

A Fifty Trillion Dollar Heist

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There is a saying that a rising sea lifts all boats, but in the sea of growing wealth created by Americans only the supertankers of the elite rise while the small boats of the productive class founder and all too often sink.

The mid-1970's have often been seen as a period when advances in the standard of living for the American working class began to founder before slowly sinking. The only growth was in areas of negative personal and social behavior. Real growth was reserved for the super rich elite even though in the vastness of their wealth it could only be stashed away as ballast.

A Rand study conducted for the Fair Work Center determined that from 1945 to 1974 the wealth gap between the top 10% the bottom 90% remained relatively stable but since then the gap between them has greatly expanded. Had the wealth gap remained proportionally the same from 1975 to 2018 as it was in the earlier 30 years, \$50 trillion of the wealth that went to the upper crust would have instead been available to the 90% to make a better life for themselves.

In 2018 dollars adjusted for PCE (Personal Consumption Expenditure) which reflects personal needs rather than the CPI, the median for all adults with income was \$26,000 in 1975 and \$36,000 in 2018. But without the expanding gap from 1975 it would have been \$57,000. All adults through the 95th percentile would have earned more were it not for the expanding gap while those in the 99% and top 1% mean would have earned less. The latter earned \$252,000 in 1975 and but for the expanding gap would have earned a reasonable \$549,000 rather than the ridiculous sum of \$1,160,000.

There is no mystery as to why the system is currently in generalized disfavor. The lives of the masses are mired in place with little or no hope for a better future. Income distribution for the median full-year full-time prime aged workers in 2018 dollars (PCE adjusted) was \$42,000 in 1975 and only \$50,000 in 2018 - \$8,000 real dollars more after 43 years! Without the expanded theft of the super rich it would

have been \$92,000. The wealth expansion is worse in the US than the rest of the capitalist world as is the covid death count – 2.5 million dead in the world with 500 thousand of those in the US. 8.3 billion people in the world and only 330 million in the US yet we experience 20% of the world's total covid deaths. Nota Bene.

Economic Info

-- If there are still any fools that believe China is in any sense communist other than the use of that word to identify a myth, they have to confront the fact that communism means no private ownership of parceled portions of the earth itself: use, yes, ownership, no. But capitalists must own in order to sell.

China recently announced the adoption of a centralized land sale program in 22 cities that last year generated \$418.5 billions from the sale of the peoples land for the benefit of state bureaucrats and private capitalists. That amounted to only 45% of the land sold - the total value of land sales was in the vicinity of \$1 trillion.

Land sales figure to be a vital element in Xi's about face in terms of economic development. At the October assembly of the CCCCPCP (Central Committee of the Chinese 'Communist' Party) he announced a turn away from years of annual robust growth. No doubt many reasons were given but the change in policy is obvious; China is now caught in the capitalist stream of irrational growth followed by economic crises. For all its faults a Stalinist bureaucracy was relatively stable in providing basic needs. At least what people get meets their expectations. Now the productive class has lost everything that was nominally theirs and exchange for an upgrade of their living conditions. It's now critical that the bureaucracy look inward and support the home front.

Even rulers of authoritarian states have to constantly validate their power, and the fact that there has been no increase in annual growth since Xi came to power in 2012 doesn't look good on his resume. Thus the turn to domestic advancement -- to "basically achieve socialist modernization" and by 2035 to "reach the level of moderately developed countries". Popular programs may delay a bureaucratic coup.

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