

Bridging the Gini Gap

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In 1912 Italian statistician Corrado Gini presented to the world what became known as the Gini Index; a mathematical calculation intended to gauge the wealth level of a given population. Basically, a 1 means all the wealth would be in the hands of a single person, and a 0 means an equilibrium of wealth in a society. The lowest Gini reading for the US was .386 in the years 1947-1968. Between 1975 – 1985 the trek toward *oneness* grew from .397 to .419. It is now .476. For comparison, the range for Gini scores for the UK, Germany, France, Netherlands, Sweden, Finland is .200 to .330. Makes you wonder why we have been made to deal with so many elaborate explanations as to why – *Americans are so angry!* We are expected to take pride in the brilliant success of the parasitic class, after all, aren't they also Americans?

Columbia University researchers Stepan and Linz provided a possible course of action should an Occupy like movement grow out of the intense anti-Trump sentiment of what passes for progressive politics in America. They found that the nations with the most 'veto' powers, that is, the powers to block policy changes, also had the highest Gini scores. Of the 23 developed democratic nations only the US had 4 blockades in place to prevent changes inimical to the parasitic class. The US has a bicameral legislative body with a particularly reactionary senate structure; the presidential veto; and a supreme court of nine appointed for life. None of the other nations in the group evaluated had so many impediments to progress. A constitutional convention backed by the American equivalent of the Parisian 'mobs' of 1793 France can sweep out the DC stables. In the meantime, the least one can do is to not participate in an electoral process that merely refreshes the 4 blockades. Get the participation rate significantly below half the electorate and the political usurpers will have no choice but to abdicate. Hold a mock national election on election day. Make it entertaining but don't expect it to be a better farce than the real thing.

There was general weakness in durable orders and shipments. Capital goods continued its mostly negative monthly reports. There were also PMI reports, but they being only verbal reports by companies (better, the same, or worse) which then are fabricated into numerical figure are unreliable indicators in both manufacturing and the service sector.

There was a large increase in the trade cap to \$69.2 billion. Exports down 0.3%, imports up 2.4%.

The consensus was that the second reading of the 4th quarter GDP would be higher than the first. It wasn't. It remained 1.9%. Expectations for the first quarter have been lowered.

Immediately before the election Citigroup predicted 3 to 5 percent decline in the S&P 500. Bridgewater Associates expected a 10% fall in the Dow Jones Industrial Average. Instead the promise of Trump largess has led to many record breaking trading sessions. Trump's address to Congress led to the bulldozing of old records on Wednesday with the DJIA breaking the 21,000 mark. Meanwhile the real economy remains slack the world over.

According to the Boston Consulting Group banks have paid \$321 billion in fines worldwide since 2005, \$42 billion in 2016. The figure is expected to continue a rapid rise as Europe and Asia are only now getting into the American-style punishment method – first load their pockets with easy money, then take a bit of it back.

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