Forward

This book is written for all of you who consider yourself part of the middle class, and also for those who once were or should have been, or should now by hard work, by education and/or by experience be in the middle class in North America, but are not!

We are currently facing the greatest transfer of wealth out of the hands of the middle class to ever occur in history, and over a comparatively short period. I pondered the implications of that for myself, for my children, for my grandchildren, and I did not like the picture that emerged.

This book is my attempt to share that picture, and to suggest ways to change it. It is a rewrite and a re-titling of a book I originally wrote in 2012, Salvaging Capitalism / Saving Democracy. For that version, I had a lot of push-back from the very people that should have been the prime readers of the work, solely because of the word Capitalism in the title.

Progressives who run their own companies, who buy from companies owned by others, were unable to deal with the word! So I have changed the title, because all progressives need to fully understand the extent of the problem and think seriously about the issues, the mechanisms, and solutions. It's a team exercise.

The new title is a "reflection" of the fallacy that largely arose in the 70s and 80s of an economic theory that is widely accepted — and totally stupid! Formally, it is often referred to as Reaganomics. But to those critical of the approach, it is often called trickle down — a notion that wealth at the top will somehow automatically flow down to those who most need it.

Social commentator Will Rogers, writing in 1932 about Hoover's poor handling of the economy post the great depression, reportedly said:

> "Mr. Hoover was an engineer. He knew that water trickles down. Put it uphill and let it go and it will reach the driest little spot. But he didn't know that money trickled up. Give it to the people at the bottom and the people at the top will have it before night, anyhow."
> https://en.wikipedia.org/wiki/Trickle-down_economics

My sense of the present reality, and what we have observed in more recent times is not that "... money trickled up". Based on the wealth inequity since the Mulroney/Reagan/ Thatcher years, money has **Gushed Up**, and continues to as I write!

If you already know a lot about capital and how it plays out in the stock market, and how that in turn affects whether you or your children have a decent job, or any job at all, then there are parts of this narrative you might breeze through and say "Yes of course, I knew that already." Other parts might come as a real surprise.

As a businessman, and very small player in the stock market, I thought I knew quite a bit as well, but the more research I did, the more concerned I became that our whole North American economy is broken – and not by accident.

But there are **hundreds of millions** in North America who leave all of this to a broker, or their mutual fund manager, or for the vast majority, to their pension funds administrator. And you assume that the financial institutions and the government are watching out for your interests. If you are one of those people, is it important for you to understand what has actually happened? You betcha.

Perhaps doubly important, since you are the big majority. You buy products, you vote in elections, and when companies and politicians screw up, ***you*** pay the price. Am I suggesting you take over handling your own stocks or pensions? Absolutely not! But you do owe it to yourself and to your children to know what is going on.

So I have quite deliberately erred on the side of explaining some things that many might already know, with apologies to people like my economist friend who asked me, "Do you think people have been living under a rock for the last thirty years?"

To which my answer is “no”. Rather it's like the “boiling frog” story. The changes have been very slow, “raising the temperature” only a fraction of a degree at a time. And often the really bad actors have hidden their behavior or their motives — have both seduced and “snowed” us.

The problems are massive and systemic, and far from transparent. If the system is going to be fixed, if it can be fixed at this late stage, we cannot assume that big business and government will fix it of their own accord. They, acting together, got us into this mess. It happened slowly, over about fifty years, but the negative effects have greatly accelerated since 2000.

This book is my attempt to make some sense out of what has happened to our economy, our personal savings, and our dreams for the future – and why.

It is an attempt to explain the issues in simple terms that you, I, and other outsiders (as opposed to insiders) can understand. And finally, it is an attempt to offer some suggestions of where things went off the rails, and how we, both individually and collectively, can help get them back on track.

Even now, our own governments – pushed hard by multinational businesses and foreign governments – are making decisions daily that are not in your or my best long-term interests. We need to individually and collectively push back, and reverse direction, while there's still time.

The release of this **second edition** is also motivated by the extreme rise of right-wing populism over the past 10 years, and specifically by the election and inauguration of a criminal, sexist, and racist President in the U.S. — with the support of Fascists and multi-billionaire oligarchs. That same right-wing populism is sadly alive and doing well in Canada, ***fed by the same lies and mis-representations as were a major factor in the U.S.***

Contents