



## **rRemarks Data for January 9, 2024 Village Council Meeting**

**Agenda Section:** Comments of a General Nature

**Agenda Item:** Comments of a General Nature

**Commenter:** David Rose

**Comment:** Response to expected MLK jr Day Proclamation

Anticipating the VCC (village council chair) opting to reprise verbatim his annual proclamation for MLK Day ...

I will reprise mine, with some small alterations.

Jan 15 is Martin Luther King Jr Day in the US in 2024.

VCC's proclamation will likely call for a day of service.

In my 2022 and 2023 responses I noted that such a call was a classic version of the sterilized, milquetoast way in which white America — especially the well-to-do part of it — wishes to remember and memorialize the life and work of Martin Luther King Jr.

I further said that I didn't believe King and his supporters were marching and subjecting themselves to physical attack and risk of death so that more people in the US would be motivated to work in a food pantry or soup kitchen, paint the walls of a senior center, or render some other service to each other.

I went on to say our country still does not have a national community service entity because the Republican Party part of it believes such an entity would likely pursue objectives and engage in activities it opposes. Better to have the principal —indeed sole — focus of promoting unity in the country be the military, and the fomenting of paranoia about and the waging of war against all those foreign nations who fail to appreciate ours is the exceptional nation, God's gift to the world.

So here we are over 50 years after MLK's untimely death, assassinated at age 39, and much of what he struggled for remains still to be done.

King pondered the obstacles he faced, and was coming to believe 'white well-meaning moderates' were among them. In what has become known as his Letter from Birmingham Jail, in 1963 he wrote the following:

"I have almost reached the regrettable conclusion that the Negro's great stumbling block in the stride for freedom is not the White citizens' 'Councilor' or the Ku Klux Klan, but the white moderate who is more devoted to 'order' than to justice; who prefers a negative peace which is the absence of tension than to a positive peace which is the presence of justice; who constantly says 'I agree with you in the goal you seek, but I can't agree with your methods of direct action(;)' who paternalistically feels that he can set the timetable for another man's freedom; who lives by the myth of time and who constantly advises the Negro to wait until a 'more convenient season.' Shallow understanding from people of good will is more frustrating than absolute misunderstanding from people of ill will. Lukewarm acceptance is more bewildering than outright rejection."

At VC's 18 Jan 2022 meeting, the VCC issued a further proclamation calling for a "civil rights week." I applauded the VCC for issuing that further call. Last year, the VCC issued no such call, perhaps worried doing so might antagonize the white Christian nationalist conservatives he hoped would vote for him in the then-upcoming election.

So I fleshed out the VCC's 2022 supplemental proclamation and extended it, on the grounds King's work did not end with what we refer to as 'civil rights.'

Specifically, I said I hoped the VCC's proclamation included a call for

a day of self-examination, both personal and institutional, to assess one's relationship to racism and other forms of exploitation.

a day of reconciliation that explores how to heal the deep wounds of our nation's history and shrink the racial, ethnic, and class divides.

a day of empowerment, in which people are encouraged to examine the impact past suppression of African American voting has had and discuss what needs to change if voting in our democracy is to be not something we fight over but something we practice as a key part of the joint responsibility we call self-governing.

a day of peace and restraint, in acknowledgement of King's opposition to the Vietnam War and American militarism more generally; for us, an opportunity to assess among other things how it is our nation's self-image contrasts so dramatically with its interminably acquisitive and belligerent behavior in the world. to assess how all too many of us have a facile capacity to dehumanize in the name of any of a range of motives, from self-aggrandizement to pursuit of higher good.

a day of justice and opportunity, in acknowledgement of King's recognition that fighting to overcome poverty was a way to unify and uplift poor people of every color. A day, in other words, in which we examine why our democracy has failed to ensure equal educational and economic opportunity, medical care, and safety in one's person. in which we investigate what must happen for our society to stop using poor people, especially poor people of color, as the safety-valve whenever the capitalist economy needs a downturn in order to undo its excesses.

a day of dignity and equality, in which we assess why our capitalist economy has failed to deliver higher standards of living for so many and not only failed to reduce inequality but worsened it, and explore how to change these failings in order to allow each of us to provide for and contribute to our individual and collective well-being.

finally, a day of environmental sustainability, in acknowledgement of King's opposition to materialism, in which we examine to their very core the workings of the capitalist system in order to figure out what needs to change in both the public and private sectors if we are to prevent the ravages of our present environmentally unsustainable way of living from devastating not only the poor, regardless of race or ethnicity, but every single one of us.

Are. we likely to see DG respond more vigorously this year than in the past to MLKjr's life and work?

If pattern prevails, my assessment will hold true:

MLK Day as a day of service? That's about the least white America can do to honor Dr King.

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**Comment:** State of village report #1

CC applauds VC's ongoing success in managing its finances and avoiding raising property taxes.

To repeat prior observations I have made to VC, I note again one's interpretation here is based substantially on one's analyses of what is producing economic performance in general, from the local to the national economy.

Dueling analyses:

Bidenomics is working

"Opinion: There's a reason the U.S. economy soared and others were mediocre" -  
WaPo Heather Long

<https://wapo.st/3TKJQx0>

excerpt+++++

There's only one appropriate word to describe the U.S. economy in 2023: "miracle." Many experts said a recession was inevitable. They said there was no way inflation would ease without massive job losses. They were wrong. Not only was there no recession in 2023, but growth accelerated as the year progressed. Inflation cooled sharply (from 6.4 percent to 3.1 percent), and the economy added more than 2.5 million jobs. This doesn't mean everything was perfect, but it's important to celebrate the economic equivalent of an underdog athlete winning gold. And to ask: How did it happen?

The most straightforward explanation is that it took a lot longer than almost anyone predicted to get back to normal after the pandemic. Inflation also turned out to be largely caused by supply problems. That's unusual. Normally, demand is what causes prices to spike. The Federal Reserve then hikes interest rates to kill demand, but this typically brings big job losses and a recession. This round was different because, after the pandemic, it took a long time to fix supply chains. Plus, there was a labor supply

problem, as it took a while to get enough people back to work. As supply glitches abated in 2023, inflation subsided around the world.

This isn't the full story in the United States. Americans kept their spending sprees going all year long. This, too, was a big surprise. Experts had predicted spending would nosedive as people depleted their pandemic savings, and polls showed that Americans were gloomy, rating this economy as "fair" or "poor." Yet people kept spending as though the economy were booming. JPMorgan ran the numbers and found that Americans are spending more now than they did before the pandemic, even after adjusting for inflation. This isn't happening elsewhere in the world. In Europe and Japan, for example, consumers are spending the same as they did pre-pandemic.

(snip)

Something more was also at play: In recent years, Americans have grown wealthier, and not just the rich. Households across the income spectrum have seen the largest surge in wealth on record. This was driven mainly by a surge in the U.S. stock market (nearly 60 percent of families now have some stock ownership, generally via retirement funds) and a gigantic rise in home values. The vast majority of homeowners locked in mortgage rates under 5 percent, which insulated them from the Federal Reserve's painful rate hikes. (Most other countries do not lock in a mortgage rate for 30 years, and this leaves their homeowners far more exposed to interest rate hikes.) Meanwhile, U.S. home values soared. People feel wealthier, even if they haven't actually sold their homes or stocks. When people feel wealthier, they tend to spend more.

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OR

"Late stage bubbles" likely to pop at any time

Doug Noland explains the crucial roles of Fed bailouts and leveraged speculation negating 'Fed's (purported) tightening' in perpetuating froth in the financial sector and thereby the appearance of an economic miracle

Bailouts

<http://creditbubblebulletin.blogspot.com/2023/12/weekly-commentary-2023-year-in-review.html>

excerpt from ++++++

The banking crisis policy response was arguably the year's most consequential market development. The Fed and FHLB combined to inject \$700 billion of liquidity into the banking system. This liquidity ameliorated bank runs while spilling into increasingly speculative financial markets. Moreover, Washington essentially guaranteed all U.S. banking deposits in the process, while the Fed added to its menu of lending facilities (Bank Term Funding Program (BTFP)) that allayed market trepidation that runs would force the liquidation of bank bond portfolios (with huge unrecognized losses).

One cannot overstate the impact these extraordinary measures had on speculation and the global government finance Bubble, more generally. No longer would the market fear that Federal Reserve "tightening" might weaken the Fed's market liquidity backstop ("Fed put"). Markets could stop fretting that necessary liquidity support might arrive too late and in inadequate scope. Indeed, the specter of bank runs and domino bank failures had Washington moving early and aggressively to thwart potential de-risking/deleveraging. In the end, three of the four largest bank failures in U.S. history only emboldened leveraged speculation and speculative excess more generally.

We witnessed in 2023 the unprecedented brute power of the global government finance Bubble, with forces that leave all previous Bubbles in the dust. We saw confirmation of the incredible might of money-like instruments empowered by insatiable demand characteristics. We witnessed the dynamics of a Bubble at the core of money and Credit, and how today's Bubble Dynamics are distinct from previous more peripheral Bubbles (i.e., mortgage finance and corporate Credit).

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Leveraged speculation

[http://creditbubblebulletin.blogspot.com/2023\\_12\\_22\\_archive.html](http://creditbubblebulletin.blogspot.com/2023_12_22_archive.html)

My distillation of his analysis:

hedge funds are borrowing from big banks (who earn fees from the lending) in order to make 'basis trades' in the Treasury bond and futures markets, using 50-100 times leverage in order to make profit. The trades negate the impact of Fed tightening — its raising of interest rates — because the raised rates increase the potential profitability of basis trades: "significantly higher yields made the spread between Treasury bonds and futures just a little wider, ensuring robust demand from the big "basis trade" hedge

funds.” AND the leveraging ‘frees up cash’ to be invested elsewhere, adding thereby to the illusion of an economic miracle.

key extended excerpt ++++++

Ironically, Fed “tightening” spawned the ideal backdrop for Wall Street Treasury market intermediation and levered speculation - a speculative Bubble that generated liquidity abundance and loosened conditions, countering higher policy rates and QT.

For starters, significantly higher yields made the spread between Treasury bonds and futures just a little wider, ensuring robust demand from the big “basis trade” hedge funds. At the same time, the Wall Street firms were seeing strong institutional demand for Treasury futures from mutual/pension fund managers and insurance companies capitalizing on higher market yields (and likely “risk parity” and other levered hedge fund strategies that prefer Treasury futures). Other clients were dumping Treasury cash bonds to mitigate losses.

The big “basis trade” players were eager to take the opposite sides of these trades, selling Treasury futures and buying cash bonds - and doing so in enormous size. Meanwhile, money flooded into the money fund complex, generating more fund demand for money market instruments such as repurchase agreements (“repos”). This created essentially unlimited demand for the other side of hedge fund “repo” borrowings, with the money fund complex providing the critical source of funding for “basis trade” cash Treasury bond purchases.

It’s the ultimate “Fed put,” “too big to fail” and “Fed secures Treasury and ‘repo’ liquidity” all neatly wrapped up in a historic Trillion dollar “basis trade” levered speculation. Wall Street is overjoyed to profit handsomely as middlemen for Trillions of Treasury trades in the biggest and most liquid market in the world. The money fund complex, flush with an extra Trillion of liquidity, is content to lend in the “repo” market with “risk-free” Treasuries as collateral. And the big “basis trade” players, boy are they rendered speechless while raking in billions utilizing beyond egregious leverage - cocksure the Fed understands it must act immediately to ensure liquid and continuous trading in Treasury and Treasury derivatives markets.

The Fed's restart of QE in the summer of 2019 in response to “repo” market instability emboldened Wall Street and their “basis trade” partners. And then the Fed’s direct market bailout in March 2020, leading to \$5 TN balance sheet expansion, confirmed there were no longer any limits on Federal Reserve market liquidity backstop operations. Importantly, the Fed/FHLB’s \$700 billion liquidity injection this past March

assured the levered players that “tightening” would in no way detract the Fed from its backstop commitment. Indeed, the Fed was prepared to move forcefully and hastily to nip de-risking/deleveraging in the bud.

In a November 5th Financial Times article (Costas Mourselas and Harriet Agnew), “Citadel’s Ken Griffin Warns Against Hedge Fund Clampdown to Curb Basis Trade Risk,” Griffin made a key point:

“He noted that the basis trade brought down the cost of issuing government bonds, as hedge funds buy large quantities of Treasuries to pair against their short futures positions. ‘The ability for asset managers to efficiently gain exposure to Treasuries through futures allows them to free up cash to invest in corporate bonds, residential mortgages and other assets,’ he said. This is because futures are leveraged products requiring a fraction of the cash posted as collateral to maintain the position, rather than paying full price for a Treasury bond now.”

“Free up cash to invest in corporate bonds, residential mortgages and other assets” – with “other assets” these days certainly including stocks. Markets awash in liquidity in the face of higher rates and significant Fed QT (balance sheet liquidation) have been an incredible 2023 Bubble manifestation. Such speculative excess and asset inflation are upshots of some underlying monetary disorder.

Analysts focused on QT and the contraction of M2 would be hard-pressed to explain the monetary inflation behind bubbling equities prices. The unprecedented \$1.129 TN (24%) one-year growth in money market fund assets and the explosion of “basis trade” leverage suggest that levered speculation has become a pivotal source of system liquidity.

As a student of “Roaring Twenties” excesses (culminating in the 1928/29 speculative melt-up and subsequent crash), I worry greatly about how leveraged speculation has evolved into the prevailing marginal source of late-cycle system liquidity excess.

From the September 13th Financial Times article (Kate Duguid, Costas Mourselas and Ortenca Aliaj), “The Debt-Fuelled Bet on US Treasuries That’s Scaring Regulators:

“‘My biggest concern is that if we get a big unwind in this leveraged trade, it could really cause liquidity to dry up in the Treasury market,’ says Matthew Scott, head of rates trading at AllianceBernstein. In such a situation, it would be highly unlikely for the US central bank to simply stand back and watch. The executive at the large US bank says: ‘The assumption is that the Fed will step in to save the repo market, which they have in



the past, so my view is that they will step in again if anything happens.’ Intervention could involve buying bonds, thus undermining the central bank’s mission to tighten policy until it defeats inflation, and resembles an official safety net for the trade.”

It's a huge problem when leveraged speculation becomes such a prominent source of liquidity for markets and economies. In contrast to corporate and mortgage finance, there are basically no market constraints on Treasury issuance or levered speculation in Treasury instruments. The global government finance Bubble has inflated so far beyond all previous Bubble cycles.

I have been concerned for the inflationary consequences when the Fed is again compelled to use its balance sheet (QE) to accommodate speculative deleveraging. But the immediate risk is that this Bubble has become completely unhinged. Perhaps “basis trade” blowup worries were a factor in Powell’s dovish pivot, though he only stoked speculation raging in equities and derivatives markets.

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You can likely guess which one I find more helpful.

Which one do you find more informative?

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**Comment:** State of the village report #2

In contrast to the nonsense uttered by CC in his state of the village address about DG’s sterling past performance meeting criteria of the GRC protocol and its future plans to do even better, check out this piece by Steve Keen:

<https://www.resilience.org/stories/2024-01-05/the-economics-of-copout28/>

The piece echoes sentiments Keen spoke of in a podcast to which I have previously called attention. The theme of both: economists do not understand the danger posed by climate change.

excerpt++++++

The great lie that economists have perpetrated—due to their ignorance of climate, rather than any outright intention to lie—is that we have a choice. We might have had fifty years ago, when *The Limits to Growth* {Meadows, 1972} asserted that we had to alter our economic system to avert ecological crises in the 21st century. But because we didn't take that advice—thanks, in very large measure, to economists rubbishing their analysis without understanding it {Nordhaus, 1973}—choice no longer exists. Either we stop global warming, or global warming stops us. “Sustainable socioeconomic development” is no longer on the menu.

Instead, with more than 80% of our energy still coming from fossil fuels, we face a choice between business as usual followed by a chaotic collapse in global incomes, or a controlled reduction—as much as we can control it—with the burden imposed on those who can most afford it—the rich, rather than the poor, and inside countries as well as between them.

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“Controlled reduction” is more aptly called “planned degrowth.”

Unless and until VC, its hired hands, working with DG residents, put forward a Sustainability Plan and a corresponding Comprehensive Plan whose prime objective is planned degrowth, DG's efforts will in fact contribute to “business as usual.”

As expected, CC's remarks included praise for DG's continuing pursuit of econ growth as the way VC strives to keep residential prop taxes as low as possible. Which is to say: another example of his and VC's utter ignorance about ENVS.

In other words, consider DG simply one of innumerable entities lacking in self control who will stop their self-destructive pursuit of ever-more growth only when “mother nature” gives them/us no other ‘choice.’

If we truly love our children and grand-children, why are we leaving them such a colossal mess (to try?) to clean up?

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**Comment:** State of the village report as propaganda

In light of CC's state of the village report, most notably CC's nonsense on ENVIS, it seems only fitting to cite journalist John Pilger. Pilger died recently. Those on the left revere his work.

Consortium News dot com republished on 08 Jan 2024 a presentation he gave in 2022: "Silencing the Lambs: How Propaganda Works"

<https://consortiumnews.com/2024/01/08/john-pilger-silencing-the-lambs-how-propaganda-works-2/>

excerpt+++++

In the 1970s, I met one of Hitler's leading propagandists, Leni Riefenstahl, whose epic films glorified the Nazis. We happened to be staying at the same lodge in Kenya, where she was on a photography assignment, having escaped the fate of other friends of the Führer.

She told me that the "patriotic messages" of her films were dependent not on "orders from above" but on what she called the "submissive void" of the German public.

Did that include the liberal, educated bourgeoisie? I asked. "Yes, especially them," she said.

I think of this as I look around at the propaganda now consuming Western societies.

Of course, we are very different from Germany in the 1930s. We live in information societies. We are globalists. We have never been more aware, more in touch, better connected.

Or do we in the West live in a Media Society where brainwashing is insidious and relentless, and perception is filtered according to the needs and lies of state and corporate power?

The United States dominates the Western world's media. All but one of the top 10 media companies are based in North America. The internet and social media – Google, Twitter, Facebook – are mostly American owned and controlled.

In my lifetime, the United States has overthrown or attempted to overthrow more than 50 governments, mostly democracies. It has interfered in democratic elections in 30 countries. It has dropped bombs on the people of 30 countries, most of them poor and defenceless. It has attempted to murder the leaders of 50 countries. It has fought to suppress liberation movements in 20 countries.

The extent and scale of this carnage is largely unreported, unrecognised, and those responsible continue to dominate Anglo-American political life.

Harold Pinter Broke the Silence

In the years before he died in 2008, the playwright Harold Pinter made two extraordinary speeches, which broke a silence.

“U.S. foreign policy,” he said, is

“best defined as follows: kiss my arse or I’ll kick your head in. It is as simple and as crude as that. What is interesting about it is that it’s so incredibly successful. It possesses the structures of disinformation, use of rhetoric, distortion of language, which are very persuasive, but are actually a pack of lies. It is very successful propaganda. They have the money, they have the technology, they have all the means to get away with it, and they do.”

In accepting the Nobel Prize for Literature, Pinter said this:

“The crimes of the United States have been systematic, constant, vicious, remorseless, but very few people have actually talked about them. You have to hand it to America. It has exercised a quite clinical manipulation of power worldwide while masquerading as a force for universal good. It’s a brilliant, even witty, highly successful act of hypnosis.”

Pinter was a friend of mine and possibly the last great political sage – that is, before dissenting politics were gentrified. I asked him if the “hypnosis” he referred to was the “submissive void” described by Leni Riefenstahl.

"It's the same," he replied. "It means the brainwashing is so thorough we are programmed to swallow a pack of lies. If we don't recognise propaganda, we may accept it as normal and believe it. That's the submissive void."

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Americans, particularly the educated, well-off ones, have been swimming in a sea of propaganda for decades.

CC's report is a fine example of the practice at the local level: a description of mundane local 'successes' floating on a vast sea of lies.

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**Comment:** Still more on does a bully have a right to be a bully

This "Notes from the Editors" of Monthly Review argues the Gaza genocide is simply another manifestation of historical pattern not uncommon in Western 'civilization':

[https://monthlyreview.org/2024/01/01/mr-075-08-2024-01\\_0/](https://monthlyreview.org/2024/01/01/mr-075-08-2024-01_0/)

A socialist analysis, so not worth considering? Right?

South Africa has filed a case against Israel's assault on Gaza as genocide in the International Court of Justice. It can be found here:

<https://d3i6fh83elv35t.cloudfront.net/static/2024/01/192-20231228-app-01-00-en.pdf>

US support for Israel's conduct makes it too a potential target of such claims, though US leaders (with notable exceptions) have been more circumspect in their comments.

Cynics refer to it as the US preference for humanitarian bombing -- ""look at what you made us do to you."" [See my comment about propaganda.]

Fighting is now at the juncture skeptical observers of the purported US desire to avoid a wider war (the US claims its military actions are, like Israel's, a response to defend itself against 'unprovoked' attack) talk openly of Netanyahu and Israel working hard to draw Biden and the US into a wider war. "Bomb, bomb, bomb. Bomb, bomb, Iran."

No problem, right? Just look at the success of US support for Ukraine.

Fortunately, the NFL playoffs are about to start, so Americans have something exciting to keep them occupied while all this is going on.

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**Comment:** Should DG leaders be worried?

It's known the country is divided politically, and both leading prez nominees claim the other person and party are a threat to democracy.

The difference in assessment is based on a difference in what each side understands as the 'democracy' one is trying to save. The Trump Repub version is white Christian nationalist. The Biden Dem version is not-quite-so-white not-exclusively-Christian but-still-global hegemon.

The 2024 election is expected to be chaotic, with results leaving many (a majority?) unhappy regardless of who wins.

Problem in that regard: Both sides have partisans ready to resort to violence.

Or so a recent interview of U of Chi Prof Robert Pape on Amanpour and Co discussed:

<https://www.pbs.org/video/the-unseen-faces-of-jan-6-2uks32/>

Fine handy example: In his campaigning Trump calls those arrested and convicted for participating in the Jan 06 events not insurrectionists but 'hostages.'

According to a piece in the NY Times :

""Trump Is Connecting With a Different Type of Evangelical Voter""

Graham, Ruth; Homans, Charles. New York Times (Online) New York Times Company. Jan 8, 2024.

evangelical Christianity is no longer a religious but rather a cultural identity, one in which Trump is a savior whom "believers" see as the bringer of salvation not for the hereafter but for the here and now.

The phenom is discussed further in Robert Jeffress' book "The Kingdom, the Power and the Glory."

Pape voiced surprise at the proportion of participants in Jan 06 who were well-off.

All of which makes me wonder: how will DG residents vote in the upcoming election?  
how will they react to the results?