to top $16.7 billion, making them the most expensive midterms ever

US Mid-term Elections.- Nov. 2022

US politics is ugly with polarisation of the US public and both parties split. The election of some Republican candidates is seen as a threat to democracy but left Democrat Bernie Sanders points out the real threat to democracy is corporate money.

Sanders also noted that billionaire Rick Caruso, a former Republican running to become the next mayor of Los Angeles, has poured $100 million of his own fortune into the California race.

'That's Oligarchy': Sanders Rips Billionaires for Trying to Buy Midterm Victories

Rallying for Pennsylvania congressional candidates Summer Lee and John Fetterman in Philadelphia on Sunday, Sen. Bernie Sanders ripped U.S. billionaires for pumping record-breaking sums of cash into the midterm elections in an effort to sway the results in their favor.

"It is not just Trump and his allies who are trying to undermine American democracy," Sanders (I-Vt.) told the crowd gathered at Franklin Music Hall Sunday night. "You are living right now under a corrupt political system which allows billionaires to buy elections."

The senator pointed specifically to the AIPAC-founded, billionaire-funded super PAC spending big to defeat Lee in Pennsylvania's 12th Congressional District. Sanders also noted that billionaire Rick Caruso, a former Republican running to become the next mayor of Los Angeles, has poured $100 million of his own fortune into the California race.

"Billionaires are saying, 'Hey, we own the country, we may as well own the political system, and I'm going to elect you and I'm going to defeat you.' That ain't democracy, that's oligarchy," said Sanders, who argued only a massive surge of voter turnout and transformative legislative action will be enough to counter billionaires' influence.

According to an analysis released last week by Americans for Tax Fairness, U.S. billionaires who have seen their wealth skyrocket during the coronavirus pandemic have spent nearly $900 million on federal elections this cycle, with significantly more going to Republican candidates than Democrats.

On Thursday, The New York Times reported that "political spending on the 2022 midterm elections will shatter records at the state and federal levels, with much of it from largely unregulated super PACs financed with enormous checks written mainly by Republican megadonors."

"The American campaign finance system increasingly mirrors American society, with hundreds of thousands of small donors trying to keep pace with a billionaire class whose spending appears nimble and bottomless," the Times continued. "While both parties have their billionaires, Republicans have many more. Of the 25 top donors this cycle, 18 are Republican, according to Open Secrets, and they have outspent Democrats by $200 million."

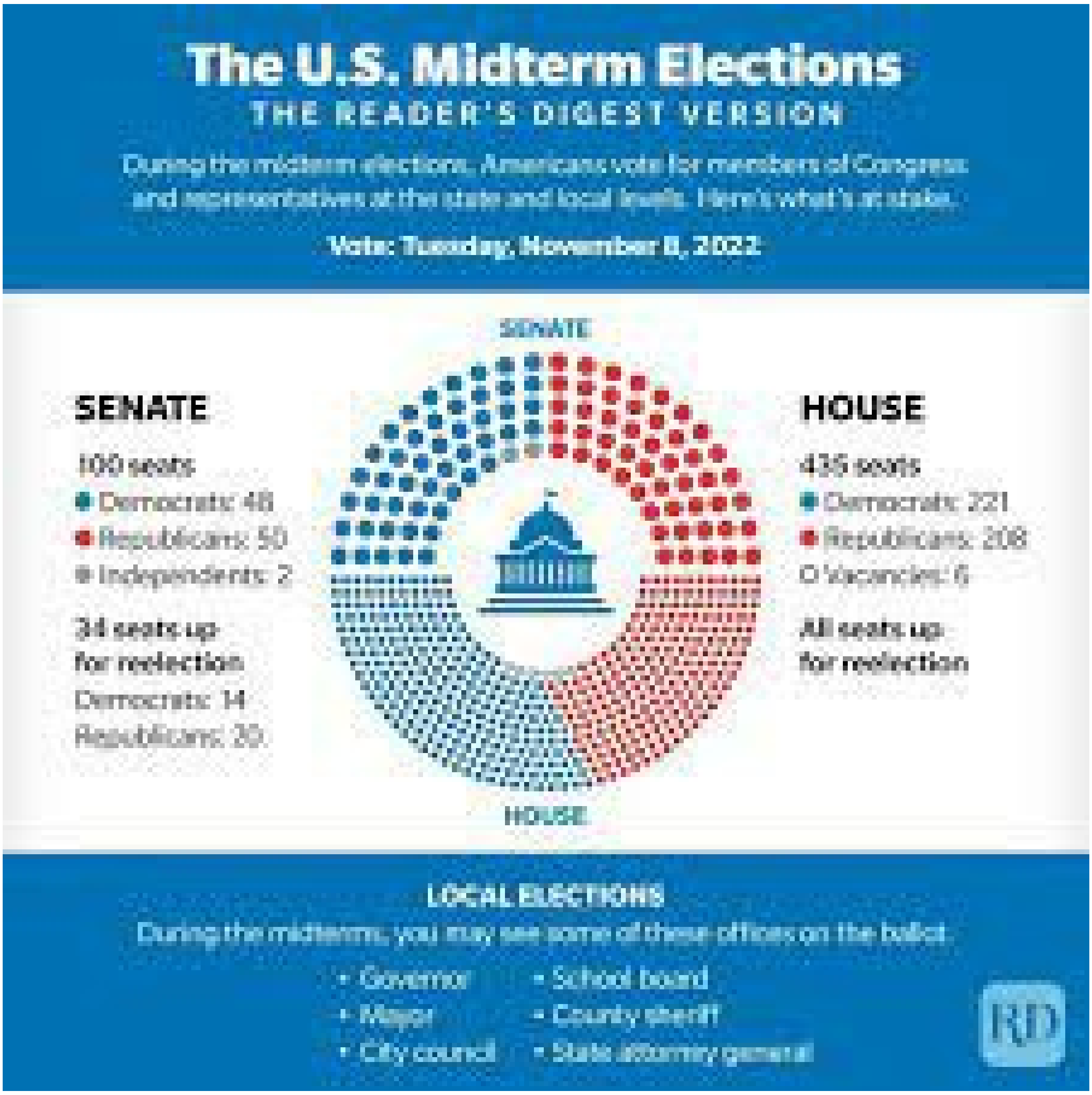
With billionaires spending massively and election-denying Trump loyalists running for Congress and key positions at the state level, Sanders argued that the November 8 midterms are "about saving the foundations of American democracy."

"Pennsylvania is one of three or four pivotal states in this country," the Vermont senator said. "And this election will be close. So I'm asking you now, in the next few days, to do everything you can to vote, get your friends to vote, help elect John Fetterman, help elect Summer Lee, help elect Josh Shapiro, your next governor. And do everything you can to defeat Republican extremism."

Looking beyond Tuesday's vote, Sanders said, "Don't think that it's all over on Election Day, no matter what happens."

"Your job is to have a vision," he continued. "We are the wealthiest country in the history of the world. All over this world, people in country after country, people walk into the doctor's office, they don't have to take out their wallet, their credit card. All over the world, you have countries in which young people can get a higher education without having to go deeply into debt. People have paid family and medical leave. We can do those things, and we can do more."

"We can do these things," Sanders added, "if we have the guts to stand up to corporate greed, to stand up to a billionaire class that wants it all."



Any progress in the US is blocked by its constitution

We cannot expect either party to introduce laws that will share wealth or address the ecological damage big business does — propertied interests have been protected from actual democracy since 1789, writes ROBERT OVETZ

John Jay explained in an 1810 letter why they designed the constitution this way: "Those who own the country are the most fit persons to participate in the government of it."

AMERICAN DREAM: The 1787 constitutional convention as imagined by artist Howard Chandler Christy, in 1940, and (below) a copy of the US constitution, which came into force in 1789

THE US midterm election is being portrayed as a battle between whether the Democrats or the Republicans will control Congress. But regardless of who prevails, none of the issues that matter to the economic majority will change.

Crises ranging from climate catastrophe, police terror, to corporate power have continued for decades without resolution and are certain to go unaddressed even after the election. We blame many things for why nothing gets done. Partisanship between the two dominant parties, corporate dark money rigging elections and apathetic voters get all the blame. These, however, are the symptoms of the problem: the cause is the US constitution.

Nothing seems to change because, as I show in my new book, We the Elites: Why the US constitution Serves the Few, the "founding fathers" (I prefer to call them "the framers") designed the constitution to resist any change that would serve the economic majority.

The framers abhorred and feared a democracy of what they called "the many." Speaking for his fellow elites, the economic "minority," Alexander Hamilton warned in Federalist Paper 51 that, "if a majority be united by a common interest, the rights of the minority will be insecure." The Federalist Papers were editorials endorsing ratification of the constitution.

Hamilton was hardly alone. Many of his fellow framers were already bemoaning the dangers of majority rule for years before they wrote the constitution in 1787.

They had very good reason to fear the economic majority at the time. The vast majority of state governments had written new more democratic constitutions in response to organised pressures from below. The framers repeatedly called these modestly more democratic states "anarchic," "tyrannical," and "dangerous." They could see what happens when everyday people organise and are allowed to vote, get elected to office and change the law to serve their interests.

And when the economic majority was locked out, they marched, armed themselves and carried out insurrections such as the Shays' Rebellion in Massachusetts in 1786 against taxes intended to repay financial speculators in revolutionary war debts.

The economic majority had worked to pass debt relief, paper money that could be used to pay debts and taxes, an end to hoarding and price gouging, and land banks to cheaply borrow money using land as collateral. James Madison denounced these policies as threats to property by the "tyranny of the majority" in Federalist Paper 10.

Because small farmers, labourers, Native Americans, and even slaves were inspired by the revolution against the British to take militant political action, the elites worked to replace the decentralised Articles of Confederation (1777), our first constitution, with the present constitution that came into effect and has remained in place since 1789.

Growing up in the US we learn the fairy tale that the constitution's "checks and balances" protect the majority from tyranny. In practice, however, these checks empower the minority to tyrannise the majority.

These are what I call "minority checks" that elites use to block change they oppose. Because those who want change have to win at every step in the legislative, judicial, and administrative process, it means that a single loss defeats the effort.

The constitution was written to block any change that threatens the propertied interests of the elites. John Jay explained in an 1810 letter why they designed the constitution this way: "Those who own the country are the most fit persons to participate in the government of it." No more honest admission of elite rule can be found.

Minority checks in the constitution are the elite's insurance policy that no systemic changes threatening property can occur. Property, slavery being the most important, is well protected in the constitution. Attempts to democratise the economy are likely to be found unconstitutional for violating the due process and just compensation for property clauses in the 5th and 14th amendments.

This is why elections cannot make meaningful change. Changing who is office does not change the rules of the system designed to constrain political democracy and prevent economic democracy. While US history has periodic examples of disruptive organised movements from below forcing elites to make reforms, these changes are designed to serve elite interests.

Labour law written in the 1920s and '30s in response to worker struggles is just one of the many examples. While unions celebrate these reforms, they were designed to hamper worker organising, impede unionisation and all but ban strikes.

We're seeing these same laws being used today to fire organisers and avoid collective bargaining at Amazon and Starbucks, for example.

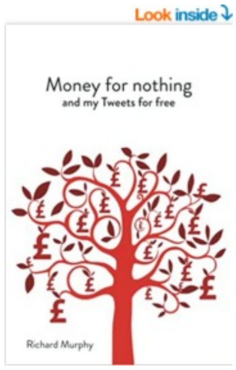
To make change we have go outside and around the system. The economic majority needs to design a new system of economic democracy it controls.

As the global empire today, the planet depends on the success of this effort. We must urgently change both our undemocratic political and economic systems if humanity and most life on earth are to survive.

To do that we need to get past the US constitution.

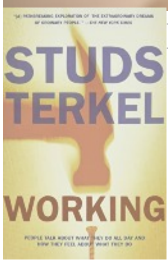
Robert Ovetz will be speaking in London about his new book We the Elites: Why the US Constitution Serves the Few at Freedom Books on November 10 at 7pm and Bookmarks on November 11 at 6.30pm.

Media and Reading



In November 2020 Richard Murphy decided to write a Twitter thread to explain how quantitative easing works because it was apparent that there was widespread misunderstanding on the issue. That thread was more than thirty tweets long. It reached more than 400,000 people and created around 30,000 interactions. By accident Richard had discovered a new mechanism for explaining how the economy works.

Richard Murphy is Professor of Accounting Practice, Sheffield University Management School, a chartered accountant and economic justice campaigner. He blogs at http://www.taxresearch.org.uk/Blog/ and tweets @RichardJMurphy.



Read the Book

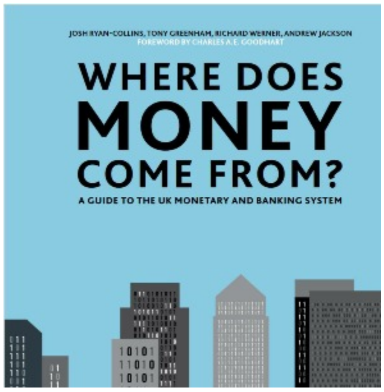
Working Titles: Working

Classic oral history by Studs Terkel, adapted by Sarah Wooley.

Studs Terkel was a giant of American radio broadcasting, transmitting out of his beloved Chicago. He was also an oral historian. For this book, WORKING, he travelled around America in the early 70s with his tape recorder, talking to ordinary Americans about their jobs: steelworkers, sex workers, waitresses, janitors. In this adaptation we travel with Studs (Nathan Osgood) as he meets some of his interviewees and hears their stories. Fascinating, moving and surprising, these interviews record, as Studs put it, "the extraordinary dreams of ordinary people" and ask some searching questions about the purpose and the cost of the work we do.

Where does money come from .- Free download

Defining money is surprisingly difficult. We cut through the tangled historical and theoretical debate to identify that anything widely accepted as payment, particularly by the government as payment of tax, is, to all intents and purpose, money. This free download takes you through the many descriptions and functions of money



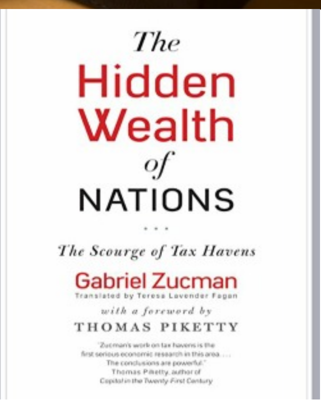
Understanding the Economy- Radio 4

Everything you need to know about the economy and what it means for you. This podcast will cut through the jargon to bring you clarity and ensure you finally understand all those complicated terms and phrases you hear on the news. Inflation, GDP, Interest rates, and bonds, Tim Harford and friends explain them all. We'll ensure you understand what's going on today, why your shopping is getting more expensive or why your pay doesn't cover your bills. We'll also bring you surprising histories, from the war hungry Kings who have shaped how things are counted today to the greedy merchants flooding Spain with Silver coins. So if your eyes usually glaze over when someone says 'cutting taxes stimulates growth', fear no more, we've got you covered.

Media and Reading (cont)

In September, the UK's new government took power heralding a ‘supply-side’ revolution. But what is supply-side economics, and what do its origins in the battles of the 1970s and 1980s tell us about the rapid rise and fall of ‘Trussonomics’, and where we go from here?

The economics writer Duncan Weldon talks to Arthur Laffer about his campaign for tax rate reductions in the America of the 1970s - all the way from a dinner in Washington with Donald Rumsfeld in 1974, through a populist campaign to cut California property taxes in 1978, through to his work with President Reagan in the 1980s.



How to Raise a Trillion - Radio 4

In April 2020, the total managed expenditure of the UK Economy broke through the trillion pound barrier for the first time. Estimates from the Office of Budget Responsibility put the 2022/23 figure at £1,087 billion, equivalent to around £38,000 per household or 43.2 per cent of national income. In this series, Martha Kearney and BBC Economics Correspondent Dharshini David break down the income side of the UK’s balance sheet and look at how different forms of taxation, borrowing and the expectation of economic growth are likely to contribute to the way we pay for economic recovery.

How to Steal a Trillion- Radio 4

Author and journalist Oliver Bullough traces Britain's vital role in the growth of 'offshore' money laundering - from its origins in the City of the 1950s, through to its impact today.

In this omnibus edition of the series, he traces the origins of 'offshore' back to the sleepy City of London of the 1950s. A moment of inspiration fuses with the shock of the Suez Crisis to create the launch of a whole new approach to finance. From there, he traces how offshoring developed through Britain's links to an unusual number of islands - the 'last pink bits' on the old Imperial map, and Crown Dependencies, such as Jersey. Next he explores the arrival of Russian oligarchs in the 1990s, and the growth of the shell company.

Radio 4 Book of the Week

Edible Economics by Ha-Joon Chang

Over five episodes he zooms in on garlic, bananas, okra, rye and chocolate, using the histories behind familiar foods - where they come from, how they are cooked and consumed, what they mean to different cultures - to explore economic theories. Witty and thought-provoking, Professor Chang sets out to challenge ideas about the free-market economy which he believes have been too easily accepted for decades.