How Snowden Changed the World

Globe-rattling disclosures from NSA whistleblower Edward Snowden began a year ago and have shaken how the world understands the capacity of the U.S. government and its allies to pry into almost every facet of the lives of almost anyone, as former British intelligence official Annie Machon recalls.

By Annie Machon

A year ago I stumbled across a story about a troubling new surveillance program developed by the National Security Agency: Prism. While nobody was identified as the source of the disclosure, I was awestruck by the bravery of this unknown person who had made this information available to the public.

At the time the Obama administration had been waging an aggressive war on whistleblowers even as U.S. officials responsible for actual aggressive war on Iraq and the torture of "war on terror" detainees were escaping accountability.

Ex-CIA officer, John Kiriakou, who helped expose the CIA's torture program, was languishing in prison; Kirk Wiebe, Willliam Binney and Thomas Drake of the NSA had narrowly escaped prosecution for exposing NSA malfeasance. Indeed, despite having gone through all the approved channels, Drake had faced a 35-year prison sentence.

And, of course, the kangaroo court of military justice had just started to try Chelsea Manning for her exposure of U.S. war crimes concealed in classified files. It is the whistleblower Manning who is now serving a 35-year stretch in prison, while the war criminals and torturers continue to walk free.

President Barack Obama has used and abused the 1917 U.S. Espionage Act against whistleblowers during his years in the White House more times than all his predecessors put together. This paranoid hunt for the "insider threat" has been going on since at least 2008, as we know from documents leaked to Wikileaks in 2010.

Against this background, fully aware of the hideous risks he was taking and the prospect of the rest of his life behind bars, a young man stepped forward. Four days after the initial Prism disclosure, Edward Snowden announced to the world that he was the source of the story and many more to come. He was clear then about his motivation and he remains clear now in the few interviews he has done since: what he had seen on the inside of the NSA caused him huge concern.

The American intelligence infrastructure, along with its equivalent agencies across the world, was constructing a global surveillance network that not only threatened the Constitution of the United States, but also eroded the privacy of all the world’s citizens.

According to another disclosure, the global surveillance state wanted to “master the Internet,” a project headed by the United Kingdom’s Government Communications Headquarters or GCHQ, the NSA’s British counterpart. As increasing numbers of us conduct aspects of our lives over the Internet (be it banking, health, social lives, organizations, activism, relationships) this growing lack of privacy strikes at the very root of democracy.

Privacy was enshrined as a basic human right in the United Nations Declaration in 1948 precisely because without it we are vulnerable to the encroachments and abuses of the state. What Snowden has disclosed would fulfill the Stasi’s wildest dreams and has the potential to go beyond the dystopic horrors of George Orwell’s novel *1984*.

So what did Snowden disclose? Prism was only the start, and that was bad enough – a program to scoop up all our metadata: whom we’re in contact with, for how long, what we’re reading, what we’re viewing. NSA apologists say that this is not invasive, it is not looking at the contents of the communications. But I can assure you that metadata is intelligence gold dust. It can provide a far more detailed overview of a person’s life than any individual communication often can.

But it gets worse. Then came Tempora and associated documents that disclosed that the UK’s GCHQ was mainlining information from the transatlantic fiber-optic cables, which affected all European citizens, as well as displaying how GCHQ was prostituting itself to the NSA for money and putting NSA objectives above the priorities of the UK government.

And then XKeyscore, enthusiastically used by Germany’s BND, presumably without the knowledge of its political masters. There have been many more: Brazil’s Petrobras oil company, the French telephone network, charities, the Muscular access point and the massive Fascia database, which contains trillions of device-location records Where to stop?

This year Britain’s Joint Threat Research Intelligence Group was using Squeaky Dolphin‘s real-time monitoring of social media networks, and the bulk collection of private webcam images via the Optic Nerve program.

This last disclosure most grimly does away with the “done nothing wrong, nothing to hide” argument. In this era of families living in different countries and long-distance relationships, video Skype is increasingly used to stay in contact with loved ones. And this contact can be somewhat intimate at times between couples. On video. Anyone who has ever used Skype for such purposes must surely be feeling violated?

Out of this morass of spying came moments of personal annoyance for western politicians, not least the information that German Chancellor Angela Merkel's mobile phone was also being tapped, as were those of numerous other politicians. Which rather blows out of the water the much-abused argument that all this surveillance is to stop terrorists. On what planet would the NSA spooks need to live to seriously think that Merkel could be deemed a terrorist?

All these disclosures are of the gravest public interest. Yet how have western politicians reacted? In the usual way – shoot the messenger. All the standard li(n)es have been trotted out by the spies: Snowden was too junior to know what he is talking about, and was "just" a contracted systems administrator (this line says more about the ignorance of the politicians about all things tech than anything about Snowden's job); that Snowden is a traitor for fleeing to Russia, when in fact he was trapped there by the U.S. government withdrawing his passport while he was in transit to Latin America; or that he should "man up" and return to the U.S. to stand trial. There were even apparently calls from the spies for him to be extra-judicially murdered.

Despite this, his disclosures have resulted in congressional hearings in the U.S., where senior spooks have been caught out lying about the efficacy of these spy programs. A U.S. federal judge has declared the NSA's activities unconstitutional, and minor reforms are underway to protect the rights of U.S. citizens within their own country.

Which is a start. However, that still leaves the rest of us living under the baleful gaze of the NSA and its vassals.

The British response has been largely muted, with politicians immediately assuring the grateful citizens of the UK that everything done by the spies is legal and proportionate, when in fact it was manifestly not. Nor is this any consolation for the rest of Europe's citizens – after all, why should the British Foreign Secretary be able to take it upon himself to authorize intercept programs such as Tempora that sweep up the communications of an entire continent?

Press discussion of Snowden's disclosures in the UK has been largely muted because of a censorship notice slapped on the media, while the Guardian newspaper that helped to break the story had its hard disks smashed up by GCHQ.

Other countries have displayed a more robust response, with Brazil planning to build its own transatlantic cables to Europe to avoid the Tempora program, and in Germany people have been demanding that the constitution be upheld and privacy ensured against the American surveillance behemoth.

The European parliamentary Civil Liberties, Justice and Home Affairs (LIBE) committee has held months-long hearings with evidence from tech experts, whistleblowers and campaigners about what it should do to protect EU citizens from the predations of the U.S. Edward Snowden himself gave a statement.

This is all well and good, but it would be more helpful if they could give Snowden asylum in Europe and also put in place some meaningful measures to protect our rights one year on in fact, all they would need to do is enact the provisions of the European parliament's own July 2001 report into the Echelon fiasco.

Echelon, some of you may remember, was a global proto-surveillance network, where the intelligence agencies of the U.S., UK, New Zealand, Australia and Canada (now called Five Eyes) could all share product and subvert oversight measures in each others' countries. In 2001 the EU recommended that Europe develop its own Internet infrastructure and move away from its dependency on U.S. corporate proprietary software.

All good suggestions, but all too soon forgotten after 9/11 and the rush to the "war on terror".

One year on from Snowden I would suggest that these measures should indeed be implemented. The European Parliament needs to take action now and show its 500 million citizens that it is serious about protecting their rights rather than pandering to the demands of the U.S. government and its corporate sponsors.

So, on this anniversary, I want to salute the bravery of Edward Snowden. His conscious courage has given us all a fighting chance against a corporate-industrial-intelligence complex that is running amok across the world. I hope that we can all find within us an answering courage to do what is right and indeed take back our rights. His bravery and sacrifice must not be in vain.

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Tracing the Source of Income Inequality

Exclusive: Economist Thomas Piketty traces the explosion of income inequality in

America to political decisions, especially the right-wing policies of Ronald Reagan who simultaneously slashed taxes for the rich and decried government intervention in the economy, writes Jim DiEugenio.

By Jim DiEugenio

The second half of Thomas Piketty's provocative book, *Capital in the 21st Century,* addresses the structure and causes of economic inequality as he lays out recommendations for how to deal with what he sees as this pervasive and long-ignored problem. [For Part One of this review, click here.]

In this context, Piketty's focus shifts to a detailed examination of income inequality in the United States, the combination of capital and earnings. He notes that at the end of the Nineteenth Century, American income distribution was more equitable than in Europe, in part, because the U.S. had fewer rentiers – landowners renting land to small farmers – and they were not as wealthy as those in Europe.

Then, despite the ups and downs of the Roaring Twenties, the Depression-era Thirties and World War II of the Forties, the trend by the middle of the century was toward a more equitable America. From 1950 to 1980, the level of inequality in America was at its lowest ebb in the century. Piketty noted that the top 10 percent owned about 30 to 35 percent of total wealth, a relatively modest amount. (p. 294)

American economist Paul Krugman refers to this "Ozzie and Harriet" era as "The America We Love," a nostalgic time that has lodged in the American collective unconscious as the era of the Great American Middle Class when the combined impact of government policies from Franklin Roosevelt's New Deal through Lyndon Johnson's Great Society had combined to spread the national wealth more evenly.

But by the end of the century, the wealth of the top ten percent had zoomed upward to near 50 percent, surpassing Europe as the more economically unequal society. (p. 293) Indeed, since 1980, inequality of income skyrocketed in America as in no other country, a change attributable mostly to capital gains among the investment class along with "supply-side" and other tax cuts that followed Ronald Reagan's rise to the presidency in 1981.

This run-up in wealth was aided by extensive stock speculation, including the Internet bubble, the real-estate bubble and the general rise in the stock market, a trend that reversed early in the Twenty-first Century when the bubbles popped and the financial markets in 2007-08 faced the worst crisis since the Great Depression.

But the crash only temporarily halted this march toward inequality. As Piketty's chart reveals, after a dip in 2007-2008, there was a sharp rebound upward in divergence of income as government money and policies stabilized the financial markets but did little to help average Americans who faced high unemployment and a flood of home foreclosures destroying the net worth of many middle-class families. (See chart on page 292)

If this pattern of wealth disparity continues, Piketty predicts that the upper 10 percent will have about 60 percent of all income by 2030.

The Lucky 1 Percent

The author takes us further inside the numbers, showing that although the wealth of all segments of the top 10 percent grew faster than the American economy, it was the top 1 percent that grew the most. Its share of national income rose from 9 percent in the 1970s to 20 percent in the new millennium, more than doubling. (p. 296)

And here, Piketty makes one of his cogent observations, pointing out that the peak point for U.S. concentration of wealth in the Twentieth Century was 1929, the year of the Great Crash. In the ensuing 85-year time span, the other highest point of concentration was in 2007. At both points, the system collapsed, wreaking havoc across the economy.

Piketty’s point is that it appears that no economic system can sustain this level of imbalance and stay at equilibrium. These imbalances, with wealth overloaded at the very top, cause dangerous instability, just as the ballast from a broad middle class like the one during the “Ozzie and Harriet” era a half century earlier seems to keep a system relatively steady.

Prior to the 2007-08 crisis, there was a stagnation of purchasing power for the middle and working classes. This, in turn, caused them to take on debt, supplied by banks that had been freed from much of the regulation that had been imposed after the Great Crash of 1929. With banks doling out credit to risky borrowers, more volatility was injected into the financial system. (p. 297)

In his typically understated manner, Piketty writes: “If we consider the total growth of the U. S. economy in the thirty years prior to the crisis, that is, from1977 to 2007, we find that the richest 10 percent appropriated three quarters of the growth. The richest 1 percent alone absorbed nearly 60 percent of the total increase in U.S. national income in this period. Hence for the bottom 90 percent, the rate of income growth was less than 0.5 percent per year.” (p. 297)

Concerning the current U.S. economic structure, this might be the most powerful and damning paragraph in the book. Piketty adds, “It is hard to imagine an economy and society that can continue functioning indefinitely with such extreme divergence between social groups.”

Indeed, the shocking ratio suggests that America is on the fast track to becoming a country of the rich, by the rich and for the rich assuming there is not another tumbling into a grave financial crisis.

Little for the Common Man

There are other troubling patterns in the U.S. economy, including the American trade imbalance, a constant drain on capital assets which get shifted overseas, much of it to the old Asian tiger, Japan, and also to the two new tigers, Korea and China. But after recognizing this concern as justified, Piketty observes that it is only part of the problem as far as non-wealthy Americans are concerned. The transfer of wealth upward amounts to *four times* what the trade deficit is. (p. 298)

One can at least argue that average Americans get some inexpensive foreign goods from the huge trade deficit. But what do average Americans get from the upward transfer of wealth? Mostly a chance to ogle at the lavish lifestyles of the rich and famous via TV shows and movies.

Piketty next shifts to wage inequality and its role in this imbalance, particularly the staggering increase in wages and salaries at the very top in recent years, a marked contrast from the eras of World War II and the post-war years.

During World War II, wage imbalance was tempered by the National War Labor Board, which granted frequent raises to low-wage earners and, conversely, capped and controlled the salaries of top managers. This ethic had a carry-over effect into the 1950s when local owners of companies felt some personal shame if they took excessive levels of compensation while their workers struggled to pay the bills.

“During the1950’s, wage inequality in the United States stabilized at a relatively low level, lower than in France,” Picketty noted. (p. 298) But the respite in wage inequality ended a couple of decades later when top executives often working at headquarters far removed from their plants started pushing the limits of what they could extract from their corporations. Since then, the earned income of the top 10 percent began to grow much more rapidly than the average wage.

Social Immobility

But this rise in the share of income claimed by the top 10 percent was not accompanied by any equal growth in upward social mobility. There was no perceptible increase in people rising from working the cash register to running the company.

In addition to the coming of the super manager class, another reason that wage inequality has increased in America is the ineffectiveness of the minimum wage at the other end of the scale. In terms of real purchasing power, the minimum wage peaked in 1969. At that time it was $1.60 per hour. In today's dollars it was worth $10.10.

The minimum wage stagnated, especially under Presidents Ronald Reagan and George H.W. Bush and has been stuck at $7.25 since 2009, meaning that it has lost more than a quarter of its purchasing power since 1969 and is one-third below the minimum rate in France. (p. 309)

So, just as the wealthiest Americans were benefitting from Reagan's "supply-side" tax cuts, the bottom wage earners were left to fend for themselves. Along with other social changes, such as the decline of labor unions and advances in technology, the effect of the government's policy choices was to widen the gap between rich and poor.

As Piketty notes, the U.S. government had deftly used the minimum wage to raise the wage standard at the bottom end of the scale in the 1950s and 1960s, but it was largely abandoned as a policy tool since then. The 1970s and 1980s saw the rise of "free-market" fundamentalism with its advocates arguing that the minimum wage was a violation of their economic principles and a "job killer."

By contrast, in France, since 1980, the minimum wage has almost tripled. (See chart on page 309) Piketty argues that from 1980 to 2000, the U.S. minimum wage has fallen so badly that it could have been raised significantly with absolutely no loss to the employment rate. (p. 313)

All of this means that those in the top 1 percent in America have an income about 100 times as great as the national average. As a point of comparison, the transfusion of national wealth to the top in America has occurred at a rate five to seven times greater than in Japan. (p. 320)

One reason is that, unlike in Japan, after 1970, boards of directors were all too eager to give their officer candidates just about whatever they wanted in the form of remuneration. And as Piketty points out, seldom was this done on a cost-benefit ratio for the company or the stockholders. In retrospect, it was really more on a "pay for luck" rather than performance standard, he says. (p. 335)

Capital Ownership

But in addition to this sharp divergence in wage inequality is what Piketty calls the inequality of capital ownership. For instance, in France, after the French Revolution, the share of what the top ten percent owned steadily rose from 55 percent in 1800 to 60 percent in 1880 and slightly above that by 1913, on the eve of World War I. This distribution was even more concentrated in England, where the top 10 percent owned about 80 to 90 percent of wealth by 1910.

In Europe, the catastrophes from 1914 to 1945 shattered the status quo, to the point that these rates of concentrated wealth have not been duplicated there again. Another factor has been the skepticism about free enterprise which set in after the Great Depression. Thus, Europe saw an expansion of both the middle class and the welfare state, encompassing about 50 percent of the population.

This new class also acquired a share of capital on its own, further preventing a dramatic resurgence of wealth to the top. (p. 347) Thus, as Piketty notes, of all the advanced countries, only the U.S. has a concentration of wealth that rivals Europe's at the turn of the century.

There is also the question of what would have happened if Europe had not plunged into the devastation of World War I, followed by the Great Depression and World War II. Could the politics of 1914 have restrained the rich from claiming an ever-larger share of the wealth?

Piketty notes that economic growth in wealth-stratified Europe with only a nominal middle class was extremely slow, less than 1 percent. But Piketty argues the concentration of capital will not decrease significantly unless the growth rate exceeds 1.5 to 2 percent.

Here, the author makes a significant point, that when the difference between the rates of return on capital versus rate of growth of the economy reaches a certain threshold, inequality of wealth will increase without limit, and the gap between the elites and the average worker will grow indefinitely. In other words, the wealth of the upper classes would have gone completely unchecked. (p. 366)

Democratic Intervention

Piketty than asks a question directly related to the one posed above: Why has the rate of concentration not returned to that of the fin de siÃ¨cle era? First, because the shocks to the system from the first half of the Twentieth Century were very serious. Second, because after these shocks, to pay off huge state debts, taxations rates went up radically.

Before World War I, taxes on capital were almost non-existent, generally amounting to about 2 percent. After the war, because of the huge amount of debt that the combatants incurred, taxes began to rise dramatically. (p. 355) And since there was no significant middle class, wealthy classes were the only place one could tax with any real results.

From about 1914-1970, these taxes were generally progressive, that is, the richest paid a higher rate than the lower-, working- and middle-classes. But that progressivity has steadily declined amid successful lobbying by “free-market” forces that have poured huge sums of money into think tanks, media outlets and, in the U.S., political campaigns.

Today, Piketty estimates that the wealthy pay about a 30 percent rate on their declared assets and this rate is going down (not to mention the fact that many rich individuals hide their assets either through legal loopholes or in illegal tax shelters).

By letting the rich better shield their assets, including their opportunity to pass down the wealth to their heirs, governments have cut themselves off from much of the money needed to pay for domestic and other needs.

Traditionally, much of the wealth of the well-to-do has come from inheritance. In France in the 1800s, the top 10 percent of those with inherited wealth earned as much as 25-30 times as the average worker, while a skilled professional made about 10 times as much as the average worker.

That reality, Piketty notes, was observed by author Honore de Balzac in his classic novel, *Le Pere Goriot*. A criminal named Vautrin explains to a naive law student named Rastignac that the aspiring attorney would be better off marrying into wealth than working as an attorney.

In France in 1910, an astonishing 25 percent of all national income came from the flow of inheritances. Because of the Great Depression and other calamities, that declined significantly until 1950 when it stood at only 5 percent. (p. 397) But it has since risen to 15 percent in 2010 and Balzac’s reality is steadily reasserting itself. The number of people who inherit the equivalent of a lifetime of wages has tripled since 1950.

So, because of these recurring imbalances in the system, the idea of a deservedly compensated meritocracy generally no longer applies.

U.S. Aristocracy

Turning to the United States, Piketty writes that the estate tax effectively applies to only about 2 percent of all estates. Plus, gifts money that living parents may pass on to their expectant heirs are very hard to track for tax purposes. (p. 422) Therefore, in America, inherited wealth constituted about 50-60 percent of the total stock of private capital from 1970-80.

The author concludes that “The global rebound of inherited wealth will no doubt be an important feature of the twenty-first century.”

The next major topic that the book addresses is the global inequality of wealth. Piketty says that it appears that this imbalance is comparable to what existed in Europe at the end of the Nineteenth Century, which was comparable to France on the eve of the revolution in 1789.

Globally, the top centile the 1 percent category has about 50 percent of the total wealth and the top decile the richest 10 percent about 80 percent. The bottom half “undoubtedly owns less than 5 percent of total global wealth,” Piketty writes. (p. 438)

The richest 1 percent, about 45 million people, has about 3 million euros or about $4 million, which is about 50 times the size of the average household nest egg, which is 60,000 euros or $81,600. The top tenth of 1 percent, some 4.5 million people, have fortunes in the range of 10 million euros or about $13.6 million, nearly 200 times the average wealth. (ibid)

These global disparities are much higher than the comparisons between rich and the rest in the major advanced countries because of the radical international inequalities, comparing First World wealth with poverty-stricken places like sub-Saharan Africa and Central America.

The Real Threat

Piketty dismisses some of the common fears about a future international economy dominated by Saudi Arabia or China through their sovereign wealth funds. The danger that Piketty foresees is the rampant epidemic of inequality. He writes:

“An oligarchic type of divergence, that is, a process in which the rich countries would come to be owned by their own billionaires or, more generally, in which all countries, including China and the petroleum exporters, would come to be owned more and more by the planet’s billionaires and multimillionaires. As I noted, this process is already well under way.” (p. 463)

He says this is even more dangerous because he sees the rate of growth slowing and the rate of return on capital increasing. If this is correct, then the other prognostication the book makes, about there being no real limit on the divergence between upper and lower classes, will also be correct. In other words, the embattled middle class will continue to shrink and wealth will be increasingly consolidated at the top.

If one includes fortunes both purely inherited and partially inherited, Piketty writes, “it seems fairly clear that inherited wealth accounts for more than half of the total amount of the largest fortunes worldwide.” He adds that a figure of 60-70 percent seems fairly accurate though the real number might actually be higher because of the sophisticated methods available for hiding wealth. (p. 443)

So, what to do? The question is addressed in the last part of the book, entitled “Regulating Capital in the Twenty-First Century.” His chief recommendation is a universal and progressive global tax on capital, which would also require government to find where the capital actually is and who owns it. (p. 471)

Piketty draws a lesson from the Great Depression when President Franklin Roosevelt began to steadily and insistently raise taxes on the richest people in America. The top marginal rate went from 25 percent to eventually 80 percent. (p. 473) Roosevelt did this to finance his New Deal programs which greatly expanded the role of government in America by constructing a social welfare system.

As this system took shape, about half the money went to health and education. The other half went to transfer payments, e.g. welfare support, the GI Bill of Rights and various pension plans. During this time period, social mobility also increased in the United States. People from humble beginnings had a real shot at climbing the economic ladder.

However, since the Reagan era and the growing political hostility toward social programs accompanied by massive tax cuts for the rich the trends of the New Deal have been reversed. Today, along with the concentration of wealth at the top and stagnation below, U.S. social mobility is on the decline, falling behind European nations such as Sweden.

Unequal Education

Piketty argues that one main cause is the increased difficulty that lower-class and middle-class students have in getting into the elite colleges and universities which cost so much that they are again becoming bastions for the well-born. (p. 485)

The average income of the parents of a Harvard graduate is $450,000 per year, or the top 2 percent of the nation. And that college degree credentials the Harvard graduate as someone who can expect to stay at the top of the income ladder. Much less social value is given to a degree from a state college or a lesser known institution.

Piketty points out that this stratification doesn’t jibe with America’s selfimage as a land of opportunity with a system based on meritocracy. He writes, “Parents’ income has become an almost perfect predictor of university access.” (p. 485)

With the exception of England, this is not the case in Europe. A year’s tuition in most public colleges amounts to about 500 euros or about $680, so a family’s financial status is less an obstacle to a young person getting a higher education than in the United States. There, the average in-state cost for a public university is nearly $9,000 and over $30,000 at private colleges (and even higher at elite schools).

The idea of equal access to higher education is part of the progressive ideal, along with the progressive income tax. However, in the United States, both concepts are dying.

Currently, Piketty says, capital is largely immune to a progressive tax and estates are much more lightly taxed than income. In fact, under constant political pressure from the elites, the estate tax has been stigmatized as the “death tax” and the top marginal tax rates on income have declined from over 80 percent to about 35 percent in the U.S. (p. 507)

Piketty writes that this reversal clearly owes to the coming to power in the United States of Ronald Reagan (and in Great Britain of Margaret Thatcher). Under Reagan, the top rate actually declined below 30 percent. This slashing of the tax rates does much to explain the increase in wealth to the top 10 percent from 1980 onward.

Prior to Reagan, the high marginal tax rates restrained top business executives from demanding huge salaries and stock options. After all, as much as 80 percent of their top tranches of income would go to Uncle Sam. But the slashed tax rates meant that senior executives could keep more of that money so there was a stronger incentive to press for big compensation packages.

What to Do

Piketty believes that in the advanced nations, tax rates should return to a top margin of 80 percent, a rate reserved for the top 1 percent. Otherwise, the super-rich will be in a position to increasingly buy the political process and override public calls for greater equality.

“The history of the progressive tax over the course of the twentieth century suggests that the risk of drift toward oligarchy is real and gives little reason for optimism about where the United States is headed,” Piketty wrote. (p. 514)

The global tax he proposes is also a progressive one. It begins at 1 percent on income of 1-5 million euros. It goes to 2 percent on income above 5 million euros. (p. 517) But the main point of this tax is not so much to expand the social state but to regulate capitalism by accumulating more accurate and detailed information on wealth.

Beyond benefitting democracy, the data also might provide an early warning on fiscal crises, Piketty believes. His plan would also promote uniformity among nations in their banking regulations and therefore eliminate some of those infamous tax havens.

Piketty concludes with the concept of public debt, a problem facing all advanced countries because of the 2007-08 crisis. One of the things the increased taxes on the wealthy could do is begin to eliminate that debt.

But his larger point is that if the public is to regain control of capitalism and the destabilizing extremes that it produces then the people must bet on democracy. (p. 573) He closes by saying that many more people need to take an interest in this growing worldwide inequality, from social scientists, journalists, commentators, union leaders and politicians of whatever stripe. He says:

“Citizens should take a serious interest in money, its measurements, the facts surrounding it, and its history. Those who have a lot of it never fail to defend their interests. Refusing to deal with numbers rarely serves the interest of the least well off.” (p. 577)

An honest academic has taken a stand. He has shown with a solid database how the unbridled capitalism unleashed by the likes of Thatcher and Reagan has ravaged our government treasuries and our democratic principles. The urgency of his work should sound like a fire alarm in the middle of the night.

Jim DiEugenio is a researcher and writer on the assassination of President John F. Kennedy and other mysteries of that era. His most recent book is *Reclaiming Parkland.* [For Part One of DiEugenio’s review of Piketty’s book, click here.]