

Fictitious experts, commissioned by fictitious corporate elites, are delivering a fictitious report based on .... REAL facts: Susan George describes her new book as a 'factual fiction'.

In her unique way of writing about complex issues in ordinary language, Susan George exposes the strategies of the rich and powerful 1% to exploit the other 99%. Her new book *How to win the Class War – The Lugano Report II* can be seen as a political satire as well as a blueprint for social movements campaigning for social and environmental justice.

*How to win the Class War – The Lugano Report II* is written from the perspective of the commissioned experts and follows up on developments since their first *Lugano Report – On Preserving Capitalism in the Twenty-first Century*, which they delivered to the same commissioners 10 years ago.

In this sequel, the experts take a look back and show that their predictions largely came to pass. The following excerpt begins by summarising the unforeseen outcomes that have merely entrenched the power of the richest corporations and individuals.

## **HOW TO WIN THE CLASS WAR**

### **THE LUGANO REPORT II**

by Susan George

#### **Excerpt**

Now, honesty demands that we begin Part Two by addressing certain outcomes which we did not anticipate then, nor—in our own defence— did anyone else. We shall note also some of the developments that have unfolded since 2007-2008. They may seem at first glance to be unqualified good news but a closer examination will reveal that this is not necessarily the case. Let us assume for the moment, however, that the following developments really are unalloyed good news for the Commissioners—even though cumulatively and collectively they could turn out to be bad...

#### **SUMMING UP THE GOOD NEWS**

Here, to recapitulate our six “Unforeseen Outcomes” since the crisis, is why the rich and powerful throughout the West are winning the class war:

1. No harsh new regulations have been imposed in any area; certainly nothing approaching the scale or scope of the New Deal. Public policy is largely paralysed.

2. The banks and the bankers are back in charge of shaping policy. Immediately after the onset of the crisis, bankers used public bailout money to pay themselves higher salaries and bountiful bonuses. Ex-bankers, now known as “technocrats”, now manage some of the more “sinful” governments and can be counted on to make sure that they continue to pay back their debts at comfortable interest rates.
3. Financial products are still proliferating and some of them, particularly currencies and derivatives, are traded in far greater amounts than ever before. “Flash” or automated trading with tens of thousands of operations taking place simultaneously in microseconds is welcomed as if it were just as safe as the classical methods.
4. Tax havens are not merely open for business but thriving. Virtually nothing has been done to illuminate the darkness of these secrecy jurisdictions and despite the occasional disgruntled employee selling client lists to national authorities, their protective cover is stronger than ever thanks to spurious “regulation”.
5. The numbers of the extremely rich and the size of their individual and collective fortunes have not merely recovered from the crisis but have significantly improved.
6. The costs of the crisis are being overwhelmingly shouldered by ordinary people. Although we would not say so in public, the crisis has brought about another amazing development: it embodies an overturning of conventional morality. It is not our job to preach morality, conventional or otherwise: we wish simply to point out that at present the guilty are rewarded and the innocent punished. This is perhaps the most outstanding as well as the most unforeseen of the outcomes since the crisis began.

Despite these outcomes astonishingly favourable to finance and the HNWI's, little opposition has surfaced. No one of any great intellectual or political importance has uttered such ugly words as “nationalisation” or worse, “socialisation” of individual banks much less of the financial sector itself. Beyond a small fringe of mostly disorganised and disunited social activists, these words are not part of the conversation and we believe the media may be relied upon to make sure that this remains the case.

## **ANSWERING THE COMMISSIONERS' BIG QUESTION**

Ample reasons to rejoice can thus be cited, but we have come together in Lugano to reply in full to the Commissioners' question concerning the “*inevitable crisis, decline and eventual collapse*” of the Western system. The rest of this report is devoted to substantiating our response. Our first Report concerned the entire planet and dealt in detail with (excessive) demography and the

impossibility of solving the ecological, social and even financial crises under conditions of uncontrolled population growth. Some surely found those findings difficult to accept; we shall return to them towards the end of the present Report.

The present Report, however, deals not with the global situation but with the birthplace and bastions of capitalism where it has attained its fullest development, that is, the northern half of the western hemisphere. In this part of the world there is no rationale whatsoever for seeking to diminish population numbers by whatever method. Indeed, the problems of many countries in our area of attention are attributable rather to the shrinking demographic slice of those employed and the “overhang” of old people in the population pyramid, the lack of work for the educated young, etc. Populations are declining throughout Eastern Europe, in the Baltic and Balkan States and most radically in Germany and Russia, as well as in some traditionally Catholic countries in Southern Europe.

Elsewhere, particularly in the United States, one needs to distinguish the impact of immigrant populations on population growth rates. Close to 900.000 immigrants are still allowed in — or not prevented from entering — every year. The US Census Bureau says that by 2050 the Hispanic-origin population will be 23% of the total, blacks 16%, other minorities 8% and whites down to 53%. In our view, the native populations of the rich developed countries should ideally have more babies but immigration is a separate problem and beyond the scope of this Report. We wish to note, however, that controlled immigration, i.e. the importing of skilled and educated people will be necessary and should remain high on the agenda.

We advise some minimal level of protection of national populations as part of the programme for maintaining world system dominance. Extra food-stamps or free anti-polio shots — other examples could be given — for the poorest part of the native population are a small price to pay for tranquillity at home; so, of course, are the requisite number of prisons and armed forces capable either of absorbing or of disciplining potentially disruptive young men. With the current crisis, we are entering a wholly new Western world in which judgment, discernment, even sensitivity on the part of the ruling class will be the cardinal virtues and the key to the future of capitalism.

In a word, the native (white) populations must receive enough modest perks to remain on the side of the elites. They must not be alienated; they must not feel that non-native populations are better treated than they are. They must all have some tiny advantage that differentiates them from their neighbours or colleagues at work. They must not go hungry because if they do, they can abandon ship. Let us elaborate on this crucial point.

As we have demonstrated, since we delivered Lugano I, the rewards to capitalists (or rentiers, investors, shareholders, commercial property owners or whatever else one may care to call them) have notably and measurably improved. We have described how and to some degree why this has

happened but we have also suggested that the Commissioners will need to tread a fine line between preserving and enhancing the capitalist system without going too far and thereby undermining their own legitimacy and authority. If these limits are no longer recognised, the system they champion will be endangered as well.

It is our duty to note that we stand on the threshold of that danger zone. Or to use a nautical metaphor, we hope to show how it may be possible to navigate a safe passage across the narrows, the shoals and the crosscurrents of rough seas ahead towards a safe haven on the other side of the financial, social and environmental crises, in the realm of a rejuvenated capitalist system that can continue to serve the Commissioners' best interests.

Bon voyage!