

Film Review: The Price We Pay

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The figure of a gryphon, the legendary feral, clawed, winged creature that nests above the one-square mile City of London, Britain's financial industry (akin to Wall Street, but with its own legal authority, too) is an apt symbol for an untrammled center of global capital. A creature of prey, it is redolent as the guardian of ill-gotten, even murderous gain. What else is the financial center of the United Kingdom, which introduced the tax-free zone that modeled capital flight around the world? The City predates the Cayman Islands or Switzerland as tranches for tax avoidance and is a main locus for starving the welfare state.

It's what George Monbiot called in *The Guardian* "the dark heart of Britain, the place where democracy goes to die, immensely powerful, equally unaccountable," and "exist[ing] outside many of the laws and democratic controls which govern the rest of the United Kingdom." Even Parliament has little authority over the 800-year-old corporate body, which is the centerpiece for documentarian Harold Crooks' scorching *The Price We Pay*, a 93-minute exhaustive look at the latest tack in economic pillage, what Monbiot has called "a kind of offshore state, a secrecy jurisdiction which controls the network of tax havens housed in the UK's crown dependencies and overseas territories." Not too shabby as a second career for an expired empire.

The point of focusing on the UK's peculiar institution? It prefigures a world in which capital has no accountability to democratic control. It operates internationally, despite its principals' whinings, virtually tax-free. Guess who pays the difference, in both taxes and collapsed government services?

The new film, including scenes of Apple executives caviling before a congressional committee as Michigan's Carl Levin excoriates them for their canard of declaring "that two-thirds of your profits are in Ireland and 95 percent of innovation is in California," is a revelation. The scene is juxtaposed with dislocated, homeless workers and their families sleeping in cars, and footage of London Occupy protesters in 2011 naming The City "the world's largest tax haven" and a prime contributor to collective losses even in 2010 that cost all the world's governments some \$21 trillion, or as much as 15 percent of total wealth.

The masterful film fills in the blanks dramatically as a combination investigative report cum Wes Craven necropolis shocker. As one commentator notes re London's financial center alone, "the City replaced the empire." In France until recently, just 16 auditors—ostensibly asset-recovery specialists—were responsible for monitoring and repatriating international tax earnings.

One reviewer of a dynamite book on the problem said the same thing, that "we're talking about a universal way of business life here, about a system so entrenched, so formidable in the lobbying, so familiar in its assumptions, that even [the collapse of 2008] can't blast it away." A November 2015 report to the Bank of England on the collapse of Scotland's mammoth HBOS—the report was seven years in the making and too late to hold bank officers criminally liable—quotes a senior government

financial manager as saying “enforcement against big bankers had become virtually impossible.”

Sure, the depredations of capital include more than tax avoidance, and Crooks’ film centers also on the resulting deregulation and a muting of any democratic accountability, in effect famishing when not erasing the welfare state and the last traces of any social contract. But the trend alone is worth the film’s attention. Among its empirical sources is the reputable Tax Justice Network, whose recent report on 100 tax havens (issued in November 2015, following the film’s release) “reveals that the world’s most important providers of financial secrecy are not the traditional small, palm-fringed islands [such as the Caymans], but some of the world’s biggest and wealthiest countries.”

The film marshals Columbia University sociologist Saskia Sassen to tell viewers that the practice is “navigating the space between legal and illegal.” Yale University’s International Studies professor Krishen Mehta calls the practice “tax competition,” citing “an underpricing of exports and an overpricing of imports,” that particularly harms Third World nations.

Chicago Democratic Socialists of America economist Bill Barclay (no relation to the secretive, manipulative billionaire twin Barclay brothers of UK infamy) advocates the Robin Hood Tax, where “trading assets back and forth [sometimes instantaneously, as in cloud investing] would be taxed heavily, while those who invest longer-term in firms will be taxed negligibly.” A corporate sock puppet answers DSA’s Barclay that “the world would lose millions.” Whose world? Whose millions?

One part about the 93-minute exposé I’d elide is its unfortunate subtitle “How Offshore Havens are Silently Killing Our Middle Class.” Silent killers? More stealth than silent, but okay. Middle class? That terrible language, what sociologist Stanley Aronowitz has rightly called “one of the sustaining myths of American ideology and political culture.” First, there is no “middle class,” except as an income category, or more specifically a melange of faceless consumers in ostensible shopping frenzy, even if the real consumer choices range from clipping stock or sales coupons, lining up for the latest smart phones or keeping long-line service, choosing between Armani and Goodwill or commuting in a Lexis versus turnstile jumping on public transit. Or bobos and debt-riddled ex-students.

But misuse of “middle class” is more than a Pickwickian exercise when it’s not linguistic porn. The real damage from talking “middle class values” as the great leveler is discounting the horrific policy backwash capital places on working families and the poor—what else is “entitlement reform” or “a union-free environment?”—while the real upper-class malefactors get a free ideological and programmatic ride. The sooner we Reds banish the income category “middle class” from our vocabulary, the better we’ll be at naming the offenders and telling the truth about toxic inequality.

Another bugaboo: Given how traditionally it’s been a strata of shopkeepers, dislocated professionals and farmers—not in the main working-class people—moving right during economic crises who formed the heart of fascist and racist movements, a film that wants better outcomes needs solutions beyond the film’s coda “to get the people to push back against that and understand how to push back,” as one commentator adds. Barclay’s Robin Hood tax is one powerful weapon; we need more to neutralize corporate power.

Tax avoidance and off-shoring is another tactic in a long tradition of what capital does to maximize profits regardless of a larger social cost, and the film is definitive on this latest slimy gambit. If successful, the cost to home countries will be immense not just economically but politically, in states where politics will devolve into which parties can claim to administer austerity most facilely. That warning alone makes the film worth watching and promoting.

Interested in streaming The Price We Pay? Go [HERE](#) for further information.

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