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Economic Inequality and Political Baloney

The big story that's simultaneously being spotlighted from the Vatican to the White House, from Oxfam to newly elected Mayor Bill de Blasio in New York City, is economic inequality and the purportedly overly-skewed and unjust distribution of wealth.

"The human rights group Oxfam reported that the wealth of the world's 85 richest people is equal to that of the poorer half of the world's population," reported Voice of America on January 20.

In other words, the wealth of a little group of people who can easily fit into two Mercedes party buses is equal to the combined wealth of the 3.5 billion people who make up the bottom half of the world's population.

That's nothing new. Wrote Jeffrey Goldberg in 2011 in *Bloomberg Businessweek*, regarding the Wal-Mart heirs, "In 2007, according to labor economist Sylvia Allegretto, the six Walton family members on the Forbes 400 had a net worth equal to the bottom 30 percent of all Americans."

In other words, six people who can fit nicely into a new Cadillac Escalade have more dough than a third of all Americans.

Similarly, I could say, correctly, that my net worth is greater than the bottom 25 percent of American households, added together. "In 2009, roughly one in four (24.8 percent) of American households had zero or negative net worth, up from 18.6 percent in 2007," reported *Forbes* magazine in December 2011.

In short, one American guy on a skateboard can have a bigger net worth than the combined net worth of a fourth of his compatriots.

Oxfam disapprovingly reported that the annual income derived from the $73 billion fortune of the world's richest individual, Mexican telecommunications mogul Carlos Slim, is equal to yearly wages of 440,000 Mexicans.

Oxfam didn't say whether those 440,000 Mexicans would be better off if they had more people like Carlos Slim, Henry Ford, J. W. Marriot, Andrew Carnegie, Walt Disney, W. K. Kellogg, Sam Walton, Bill Gates, Steve Jobs, Ralph Lauren, Warren Buffett and Mark Zuckerman in their country — all innovators who became wealthy because they produced new jobs, economic growth, and new economic pies, not because they grabbed overly large slices of preexisting pies.

On December 4, sounding more like Creedence Clearwater Revival than Milton Friedman — "I ain't no fortunate one," President Obama summed up the performance of the U.S. economy over the past three and a half decades: "Since 1979, our country has more than doubled in size, but most of that growth has flowed to the fortunate few."

The unfortunate many, he said, suspect "the deck is stacked against them." And he repeatedly reinforces that alleged suspicion by telling them that they're in a crooked game with a stacked deck —

preordained losers in a system where the government is too small, the amount of income and wealth being redistributed is too skimpy, and the private sector is too unencumbered by regulations, taxes and mandates.

By the age of three, said Obama, again citing numerical inequality, “a child born into a low-income home hears 30 million fewer words than a child from a well-off family.” That might have more to do with absent fathers and drug abuse than the tax rate on capital gains, more about overindulging in negativity than the unobtainability of books.

At the Vatican, Pope Francis said we “have to say ‘thou shalt not’ to an economy of exclusion and inequality,” and not “assume that economic growth, encouraged by a free market,” buttressed by “trickle-down theories,” will “inevitably succeed in bringing about greater justice.”

In fact, the pro-market, pro-growth policies of Reagan, disparagingly referred to as “trickle-down economics,” produced falling poverty rates every year from 1984 to 1989, a 20 percent overall hike in real per-capita disposable incomes, a drop in inflation from 13.5 percent to 4.1 percent, and a decline in the unemployment rate to 5.5 percent by way of the creation of 20 million new jobs.

Today, in contrast, Obama’s anti-growth policies of more taxation, more regulation, more mandates, more government, and more redistribution have produced the worst economic recovery since the Great Depression, the lowest workforce participation rate in 40 years, declining real incomes, higher poverty rates and more inequality.

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