

2021 - Looking Forward

Ross Welcome to Renegade Inc. However you look at it, 2020 was a train wreck. So as we look forward to 2021, we wanted to get political and economic insight from two friends of the show. Chris Williamson and Michael Hudson share their views on what we can look out for in the new year.

Ross Chris Williamson, great to have you back on Renegade Inc.

Chris Williamson Yeah, great to be here. Thanks.

Ross Give us, Chris, if you would, one word that would sum up 2020 for you.

Chris Williamson Oh, blimey. One word. Dreadful.

Ross And what are the upsides? What are the things that the pandemic have either unveiled or brought to light? Because it can't all be bad. There must be some positives out of 2020.

Chris Williamson No, I think I've have been. I think the re-emergence of social solidarity has been a really positive aspect of the Covid pandemic. I think the beneficial impact on the environment is also pretty palpable, when you look at the Venice canals, clean water, the dolphins swimming in them, and the improvements in air quality. I think as well, the kind of democratisation of communication technology, the use of the sort of system that we are speaking to each other today has been widespread now right throughout the land. I mean, people would perhaps never have touched this type of technology, have learnt it and are using it to a very positive effect. And on a personal level, I've rediscovered my breadmaking skills. So since March I've been baking bread about three or four times a week.

Ross I haven't got you down as a sour dough kind of guy. I think you're more a straight down the middle, you know, farmers sort of loaf type of fella.

Chris Williamson Yeah, I do find I do farmhouse loaf regularly and wholemeal loaf actually, yeah. They vary between mixed grain and wholemeal.

Ross And do you ever attempt the sour dough?

Chris Williamson I think I've tried it once, but it's a bit more involved that, yeah. So I just tend to stick to what I know and I know I can do those.

Ross This is a more subtle question. What during 2020 has been revealed that everybody intuitively felt but couldn't really articulate?

Chris Williamson I mean I guess that, you know, the sense that public institutions are not really fit for purpose. And I think as well, you know, the fact that people are incredibly resilient, really. In spite of the adverse circumstances in which they've found themselves, people, you know, have pulled together in a way which I think is really inspiring. But I think the real shortcomings of our public institutions needs to be brought into sharper focus now.

And, you know, in many ways that could actually be a positive thing for the future, where people will demand change, demand better from the institutions which are notionally there to serve the interests of the wider general public, when in reality they tend to be more of a self-serving set of institutions.

Ross An institution that you were involved with for over 40 years, the Labour Party, what sort of condition is that institution in at the moment?

Chris Williamson Well, I think it's in terminal decline, actually. It's gone from a hopeful vehicle, a vehicle that I think a lot of people, when Jeremy Corbyn was elected as the leader, thought could bring about real transformational change in the country. But as a result of the dirty tricks, the smears, the negativity in the media throughout the establishment, in the parliamentary Labour Party, its bureaucracy, it completely derailed it. And regrettably, you know, Jeremy, listened to advisers who I think were giving him duff information, duff advice, and rather than challenging those that were seeking to smear and undermine him, he sought to appease them and to capitulate to them. And that simply meant that his allies were being systematically thrown under the bus one by one - I mean, well, on an industrial scale in reality. Now with Keir Starmer at the helm, people are leaving in their tens of thousands. People really do feel politically homeless. And I think that it's an existential crisis. There's an existential crisis facing the Labour Party right now.

Ross Keir Starmer towards the end of the year said that he thought the world of his knighthood. Surely a Knight of the Realm, would be able to turn the Labour Party around?

Chris Williamson Well, I mean, the fact that the Labour Party has elected a Knight of the Realm tells you a story, doesn't it? I mean, the Labour Party, I think in a lot of people's minds, anyway, has been seen as a sort of anti-establishment party. And yet here we have now the leader of the party was a pillar of the establishment. Not only is he a Knight of the Realm, he's also a member of the Trilateral Commission, which was a shady organisation set up nearly 50 years ago by a bunch of liberals who were concerned about an excess of democracy in the 1960s, people getting ahead of themselves and using democracy to assert their rights. And that was seen as unconscionable to them. Now, Keir Starmer is the only parliamentarian in Britain who was a member of this shadowy organisation. I mean, what on earth is going on?

Ross This approach of ruling with a rod of iron, is that going to be effective in the long run is the first question? And the second question is who really backs Keir Starmer? Who's behind Sir Keir Starmer?

Chris Williamson I think it's very clear that the wealthy elites, the establishment in Britain, support Keir Starmer. The military industrial complex back Keir Starmer. The sort of Murdoch press, you know, and the wider sort of gutter press back Keir Starmer. The people that I think have got concerns about Keir Starmer are trade unionists, people who use the Labour Party as a vehicle to hopefully deliver some form of socialism are concerned about Keir Starmer. So, yeah, it's the kind of powerful, wealthy elites that back Keir Starmer. And his only hope, really I think, of winning an election as leader of the Labour Party is if the establishment media get behind him - that might give him a fighting chance of success. But the number of activists, I think, that will be prepared to go out and campaign for him are very

few and far between now. People have been really demoralised by what's happened, even people that actually voted for him in the hope that he would maintain the the Corbyn principles, as it were. But he's jettisoned them all. And, you know, it really doesn't bode well, I think, for the future.

Ross Are you surprised that Sir Keir Starmer used one of the first Prime Minister's Questions back after the pandemic to stand at the dispatch box and ask the Prime Minister whether RT, the broadcaster, should have a review from Ofcom, in short, politicising Ofcom and in a way to make a judgement about freedom of the press?

Chris Williamson I wasn't particularly surprised, but it's totally unacceptable. I mean, the fact is that RT does have an Ofcom licence. It covers issues that very often the sort of corporate media and the state sponsored BBC do not cover. And, you know, I think all voices should be heard. I mean, and a plurality in the media is a really positive thing. And it certainly should be something, in my opinion, that Keir Starmer should be championing. But this whole nonsense and hysteria about Russia and about RT is incredibly unhelpful and very damaging, in my view, to our democracy, actually. I mean, you know, I think the sort of the forces behind that - I mean it is absolutely a fact - that there's a sense that we need to sort of manufacture an enemy is, as it were, of Britain, which then gives the excuse, doesn't it, to put more investment into defence spending, more investments in arms manufacturing. And so there is, you know, a real vested interest in the military industrial complex to create these enemies, as it were, of the state that they can then make huge profits from. But I mean, the truth is that whatever you think of Russia, I mean, it doesn't pose any threat to Britain. I mean, it's just an absurd state of affairs. And I just think it's part of that wider agenda to demonise Russia in order to justify the defence spending budget. Johnson announced some increases there. And, you know, we're seeing organisations which have received millions of pounds of public money, such as the Integrity Initiative and the Insitute for Statecraft, which have been used exactly for that purpose - to demonise Russia, to promote the support for military spending and to demonise Jeremy Corbyn. And this is I mean, a scandal that I raised at the time, actually, that they were using public money effectively to attack the leader of the official opposition in the House of Commons.

Ross So in a sense, was Sir Keir just giving a nod to his backers to say that, you know, he's going to make all the right noises if he is to lead this country?

Chris Williamson Yeah, well, I think his response at the dispatch box illustrates that he prioritises the interests of the likes of the military industrial complex over the interests of the British public.

Ross The establishments forever war against Jeremy Corbyn. Are you surprised at that?

Chris Williamson No, not at all, because Jeremy Corbyn represented a dramatic shift, I think, from the political consensus which has held sway over the last 30 years, at least - probably longer than that. And this was a man who was interested in a socialist alternative that really wasn't acceptable to the vested interests, the capitalist vested interests, in this country. And he was somebody as well, which I think was the thing that troubled them more than anything, someone who was promoting peace and disarmament and a genuine ethical foreign policy. I mean, even had a shadow minister for peace and disarmament. I mean, that

would have been an incredible sight to see a permanent member of the UN Security Council with a minister for peace and disarmament. I mean, I was hoping that Britain would get a reputation for spreading peace and disarmament around the world rather than arms sales and war.

Ross Before I come to you and ask you about predictions for 2020-21 megatrends and all that stuff, just tell me, what is the difference between the labour movement in the UK and the Labour Party now, very briefly?

Chris Williamson I think there's a significant difference now. The Labour Party, particularly the parliamentary party, is entirely divorced, I think, from the labour movement and can no longer claim to be the political voice of the organised working class. It is a voice, I'm afraid to say, of the corporate vested interests, and they've really desperately lost their way. And I firmly believe, therefore, that we need to push for a new political vehicle to replace the Labour Party in the coming years.

Ross So penultimately, what surprised you? What ambushed you? What made you laugh? What was the one thing that was absurd that gave you a wry smile in 2020?

Chris Williamson I suppose a couple of things really that spring to mind. One was Prince Harry giving up his royal title. I mean, I've been a republican all my life and, you know, maybe this could be the beginning of the end of an institution that's got no place, in my view, in the 21st century. So good on him for that. And I suppose another thing that was surprising was the fact that Dominic Cummings was forced out of his role as chief adviser to the Prime Minister. I didn't think Boris Johnson would ever let him go. And it remains to be seen now what will happen and how we'll cope without a Svengali figure in the shadows behind him.

Ross There's a rumour going around that Prince Andrew started sweating again. Does that surprise you?

Chris Williamson He's never sweated, apparently so let's see.

Ross Give us one prediction on anything from where you're standing for 2021. What politically, economically, socially, whatever you think, give us a prediction and if it's wrong, we're going to hold you to it at the end of 2021.

Chris Williamson Let me give you one prediction, which I think is bound to come true, and that is Jeremy Corbyn will be expelled from the Labour Party and a new political vehicle will be established in 2021.

Ross Chris Williamson, thank you very much for your time. Happy New Year and all the very best for 2021.

Chris Williamson And to you.

Ross Michael Hudson, fantastic to have you back at Renegade Inc.

Michael Hudson Good to be back, Ross.

Ross Michael, describe 2020 in one word.

Michael Hudson In one word? The pandemic, setting the stage for homelessness.

Ross Wow! what is the one thing - because we've focused hard on the negative throughout the year - what's the one thing, you think, has been positive or been something that's transpired from this pandemic which actually we should look at and think, you know what, that's quite a good bit of advancement?

Michael Hudson Well, the pandemic's been a bonanza for the stock market and for the wealthiest one percent. They've gained a trillion dollars since the start of the pandemic. Amazon stock is going through the roof because with 70 percent of restaurants in New York City going bankrupt, this is made Doordash and other Internet firms make a fortune by essentially wiping out the restaurants, taking 30 percent of the receipts and the charge for the restaurant menu. Essentially, this puts most restaurants in America out of business, and that means that it's a bonanza for the really big companies to pick up all the slack now that you're wiping out the middle class. It's a great prospect for private capital real estate companies like Blackstone because they can buy a huge number of foreclosed properties and empty properties that can't be rented out. And Blackstone can pick up these homes that are defaulted on, buy them out, turn them into rental property and make a fortune by raising the cost of housing in the United States, all increasing the rent by the people who have lost the jobs. And it's great prospects for the big restaurant chains, McDonald's and the others. The big chains can survive, whereas the small individual restaurants have basically been driven out of business. So if you're a billionaire, it's been just a wonderful year.

Ross So we're talking about the one percent here as the late, great David Graeber termed?

Michael Hudson But if you look at Donald Trump, that is the economy. When he says the economy's getting better, he means the one percent is getting better. Is that what you're talking about?.

Ross But isn't it the case in the US, your president and lots of others confuse the stock market and the real economy. We're not in an industrial capitalist society in the US and the UK anymore. It's a rentier financial capitalist society. And that confusion between the stock market doing well and the real economy, doing well. Actually, those two things are starkly different aren't they?

Michael Hudson Yes, of course. So if you say what's done good, all the good is for the rentier economy. All the good is for the stock market, for the absentee property owners, for the big chains and not good for the 99 percent, but they're pretty much left behind.

Ross Is there going to be a lot of what is called jingle mail in the US, which is basically owner occupiers sending keys back, saying it is totally economically unviable for us to even consider reopening this restaurant, small business, whatever it might be?

Michael Hudson The only people who are going to voluntarily walk away from buildings are basically absentee owners of commercial buildings. There's going to be a great shortage, a

great downsizing, of our commercial properties, especially because so many businesses have gone out of business. Jingle mail was basically on private homeowners whose mortgage was far above the actual market value. The mortgages were not written down and so these were voluntarily walking away. But housing prices have gone up in the United States. So nobody's going to want to voluntarily walk away from their home. If you've been unemployed, haven't got a pay cheque and are not able to pay your mortgage, you're going to want to stay there and put off eviction for just as long as you can. But if you've invested in a small office building and that had a restaurant on the ground floor and it had offices that now decide, hey, everybody can work from home, we don't need office space anymore, then you're going to walk away. And that's going to affect primarily the smaller banks, the community banks, that have made most of these small loans to small business owners. The big absentee owners have all gone to the big banks, Chase and Citigroup and them. So you're going to have a weakening of the small banks and the community banks and they'll probably be absorbed into the larger banks as a result of that.

Ross What do you think was revealed in 2020 that we all intuitively knew but couldn't actually see because it hadn't crystallised?

Michael Hudson Well, it's obvious that the economy never had recovered from the Obama depression when he bailed out the banks, not the economy. So the question is, how long can the economy limp along without recovery? Well, it's obvious now that the debts can't be paid, but the coronavirus has only catalysed all of that. It's made it even clearer. So in a sense, the Biden administration is going to be picking up just where the Obama administration left off, namely with huge evictions. Obama evicted about ten million families. Most of them were black and Hispanic, lower income families who were the victims of the chump mortgages. Biden's going to start his administration by kicking out probably another five million families. Again, black and Hispanic families are going to be the big losers because they were the people who had the highest coronaviruses and were the first to be laid off. So it's going to begin with a large eviction. So the the turnabout you had the trend in homeownership going up to 2008, then it's been going down and this is just going to continue now. And people somehow imagined that there was going to be a recovery. People imagined that somehow we could recover from the post 2008 breakdown. And now it's obvious we can't recover. You're going to have the polarisation of the economy that has been occurring for the last 12 years simply accelerate.

Ross What do you think are the megatrends that we should be looking at in 2021? What do you think is the direction of travel, if you like, for so-called developed economies?

Michael Hudson Well, the big trend in any economy is the growth of debt because the growth of debt grows exponentially and the economy has painted itself into a debt corner. We can see that in real estate. We can see that for small business. But there's also almost no way to recover. The Federal Reserve has been printing quantitative easing to keep stock and bonds high. But in the real economy, the trend is polarised, lower unemployment. The trend also is that state and local finances are broke. You have all the big cities, New York City, San Francisco, Los Angeles. They're not getting the income tax. They're not getting the real estate tax, especially as there's so many defaults and mortgages. So you're in New York City, there's talk of cutting back the subways by 70 percent. And of course, people will be afraid to take the subways when they're overcrowded with people with the virus. So you're having a

breakdown not only in state and local finances, but of public services that are state run. Public transportation services, health services, education is being downsized. Everything that is funded out of state and local budgets is going to suffer. And the living standards are going to be very, very sharply downward as people realise how many services they got are dependent on public infrastructure.

Ross Which, of course, opens the door for vulture funds and predatory capital, whether it be private equity, VCs or whatever else to come in and do public infrastructure deals?

Michael Hudson Well, you'll have privatisations. The American economy will be eviscerated because the states' can't support the transportation system and other systems. The pressure to privatise subway and transport systems, schools are going to be more privatised as jails have been in the United States. So you're going to have a huge privatisation trend.

Ross What is the one thing that has really surprised you in 2020? What have you laughed at? What has given you a chuckle?

Michael Hudson The surprise that I really shouldn't have been surprised at is how naive Bernie Sanders supporters were in thinking that they were going to get a fair deal and that the elections were going to be fair. The illusion is that people were actually going to have a fair election when the vested interests, the last thing they want, is Bernie Sanders or Elizabeth Warren or any kind of reformer. So what happened to Sanders is what happened to Corbyn in Britain and the Labour Party's neo Liberal leadership. So what's for laughs? I guess, Tulsi Gabbard's takedown of Kamala Harris was absolutely wonderful. Everybody just broke out laughing, cheering for that. And of course, that's why she was marginalised. And now we have Kamala Harris as the senior vice president.

Video clip (Tulsi Gabbard) Senator Harris says she's proud of her record as a prosecutor and that she'll be a prosecutor president. But I'm deeply concerned about this record. She put over 1500 people in jail for marijuana violations and then laughed about it when she was asked if she ever smoked marijuana. She blocked evidence that would have freed an innocent man from death row until the courts forced her to do so. She kept people in prison beyond their sentences to use them as cheap labour for the state of California. And she fought to keep cash bail system in place that impacts poor people in the worst kind of way.

Ross Michael, one prediction or three, over to you for 2021. What should our viewers be thinking about looking at, and considering, as we go into the New Year?

Michael Hudson What's on the upswing is poverty, homelessness, crime. It'll be very good to invest in crime prevention services, burglar alarms, other things. You're going to have a lot of bond defaults for tax exempt bonds for cities and states can't pay. And the transportation costs are going to rise, I think. So the cost of living is going to rise as public services are privatised and cut back. That will all be good news for the stock market.

Ross You mentioned Bernie Sanders and Jeremy Corbyn. The current sort of divisive political climate is engendering needless sort of scapegoating, recriminations, witch hunts and all the rest of it. How does that logically end, in your view?

Michael Hudson With Sanders was certainly capitulation. He wants to remain a player in the game. And so he's jumped on the Biden bandwagon and he's denounced everything that he stood for. He's all for the Obamacare now, not for socialised medicine. He's joined the flock. And really, he was a catalyst for a left wing movement in the United States. But a catalyst is not part of the reaction, the chemical reaction. So he's put something in motion that he's not a part of. And we'll just have to see whether there is a recognition in America that no progress can be made in the context of the Republican and Democratic Party. They're the same party and it's a duopoly that keeps our third parties off the ballot. Unlike in Europe, where you can have in parliament all sorts of other parties, you're having just a really a lock, a political lock down in America to go hand in hand with the economic lock down.

Ross So, the world is incredibly divided, as we know. But it's divided on different lines now, isn't it? Because this multipolarity is here to stay. However, in the Beltway in Washington, the Americans think that unipolarity is here, which is laughable. But this multipolar world is split between, let's say, financial capitalism and everybody else, because the West, the developed west, wants financial capitalism, doesn't understand that it's sowing the seeds of its own demise. Just elaborate on this a little bit - the West and financial capitalism versus growth economies that create real value.

Michael Hudson Well, that's exactly what's happening. Countries are beginning to say no to the US demands that they neoliberalise their economies and following the Washington consensus. So you're going to have China, Russia and the Shanghai cooperation nations essentially going their own way, de-dollarizing and creating their own economy on non neoliberal lines as opposed to the United States. And in United States, there's going to be a lot of people losing their status in the United States. And when people lose their status and they're impoverished, that's the breeding ground for fascism.

Ross Why is it that the US as a political class, have never understood that meeting other nations halfway is way better than trying to throttle them into economic submission?

Michael Hudson Well, it's the mentality. And Donald Trump said America has to win every deal, that we won't be a member of any deal that we won't do. And the American mentality also for one hundred years, actually, since the beginning of the republic, says we will never follow what other nations tell us to do. We will not join the World Court. We will not join any international organisation unless we have a veto power in it. So America has veto power in the International Monetary Fund and the World Bank and the United Nations, and it refuses to compromise with other nations because we're the exceptional country. Exceptional means we don't have to abide by the treaties we sign. We don't have to abide by international law. We can do whatever we want because we're America. And that spirit has especially as people are impoverished, living on the street and homeless, they think, well, at least we're exceptional and we can do whatever we want.

Ross That kind of hubris puts all the Greek heroes to shame. And you know what happened to all of them?

Michael Hudson That's right. It's wealth addiction. It's an addiction to power. Hubris really is when you become so successful so far, it goes to your head and you think you can do absolutely anything. And you never know when other countries will push back until they

begin to push back. So America, after World War Two, expanded and expanded and expanded its power with no push back. And so it thought we could do this forever. And now there's a push back and it thinks this is not natural. America is exceptional. Don't they get it?

Ross Michael Hudson, always a pleasure to have you. Thank you very much for your time and happy New Year.

Michael Hudson Happy New Year to you, too, Ross.