

## The DJIA Scrapes Off Some Rot

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For the 49<sup>th</sup> time in its history the Dow Jones Industrial Average restructured the 30 most important stocks of the NYSE. The touts have been predicting mountainous heights for years (“Dow to 30,000” – this before the last bust). That hasn't happened yet – even with the NYSE making 49 major adjustments to get things to come out right.

Alcoa is dumped. A company that actually makes something important; a company that belongs among the 30 because it is an INDUSTRY, as in the Dow Jones INDUSTRIAL Average. It has 61,000 employees and is ranked 794 of 2000 global corporations (Forbes). It's replacement? Nike. A company ranked 1225 of 2000. Has 44,000 employees that make sneakers, or I should say, manage the operations of a company that makes everything abroad. This is a critical industry. Should we go to war we will rely on sneakers rather than aluminum – if we can manage to get the sneakers to our shores.

But at least Nike is a company that actually *makes* something. Bank of America, with 267,000 employees, ranked 28<sup>th</sup> of 2000 globally, and \$100 billion in sales is jettisoned for a puny company named Goldman Sachs – 32,000 employees, \$41 billion in sales. The financial company that contributed most to causing the current crisis of capitalism, both in its own business practices and by getting its people in Treasury and Fed, though I guess the latter part of the statement is redundant.

Hewlett-Packard, one of the biggest tech companies in the world (39<sup>th</sup> out of the top 2000 Global corporations), with 331,000 employees and \$118 billion in sales. It is replaced by Visa, a service company with all of 8,500 employees and \$10 billion in sales.

When the 'ship of Theseus' had all its rotten wood replaced over the years, was it still the same ship? Does the Dow INDUSTRIALS really have any relation to the economic strength of the nation when it has replaced bedrock industries with minor companies that make nothing but higher market value? A silly question for an unreal economy.

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