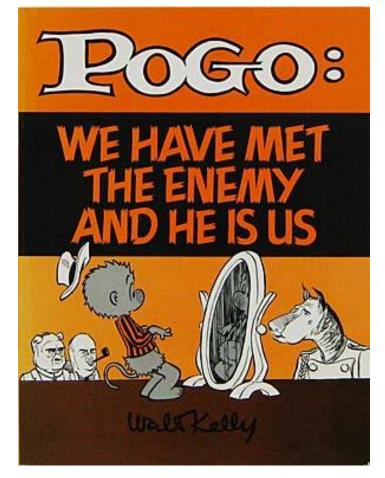


ILL FARES THE LAND: AN ERA OF NATIONAL CIVIC CATASTROPHE or "LIFE ON OUR PLANTATION"

- Jeoffry B. Gordon, MD, MPH
- paradocs2@hotmail.com





WAS ORWELL 30 YEARS OFF??

Forbidden Love Fear Betrayal 35 A Novel by GEORGE ORWELL

A Startling View of Life in 1984



Which One Will YOU Be

GAND Good Reading for the Millions

In the Year 1984?

There wan't be much chaice, of course, if this book's predic-tions turn out to be true. But you'll probably become one of the following four types:

Proletarian-Considered interior and kept in ratel ignorement, you'l be feel less how the Minlerry of Truth, eliminated upon signs at promise or ability?

tages any parties or associated of instilligences but separate framews, you'll be soughiest of everyone and its ready to give plane. The last ling therefore, the leader synus ensere even sensed. Party Member-Males. Fact-face, ministeries, or finsh-and-blood relativity a publicities brain, you're denied love by law, tangbit hat by the fact of a vertical.

Party Member-Fonsile - A member of the Anti-Sox Leogue from bitth, your duty will be to insufter all forman emotion, and your children night not be your hubband of

Unbelievable? You'll feel differently after you've read this best-selling book of forbidden love and terror in a world many of us may live to see!

GEORGE ORWELL

tern in 1903 in India and educated at Stan, Been in 1992 in them and the environment of knime Orwell's cover weak vertical-floring service in the Imperial Palce, two years in Parit, and reaching in England, preceded the wor in Spoils and Hanne Quard member-choir by Wand War II, A frequent contributor to interary re-Form, Burmese Days and Dawn and Out in London and Paris.

fat UKWEL

A SIGNET GIANT Complete and Unahridged

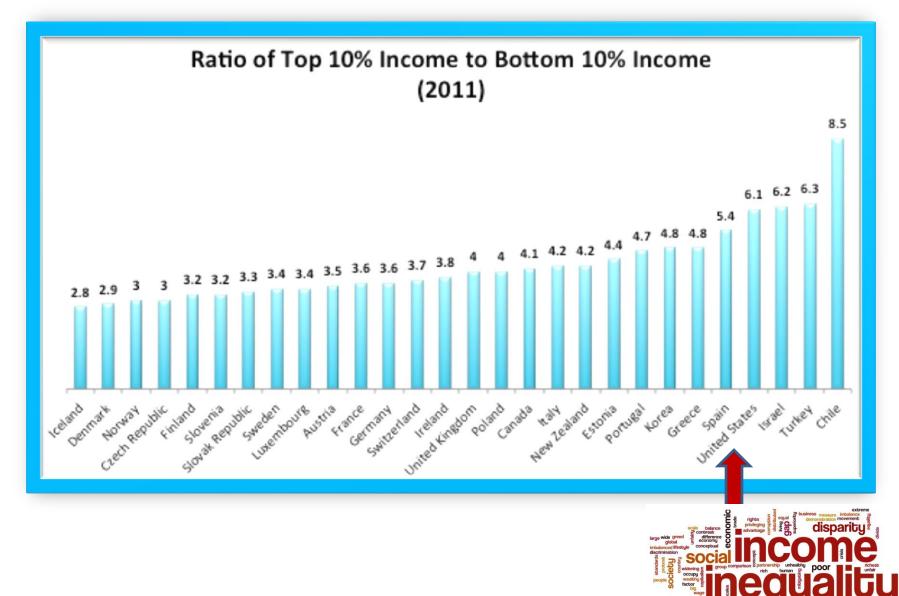
Published by the New American Library



Fla. gov. bans the terms climate change, global warming, USA TODAY

Republican politicians overwhelmingly oppose any action to limit emissions of greenhouse gases, and that the great majority reject the scientific consensus on **climate change**. Last year PolitiFact could find only eight Republicans in Congress, out of 278 in the caucus, who had made on-therecord comments accepting the reality of man-made global warming. All of the contenders for the Republican presidential nomination are solidly in the anti-science camp. And climate-denial orthodoxy doesn't just say that the scientific consensus is wrong. Senior Republican members of Congress routinely indulge in wild conspiracy theories, alleging that all the evidence for climate change is the product of a giant hoax perpetrated by thousands of scientists around the world. And they do all they can to harass and intimidate individual scientists. - Paul Krugman THE NEW YORK TIMES, Dec. 4, 2015

I. LIVING IN A "BANANA REPUBLIC" THE BASIC FACTS of INCOME INEQUALITY



ea

Below are the 25 metropolitan areas, ranked in order of the salary needed in those areas to

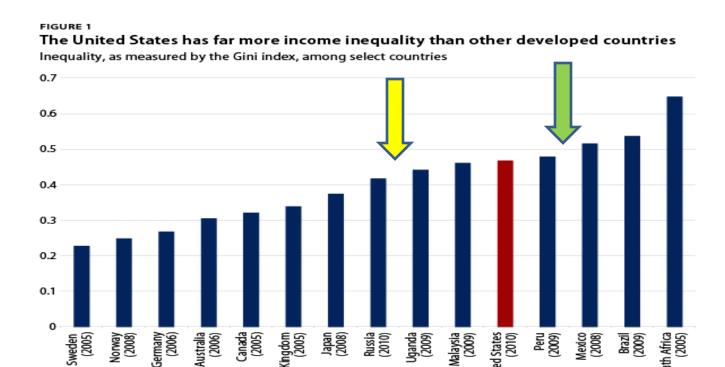
afford a median-priced home (in January, 2014) Inequality Levels Vary Widely Across the Nation's Largest Cities

- 1. Cleveland: \$19,435.17
- 2. Cincinnati: \$22,226.95
- 3. St. Louis: \$22,397.54
- 4. Atlanta: \$24,390.94
- 5. Tampa: \$24,650.88
- 6. Orlando: \$28,298.47
- 7. San Antonio: \$29,305.47
- 8. Dallas: \$29,751.24
- 9. Houston: \$31,298.99
- 10. Chicago: \$32,388.90
- 11. Phoenix: \$32,811.94
- 12. Minneapolis: \$33,800.09
- 13. Philadelphia: \$36,836.47
- 14. Baltimore: \$41,155.40
- 15. Sacramento: \$42,832.20
- 16. Miami: \$43,918.66
- 17. Portland, Ore.: \$45,872.78
- 18. Denver: \$48,122.72
- 19. Seattle: \$59,129.86
- 20. Washington, D.C.: \$62,809.63
- 21. Boston: \$63,673.13
- 22. New York City: \$66,167.27
- 23. Los Angeles: \$72,126.90
- 24. San Diego: \$81,570.40
- 25. San Francisco: \$115,510.06

	City	Population, 2012	Household I	Ratio	
	Highest Inequality		20th percentile	95th percentile	
1	Atlanta, GA	443,768	\$14,850	\$279,827	18.8
2	San Francisco, CA	825,863	\$21,313	\$353,576	16.6
3	Miami, FL	413,864	\$10,438	\$164,013	15.7
4	Boston, MA	637,516	\$14,604	\$223,838	15.3
5	Washington, DC	632,323	\$21,782	\$290,637	13.3
6	New York, NY	8,336,697	\$17,119	\$226,675	13.2
7	Oakland, CA	400,740	\$17,646	\$223,965	12.7
8	Chicago, IL	2,714,844	\$16,078	\$201,460	12.5
9	Los Angeles, CA	3,857,786	\$17,657	\$217,770	12.3
10	Baltimore, MD	621,342	\$13,522	\$164,995	12.2
	Lowest Inequality				
41	Oklahoma City, OK	599,309	\$18,835	\$160,125	8.5
42	Raleigh, NC	423,743	\$24,113	\$199,911	8.3
43	Omaha, NE	421,564	\$19,649	\$161,910	8.2
44	Fort Worth, TX	782,027	\$20,992	\$168,989	8.1
45	Colorado Springs, CO	431,846	\$22,213	\$175,034	7.9
46	Wichita, KS	385,586	\$19,516	\$151,068	7.7
47	Las Vegas, NV	596,440	\$21,380	\$164,344	7.7
48	Mesa, AZ	452,068	\$21,007	\$157,190	7.5
49	Arlington, TX	375,598	\$24,169	\$175,759	7.3
50	Virginia Beach, VA	447,021	\$31,051	\$187,652	6.0
	50 Largest cities		\$18,137	\$196,409	10.8

Source: Brookings Institution analysis of 2012 American Community Survey data

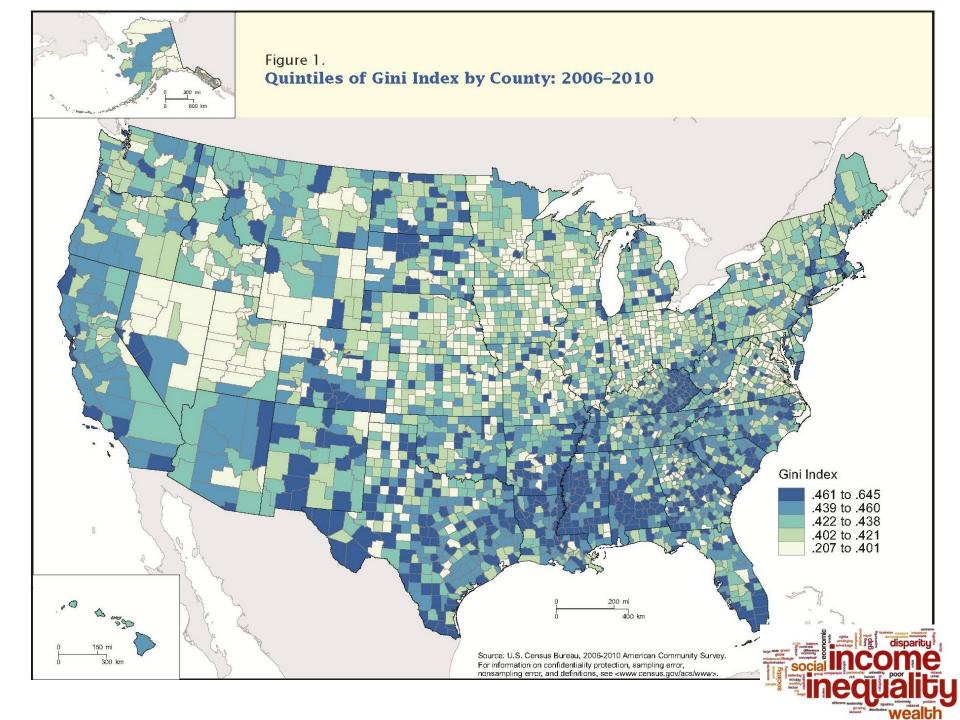




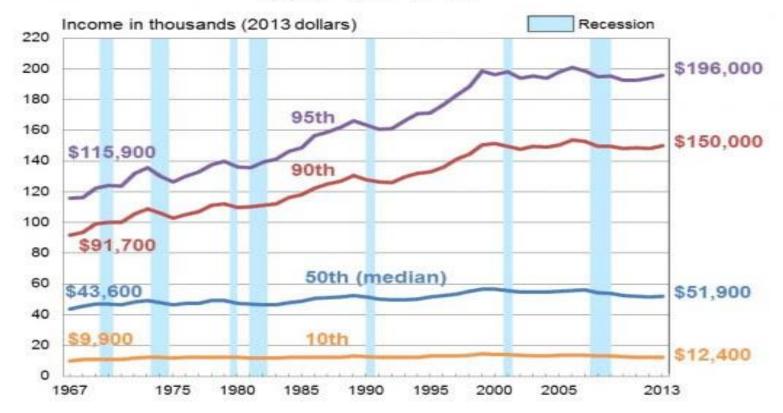


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ГGП



Real Household Income at Selected Percentiles: 1967 to 2013





U.S. Department of Commerce Economics and Statistics Administration U.S. CENSUS RUREAU Commission Note: Income rounded to nearest \$100.

Source: U.S. Census Bureau, Current Population Survey, 1968 to 2014 Annual Social and Economic Supplements.



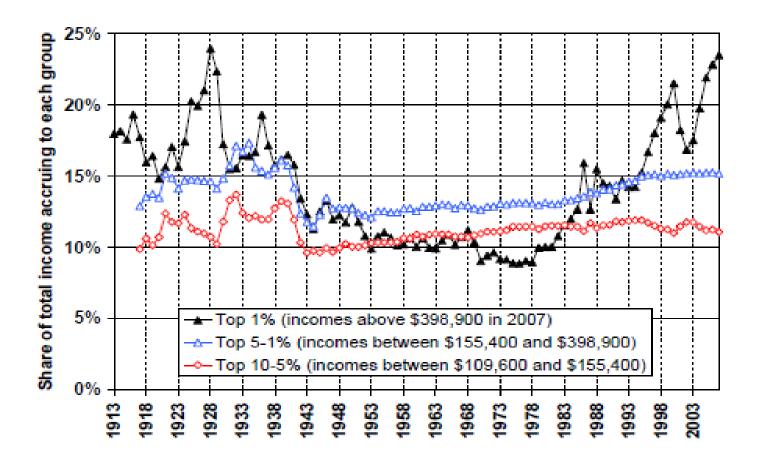


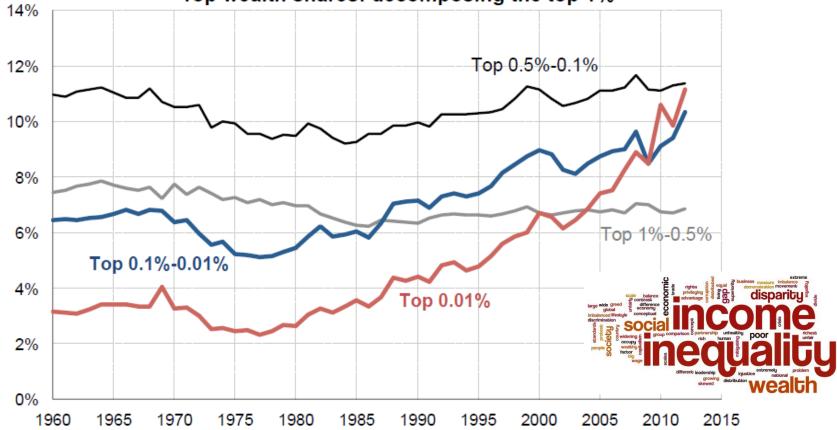
FIGURE 2

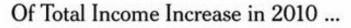
Decomposing the Top Decile US Income Share into 3 Groups, 1913-2007

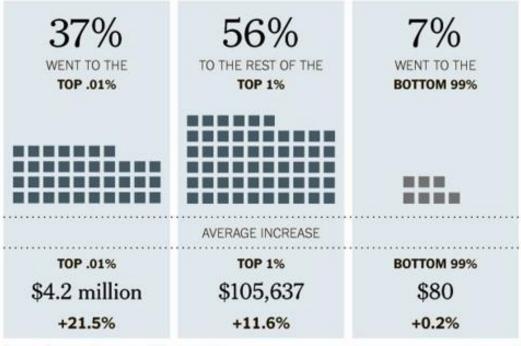
Source: Piketty and Saez (2003), series updated to 2007. Income is defined as market income including capital gains. Top 1% denotes the top percentile (families with annual income above \$398,900 in 2007) Top 5-1% denotes the next 4% (families with annual income between \$155,400 and \$398,900 in 2007) Top 10-5% denotes the next 5% (bottom half of the top decile, families with annual income between \$109,600 and \$155,400 in 2007).



Top wealth shares: decomposing the top 1%







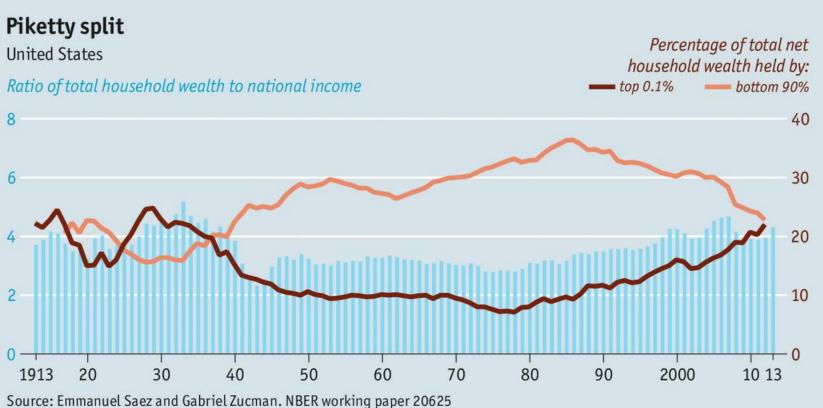
Source: Thomas Piketty and Emmanuel Saez

THE NEW YORK TIMES

The top .01% (14,000 of us) earn an average of \$23.8M/YR. The top 1% (1.4M) includes people earning over \$352,000 in annual income.



The Stock/Equity Wealth of the Richest 12,000 Households Has Surpassed Housing Wealth of 108,000,000 Households



The Great Prosperity: 1947–79

Pay Rose With Productivity ...

Wages and overall compensation, for production and nonsupervisory workers (now about 82 percent of the private sector work force), tracked steadily upward alongside gains in productivity.

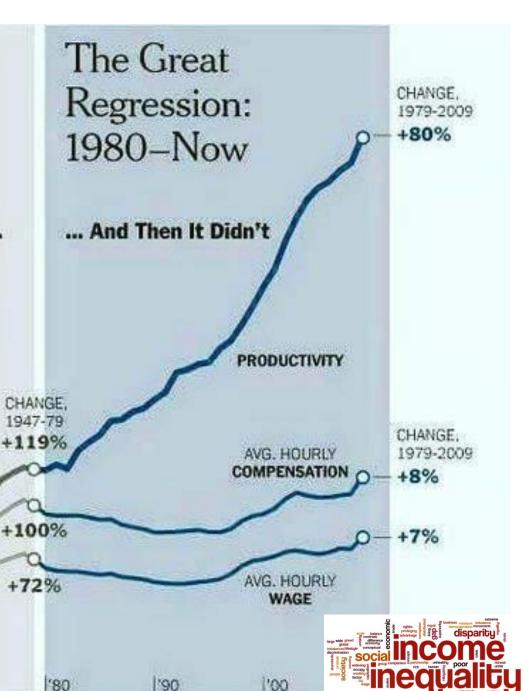
The rising value of goods and services per worker meant rising pay. But that relationship ended in the 1970s.

'60

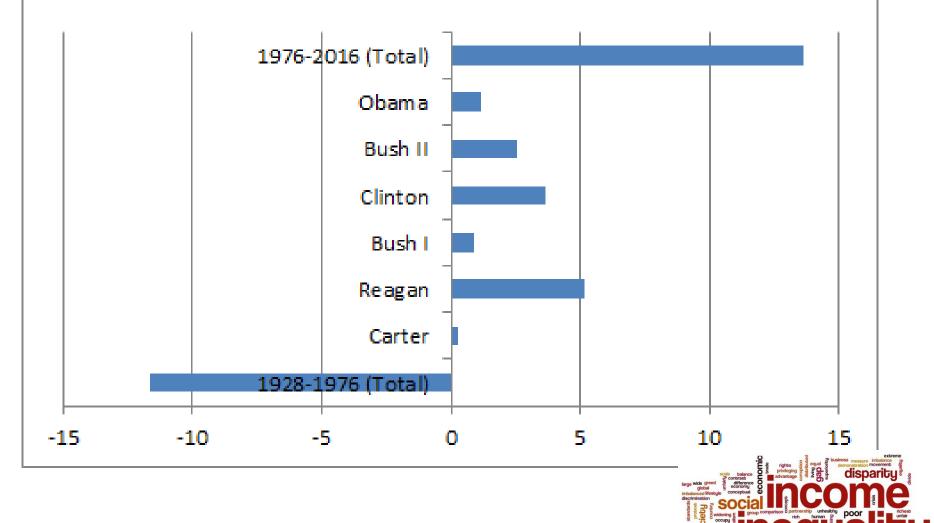
'70

BASELINE IS 1947

'50



Percentage Point Change in Top 1% Income Share



As union membership decreases, middle class Mabo Kiefe THE DENVER! income shrinks "Only a fool The would try to American DE SINK Labor Movement working men 30 54 has and women consistently of the right demonstrated 52 25 its devotion the union to the public Union Membership Rate interest. It is, and has been, 20 50 Middle Class Share good for all America." 15 48 'If any man tells 'It is one 46 10 you he loves of the America, vet characteristics hates labor, he is 5 44 a liar. If any man of a free tells you he trusts and democratic America, yet nation that it 42 fears labor, he is 0 have free and a fool." 1972 1982 1992 1997 2002 2007 1967 1977 1987 independent labor unions." Union Membership

deprive

to join

of their

choice."

Rate

 Middle Class Share of National Income





*** In 2014 top 7 Wall Street hedge fund managers earned more than the total annual salary of all the kindergarten teachers in the USA

Hedge funds manage to collect hefty fees: *<u>"two and twenty" fee structure: investors</u> must pay a management fee of 2%, and then a performance fee of 20% on any returns above a set target. <u>*carried interest loophole</u>: By act of **Congress hedge fund managers pay taxes** at a 20% capital gains rate on their profit, rather than the normal 39.6% rate. This incredibly generous loophole will cost taxpayers \$180 billion in lost revenue over the next ten years.







Panama Papers Could Lead to Capitalism's Great Crisis TIME, April 4, 2016



The Panama Papers, an analysis of 11.5 million leaked documents from global law firm Mossack Fonseca revealed by the International Consortium of Investigative Journalists (ICIJ) shows that the <u>shadow financial system</u> was growing. Mossack Fonseca was working with big name financial groups to help global financiers hide cash in offshore havens around the world. The Panama Papers illuminate a key aspect of why the system isn't workingbecause globalization has allowed the capital and assets of the 1 % (be they individuals or corporations) to travel freely, while those of the 99 % cannot. Globalization is set up to enable that mobility mainly for the rich (or for large corporations). The result is global tax evasion, the offshoring of labor, and an elite that flies 35,000 feet over the problems of nation states and the tax payers within them. Global Financial Integrity **found developing economies** lost \$7.8 trillion in cash because of maneuvers like those allegedly done by Mossack Fonseca, between 2004 and 2013.



After 15 Years, Argentina Agrees To Pay Back U.S. Creditors: Singer Makes 369% of Principal on Argentine Bonds in Debt Offer

Argentina's debt crisis is finally over. The Argentine Senate voted 54-16 to issue \$12.5 billion in bonds. Part of the money raised will be used to pay back \$4.65 billion to U.S. hedge funds, most notably **Paul Singer's** NML Capital, an offshore subsidiary of Elliott Management. *Argentina's 2005 restructuring imposed losses of about 70 percent on investors' claims, and Argentina made a similar offer in 2010. While about 92 percent of creditors tendered their debt in those two restructurings, Singer and other holdouts pursued better terms in the U.S. courts which backed him.*

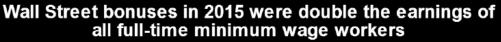
According to a Bloomberg estimate, Elliott Management will get back \$2.28 billion, or about 369 percent of the firm's \$617 million investment in distressed bonds; Singer <u>paid</u> just \$117 million for them 15 years ago. The new Gilded Age: Close to half of all super-PAC money comes from 50 donors, THE WASHINGTON POST, April 15, 2016

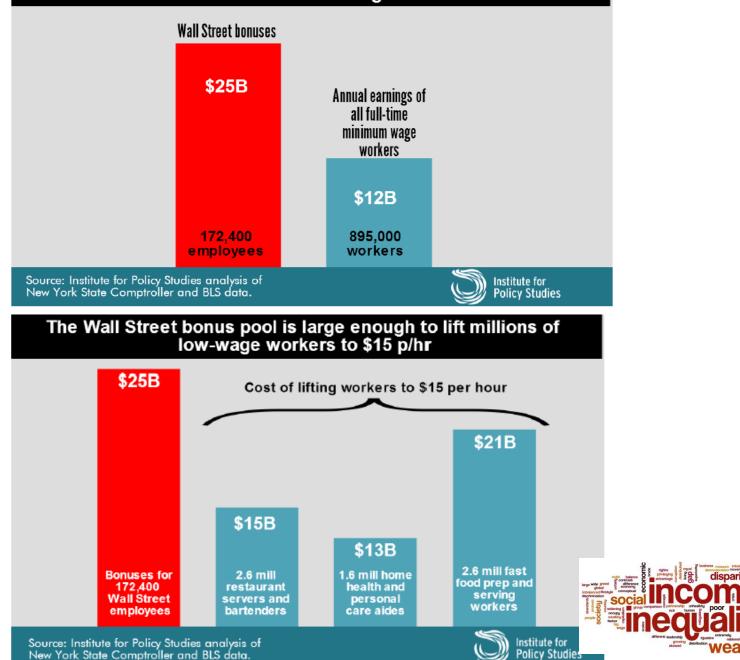
Close to half the money — **41 percent** — **raised by super PACs for the 2016 elections to the end of February came from just 50 mega-donors and their relatives**, according to the Washington Post. Thirty-six of those are Republican supporters trying to shape the GOP nomination contest — accounting for more than 70 percent of the money from the top 50. In all, donors this cycle have given more than \$607 million to 2,300 super PACs, which can accept unlimited contributions from individuals and corporations.

The Top 10

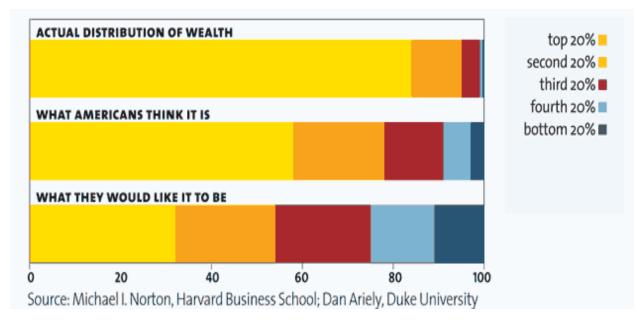
<u>Rank</u>	Name		Total Donations	Supporting
1	Tom Steyer (D)		\$17 million	climate change
2	The Wilks family	(R)	\$15.3 million	Ted Cruz
3	Maurice "Hank" Gre	enberg (R)	\$15 million*	Bush & Rubio
4	Robert Mercer	(R)	\$14.6 million	Ted Cruz
5	Toby Neugebauer	(R)	\$10.1 million	Ted Cruz
6	Paul Singer	(R)	\$9.9 million	Marco Rubio
7	Ronald Cameron	(R)	\$8.6 million*	Huckabee & Rubio
8	Kenneth C. Griffin	(R)	\$8.3 million	Koch/Rubio
9	George Soros	(D)	\$8 million	Hillary Clinton
10	Elizabeth and Richar	d Uihlein (R)	\$7.5 million	Walker & Rubio
				Q . Business monare







Rising Wealth Inequality: Should We Care? The Lottery Mentality Americans actually live in Russia, although they think they live in Sweden. And they would like to live on a kibbutz.



Culturally Americans have not raised income inequality as an issue in the past because Americans don't begrudge the rich so much as they want to join them. The Norton and Ariely (2011) study suggests otherwise. Given a choice, Americans would prefer to live in a society more equal than even highly egalitarian Sweden.

II. THE MIDDLE CLASS (and JUST ABOUT EVERYONE ELSE): TRAPPED,FRUSTRATED and ANGRY

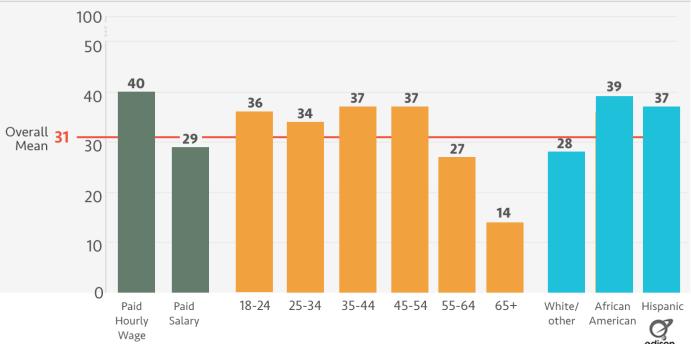


"How did it happen that a two-income family today has less disposable income than a one-income family did thirty years ago?"

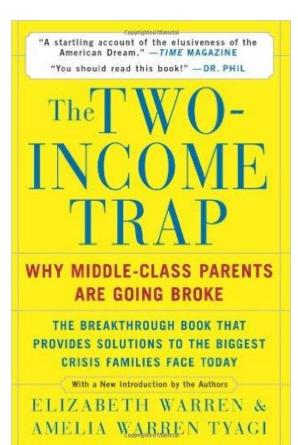




Economic Anxiety Index mean score, by wage, age and race

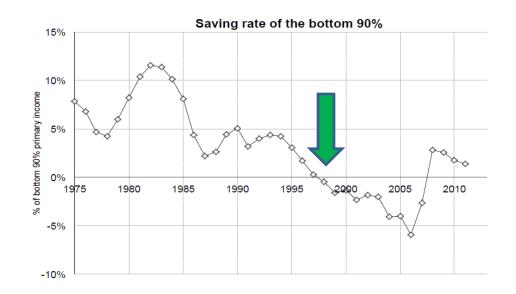


Among the more than 1,000 people surveyed, more than 60 percent reported feeling at least some anxiousness about their financial situations, while 30 percent said concern over their financial situation is causing them to lose sleep. A majority, or 64%, of Americans don't have enough cash on hand to handle a \$1,000 emergency expense.



Written by a law school professor and her daughter in 2003 and outlining and predicting the current and future exploitation of the middle class

The bottom 90% massively dis-saved in the decade preceding the crisis



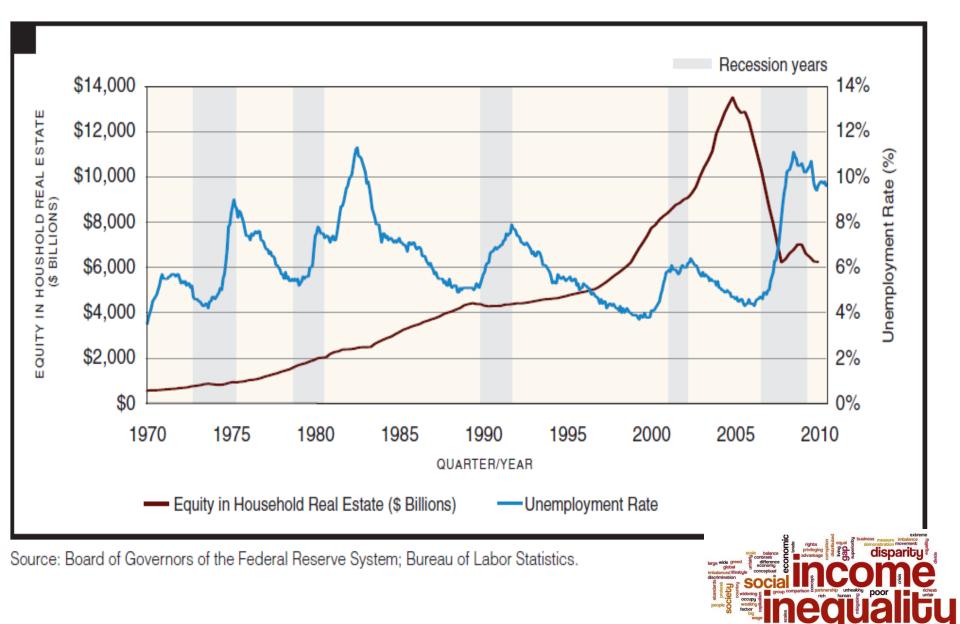


THE GREAT RECESSION OF 2008

Estimated total GDP loss \$12T \$40,000/per person



THE GREAT RECESSION



lealth

** 8.3 million jobs lost 2008-09, total 26.2 million unemployed

****** 10% white unemployment rate, 16% Black unemployment rate, 13.2% Hispanic unemployment rate

**** 17% underemployment rate**

****** 17.4 million U.S. families went hungry at some point in 2009, according to the USDA which also found that 6.8 million households with up to 1 million children had continuing financial problems that left them unable to eat regularly

** 5.4 million people have been added to federal disability rolls as discouraged workers give up looking for work

** GDP fell 6% in 2008, 2.6% in 2009 (total US GDP, 2008 \$14.4 T)

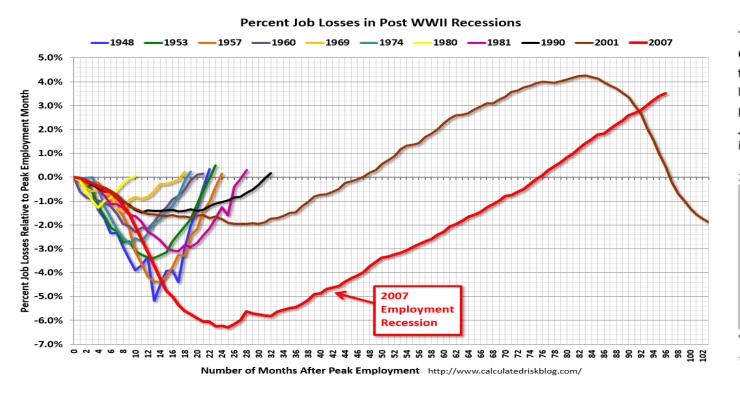
**** \$17 trillion (22% of all value) lost in net household worth (\$5.6 T in lost home prices)**

** 3.1 million foreclosure filings during 2008 (one of every 54 households) 861,664 families lost their homes in 2008, 5 million foreclosures total. Another 2,824,000 foreclosure filings in 2009

****** Stock market fell by 1/3 (retirement funds lost \$2.8T)

** Household bankruptcies 2.5 million in 2008-09

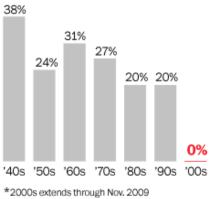




There was zero net job creation in the first decade of

the new millennium, compared to healthy job growth in each of the previous six decades.

Job growth: percent change in payroll employment.*



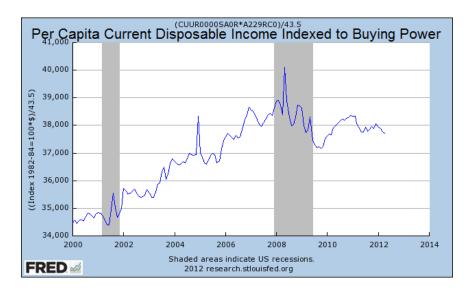
THE WASHINGTON POST

THE WAGE-LESS JOBS RECOVERY





Shaded regions represent periods of U.S. recession





The graph above shows April 2012 per capita disposable income Of \$37,711 (current dollars) indexed to the buying power of the dollar. Joe's world is operating at the same levels as five years ago. This is Joe's real income growth and it shows Joe's **real income** is shrinking.

Taking the data in the graph to the left, and comparing growth year-over-year with GDP - Joe's **disposable income** has been shrinking since mid 2011 - just as the establishment was telling Joe the economy is growing.





Survey: U.S. wealth shrank

Wealth shrank Highlights of a new report by the Federal Reserve on consumer finances, 2007-10, reflects the huge impact of the Great Recession. 2007 2010 Median income

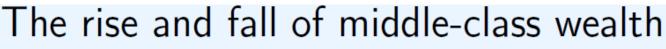
2007 2010 Median income Fell 7.7 percent \$49,600 44,800

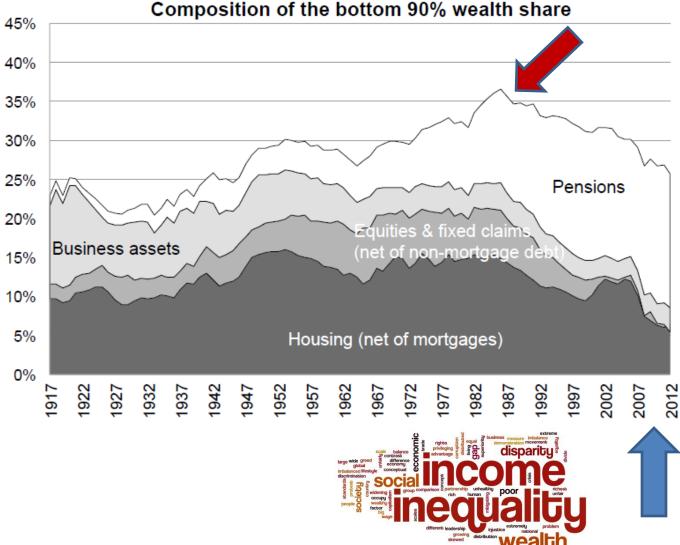
Median net worth

Median net worth, the value of assets minus the value of debts, fell 39 percent

126,400 77,300

 2010 median net worth was at about 1992 levels

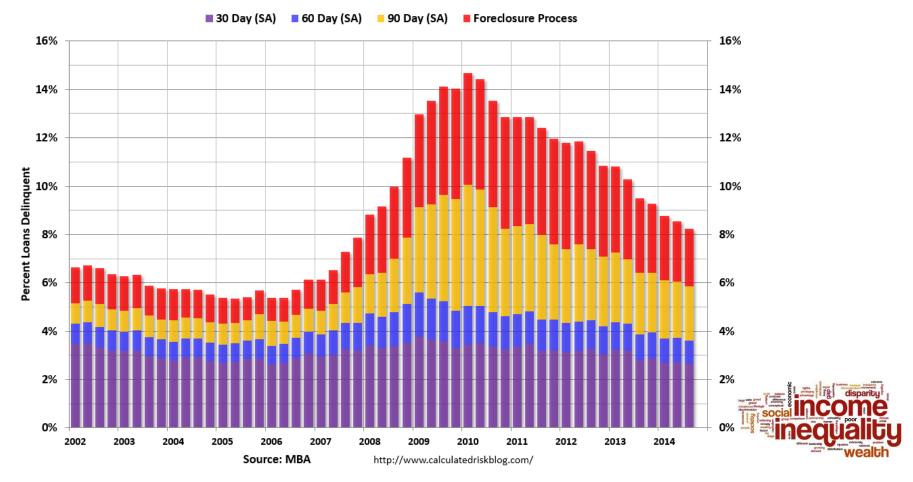




From January 2007 to December 2011 there were **more than four million completed foreclosures (over \$6 trillion in lost value)** and **more than 8.2 million foreclosure starts** As of May 2012, approximately 1.4 million homes, or **3.4 percent** of all homes with a mortgage, were in the national foreclosure inventory.



Mortgage Delinquencies and Foreclosures by Period Past Due, All Loans



The cost of middle class security surged over \$10,000 in 12 years

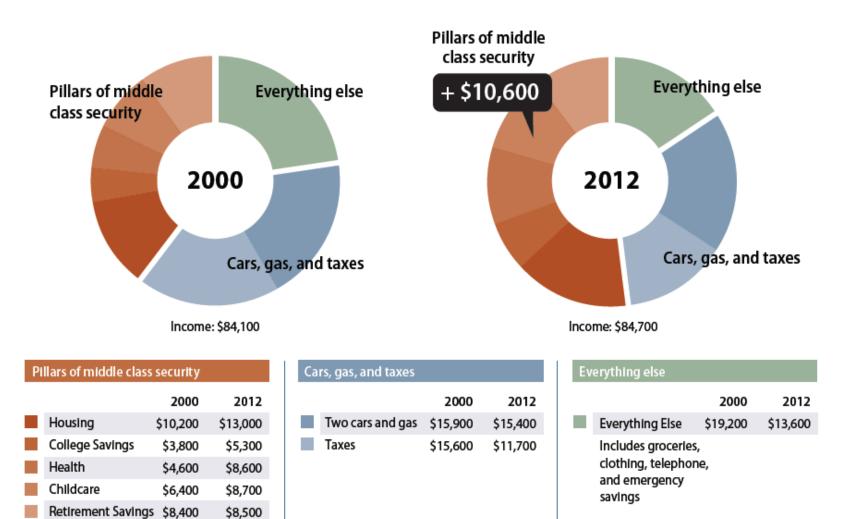
How much the squeeze cost the median married couple with two kids

Total

\$33,400

\$44,000

+\$10,600



Notes: Numbers may not add up due to rounding. Select data are estimated for 2000 and 2012 based on the closest available data. See Methodology section for more information. Source: See Methodology section.

Total

\$27,100

-\$4,400

\$31,500

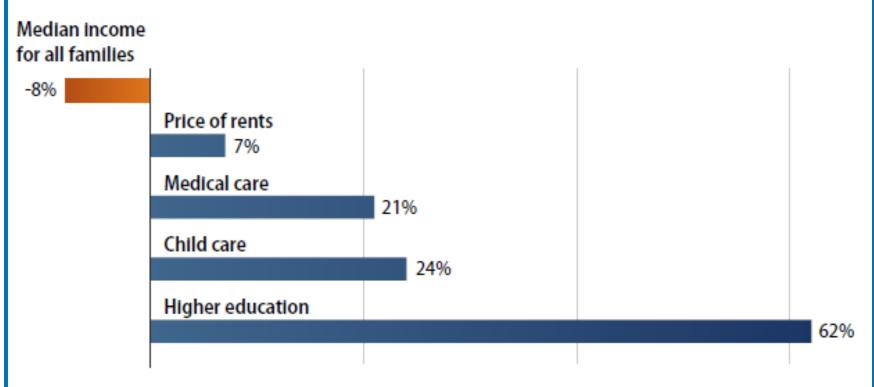
\$13,600

-\$5,500

\$19,200

Total

Change in median household income and real price of selected goods and services, 2000–2012



Note: Percentage change in CPI price index for individual components, deflated by CPI-U-RS, from 2000-2013. Income is change in median quintile incomes from 2000-2012 deflated by CPI-U-RS.

Source: Author's calculations based on Federal Reserve Bank of St. Louis, "Economic Research" available at http://www.research.stlouisfed.org/ (last accessed July 2014); and Bureau of the Census, "American Social and Economic Supplement" (U.S. Department of Commerce, 2000–2012), available at http://www.census.gov/hhes/www/income/data/historical/household/.



2015 TWO-BEDROOM RENTAL UNIT HOUSING WAGE

Represents the hourly wage that a household must earn (working 40 hours a week, 52 weeks a year) in order to afford the Fair Market Rent for a two-bedroom rental unit, without paying more than 30% of their income.

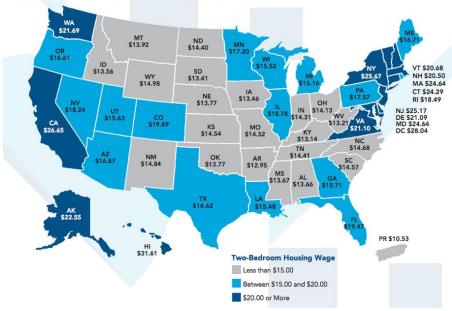
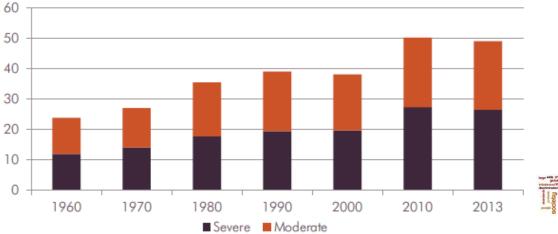


Figure 2: Renter Cost Burdens Spread at an Unprecedented Pace in the 2000s

Shares of Cost-Burdened Renter Households (Percent)

Notes: Moderate (severe) burdens are defined as housing costs of 30–50% (more than 50%) of household income. Households with zero or negative income are assumed to be severely burdened, while renters not paying cash rent are assumed to be unburdened.

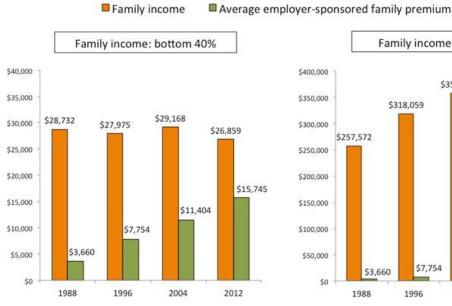


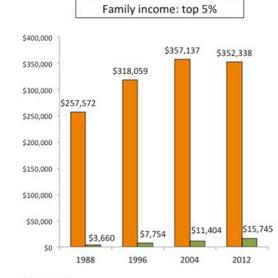


Rising health care spending—both on premiums and out-of-pocket costs—totally erased wage gains for a typical family from 1999 to 2009.

D. Blumenthal and D. Squires, "Do Health Care Costs Fuel Economic Inequality in the United States?" The Commonwealth Fund Blog, Sept. 9, 2014.

Exhibit 1. Rising Health Insurance Premiums **Disproportionately Affect Low-Wage Workers**





Notes: All figures are adjusted for inflation (2012 dollars; BLS Urban Consumer Price Index).

Sources: Family income-U.S. Census Bureau; includes only "money income" and not employer benefits. Average employer-sponsored family premium—Kaiser Family Foundation/HRET Survey of Employer-Sponsored Health Benefits, 2004 & 2012; KPMG Survey of Employer-Sponsored Health Benefits, 1996: Health Insurance Association of America, 1988.

2002-2012: Health care costs for middle-class families rose by \$9,000

Annual health care costs for the average family of four in an employer-sponsored PPO plan, 2002 vs. 2012

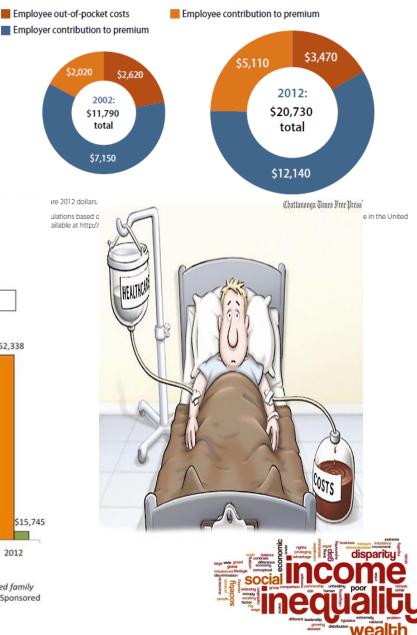
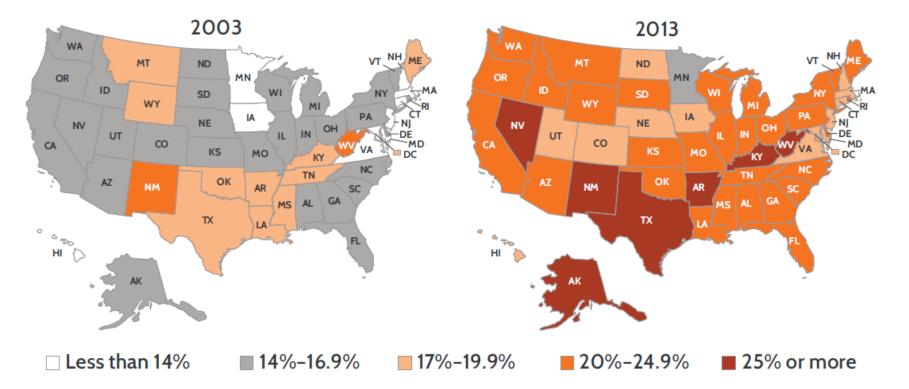


Exhibit 3. Employer Premiums as Percentage of Median Household Income for Under-65 Population, 2003 and 2013

82 percent of under-65 population live where premiums are 20 percent or more of income





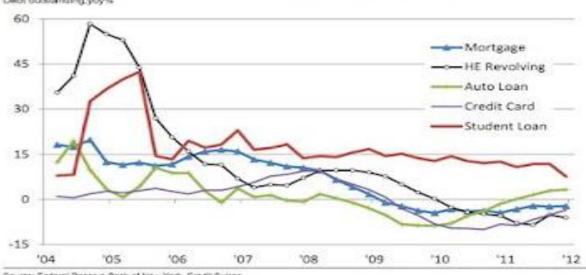


Exhibit 3: Student Loans Fastest-Growing Category of Household Debt

Debt outstanding yoy%

Source: Federal Reserve Bank of New York, Credit Suisse

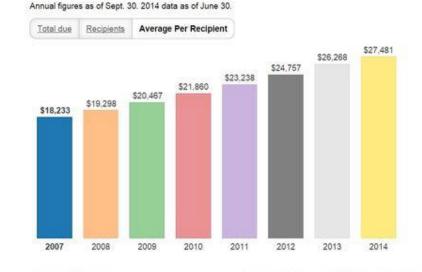
Outstanding Federal Student Loans

Annual figures as of Sept. 30, 2014 data as of June 30,

Average Per Recipient Total due Recipients \$1.096.5bn \$1.040.2bn \$948.2bn \$848.2bn \$749.8bn \$657bn \$577bn \$516bn 2014 2007 2008 2009 2010 2011 2012 2013

80 years ago Social Security system's benefits were intended as an unbreakable commitment based on a lifetime of work. Social Security benefits could not be taken away by banks or other creditors. That changed in 1996 when Newt **Gingrich's Congress added a loophole** allowing outstanding student loans to override Social Security's guarantee. This April the U.S. Department of Education took actions that could result in the discharge of over \$7 billion worth of student loan debt, helping 387,000 Social Security recipients with disabilities.

Outstanding Federal Student Loans

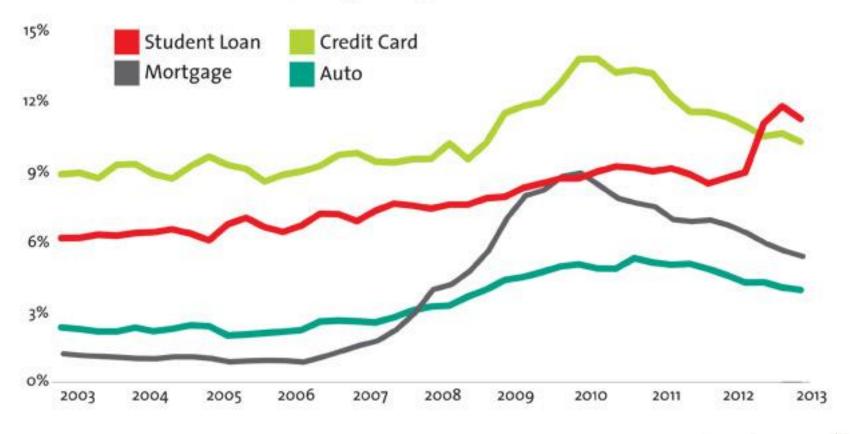


Created with Datawrapper

Source: U.S. Department of Education. Get the data

Underwater

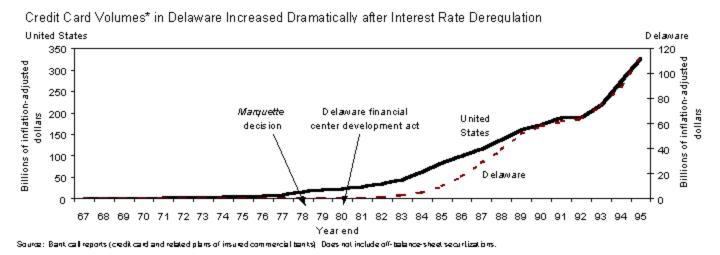
Borrowers with loans that are 90+ days delinquent



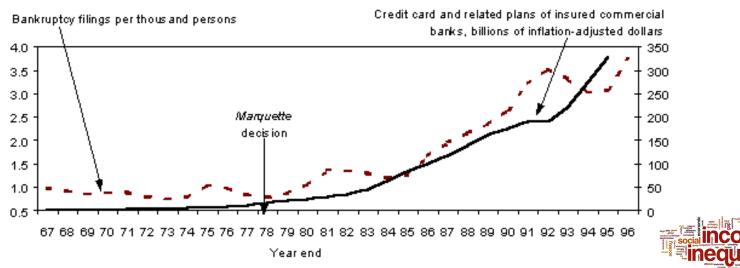
Source: Federal Reserve Bank of New York



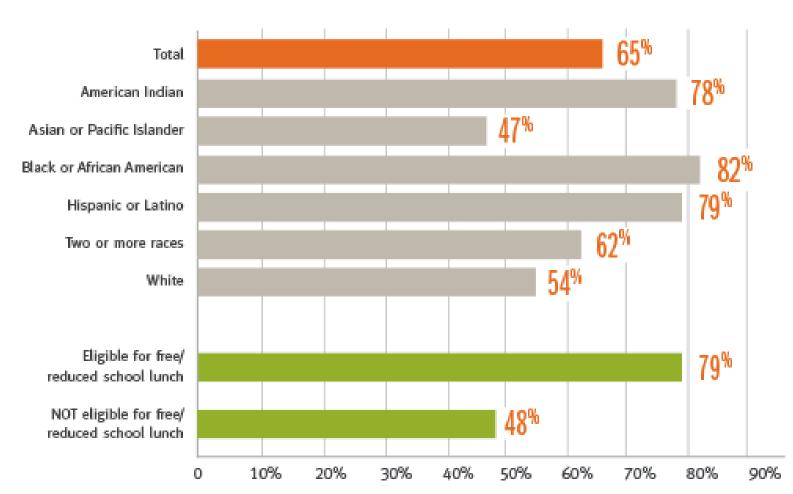
Marquette Nat. Bank of Minneapolis v. First of Omaha Service Corp. (439 U.S. 299 (1978)), is a unanimous U.S. Supreme Court decision holding that state anti-usury laws regulating interest rates cannot be enforced against nationally chartered banks based in other states.

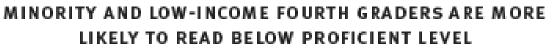


The Long-Term Rise in the Personal Bankruptcy Rate Started Shortly after Interest Rate Deregulation



Source: Bant call reports. Administrative Office of the U.S. Coulds, and Census Bureau







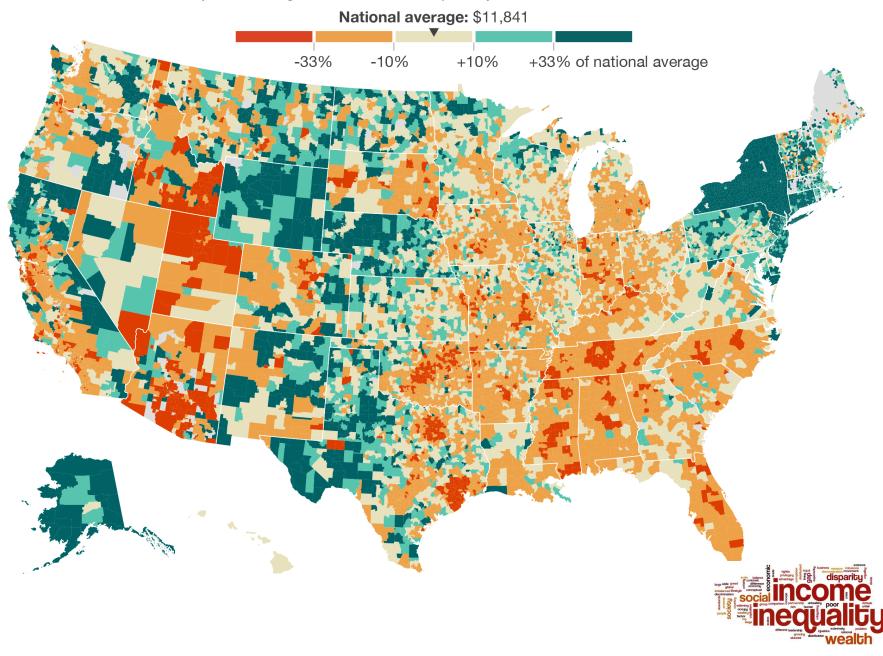
U.S. Techno-Peasant Numbers

- 25.4M Age 18-64 have not completed high school (or equivalent)
- **8.1M** Have dropped out before 9th grade
- 28.8M With a high school diploma or less are not earning living wages
- 8.3M Age 18-64 with high school diplomas or less have difficulty speaking English or speak no English at all
- 1.5M Included in this group are in state & federal prisons



SPENDING PER STUDENT, BY SCHOOL DISTRICT

Adjusted for regional differences, for primary and unified school districts



New School Year Brings Steep Cuts in State Funding for

Schools Center on Budget and Policy Priorities, October 7, 2011

Of 46 states that publish education budget data in a way that allows historic comparisons:

**** 37 states are providing less funding per student** to local school districts in the new school year than they provided last year.

** 30 states are providing less than they did four years ago.

** 17 states have cut per-student funding by more than 10 percent from pre-recession levels.

Four states — South Carolina, Arizona, California, and Hawaii — each have reduced per student funding to K-

12 schools by more than 20 percent.

Three Years of School Job Cuts

Change in number of local education jobs

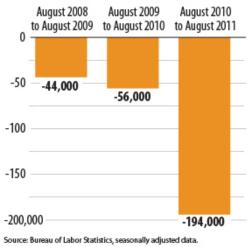
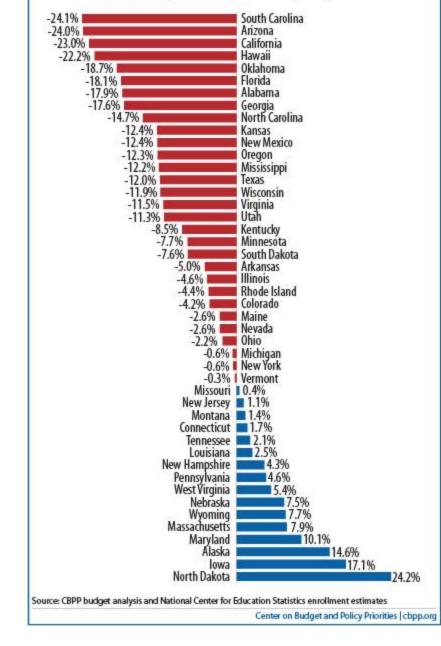


Figure 1: School Funding Remains Below 2008 Levels in Most States

Percent change in spending per student, inflation-adjusted, FY08 to FY12



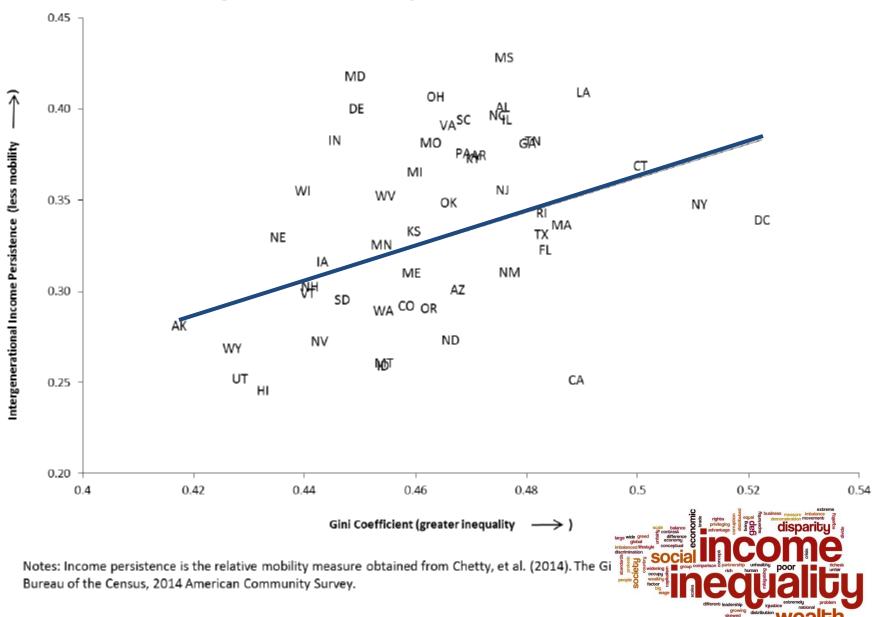
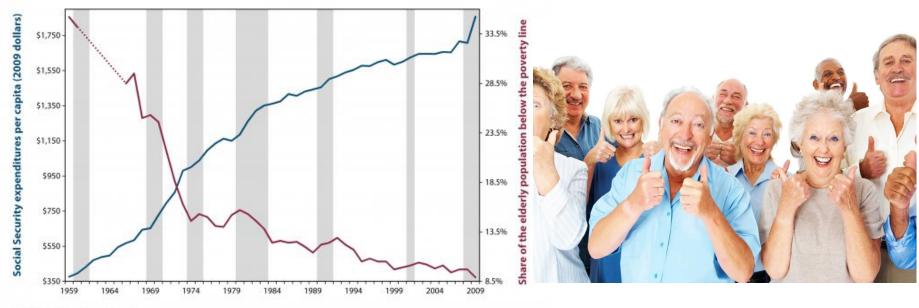


Figure 1: Great Gatsby Curve in the United States



Note: Shaded areas denote recession.

Source: U.S. Census Bureau, Historical Poverty Tables, Persons, Tables 2 and 3, and U.S. Treasury, Social Security Administration, Trustees Report 2009, Annual Statistical Supplement.

Note: No formal data exists in the years between 1959 and 1966 for the percentage of elderly persons living in poverty. The dotted line denotes a linear extrapolation between the earliest data point (1959) and the beginning of the complete series (1966).





Only one in 10 families in the bottom 20 percent of income earners

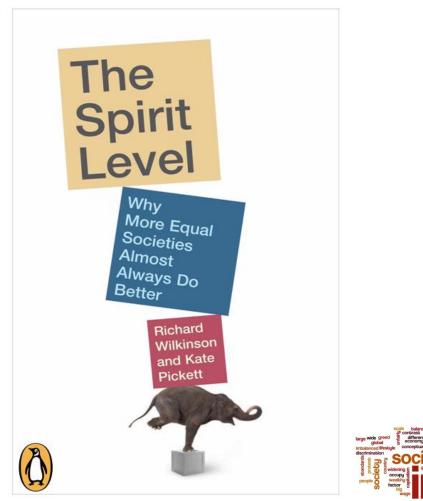
have retirement savings accounts. This is because lower-income workers receive skimpier matching contributions from employers, can least afford to contribute or bear investment risks, and receive little or no tax benefit – but still face a penalty if they need to tap their savings early.

Conversely, nine in 10 families in the top 20 percent have a retirement savings account and make up 74 percent of the TOTAL retirement savings in America.

Two-thirds of seniors rely on Social Security for the majority of their income. And, as Americans face an unprecedented \$7.7 trillion retirement savings gap – meaning that *for the first time in our country's history, current and future retirees are preparing for a lower standard of living in retirement than their parents*

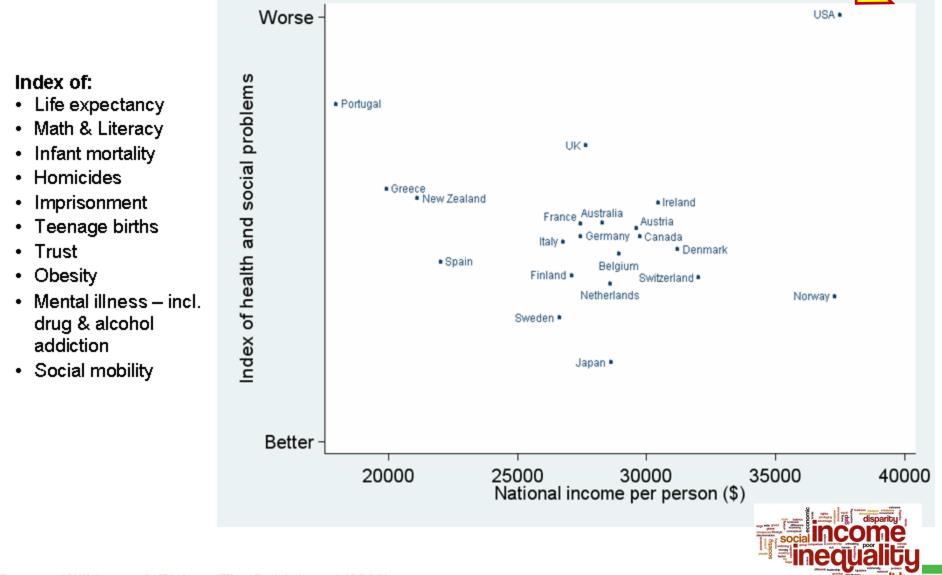


III. THE TRAGIC IMPLICATIONS of INEQUALITY for CIVIL SOCIETY: HEALTH and SOCIAL PROBLEMS





Health and Social Problems are not Related to Average Income in Rich Countries



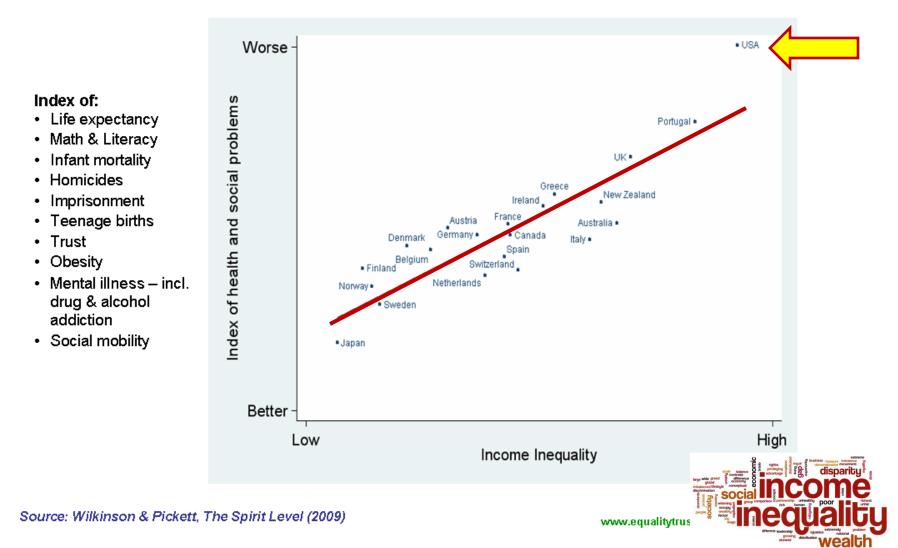
Trust

www.equalitytrust.org.uk

Source: Wilkinson & Pickett, The Spirit Level (2009)

OPTIMAL HEALTH OUTCOMES DEPEND ON SOCIAL and ECONOMIC JUSTICE

Health and Social Problems are Worse in More Unequal Countries



Health and Social Problems are Worse in More Unequal US States

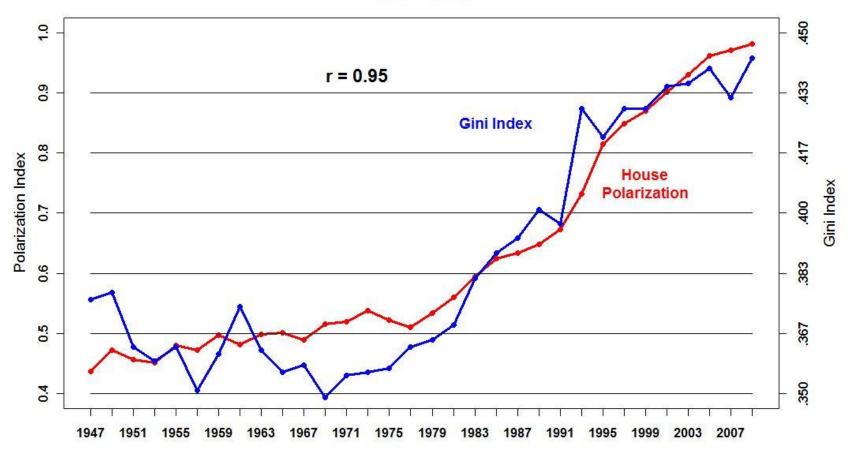
www.equalitytrust.org



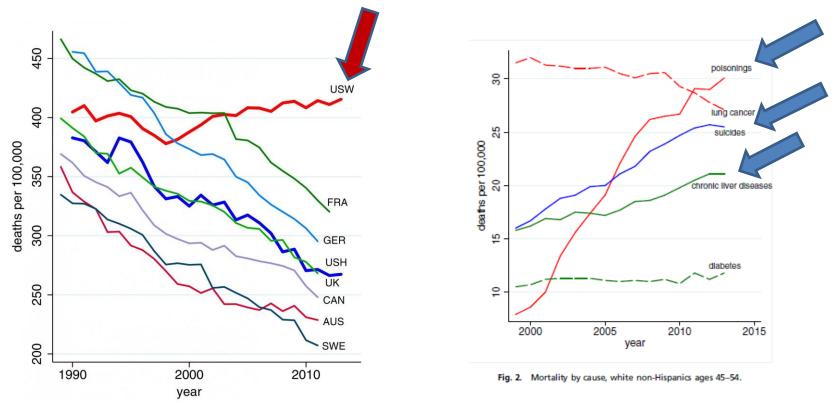
Source: Wilkinson & Pickett, The Spirit Level (2009)

A PLANTATION ECONOMY PRODUCES CAUDILLO POLITICS

Income Inequality and Political Polarization 1947 - 2009





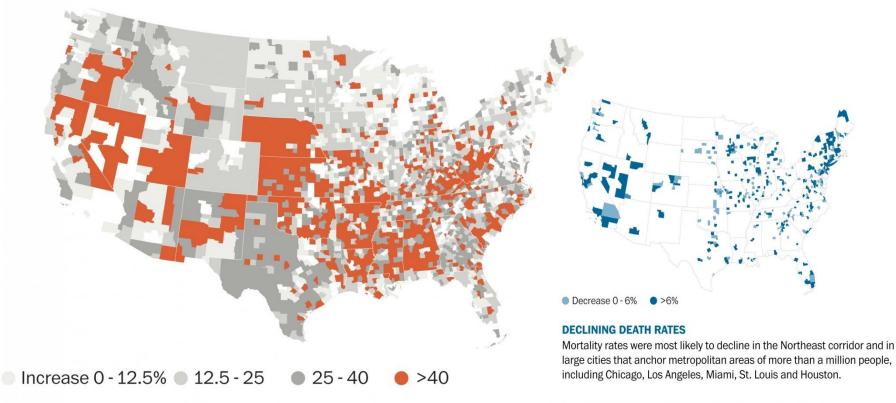


Death rate for U.S. non-Hispanic whites (USW), U.S. Hispanics and six comparison countries, aged 45-54. (Source: Proceedings of the National Academy of Sciences.)

White middle-aged Americans have suffered a startling rise in death rates between 1999 and 2013, showing a sharp reversal in decades of progress toward longer lives. The mortality rate for white men and women ages 45-54 with less than a college education increased markedly, most likely because of problems with legal and illegal drugs, alcohol and suicide. An increase in the mortality rate for any large demographic group in an advanced nation has been virtually unheard of in recent decades, with the exception of Russian men after the collapse of the Soviet Union.

"Drugs and alcohol, and suicide . . . are clearly the proximate cause," said Angus Deaton, the 2015 Nobel laureate in economics, who co-authored the paper with his wife, Anne Case. Both are economics professors at Princeton University. "Half a million people are dead who should not be dead."

Changes in death rates for white women ages 35 to 54 since 1990



Source: Washington Post analysis of Centers for Disease Control and Prevention mortality data

INCREASING DEATH RATES

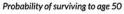
From 1990 through 2014, the mortality rate for white women rose in most parts of the country, particularly around small cities and in rural areas. Rates often went up by more than 40 percent and, in some places, doubled.

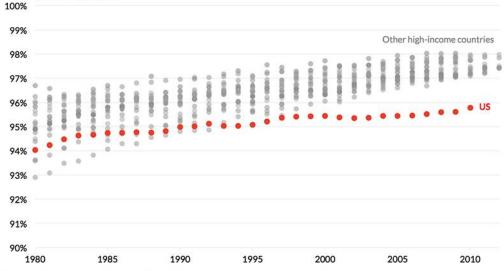


Exhibit 2. The "Mortality Gap" for Whites Spanned All Working-Age Years, But Was Most Severe at Middle Age

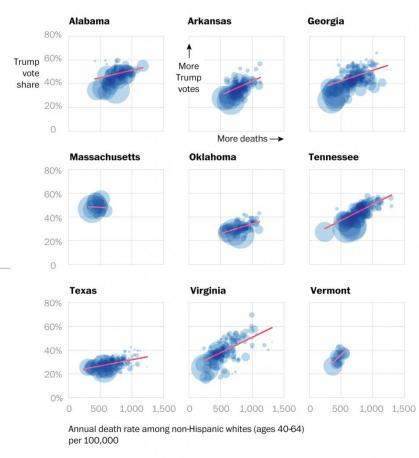


Chances of Women Surviving to Age 50: US Women are Falling Far Behind





In counties that went for Trump on Super Tuesday, middle-aged whites die at a faster rate



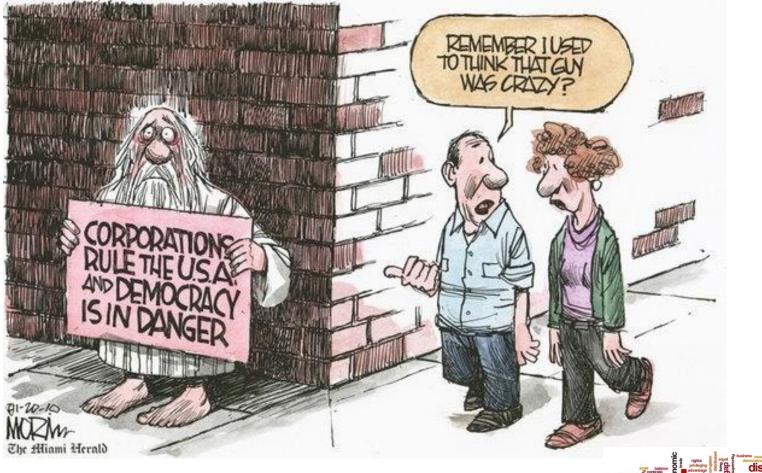
WAPO.ST/WONKBLOG

Source: AP, CDC data from 2011-2014, and 5-year 2010-2014 ACS



Source: Authors calculations using data from The Human Mortality Database (www.mortality.org/), updating an earlier analysis performed by Barney Cohen at the National Academies.

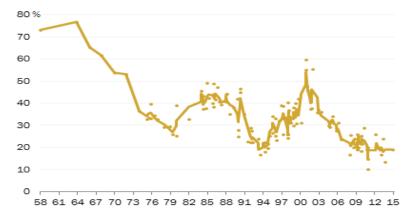






Public trust in government: 1958-2015

 $Trust \ the \ federal government \ to \ do \ what \ is \ right just \ about \ always/most \ of \ the \ time \ \ldots$

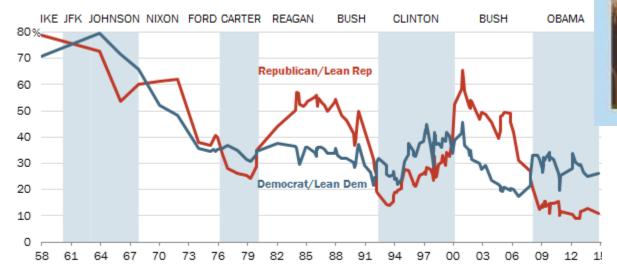


Survey conducted Aug. 27-Oct. 4, 2015. Q15. Trend sources: Pew Research Center, National Election Studies, Gallup, ABC/Washington Post, CBS/New York Times, and CNN Polls. From 1976-2014 the trend line represents a three-survey moving average.

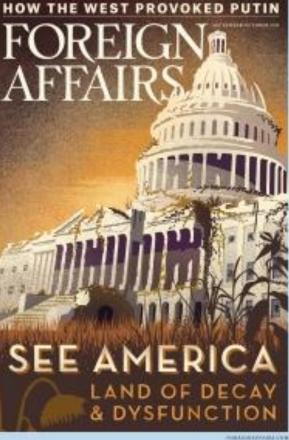
PEW RESEARCH CENTER

Trust in government by party: 1958-2015

Trust federal government to do what is right just about always/most of the time ...

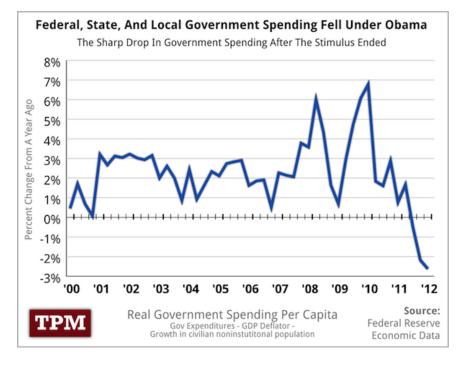


Survey conducted Aug. 27-Oct. 4, 2015. Q15. Trend sources: Pew Research Center, National Election Studies, Gallup, ABC/Washington Post, CBS/New York Times, and CNN Polls. From 1976-2014 the trend line represents a three-survey moving average.



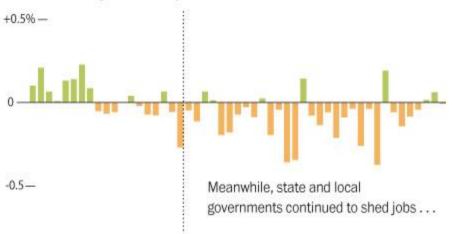


PEW RESEARCH CENTER

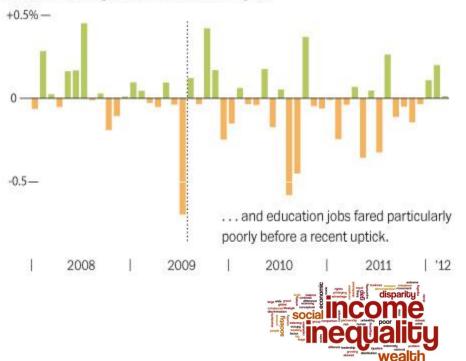




State and local government jobs



State and local government education jobs



IV. GOVERNMENT BY CORPORATION THE FABLE OF "FREE MARKET FUNDAMANTALISM"







Greenspan reflects on crisis, deflects blame

By Dana Milbank Washington Post

Thursday, April 8, 2010

While finding himself blameless, he assigned fault to, among others, Congress, the Bush and Clinton administrations, Fannie Mae and Freddie Mac, the Europeans, other regulators, and one of his Fed colleagues. They all contributed to what Greenspan, in his testimony, called "the most prominent global bubble in generations...." When the collapse finally came, Greenspan acknowledged "a flaw" in his philosophy that unfettered free markets are best and regulations don't work.

Robert Rubin: 'Virtually Nobody' Saw Crisis Coming, Bush Deserves Much Of The Blame Huffington Post Grace Kiser 03- 3-10

Robert Rubin, the former Clinton-era Treasury Secretary and noted champion of deregulation, told a New York City audience last night that "virtually nobody" -- himself included -- foresaw the financial meltdown....Rubin touched on the financial crisis, Obama's economic policies and America's potential in the new global economy -- but *not* on financial reform or the deregulatory agenda of the 1990s.



Revealed: See Who Was Paid Off In The AIG Bailout

HuffPost Reporting 01-27-10



The Federal Reserve Bank of New York, then led by now-Treasury Secretary Tim Geithner, purchased a slew of souring assets from the world's biggest banks for 100 cents on the dollar in November and December 2008. The terms of the bailout of American International Group (AIG) were negotiated, in part, by then-Treasury Secretary Henry Paulson, a former CEO of Goldman Sachs. The deal Paulson helped negotiate got AIG **100 cents on the dollar** for its insurance contracts, called **credit default swaps** and made all of AIG's counterparties - including Goldman Sachs - completely whole on risky bets made with AIG for toxic mortgage bonds -- home mortgages that were bundled together and securitized. The banks could never have gotten anywhere near such a generous deal on the open market, so the move served essentially as a direct subsidy to those **banks from taxpayers**. (At the time, Goldman's \$14 billion in souring derivatives had a market value of just \$6 billion. Goldman had more than \$8 billion in collateral from AIG to protect it from losses and **ultimately received about \$8 billion from taxpayers** via AIG. Goldman posted a \$1.3 billion profit for 2008.) In a startling response to a FOIA request in 2015, the Treasury Department is claiming, amazingly, that there are no records of official communication between then-Secretary Hank Paulson and AIG executive Joe Cassano during bailout negotiations.



Goldman Sachs pays \$5 billion to settle allegations it sold shoddy mortgages

THE WASHINGTON POST, April 11, 2016

NEW YORK — Goldman Sachs, one of the most powerful investment banks on Wall Street, agreed on Monday to pay \$5.06 billion to settle allegations that it sold packages of shoddy mortgages to investors during the period leading up to the financial crisis.



But, similar to other massive settlements reached with large banks over the last few years, no individual bank employee is being held responsible for the alleged bad behavior that led to the settlement.

Instead, the settlement includes a \$2.385 billion civil penalty and \$1.8 billion for distressed borrowers and communities affected by the housing crisis.

"Today's settlement is another example of the department's resolve to hold accountable those whose illegal conduct resulted in the financial crisis of 2008," Benjamin C. Mizer, head of the Justice Department's civil division, said in a statement.



Federal Government

Treasury Sec (Clinton) Asst. Sec, Treasury (Clinton) US Senator (D) Treasury Sec (Bush) Chief of Staff (Obama) Under Sec of State (Obama) Chairman, FIAB (Obama) Dep Director, NEC (Obama) Ambassador/Germany (Obama) Chief of Staff, Treasury (Obama) COO, SEC Enforcement (Obama) White House staff (Obama) White House staff (Obama) White House counsel (Obama) Under Sec of Treasury (Clinton), Chairman, CFTC (Obama)

Robert Rubin Marti Thomas Jon Corzine Henry Paulson Rahm Emanuel Robert Hormats Stephen Friedman Diana Farrell Philip Murphy Mark Patterson Adam Storch Alexander Lasry Sonal Shah Gregory Craig Gary Gensler Goldman Sachs

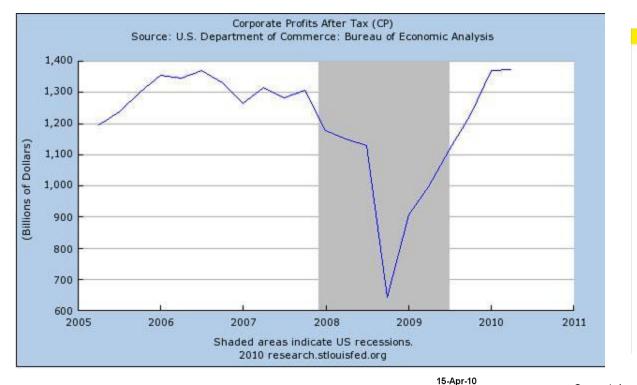
Co-COO, Co-Chairman Head of Federal Affairs CEO CEO Contract Employee Vice Chairman, GS Int'l Co-COO, Chairman Financial Analyst Sr Director (Frankfurt) Lobbyist VP, Business Intelligence Analyst, Gov't Affairs VP, Environmental Policy Chief Counsel, defending SEC suit Co-Head of Finance

GEKE.US

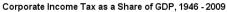


ICELAND'S PRESIDENT EXPLAINS HOW HIS COUNTRY RECOVERED SO QUICKLY FROM THE RECESSION:

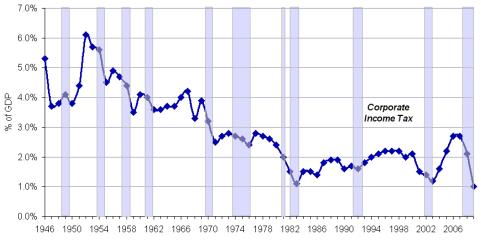
"THE GOVERNMENT BAILED OUT THE PEOPLE AND IMPRISONED THE BANKSTERS--THE OPPOSITE OF WHAT AMERICA AND THE REST OF EUROPE DID."











Notes: Shaded areas represent recessionary periods as recorded by the National Bureau of Economic Research. Miscellaneous taxes such as estate and gift taxes are omitted for the sake of clarity, and comprise a very small fraction of total revenues in any case.

Source: Budget of the United States Government, Historical Tables, FY 2011.

Based on Adam Carasso, "The Corporate Income Tax In the Post-War Era," Tax Facts Column, Tax Notes Magazine, March 03, 2003

15 Corporations That Paid Far Less in Federal Income Taxes than Average Americans in 2015 and/or over the Past Five Years

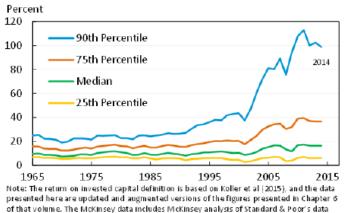
	2015			2011-15 Totals			Industry
\$-millions	US profit	Fed Tax	Rate	US profit	Fed Tax	Rate	
Cablevision Systems	328	0	0.0%	1,391	-2	-0.2%	Telecommunications
Centurylink	1,212	28	2.3%	5,711	55	1.0%	Telecommunications
Consolidated Edison	1,760	-86	-4.9%	8,066	230	2.9%	Electric utility
Duke Energy	3,840	<u></u>	() <u></u> -()	14,292	-206	-1.4%	Electric utility
International Paper	1,135	62	5.5%	4,203	-697	-16.6%	Manufacturing
Jetblue Airways	1,074	20	1.9%	2,319	29	1.2%	Airline
Johnson Controls	1,051	-477	-45.4%	6,464	144	2.2%	Manufacturing
Netflix	111	-14	-12.6%	960	106	11.0%	Internet Services
NextEra Energy	3,959	10	0.3%	15,115	-174	-1.2%	Electric utility
Owens Corning	213	2	0.9%	750	-15	-2.0%	Manufacturing
PG&E Corp.	850	-89	-10.5%	5,988	-542	-9.1%	Electric utility
Qualcomm	2,993	-166	-5.5%	16,488	-155	-0.9%	Computers
Ryder System	402	1	0.2%	1,418	-9	-0.6%	Truck rentals and services
State Street Corp.	2,218	-6	-0.3%	10,149	352	3.5%	Financial
Weyerhaeuser	422	-1	-0.2%	2,387	-274	-11.5%	Lumber
Totals these 15 corps.	\$ 21,146	\$-715	-3.4%	\$ 93,313	\$ -885	-0.9%	

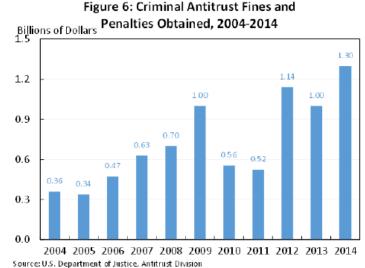
Source: Corporate 10-K Annual Reports



BENEFITS OF COMPETITION AND INDICATORS OF MARKET POWER







Source: Koller et al. (2015); McKinsey & Company; Furman and Orszag (2015).

computing returns on invested capital for such firms.

and exclude financial firms from the analysis because of the practical complexities of

** Big firms in the United States have never had it so good.

** American capitalism has a corrosive lack of competition: their returns on equity are 40% higher in the United States than they are abroad. Aggregate domestic profits are at near-record levels relative to GDP.

**<u>The excess cash generated domestically by American firms beyond their investment</u> <u>budgets is running at \$800 billion a year, or 4% of GDP.</u>

**The tax system encourages them to park foreign profits abroad.

** Were America's firms to cut prices so that their profits were at historically normal levels, consumers' bills might be 2% lower.



"When <u>Verizon</u> workers <u>went on strike</u> last week, they were angry about the company's unwillingness to invest in its own business. In particular, Verizon has shown a remarkable lack of interest in expanding its Fios high-speed Internet network, despite strong demand. Verizon does not want to invest because it doesn't have to: many customers have no place else to go, so the company can treat its broadband business as a cash cow,

Corporate profits are at near-record highs, thanks to a substantial decline in the percentage of G.D.P. going to workers. You might think that these high profits imply high rates of return to investment. But corporations themselves clearly don't see it that way: their investment in plant, equipment, and technology (as opposed to mergers and acquisitions) hasn't taken off, even though they can raise money, whether by issuing bonds or by selling stocks, more cheaply than ever before. Suppose that those high corporate profits don't represent returns on investment, but instead mainly reflect growing monopoly power. In that case many corporations would be able to milk their businesses for cash, but with little reason to spend money on expanding capacity or improving service. The result would be what we see: an economy with high profits but low investment, even in the face of very low interest rates and high stock prices.

And such an economy wouldn't just be one in which workers don't share the benefits of rising productivity; it would also tend to have trouble achieving or sustaining full employment.

We aren't just living in a second Gilded Age, we're also living in a second robber baron era." --- Paul Krugman, NYT, April 18, 2016



"NEARLY SEVEN YEARS INTO THE US RECOVERY, THE ECONOMIES OF THE INDUSTRIAL WORLD ARE IN A PERIOD OF SECULAR STAGNATION, SUFFERING FROM AN IMBALANCE RESULTING FROM AN INCREASING PROPENSITY TO SAVE AND A DECREASING PROPENSITY TO INVEST. THE MAIN CONSTRAINT ON THE INDUSTRIAL WORLD'S ECONOMY TODAY IS ON THE DEMAND, RATHER THAN THE SUPPLY, SIDE.



(According to the OECD, the percentage of GDP invested in a category that is mostly plant and equipment has fallen: in the US, it fell from 8.4% in 2000 to 6.8% in 2014; in the EU, it fell from 7.5% to 5.7% over the same period.) AN EXPANSIONARY NATIONAL FISCAL POLICY, PATRICULARLY WHEN PURSUED THROUGH PUBLIC INVESTMENT, CAN STIMULATE GROWTH. IT IS TRAGIC THEREFORE, THAT IN THE US TODAY, FEDERAL INFRASTRUCTURE INVESTMENT, NET OF DEPRECIATION IS RUNNING CLOSE TO ZERO, AND NET **GOVERNMENT INVESTMENT IS LOWER THAN ANYTIME IN NEARLY SIX** DECADES. OTHER STRUCTURAL POLICIES THAT WOULD PROMOTE DEMAND INCLUDE MEASURES TO RAISE THE SHARE OF TOTAL INCOME GOING TO THOSE WITH A HIGH PROPENSITY TO CONSUME, SUCH AS SUPPORT FOR **UNIONS AND INCREASED MINIMUM WAGES.**"

---- Larry Summers March, 2016



GOVERNMENT BY LOBBYISTS

1. Lobbyists are the major source of technical information

for legislation. (Think Chamber of Commerce, ALEC)

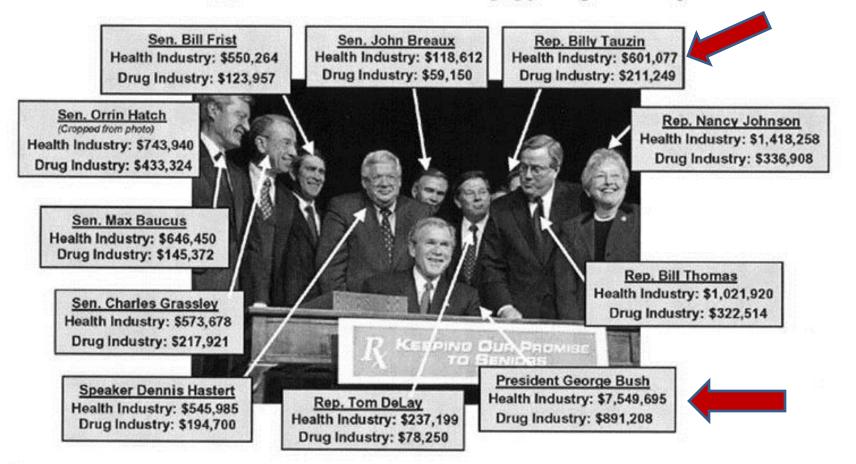
- 2. Think tanks, interest affinity groups, and astroturf organizations frame the "intellectual environment."
- 3. Business interests curate media content.
- 4. Revolving door between legislative staff and corporate/lobbying employment.
- 5. Businesses are a major source of campaign funds.
- 6. Many businesses have tax and regulatory subsidies.
- 7. Corporations are legal "persons" and money is speech.
- 8. Business lobbyists spend \$34 for every \$1 spent by opponents (13x more on lobbying than on political action).
- 9. Frequent legal challenges to regulatory constraints.

Companies that spend more on lobbying have a greater return on equity, have stocks that outperform the DJA, have lower tax rates, and are less likely to be investigated for fraud.



A PICTURE THAT'S WORTH \$14 MILLION

The total amount the health industry gave to these lawmakers who celebrated the signing of the drug/HMO industry-backed Medicare bill



<u>CLAIM:</u> "A lot of this happened - this bill happened because of grassroots work. A lot of our fellow citizens took it upon themselves to agitate for change, to lobby on behalf of what's right." - President George W. Bush, 12/08/03

<u>FACT:</u> "Drug companies and their trade associations deployed nearly 700 lobbyists to stamp out any proposals that would result in the federal government negotiating the cost of drugs or otherwise limiting the industry's astronomical profits." - Public Citizen Report, June 2003

In one year, the average American taxpayer making **\$50,000** a year pays: \$36 towards food stamps, \$6 for other safety net programs, \$870 for corporate subsidies, \$1600 to offset corporate tax loopholes, and \$1231 to offset losses from corporate overseas tax havens.

WE CAN AFFORD TO HELP THE POOR, NOT CORPORATE WELFARE. OCCUPY

Sources: The Tax Foundation, Citizens for Tax Justice



DEMOCR

INEQUALITY IS THE RESULT OF PUBLIC POLICY AND POLITICAL DECISIONS

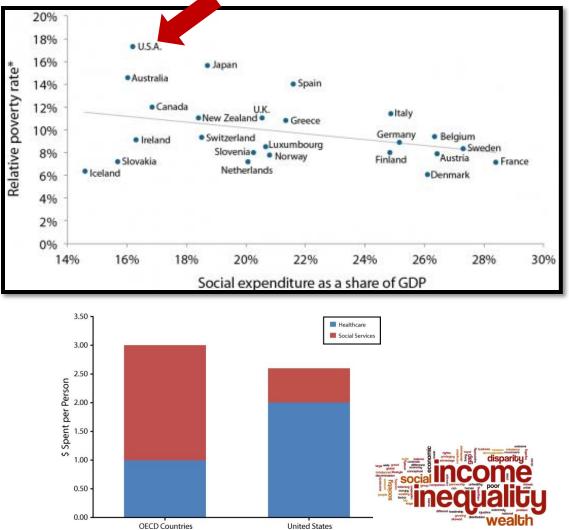
U.S. Poverty Rate Is High After Taxes and Transfers **Compared to Similarly Wealthy Countries*** Poverty rate according to common international standard, 2005 Before Taxes and Transfers After Taxes and Transfers 24% Denmark 5% 27% Sweden 5% 23% Austria 7% 24% Norway 7% 31% France 7% 20% Iceland 7% 18% Finland 7% 25% Netherlands 8% 26% United Kingdom 8% 18% Switzerland 9% 33% Belgium 9% 34% Germany 11% 23% Canada 12% 29% Australia 12% 31% Ireland 15% 26% United States 17%

*Note: The poverty threshold is defined as 50% of national median income, a widely accepted international standard. The comparison includes countries (for which comparable data are available) with median equivalized individual disposable incomes within 25% of US median income (\$26, 990) in 2005 US oblians converted by purchasing-power parity. The lowest and highest were France (\$20,660) and the Netherlands (\$28,032).

Source: OECD, Growing Unequal?: Income Distribution and Poverty in OECD Countries, 2008.

Center on Budget and Policy Priorities | cbpp.org

Social expenditure and relative poverty rates in selected OECD countries, late 2000s



On February 15 millionaires and billionaires stopped paying into Social Security for 2016.

That's right—millionaires and billionaires don't pay into our Social Security system for most of the year. This is because our Social Security system is primarily funded by payroll contributions (or FICA). But what most Americans never realize is that **payroll FICAcontributions are only paid on** the first \$118,500. Once the FICA cap of \$118,500 is reached, millionaires and billionaires stop paying into the system, while the vast majority of Americans continue to pay in on all of their salary.

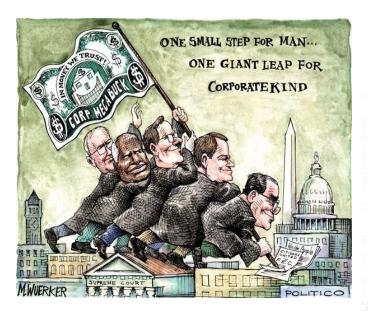
SAVE SOCIAL SECURITY

REMOVE THE CURRENT INCOME CAP ON THE SOCIAL SECURITYTAX, RAISING ADDITIONAL REVENUE FROM THOSE MAKING OVER \$250,000 PER YEAR. THIS WOULD ENSURE THE PROGRAM'S LONG-TERM SOLVENCY AND PREVENT ITS BANKRUPTCY IN 2036.









Elite Interests vs. Public Priorities

Why are the opinions of the majority so widely misreported or overlooked? Perhaps it is that the emerging populist attitudes of the Populist Majority contrast starkly with those of American elites.

The following contrasts elite opinion with that of majority opinion on a range of issues, in a recent survey funded by the Russell Sage Foundation.⁵⁷ Unless otherwise stated, elites are defined as at or near the top 1 percent of U.S. wealth-holders and have an average income of more than \$1 million annually. Public opinion was calculated by averaging polls together from various mainstream firms, such as Gallup and Pew, on a wide range of issues:

	Elites in favor of expanding or cutting (a)	Public in favor of expanding or cutting		
Environmental Protection	-8	+29 (b)		
Health care	-19	+44 (c)		
Social Security	-33	+46 (c)		

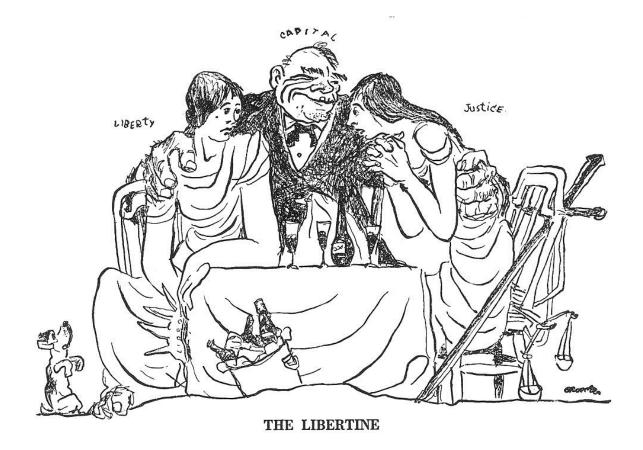
Notes: Each entry is the percentage of respondents that say a given program should be "expanded," minus the percentage saying it should be "cot," "Kept about the same" is treated as neutral and "don't know" responses were escluded. (a) Ne83. Mean awaith= \$14,006,338; median=\$7,500,000. (b) Chicago Council on Global Affairs, June 2010. (c) Princeton Survey Research Associates International for Pew & American Association for the Advancement of Science, June 2009.

Testing Theories of American Politics: Elites, Interest Groups, and Average Citizens

Martin Gilens and Benjamin I. Page

19 - 18 A M - 3 A M - 3 A M - 3 A M - 3 A M - 3 A M - 3 A M - 3 A M - 3 A M - 3 3 7 A M - 30 A M - 50 A M - 30 A M - 31 A M - 31 S M - 4 A M - 3 A M - 3 7 A M - 31 A M - 50 A M - 31 A M - 31 A M - 31 S M - 31 A	% Elite in Favor	% Public in Favor
Government must see that no one is without food, clothing or shelter	43%	68%
Minimum wage should be high enough so that no family with a full-time worker falls below official poverty line	40%	78%
The government should provide a decent standard of living for the unemployed	23%	50%
The government in Washington ought to see to it that everyone who wants to work can find a job	19%	68%
The Earned Income Tax Credit (EITC) should be increased rather than decreased or kept the same	13%	49%
The federal government should provide jobs for everyone willing to work who cannot find a job in private employment	8%	53%
Favor cuts in spending on domestic programs like Medicare, education, and highways in order to cut federal budget deficits	58%	27%
The federal government should spend whatever is necessary to ensure that all children have really good public schools they can go to	35%	87%
The federal government should make sure that everyone who wants to go to college can do so	28%	78%
The federal government should invest more in worker retraining and education to help workers adapt to changes in the economy	30%	57%
Our government should redistribute wealth by heavy taxes on the rich	17%	52%
Responsibility of the government to reduce the differences in income between people with high incomes and those with low incomes	13%	46%
Cutting Social Security	33%	10%
Willing to pay more taxes in order to provide health coverage for everyone	41%	59%
Favor national health insurance, which would be financed by tax money, paying for most forms of health care	32%	61%
The government's top policy priority should be protecting the jobs of American workers	29%	81%
More U.S. companies setting up operations overseas	73%	23%
Approve of trade relations with China	69%	30%
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Notes: All percentages on trade come from the Pew Research Center in partnership with the Council on Foreign Relations (CFR). (a) CF members include government officials, scholars, business executives, journalists, lawyers and nonprofit professionals in the field of international affairs: N=1.838. November 2013. (b) N=2,003. November 2013.



V. THREE CRITICAL AREAS of REFORM

1. TAXATION 2. RULES OF THE MARKET 3. RULES OF POLITICS



RULES OF THE MARKET

- 1. Expand anti-trust law
- 2. Break up the big banks
- 3. Reintroduce Glass-Steagall
- 4. Encourage unionization with legislation
- 5. Raise the national minimum wage to \$15
- 6. Revise corporate governance
- 7. Repeal NAFTA, reject TPP
- 8. Establish a mandatory criminal referral process and Criminal Referral Coordinators at every financial regulatory agency.
- 9. Reinstitute usury limits on interest rates
- 10. Reverse and forbid privatization of "public goods," especially in state and municipal services
- 11. Provide a national, universal health care system, largely not for profit
- 12. Allow students and ex-students to include student loans when they declare bankruptcy
- 13. Reverse Supreme Court decisions favoring arbitration and impairing Class Action



RULES OF POLITICS

- 1. Repeal Citizen's United by legislation
- 2. Develop public financing of elections or "democracy vouchers"
- 3. Facilitate universal adult voter registration
- 4. Reintroduce broadcast fairness policy for political speech
- 5. Minimize gerrymandering

TAXATION

REVISING EXISTING TAX CODE

- 1. Increase income taxes on very high incomes (> \$5 million)
- 2. Increase estate taxes
- 3. Eliminate trust fund loophole (exempting unrealized capital gains from estate taxes)
- 4. Eliminate lower tax rates for dividends and capital gains
- 5. Eliminate "carried interest" for hedge fund and private equity profits
- 6. Eliminate income cap on Social Security tax (FICA)
- 7. Enforce Foreign Account Tax Compliance Act (FATCA)
- 8. Modernize corporate tax code to effectively cover multinational corporations

POSSIBLE NEW TAX POLICY

- 1. Tax on financial transactions
- 2. Carbon Tax
- 3. Using low interest rates borrow money to build and renew infrastructure and create employment



III Fares the Land,

By <u>Tony Judt</u>, THE NEW YORK REVIEW OF BOOKS, APR 29,2010

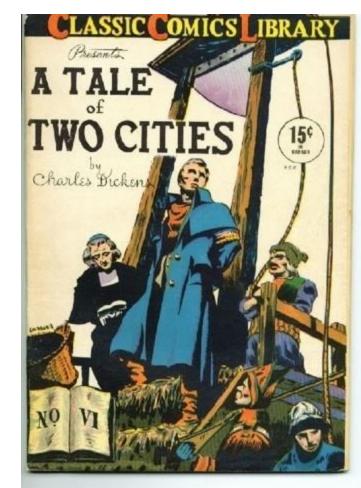
•Something is profoundly wrong with the way we live today.

*For thirty years we have made a virtue out of the pursuit of material self-interest: indeed, this very pursuit now constitutes whatever remains of our sense of collective purpose.



We know what things cost but have no idea what they are worth. We no longer ask of a judicial ruling or a legislative act: Is it good? Is it fair? Is it just? Is it right? Will it help bring about a better society or a better world? Those used to be *the* political questions, even if they invited no easy answers.

*The obsession with wealth creation, the cult of privatization and the private sector, the growing disparities of rich and poor and the rhetoric that accompanies these: uncritical admiration for unfettered markets, disdain for the public sector, the delusion of endless growth. *We cannot go on living like this....But if we do no more than pick up the pieces and carry on as before, we can look forward to greater upheavals in years to come. It was the best of times, it was the worst of times, it was the age of wisdom, it was the age of foolishness, it was the epoch of belief, it was the epoch of incredulity, it was the season of Light, it was the season of Darkness, it was the spring of hope, it was the winter of despair, we had everything before us, we had nothing before us, we were all going direct to heaven, we were all going direct the other way - in short, the period was so far like the present period.



Charles Dickens, A Tale of Two Cities English novelist (1812 - 1870)