

TIME AND CHANCE HAPPENETH TO THEM ALL, or The pervasiveness of random processes

I returned, and saw under the sun, that the race is not to the swift, nor the battle to the strong, neither yet bread to the wise, nor yet riches to men of understanding, nor yet favor to men of skill; but time and chance happeneth to them all (Ecclesiastes 9:11, 977 B.C.).

Why do so many features in man, society, and nature result, not rarely, but so frequently, in well-known probability distributions, the normal ("Bell Curve") being only the best-known one. The Normal Curve of activity is achieved by flipping a coin for 1000 times and you will get most nearly half heads and half tails. But there is a decreasingly small chances that you will get progressively smaller and larger numbers.

Change the criteria from numbers of people to qualitative proportions and we see that the tails of probability naturally raise the quality at the high end and lower the quality at the low end. This is called the Yule Process, but gets too long to describe.

Add a fixed amount across the board (cost of living or bureaucratic overhead and the low end goes deep underwater and the high end is barely effected. Inequality is determined by what you decide is important to consider.

The abnormality of zero is taken care of by selection criteria. *ie.* "working" population, excludes children, hospitalized, etc. In this century one third of the adult population does not contribute, but takes from the economy. How negative values are handled is up to the instructions to the analysts.

Analogizing this to individual income, increasing the minimum cost of entering the work force will, though any matter of restrictions result in greater concentration of incomes among the "rich." These include minimum wages, offering so much public assistance that unemployed workers will find it not worth their while to enter the job market, the difficulties of firing poorly performing employees, and various civil rights laws, esp. the 1969 addition of prohibiting "disparate impact."

One way is to subtract a certain minimum from all incomes .

Another is to postulate a different distribution for the "rich" and the "superrich."

A third is to develop different rules for dealing with the poor, certainly on the grounds that income data for the poor exclude income from governments and also unreported income from barter, illegal activities, and so on. Would this lead to different rules for different demographic groups as well perhaps by age, by denomination, by shade, by language, by gayety?

What one should never do is trot out slogans, like "greed" as the cause of rising income inequality, for greed is something that exists at all times and everywhere. Same as the word "money" has emotional meaning to some people other than an innocuous store of value.

This might not be intuitive, but as products are successful , the result is larger companies where. unskilled, semiskilled, and even skilled labor is being replaced with high cognitive employees in product development and marketing. Labor is a tradeoff with outsourcing to other countries or with automation.

Chance has a place in life. But fate is largely in our hands.

What is the 5%? Who is they? (Video says \$1% starts at \$380K)
Personal annual income \$100K =6% (2012). Nice round number
Thus, those with two income earners of our social class are well into the 5%.
http://www.census.gov/hhes/www/cpstables/032011/perinc/new01_001.htm
Another nice round number is \$1,000,000 in net worth.

" In this class we have condemned the 5%. Called them names and shamed them. But who are the five percent? Anyone who has the inclination to attend these sessions here today is or has had the opportunity or capability to be in the top 5% of accumulated wealth. The people we have been pillaging are ... ourselves. "They is us." If not among the "They", then is is a matter of choice. or has had a choice made for them by the unfairness of life.

An ex-wife worked at H&R Block and was shocked how many high income earners in our upper middle class neighborhood in Cedar Rapids had interest income too low to report. *ie.* less than \$10. They spent every dime.

Should the person who strives, is conscientious, and wise, and who makes it into the 5%; he who pays a disproportionate amount of taxes to the public expenses ... be shamed? Or is the person who has the potential to contribute to society, but who passes on a lessor share toward the public good ; is it he who should be shamed?

A story. Two fellows, buddies of mine, graduated top of their high school class, each won a national merit scholarship and went off to college. [I joined the navy] Last I heard, one was president of a chemical company making seven or eight figures, probably one of the 2%. The other went to UofI, discovered the 60s and became a hippie.

Met him again at a Christmas party a dozen years ago and I commented that I liked his long hair and retro clothes. He defensively said that "Looking the way I do, I can get invited in for a meal and to spend the night anywhere in the country." I replied that "I can, too, by using my AmerExpress card." He had four degrees: bachelor of hippie, master of theology, master in counseling, and doctor of psychology and became a social worker. He helps people and is not a seeker after worldly goods. There have been years when my taxes exceeded his income. (his wife works, they are not hurting). But who is to say that it is not the successful, the "unequal" tax payer that is helping those same unfortunate people by paying **his** salary? We all make choices.

While on a roll about taxes:

Tax Freedom Day. One hundred years ago, one had to work ten full days to pay ones yearly taxes. It was up until March when most of us were born, to pay for the Fair Deal. It is now April 13th.

[It could be worse. May 30 in England, June 19 in Greece, July 3 in Holland, July 16 in France. And is Aug in Belgium but that is because such a low percentage of people work, the tax burden is borne by the few actual workers. ... Sound familiar?! "

Minimum wage.

1938 Fair Labor Standards Act minimum wage was at \$0.25 per hour (\$4.10 in 2012 dollars). O wants to raise it to \$10.10 (a catchy number). Why not \$20.20? Or why not \$2,020.00?. Think about it ; the reasons will soon come."

Try: out sourcing, mechanization, inflation, fewer jobs, higher taxes, social unrest, ...

Recall the example of a father who wanted his son his paid a man's wage and shut off future earnings. I asked a father once if his son was old enough to feed my animals while I went on vacation the following week, then asked what he would consider a fare amount to offer. The father grandly said, "To do a man's job deserves a man's wage". The job entailed the kid riding his bike a half mile and scoping some feed from a container to a bowl. Time was short, so I paid a man's wage for that week. When I got back I had bough large self feeder and a self watering tank. It helped me daily and I did not have to pay for any high priced labor. This is an example of automation at the grass roots level.

When slaves were freed, the cotton gin left a large hole in the unskilled labor market. In compassion we have paid compensatory welfare for the last 150 years and the problem and expense continues. Does anyone see a similarity with automation removing needs of the current wave of unskilled labor? Will agricultural labor, even meat packing, be replaced? How about by energy bars, food capsules, ensure drinks, organic manufacture, replicators?

Unemployment.

It is the destruction of incentive that bothers me. Example, a fellow works construction taking home \$50-60K with lots of summer overtime. He is laid off for winter, one third of the year, and receives \$400 a week as unemployment compensation. That is long enough to get another job. But he would have to make much more than \$10.50 an hour to make it worthwhile to get up from the television. My dad used to work at gas stations for minimum wage when Westinghouse would go on strike. (now \$7.50) There is no incentive to work anymore.

Equality of opportunity ...

The quotation "**All men are created equal**" has been called an "immortal declaration", and "perhaps the single phrase" of the United States Revolutionary period with the greatest "continuing importance". Thomas Jefferson first used the phrase in the Declaration of Independence. It was thereafter quoted or incorporated into speeches by a wide array of substantial figures in American political and social life in the United States. The final form of the phrase was stylized by Benjamin Franklin.

In 1776 the Second Continental Congress asked Benjamin Franklin, Thomas Jefferson, John Adams, Robert Livingston, and Roger Sherman to write the Declaration of Independence. The five men voted to have Thomas Jefferson write the document. After Jefferson finished he gave the document to Franklin to proof. Franklin suggested minor changes, but one of them stands out far more than the others. Jefferson had written, "We hold these truths to be sacred and undeniable..." Franklin changed it to, "We hold these truths to be self-evident."

The opening of the United States Declaration of Independence states as follows:

We hold these truths to be self-evident, that all men are created equal, that they are endowed by their Creator with certain unalienable Rights, that among these are Life, Liberty, and the Pursuit of Happiness. That to secure these rights, Governments are instituted among Men, deriving their just powers from the consent of the governed;

The Virginia Declaration of Rights, authored by George Mason and approved by the Virginia Convention on June 12, 1776, contains the wording:

"all men are by nature equally free and independent, and have certain inherent rights of which . . . they cannot deprive or divest their posterity; namely, the enjoyment of life and liberty, with the means of acquiring and possessing property, and pursuing and obtaining happiness and safety."

The Massachusetts Constitution, chiefly authored by John Adams in 1780, contains in its Declaration of Rights

Article I. All men are born free and equal, and have certain natural, essential, and unalienable rights; among which may be reckoned the right of enjoying and defending their lives and liberties; that of acquiring, possessing, and protecting property; in fine, that of seeking and obtaining their safety and happiness.

The case in the Massachusetts Supreme Court was argued that this provision abolished slavery resulted in a "sweeping declaration . . . that the institution of slavery was incompatible with the principles of liberty and legal equality articulated in the new Massachusetts Constitution"]

The phrase has since been considered a hallmark statement in democratic constitutions and similar human rights instruments, many of which have adopted the phrase or variants thereof.

Declaration of the Rights of Man and of the Citizen (1789), article 1: "Men are born and remain free and equal in rights. Social distinctions may be founded only upon the general good."

This is a fundamental document of the French Revolution and in the history of human rights. It defines the individual and collective rights of all the estates of the realm as universal. Influenced by the doctrine of "natural right", the rights of man are held to be universal: valid at all times and in every place, pertaining to human nature itself. It became the basis for a nation of free individuals protected equally by law. It is included in the preamble of the constitutions of both the Fourth French Republic (1946) and Fifth Republic (1958) and is still current. Inspired in part by the American Revolution, the Declaration was a core statement of the values of the French revolution and had a major impact on the development of liberty and democracy in Europe and worldwide.

But all this is not based on their equal results, but equal opportunity. When does their responsibility come into effect? When it comes to college and to scholarships, funding, etc., it seems that those from "disadvantaged" homes -- even undocumented residents, etc. -- seem to be favored over the "normal" middle-class kid and his family.

How often does society have to make everyone equal? Every year give them another Habitat for Humanity house because they didn't take care of the first one? Then let them trash it and start again? When does their responsibility come into effect?/

But, to be truly equal, should have anything in an estate go to the government to redistribute -- or to keep -- so that everyone stays equal.

What about equality of taxes? Should be that everyone pay income taxes, unlike today. No deductions -- because not everyone qualifies to pay taxes. We used to have "separate but equal" for schools in some areas -- now we can't even do that for disabled children like we used to have at Pleasant Hill -- everyone is "mainstreamed" and that means that some children have to have a less challenging program to make up for these children in the class -- have to teach to the lowest common denominator -- but I am sure that your teachers would argue against that being true.

We shouldn't have bankruptcy laws -- everyone should be equal in having to pay all debts that they have incurred. You and I have to pay our debts so everyone else should. If they can't, oh well. We do want some things to be not equal. And from those to whom much is given, much is expected. It works both ways.

Even in a single family, the children don't have equal abilities or receive equal attention. Even twins differ. Even conjoined twins. Equality in all things is impossible. How would they plan to accommodate and accomplish this? How much are they willing to give up to make everyone equal to them? Or how about lowering the average of everything so that it is easier for everyone to be equal?

ANALYSIS OF HANDOUTS

Five of our handouts are written by Robert Riech. I went to his website and he is a protestor of everything. Wrote handout articles: 1,10, 11, 12, 15, Recommending: limit contribution, create jobs, minimum wage, unions, and welfare.

Four of our handouts are by Sam Pizzigati. Who is Sam? Associate fellow of Institute for Policy Studies. Writes on excess and inequality, concentration of income and wealth. A veteran labor movement journalist, Pizzigati spent 20 years directing the publishing operations of America's largest union, the 3.2 million-member National Education Association. The IPS goal is to craft practical strategies in support of **peace, justice, and the environment**. IPS is partnering with the International Forum on Globalization. (My observation: it believes Marxist views need to be heard.)

Articles 4, 7, 8, 13. Recommending: ladders of opportunity, ratio wages, to vote, minimum wage.

What do the handouts suggest?	Articles
1 . Political contribution control.	1, 2, 4
2 . Extend unemployment benefits	15, 17
3 . Make public what is owned	
Health care, education and insurance.	15, 17
4 . Build new ladders of opportunity	17
5 . National service	
Provide tuition, expenses for laid off	15
6 . Raise estate tax	(15, 16)
7 . Cap and ratio wages.	
8 . Vote	
9 . Honor workers.	
10. Create Jobs	14
11. Raise minimum wage.	13
12. Support Unions.	
13. Minimum wage.	
14. Don't cut taxes.	11
Create jobs	10
15. Gov and welfare	
Low cost mortgages	
Subsidize utility bills	
Build roads	
Pay college costs	
Raise taxes	(6), 16
Food stamps	
Unemployment insurance	2
Fewer women (more Head Of House jobs)	
Reduce hours (more workers)	
Reduce savings (spend more)	
16. Raise taxes	(6),15
17. Create opportunity	4
protection	3

Of those that I find key, only twice is creating jobs mentioned, and only twice to rise taxes to pay for the suggested taxpayer paid benefits.

Three articles only make condemning or patriotic statements without suggestion. These complainants should be summarily dismissed.

There are certain laws of nature. Life would be so much easier if we all had a sky hook when needed or a third hand to help hold things when working, and a perpetual motion machine for an endless source of power. But that is not the real world. We can wish the government could provide free health care and free auto and home insurance, but nothing is free. In the physical world, there are equal and opposite reactions. The equation must balance. Action plus Friction equals Force. Social Benefits plus administration (government bureaucracy) equal the requirement for Taxes or, in today's world, plus Borrowing.

Several authors mention successful government led programs: 1. National Service, *i.e.*, Civil Conservation Corps, and Military. These temporarily take job seekers out of the national labor pool and provide skills to reenter the labor market at a later time. 2. The GI Bill. Exactly the same technique and employment effect, but resulted in an even higher level of educational preparation.. What alternatives are available to us today? Community college (should the public education system be raised to 14 years? Discuss.). Apprenticeships (...),,

Peace Corp,

A problem with this is that relatively few government programs are without unintended side effects and are wastefully expensive. The Post Office used to be cited as a success story.

Some things are pure sophistry.

There has been some suggest that we follow the Soviet style of providing housing for people, that of building high rise apartment buildings, as a goal for U.S. to aspire towards to assure decent housing for our expanding population, rather than suburban sprawl. We had those years ago in all the cities, they were uniformly called "The Projects" and most were destroyed from within and torn down within 20 years.

It is also suggested we need a Soviet style system of public works to provide employment for people. The saying of Russians about this was, "We pretend to work and they pretend to pay us". There is a Russian cartoon that did not need words. It showed workers numbering railroad ties for employment. In American humor, Beetle Bailey digs a hole and is told to fill it back up. Governor Vilsack, had a Grow Iowa jobs creation project that cost \$100,000 per job created. No wonder the nation is in trouble when failed Soviet socialism is not recognized to have failed. We need more classes such as these.

We can lament inequalities in life.

But how much are we willing to donate from ourselves to provide extra for others. What actual steps might be considered?

Alternatives often presented.

1. A **basic income** or **negative income tax**. If you make more, you pay taxes, make less, the difference is made up from the government. Universal, all citizens.
2. **Guaranteed minimum income**. Similar but with means tests. Only the deserving poor get paid. Does this violate equality of persons? Is it selective entitlement?
3. A **refundable tax credit** is whereby if tax system deductions make apparent earning go below zero, then you get paid the difference. Applies only to workers. One quarter of workers do not pay taxes today. Some percentage is paid for not working.

Note that the common denominator is transfer of money from tax payers to non-taxpayers by way of an intermediary of a government bureaucracy. The government decides what is a citizen (resident, application in process,, green card, visa, asylum, illegals??) They decide who is the deserving poor. SSI started for non-working, blind people,; pays much more than plain SocSec for those who have worked 40 or 50 years. It is treated today as an extension to unemployment; if a worker cannot find employment after a year, then he must be disabled somehow. Disability now covers more people than there are women workers in the country . Gov determines what is taxable, at what rates, and defines deductions. Branstad wants to reduce taxes ... by raising personal deduction to \$30,000. This is not a tax deduction to the families of people of this Round Table, but a tax increase to pay for more people who will be paying no tax at all.

I FAVOR:

1. increasing the death tax. Who better to tax than dead people? If a person of wealth wants his assets to go to somebody then give it to them while they are still alive. In farm county they lament having to liquidate the farm to distribute its value to heirs. I say, if a child is to inherit the farm, then give him acres for each year worked *or some such*. And then tax the income he earns from it, just as regular people have to do. Passing estates between generations on death creates a landed aristocracy and is an impediment to new people (your grandchildren) from entering the profession with new ideas. Why the slow approach to reducing the entitled class? The thirty years it would take is small compared to the general scheme of not doing anything. The alternative is direct confiscation of excess wealth that is a shoot'em up approach generally disapproved in our society. Would people tolerate it if Leona Helmsly or Paris Hilton had all but \$32,000 taken from them?
2. End importation of a slave class. It not only takes jobs from citizens, it will lead to a centuries long repercussions. History shows this is a drag on the economy from last time a labor class was imported.. You cannot expect to bring in millions of people and expect the population statistics of the generally positive measures to improve on health, height, education, IQ, income level, and such,. And we should not expect that the generally negative measures to decrease. crime, welfare cost, dropout rate, .. ?
3. Reduce the ratio of wages. Those who make CEO in the U.S. make a fistful of money. But who can say tat Steve Jobs or Micky Mantel is not worth it? Every CEO thinks he is worth it, too. However I suspect that top talents will continue contributions to society without exorbitant wages. There was a long segment in the video about not needing money. But investment of saving is good . Note: limited

wages will just be replaced by perks – cars, memberships, expense accounts, per diem payments, ...

4. Close loopholes, significantly regulations that support moving jobs overseas.

The proponents of health care say the entire program can be paid for by removing fraud.

Even, if not able to pay for the whole thing, if that level of fraud exists, then a lot of people should be in jail (including, significantly, the regulators) and a lot of legislators impeached

Kent offered: 5. Stop special treatment of corporations, tax all earnings, same for people. Let free market determine best approaches, it cannot be regulated from afar. Let corporations and people succeed or fail based on their merits.

Somebody offered. 6. End the payroll tax deduction so that people see each payday how much is taken by government.

Questions

How much inequality be tolerated?

Is there such a thing as a reduced level of inequality? Anything other than full equality is still unequal. Any differential is still inequity able to cause friction or perceived injustice to those seeking to find it.

The goal here seems to a reduction of of inequality.

What comprises equity? Is it to have enough to satisfy “need”?

Goal once was to have a chicken every Sunday.

Now everyone needs or has a big screen TV and a Ford Fusion? Why not a 3D Smart, 4K TV and a Lincoln Navigator?

Can there be such as thing as Satiation (say sea a tion) of desire?

The average income in the US is \$32,000 and it has gone down for each of the last few years. We are becoming most equal by lowering the expectations of life for most of us.

Should you reduce your living standard to that level; I you want, you could give it away ... today!

Distribution to whom?

Do children get a fair share? It has been rumored that welfare mothers like to get more ADC every year.

Do intercity mothers with six kids or a Mormon with 12 children receive twelve times that of us who are single?

Who determines the Just amount? The only common measure of value is to be distributed to the under-served ... is evil money?. Else how do we measure equal value? Health, prestige, power, bling?

Young men will want a sports car. Retired people will need a cruise ship tour of Europe.

Do we include everybody? A greater inequality is between us, U.S., and Sudan?

A handout I passed out to this group in March 2005 compared incomes from round the earth with the U.S. a the time of \$32,000, same today, and Uganda at \$320, one hundredth of U.S. Thus to equalize the world would have each of us taking 100 Ugandans into our your household, and each of your children inviting in another 100. If you would rather you could house, clothe, feed, medicate, and entertain only twelve Latin Americans. That would be for each ideal American family of four to add 48 Hispanics so as to reduce our standard of living to an equitable level.. But it could be worse, each

person in Luxemburg would have to take on half again that number because their average GNP per capita is greater than ours. We have an underclass bringing down our numbers whereas they don't.

<http://www.manorweb.com/creative/2005/averaging.doc>

More about distribution. Recall what happened when millions of dollars were donated to the survivors of the 911 Attack?. What comprised an equitable distribution? Law suits were filed by recipients based on degree of family relatedness to those killed, such as does each child get an amount, or one amount to each family. How does a wife compare with a dependent sister What goes to those injured, obviously to reimburse actual medical expenses, but how much pain and suffering? What about actual survivors who were not injured, but where there, and could rightly claim post traumatic stress. People on the street enveloped in the cement and asbestos dust cloud? Prove it.

Much anecdotal evidence that some people accepting a windfall distribution will gamble it away or sniff it up their nose. The wise will defer gratification and invest their money and provide for a long term higher standard of living. Whoow! We have inequality again!. Must we again take from the wise and give it to the unwise? What has been accomplished by impoverishing the able, successful, and prudent person? Sounds like the Abbot and Costello routine, you have more than me, give me half.

A bimbo, a pimp, and a con-man went to heaven where St Peter was had a pot of gifts to hand out. The bimbo wanted furs, designer clothes, and diamond jewelry. The pimp wanted furs, flashy clothes and gold jewelry. St Peter had to tell the con-man there was nothing left for him. He said, "that is all right, just give me the addresses of those two." Equalizing by natural selection.

Hay Zuse, Jesus for those of you from old Marshalltown, said that the poor will always be with you as his feet were perfumed.

I might be happy with high speed internet. You might require Les Vegas shows, Broadway plays, and world travel. What is a happy person in a just nation?

Employment.

Employment offers satisfaction, self respect, earned income to support oneself and any others one is interested in (family, charity). Employed pay taxes to help with the public good.

Unemployment might lead to a reduced standard of living, anxiety, social unrest, crime, substance abuse, is a drain on the public.

Our vice president says that unemployment is freedom.

Tuesday headlines as I write this

"CHINA TO SURPASS AMERICAN AS WORLDS LARGEST ECONOMY - THIS YEAR"

"U.S. GROWTH RATE SLOWS TO 0.1 PERCENT"

That is, one **one-hundredth** of China's

What hath Obama wrought?

<http://www.manorweb.com/creative/2014/equality.pdf>

My summary to friends and family.

Class was really disillusioning. Worse than the worst I expected. I expected equal parts bashing the rich and lamenting the poor. Got half of that; the entire first hour was how bad the rich were. There was no concern for the common man. The common theme from the class was lavish spending, but unconsciously ironic also say the public must spend to make the economy work. That possibility that investment of saving is good was not acknowledged; investments were considered as unearned wealth. I did not speak. At break Bert said I was quiet. I commented that I had 12 typed pages of notes to contribute to any direction the discussion went, but there was no direction, only sour grapes and class envy. He called on me on opening of the second hour.

I made the pitch that it is the responsibility of the simply rich to protect the public from ravishes of the super rich. Defined the simply rich, commented that **they are us**, and asked what we should do? Read off the suggestions of the handouts and called for discussion of the pros and cons of each idea. Talk immediately went back to rich bashing. No discussion of the handout points of unions, minimum wage, etal. Only Kent offered an idea. Stop treating corporations as special people and have all earned monies taxed. After more bashing, I suggested raising the death tax and why. No discussion, back to anti-privileged rich. Burt wrapped it up with he fears for our democracy. The conclusions drawn were the same old, very tired, repetition that the people must be educated and they must study the positions of those they vote for. Net effect? A waste of two hours and a lowering of respect for the group.