THE SKEPTIC ARENA

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The Terrible Truth About Income Inequality

By Peter Morici

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*Economic inequality has emerged as the central political challenge of the 21st Century.*

Peter, economic inequality also emerged as the central political challenge of the early 20th century. At that time we recognized what the problem was and fixed it. This was accomplished by FDR and The New Deal.

Unfortunately, Americans only enjoyed a brief respite before the greedy rich succeeded in taking back America for themselves and their heirs.

*Left wing academics and politicians are quick with quack remedies -- higher taxes on the wealthy that will only send more investment abroad and smother growth.*

Peter, higher taxes on the wealthy are only called quack remedies by ... the wealthy (and those who enable them).

Peter, the proof that your statement is wrong can be found simply by looking back at history: When taxes on the wealthy were high, was investment sent abroad? Was growth smothered?

No Peter, they weren't.

But now that taxes on the wealthy are lower than ever, investment *is* being sent abroad and growth *is* being smothered.

That kills your argument Peter, and forces you into the position of having to prove that taxes on the wealthy have no relation to investment being sent abroad or growth being smothered.

But if you do that you will be contradicting the premise of your own argument.

How does it feel to have your head in a vise, Peter?

*For most Americans, good-paying jobs are scarce, and many feel powerless to improve their lot. Yet, for those at the very top of business and in a few charmed professions things have never been better.*

Peter, those statements were true; which makes me wonder ...

what do you have up your sleeve?

*Vermont Senator Bernie Sanders (I) recently asked Federal Reserve Chairwoman Janet Yellen “are we still a capitalist democracy or have we gone over into an oligarchic form of society in which incredible economic and political power now rests with the billionaire class?”*

Peter, the answer to Sanders' question is pretty clear: the 5 conservatives on the Supreme Court have handed our democracy over to the billionaires who will now choose our leaders and ... they will control them.

But I do take issue with Sanders first assertion. We are not a capitalist democracy - we are a hybrid capitalist/socialist democracy, and that is quite easy to demonstrate.

However, the takeover of America by the plutocrats has pretty much ensured that the socialistic advances that America has made will continue to disappear.

*Yellen deflected, saying she preferred not to assign labels, but Sanders struck a nerve. In recent decades, the federal government has enabled monopolization in many industries—for example, in cable TV and high speed Internet, banking and health care—by failing to use its antitrust and regulatory powers to curb abusive practices.*

Peter, you put that one in the 10-ring. In all of the monopolized industries you listed, prices, and therefore profits, have soared. The monopolies we once had under control are running rampant again ... and with the same results as before.

*Comcast enjoys monopoly access to most homes it services. Each year, it raises rates for cable TV bundled with high-speed Internet faster than the rate of inflation, because federal policies prohibit local governments from regulating cable prices as those do for electric and water utilities.*

Peter, you can thank the lobbyists for the rich. They are the ones who are legalizing the theft of wealth from the American taxpayer.

*Its fee structure discourages subscribers from purchasing only high-speed Internet and independently obtaining entertainment content over the Net. Now Comcast proposes to acquire Time Warner Cable and establish a virtual national monopoly, giving it huge bargaining leverage with content providers, such as ESPN, Turner and Fox , even though it already owns NBC.*

Peter, this kind of reminds me of whooping cough, measles, and other diseases that we once had under control. But scientifically illiterate people, anti-vaxxers, were able to spread their ignorant beliefs into the general public like a virus, and now we are once again battling those old diseases.

It's the same story with monopolies.

The lesson here is that we must always remain vigilant. The war is never really won ... only contained.

*Comcast is transforming a public utility into an international media giant on the backs of overtaxed subscribers. Yet federal regulators will likely approve its acquisition of Comcast, because it has “close ties” with the Obama White House.*

Peter, so what about all those acquisitions under Bush? Did they have close ties with the White House? Or is that a new phenomenon that only just started since 2009?

*Similarly, Dodd-Frank financial reforms impose regulatory costs so onerous that small banks are selling out to bigger ones.*

Peter, if we look back to before Dodd-Frank, will we find that small banks were *not* "selling out to bigger ones?"

Peter, you didn't think that one out first ... didja?

And it's interesting how you chose to phrase it: "selling out to bigger ones" instead of the normal wording "being bought up by bigger ones."

The subtle switch of wording gives your audience the impression you want them to have: that this administration is forcing little banks to sell out, rather than the more accurate description that large banks are gobbling up competitors and gaining ever more monopolistic power.

That dishonest little sleight-of-hand you just pulled, may not work on everyone Peter, but it is guaranteed to raise no eyebrows among your viewers at Fox News.

*In the bargain, small business loans and mortgages are tougher to obtain,*

Peter, they should be. If you recall, that was the problem. Why do you think we should return to making loans too easy to obtain after we just saw what happened to the national housing market when loans were being given away to unqualified buyers?

*and grandma can’t get a decent rate on CDs.*

Peter, that was happening many, many years before Dodd-Frank.

*Bank executives pull down huge bonuses but also make generous contributions to political candidates.*

Peter, those generous contributions to political candidates are *why* they are able to pull down those huge bonuses. Contributions to lobbyists have resulted in a gaping tax loophole that allows much of their salaries to go untaxed when classified as "performance pay."

*ObamaCare has effectively monopolized many local markets for health insurance and hospital care,*

Peter, links please. What evidence do you offer to support that assertion? And how are you defining "effectively?" Are they monopolized or not? And if so, what evidence do you have?

I ask because people have been inundated with offers to purchase health insurance over the internet and through the mail. How do you figure that represents a monopoly?

If it were a monopoly you would only receive ... one offer.

*and reinforces pharmaceutical companies’ ability to charge higher drug prices than prevail in other wealthy countries like Germany and Holland.*

Peter, how does Obamacare reinforce their ability to charge higher prices? Links please. And if it does, why haven't we seen that rise in prices? And if it did allow those companies to charge higher prices, wouldn't that be the free enterprise that you conservatives claim you stand for? Why would that bother you?

And finally, if you want our health care system to be more like Germany and Holland, you will find full support from every liberal in America - but you may find that you will no longer be invited to speak ... at Fox News.

*To salve the masses, Washington politicians exempt nearly 50 percent of voters from income taxes,*

Peter, so what is this problem you have with "salving the masses?" What would you prefer to do to them in lieu of salving them?

We all know that nearly 50% do not pay income taxes - but you just claimed that they "exempt" nearly 50%. We are all waiting breathlessly for you to provide evidence of those "exemptions."

Also, your statement implies that the 50% who do not pay income taxes are "the masses"; yet it is well known that many of those who do not pay taxes are extremely wealthy. I can't prove it Peter, but that statement seems intentionally deceptive to me.

*and offer subsidized health care, food stamps and the earned income tax credit for lower income Americans.*

Actually Peter, we all already know the answer to that one. Once again, history is your worst enemy. Before there was subsidized health care, food stamps, social security, and other safety nets, what did capitalists provide to the masses?

None of that. Just the bare minimum to secure labor, or in the case of slaves, not even that.

Peter, I notice that you only mentioned subsidies for the poor. Why didn't you mention subsidies for the rich? Why didn't you list the subsidies that government provides to "salve the rich?"

If you don't know of any, shoot me an email Peter, and I'll be more than happy to provide you with a long list that you can go over on your day off.

*All are great vote buying schemes financed by heavy taxes on most upper income Americans.*

Peter, food stamps were first initiated during the New Deal. So your position is that they were a vote-buying scheme for FDR?

And subsidized medical care (Medicare) began in 1966. So that too was nothing more than a vote-buying scheme?

Peter, can you name any program that helps Americans that could *not*  be called a vote-buying scheme?

If they were nothing more than vote-buying schemes, why have they remained in effect so long? Why haven't they been rescinded? Could it be because they are still necessary?

And how did you link the support of food stamps and Medicare to heavy taxes on the rich?

I wasn't aware that their taxes were designated for specific programs. Perhaps you could provide a link that supports that assertion?

And Peter, which heavy taxes on the rich are you referring to? All these benefits that go to the poor now, are being distributed during a time when taxes on the rich have rarely been lower. How are you going to spin that one Peter?

Peter ... I hope that vise isn't getting too tight?

*But those politicians skillfully exclude from those high taxes the very top of the one percent—*

Peter, it didn't take skill ... only lobbyists with fat wallets.

*the oligarchs in communications, finance and other industries are often paid in stock options, which are subject to much lower capital-gains tax rates.*

Peter, see my previous statement about lobbyists.

And thanks for giving an example that contradicts your earlier claim of "heavy taxes on most upper income Americans" and proves my claim that rarely have taxes on the rich been lower.

*A recent Wall Street Journal poll found the majority of Americans view the economic and political system stacked against them and dissatisfied with Obama’s handling of the economy. Meanwhile, the economics profession—composed mostly of left leaning academics*

So Peter, does that make you an outcast among your peers?

Don't feel alone Peter. 3% of climatologists also feel like outcasts because of their rejection of global warming. The interesting thing about those 3% is that many can be shown to be nothing more than shills for the oil companies - shills who are willing to sell out their scientific integrity for personal gain.

As a Fox News contributor, I'm guessing that you don't accept global warming either, do you Peter?

*—is enamored with French economist and author Thomas Piketty’s thesis, in the new bestseller, "Capital in the Twenty-First Century," that growing inequality is the natural outcome of capitalism and confiscatory taxes are the answer. Both notions are wrong.*

Peter, that's what the 3% of climatologists say about the 97%, while they fill their wallets with oil money.

Have you ever considered that maybe your colleagues are right? That maybe Piketty is right? And that maybe Fox News is nothing more than the propaganda arm of the filthy rich?

And what's this "confiscatory taxes" stuff? You're not one of those sovereign citizen freaks, are you?

If you aren't, you might want to consider changing your rhetoric Peter.

*Washington corruption -- in the pattern of Vladimir Putin -- is driving inequality and sinking family incomes.*

Peter, that's called the "Red Herring" logical fallacy. You are attempting to draw attention away from the robber barons who are destroying America by pointing to an unrelated economy and government system. That will only succeed with the most ignorant audience.

Oh, that's right - I got this essay off Fox News. So you *are* speaking to the nation's most ignorant audience.

<http://www.huffingtonpost.com/2011/11/21/fox-news-viewers-less-informed-people-fairleigh-dickinson_n_1106305.html>

*Higher taxes may catch your family doctor in the near future but politicians will still find a way to exempt their supporters among the very wealthy.*

Peter, I'm shocked. What brought on that burst of honesty?

*Politicians offering ordinary voters a free ride on taxes, subsidized health care and other enticements are really picking their pockets by giving the country away to the oligarchs.*

Peter, you're a little late ... the rich have already taken the country.

The only question that remains is ... will we ever get it back?

<http://www.foxnews.com/opinion/2014/05/12/terrible-truth-about-income-inequality/>

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THE SCIENCE SEGMENT

Oldest biodiversity found in Gabonese marine ecosystem

Researchers have discovered, in clay sediments from Gabon, fossils of the oldest multicellular organisms ever found. More than 400 fossils dating back 2.1 billion years have been collected, including dozens of new types. The detailed analysis of these finds reveals a broad biodiversity composed of micro and macroscopic organisms of highly varied size and shape that evolved in a marine ecosystem.

This discovery has drastically changed the scenario of the history of life on Earth. Previously, the oldest known fossils of complex organisms were 600 million years old and it was commonly accepted that, before that period, life on our planet was exclusively made up of unicellular organisms (bacteria, unicellular algae, etc.).

The organic origin of the samples was confirmed using an ion probe to measure the different sulfur isotopes, while X-ray microtomography revealed their internal and external structures. The rapid fossilization of these individuals by the replacement of their organic matter by pyrite, brought about by bacterial action, conserved their original forms very well.

Several new morphotypes, e.g. circular, elongated, lobed, etc. have been catalogued by the researchers, each including individuals of different size. Their analyses reveal organisms with radial texture and soft gelatinous bodies. Their forms can be smooth or folded, their texture uniform or knobby and their material can be in one whole piece or partitioned. The highly organized structure and varied sizes of the macroscopic specimens (up to 17 centimeters) suggest an extremely sophisticated means of growth for the period.

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FAMOUS QUOTES

Albert Einstein (no biography - previously quoted)

"As long as there are sovereign nations possessing great power,

war is inevitable.

Only the creation of a world government

can prevent the impending self-destruction of mankind."