

# Fearless Fraud Conquers Wall Street

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There she is – legs straight, feet firmly planted, shoulders squared, arms akimbo – *Fearless Girl* staring down the icon of Wall Street speculators, a youthful toreador ready to slay the beloved bull of parasites. That's what the eyes of millions of Americans see in the display, a rare example of art expressing the feelings of the masses. But only the feelings are true, all the rest is a fraud.

In a Village Voice article by Nick Pinto we learn that it's only an advertising gimmick created by the McCann advertising firm for State Street Global Advisors, the investment arm of Boston based State Street Corporation, a financial firm that manages a mere \$2.5 trillion in assets, their management arm handles an additional \$28 trillion.

It was a scheme to encourage the 3500 firms in which it invest to hire more women to their board of directors. According to somebody's research, companies with strong female leadership generate 10.1% return on equity per year against 7.4% with lesser female presence running the show. That's a substantial 36.4% difference.

The bull only came on the scene in 1989, intended by its creator, Arturo Di Modica, as a strengthening agent following the 1987 Wall Street collapse. Di Modica wants the 'girl' removed; she is an insult to the spirit of the bull – “My bull is a symbol for America. My bull is a symbol of strength and for American prosperity.” The State Street representative says, “She is not even defiant”, and its creator, Kristen Visbal, concurs saying, “She is strong, but not belligerent....She is proud, but not confrontational.” With such cringing defensiveness, is there any wonder why so few women reach positions of power under capitalism?

So, as two artists make fools of themselves from which they will gain much profit, and State Street has its plans go awry, it at least can benefit from something that diverts attention from its many crimes, such as the Magnetar Capital scam which as its service to humanity sold \$1.5 billion in mortgage derivative to its client/suckers that the hedge fund designed to fail so they can cash in their short sell gamble. The right to do that represents what the 'girl' is really fighting for. Still, there is something positive to found in the remarkable turn of events. Instead of art imitating life, we had life imposing its interpretation on art – a non trivial meaning that made it real and not fake.

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The markets had two boom days this week with DJIA rising almost 500 points. The first one came on the news that the French preliminary election vote came out precisely as predicted with Macron and Le Pen making the runoff. The second probably included some French carry-over, plus 621,000 annualized new home sale (meaning that it's almost reached the halfway mark of the pre-crash high),

and the Trump bunch announcing plans to cut corporate taxes from 35% to 15%. But the big news of the week was the GDP report for the first quarter. It came in as a miserable 0.7% annualized – the slowest quarterly growth rate in three years. Worse yet was retail sales at 0.3% – the lowest since the last quarter of the Big Slump year, 2009. Since consumer spending makes up 70% of the GDP the markets should have taken the news hard. Nope. They had minuscule declines. Only the most shameless liar could claim that the markets reflect real economic conditions.

Back in Q3 of 2016 with its 3.5% growth the pundits declared the economy had finally turned the corner and steady growth was assured. Then it fell to 2.1% in the 4<sup>th</sup> quarter, and now 0.7%. The only period that could be termed a recovery, albeit a weak one, were the two years following the trough of the slump. By the end of 2011 the economy was in a dive and near recession in early 2012. That led to double-barreled QE's – treasuries and MBS. They kept the economy alive, barely, and when they ended in October 2014 the economy weakened and came close to recession in early 2016. As late as March 10<sup>th</sup> the NY Fed was projecting 3.2% growth for the first quarter. Their dilemma is that the very actions they take to keep the economy alive also prevent significant growth. Whether they can solve this mother of all economic conundrums may determine the life or death of the system.

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